

HOW MUCH HOME CAN YOU AFFORD?

ASK A LENDER AND GET PRE-QUALIFIED



April K.
Member since 1996

"MY HUSBAND AND I WERE ALREADY WRIGHT-PATT MEMBERS, AND KNOWING WE'D ALWAYS HAD SUCH A GOOD EXPERIENCE HELPED WITH THE DECISION TO DO OUR MORTGAGE LOAN THROUGH WRIGHT-PATT – WHY GO ANYWHERE ELSE? MIKE HILTON IN THE MORTGAGE DEPARTMENT REALLY HELPED ME THROUGH THE PROCESS WHILE MY HUSBAND WAS DEPLOYED IN IRAQ. EVERY TIME I HAD A QUESTION, I WOULD CALL OR EMAIL MIKE, AND HE EVEN CALLED ME TO MAKE SURE I WAS DOING OKAY AND MADE SURE WE WERE ON TRACK FOR OUR CLOSING. IT WAS REALLY A SIMPLE PROCESS. IT WENT REALLY WELL."

HOW MUCH HOME CAN YOU AFFORD?

The only way to truly know how much home you can afford is to talk to a lender. Getting pre-qualified for a loan will make shopping for the right home easier.

During your initial pre-qualification meeting, a lender will ask for information including your income and debts, as well as the type of loan you hope to secure. Make sure you are fully prepared and have copies of necessary documents ready from the beginning.

COMPLETE A LOAN APPLICATION

After your initial pre-qualification meeting, the lender will have you complete a full loan application for pre-approval. This will be used to verify the information you originally provided, as well as other important factors necessary to approving a loan. You may be asked to submit the following:

Income Verification

- W2 or tax return
- Documentation of other regular forms of income, including second jobs, Social Security or disability, alimony, and child support
- Records of income from investments and dividends could be required

Debt Verification

- Automotive loans
- Credit card payments
- Student loans
- Alimony
- Child support
- Market value of all real estate owned, along with the amount of any rents collected, the mortgage on the property, and the monthly mortgage payments

Proposed Loan Information

- Type of loan you are applying for
- Desired term
- Down payment amount
- Loan amount
- Projected settlement date



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Verification of Assets

- Bank account numbers
- Bank account balances
- Copies of bank statements
- Vested interest in all retirement funds
- Face amount and cash value of life insurance policies in force
- If the money used to make the down payment was a gift, a letter needs to be submitted explaining that the money was a gift and no repayment is needed. It is best to consult with your loan officer about what documentation will be needed.
- Bill of sale for assets sold to provide funds for settlement

Automobile

- Make, model, year and value of automobiles owned

Employment

- At least two years' employment history, including salary, bonuses, commissions and average overtime pay
- Contact may be made with your employer to verify employment
- Tax returns, financial statements and a profit and loss statement if you are self-employed

Other Documents You May Need

- Divorce decree and property settlement agreement (if applicable)
- Military discharge documentation (DD-214)
- Driver's license or Social Security card
- College transcripts
- Leases on rental properties
- Letters of explanation for credit issues
- Bankruptcy documents (if applicable)

Following pre-approval, you will have the information necessary to find your next home.

YOUR NEW HOME

Once you have selected the home you wish to purchase, you will also be asked to provide information about the property:

Property Information

- Mailing address
- Age of property
- Full legal description
- Multiple Listing System (MLS) information sheet
- Real estate agent and title company contact information
- A set of plans and specifications (for new construction properties)

Completed Copy of Purchase Contract Terms

- Including any addendums
- Signed by all parties, showing the full names of the sellers and buyers as they will appear on the new deed



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POST APPLICATION PROCESS

There are several steps involved in processing your loan application once it has been submitted.

Loan Application Department

- Obtains VOD, employment verification, credit reports and other supporting data to be returned to the loan originator

Underwriter

- Renders a loan decision
- If approved, notifies the loan originator

Loan Originator

- Within three days of submitting a loan application, an originator will provide a “good faith estimate” of the anticipated closing costs that include origination fees, points, mortgage insurance, title insurance, escrow reserves, hazard insurance, miscellaneous lender fees and your broker’s fees.
- A commitment letter outlining estimated monthly payments and total costs of all finance charges will be provided. Additional conditions may be outlined in order to complete loan approval.

Commitment Letter

- Must be signed and returned within five to ten days

Once the commitment letter is received, you are assured of the financing you need to complete the purchase of your home.

TIPS FOR COMPLETING THE LOAN APPLICATION FORM

Reducing Approval Anxiety

- Remember that a lender wants to make the loan.
- Loan underwriters are looking for ways to approve loans, not decline them.
- Maintain open lines of communication with the loan originator.
- Be accessible to provide additional information or documents during processing.
- Quick response to lender requests helps keep the process on schedule.
- If you reside out of town, use your real estate agent as a contact if necessary.
- In order to protect both you and the lender, mortgage loans require much more paperwork and legal documentation than an automobile or other installment loan, but lenders do not ask for more than is absolutely necessary.

Once you have an accepted offer to buy a home, contact the lender again.

CALL TODAY!

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