



## **5-STEP ROAD MAP** OF THE LOAN PROCESS

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## START

Getting a home loan can feel like an epic journey at times. Like all worthwhile adventures, however, the **right guidance** can see you through to a positive outcome. Follow this road map to conquer the lending journey in five simple steps.

### Before you Begin

Every great journey has a trusted guide. Your mortgage loan advisor is that person through the loan process. This is an experienced, knowledgeable expert who knows the terrain, possible obstacles and what's around every corner.



Our loan advisors come from many different backgrounds, but we all share the same core values: **respect, transparency, and a scrappy determination** to get you to the finish line.



## 1

## LOAN PRE-APPROVAL

Pre-approval is where a lender provides a **conditional commitment** for a specific loan term and amount.

### The benefits of pre-approval are two-fold:

1. You know exactly what loan amount you can expect to be approved for, allowing you to **shop for a home** at or below that amount.
2. Those who present a pre-approval letter with their **offer on a home** have an advantage over other offers that aren't backed by the power of a pre-approval.

## The Loan Application

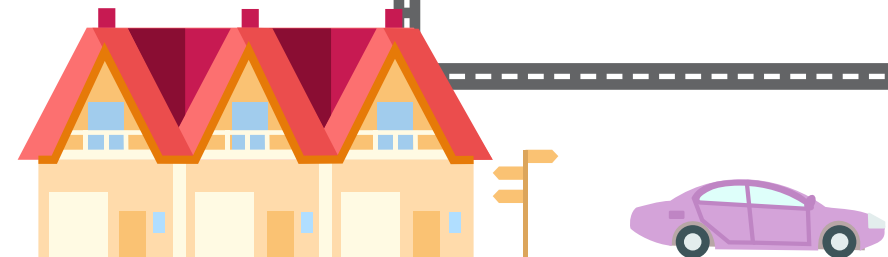
The pre-approval process begins with a loan application, which will provide your lender with a complete picture of your income, assets and debts.

## Loan Documentation

You will be asked to present financial documentation that confirms the information on your application. This may include:

- Paystubs
- Proof of income
- Tax returns
- Employment history
- Bank statements

Your mortgage advisor can provide you with a list of specific documents that may be needed for your loan application based on your unique situation.



# TRANSPARENCY

You will receive clear communication from us every step of the way. We're all about straight talk, information sharing and earning your trust.

**We are clear, concise and trustworthy.**



## 2

## SELECT YOUR LOAN PROGRAM

Fixed rate? Adjustable? FHA? There is a perfect loan for your **unique needs**, and we can help you find it.

Are you looking for the consistent rates and payments that a fixed-rate loan can provide? Do you want the short-term benefits of lower rates that an adjustable-rate loan can bring? Our extensive loan portfolio means you have plenty of options that can help you achieve your homebuying dream.

Your mortgage advisor will work with you to uncover the right loan program for your needs.



### Understanding First-time Buyer Programs

Selecting the right loan means understanding all the options available to you, which may include a first-time buyer program. These tools are specifically designed to help you buy your first home, often with lower down payment requirements or more relaxed qualifying guidelines.

### Down Payment Assistance

Down payments can range from no money down to 20%, depending on the loan program. Don't have the cash for a hefty down payment? We've got you covered. There are hundreds of down payment assistance programs – and we're happy to find any that can work for you.

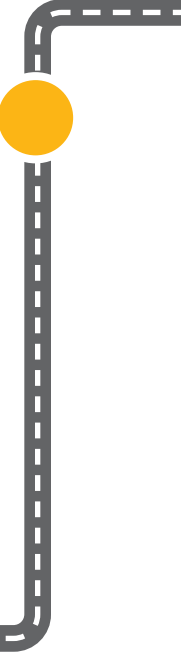




## RESPECT

We serve our customers with our full attention, intention and purpose at all times. Your home loan is a priority to you, so it's a priority to us.

