



# THE HOME LOAN PROCESS

## COMMUNICATION

During your home loan process, communication is vital. If at any time you are unsure about what to do next or what is happening with your application, please contact your loan officer.

## TIME FRAME

Our goal is to get your loan closed as timely as possible, however, there are many procedural and regulatory requirements that must be worked through. From application to closing, we ask that you prepare for a 30-45 day process depending on the complexity and characteristics of the transaction. Quick responses to requests for additional information and documents will aid in moving things along as quickly as possible.

## APPLICATION

The first step of the home loan process is the application. The application is where you'll provide us with some basic information about your income, credit history, assets and liabilities. The application form is available at any of our branches. Once you've completed the form, you can submit the application to one of our loan officers. If you do not have a preferred loan officer, we can assign one to you.

## DISCLOSURES

Once the application is complete and has been received, we will generate an initial disclosure package confirming the terms of the home loan for which you have applied. These documents will be provided to you electronically, by mail or in person for you to review.

## UNDERWRITING

After production of the disclosures, we will underwrite the application to determine if you qualify for the loan for which you have applied. You might be asked to submit documentation (W-2, tax return, pay stubs, bank statements, etc.) and additional information that is needed to make the loan decision. It is at this time that you may be approved for the loan (pending appraisal, title insurance and verification documentation).

## INTENT TO PROCEED

If approved for the loan, your approval will be communicated to you by your loan officer. You will also be asked if you want to proceed with the transaction.

## CONTRACT

If you are purchasing a home, you will need to submit to us a copy of the executed sales contract detailing the terms of the purchase. If a realtor is involved, this is something they might be able to do on your behalf.

## APPRAISAL

After you express your intent to proceed, an appraisal will be ordered. The bank selects an appraiser at random from an approved list of qualified appraisers. The appraiser will evaluate the condition and characteristics of the property, as well as the market activity for similar properties in the area. The appraiser will then establish an estimate of the property's value and submit a report. The report is reviewed by the Bank to ensure the property value and characteristics are sufficient for the loan for which you have been approved. You have a right to receive a copy of all written appraisals in connection with your application.

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## TITLE SEARCH

A title search and corresponding title insurance will be ordered for your transaction. On a purchase, this is done to ensure you obtain free and clean ownership of the home and so the bank can establish a priority lien. For a refinance, this must be done to ensure the bank can establish a priority lien. The resulting title insurance commitment will detail what title requirements must be met in order to proceed with the home loan.

## INSURANCE

If the loan is a refinance, we recommend that you submit proof of insurance by this time in the process. We will need evidence from your insurance company that includes the annual premium amount and a breakdown of the coverages. If you are purchasing a home, we recommend that you have decided on an insurance company by this time and that you have the company send us their quote for the annual premium amount and a breakdown of the coverages. This proof of insurance will need to list The Bank of Advance as mortgagee.



## PROCESSING

Once the loan is approved, the appraisal report is completed, the title insurance requirements are met and all other procedures and requirements are satisfied, we will produce your closing documents. This process can take up to several days.

## CLOSING DISCLOSURE

The closing disclosure discloses the actual terms and costs of the transaction. You will receive and sign the closing disclosure no later than 3 business days before the loan closing. Your loan officer will communicate with you to coordinate getting the closing disclosure delivered and executed. Your closing disclosure will also indicate the amount you'll need to pay at closing, if any. Your loan officer will typically inform you of any amount you need to pay, as well as the accepted method(s) of payment and other instructions.

## CLOSING

The closing for a refinance will generally take place at the bank. For a purchase, it will most likely take place at the Bank or a title insurance company. The closing will take place no sooner than 3 business days following the delivery of your closing disclosure.

## FUNDING

If your loan is a refinance of your primary residence, there will most likely be a 3 business day rescission period before the funding date (i.e. loan closes Monday, funding is Friday). For purchases, the funding is generally on the same day as closing. At funding, all closing costs will be paid and disbursements will be made as indicated on the closing disclosure.