**We are dependable, reliable and honest.**



## 3 PROCESSING & UNDERWRITING

Every loan has its own set of investor guidelines that must be met **before the loan is approved**. Your mortgage loan advisor will work with a processor and underwriter as you progress along your home loan journey.

### Loan Processor

Loan processors verify and validate your information, ensuring it's free of errors or omissions before your final application is submitted to an underwriter.

### Loan Underwriter

The loan underwriter will review your application to confirm your financial profile meets the requested loan's predefined guidelines.

### Requests for More Documents

You may be asked for more documentation as your loan is processed and underwritten. This is a normal stop on your home loan journey, so it's nothing to worry about.

### The Three Cs

Loan underwriters follow a set of guidelines known as the 3 C's when examining your loan application:

**Capacity:** Can you repay your mortgage?

**Credit:** Do you have a solid history of repaying debt? What's your credit story?

**Collateral:** Does the sales price meet the required value for the loan amount requested?



### Warning!

**Responsiveness is key to closing your loan on time. If a mortgage team member – including your advisor, processor or loan assistant – reaches out with a question or request, try to respond as quickly as possible. This keeps your mortgage application moving in a timely fashion!**





## ● **SCRAPPY**

We don't often hear this word from other mortgage bankers, but we are proud of our scrappy determination to get you across the finish line. We will always fight for what is right and we will always fight for you.

**We are resourceful, relentless and fierce.**



Other items during this phase can include:

## 4 LOAN APPROVAL

There is a **ton of activity happening** behind the scenes, as multiple parties work to get your loan approved.

Before this happens, you'll receive a contingent approval and a list of closing conditions that need to be met. These conditions can include verification of your current employment, confirmation that no new debt has been incurred, and proof that you've obtained homeowners insurance.

### Appraisal

A written analysis prepared by a licensed appraiser that estimates the value of a property.

### Title Search & Insurance

A title company researches the legal history of the property and then issues a policy guaranteeing that work.

### Flood Certification

Flood coverage is not included in a standard homeowners insurance policy, but your lender will request a flood certification to see if you are in a flood zone. If you are, flood coverage may be required.

### Homeowners Insurance

The property is the security for your mortgage loan, so your lender will require that you carry homeowners insurance to protect against damage from fires, wind, vandalism and other unforeseen incidents.



Once closing conditions have been satisfied, the underwriter issues a "clear-to-close" to trigger loan documents and final closing steps.



## 5 LOAN CLOSING

With an approved loan and a clearance, you are on the **home stretch** of your journey.

The lender will send closing documents to a title/escrow agent who draws up paperwork, arranges the document signings and transfers of title. You will also receive a **Closing Disclosure** with final terms and conditions of the loan, which must be acknowledged at least 3 days prior to closing. As always, timely acknowledgment is key to closing on time.



### Tip:

Be sure to carefully review all documents with your title or escrow company representative, confirming that you understand the terms, before signing. If something isn't as you expected, or you don't understand the terms, ask questions before issuing your signature.

### Who will be at the closing?

Depending on the state where you live, the parties present at your closing may include some or all of the following:

- An escrow company
- A title company
- Your mortgage advisor or other member from your loan team
- Home seller
- Real estate agents
- Your attorney or the seller's attorney

### Signing Documents

You've reached the end of your home loan journey. You're ready to **receive the keys** to your new home!

## FINISH

The road before you may seem like an epic voyage through strange, new lands. With the right guide and a detailed map, however, you can easily navigate the five steps of the loan process. Let this map and your experienced APM loan advisor be your trusted guides.





## About APM

As a company, we embrace the concept of homeownership with enthusiasm and optimism for housing in America. Every employee at American Pacific Mortgage takes personal ownership in *Creating Experiences That Matter™* for our customers and consumers. Every transaction represents a family, a home, and a life decision – we understand and value that our participation is a privilege and that our job is to delight everyone involved in the loan process.



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