

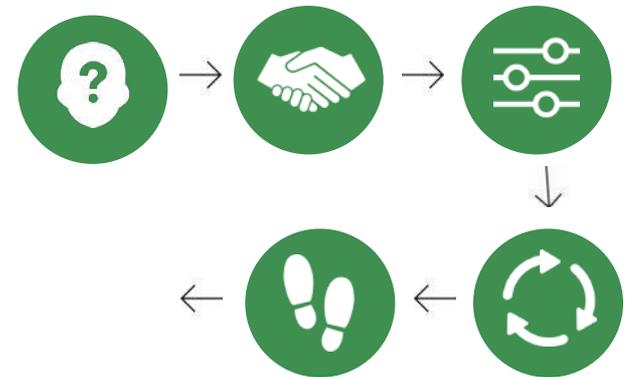


**WHAT TO
EXPECT FROM
YOUR LOAN
OFFICER**

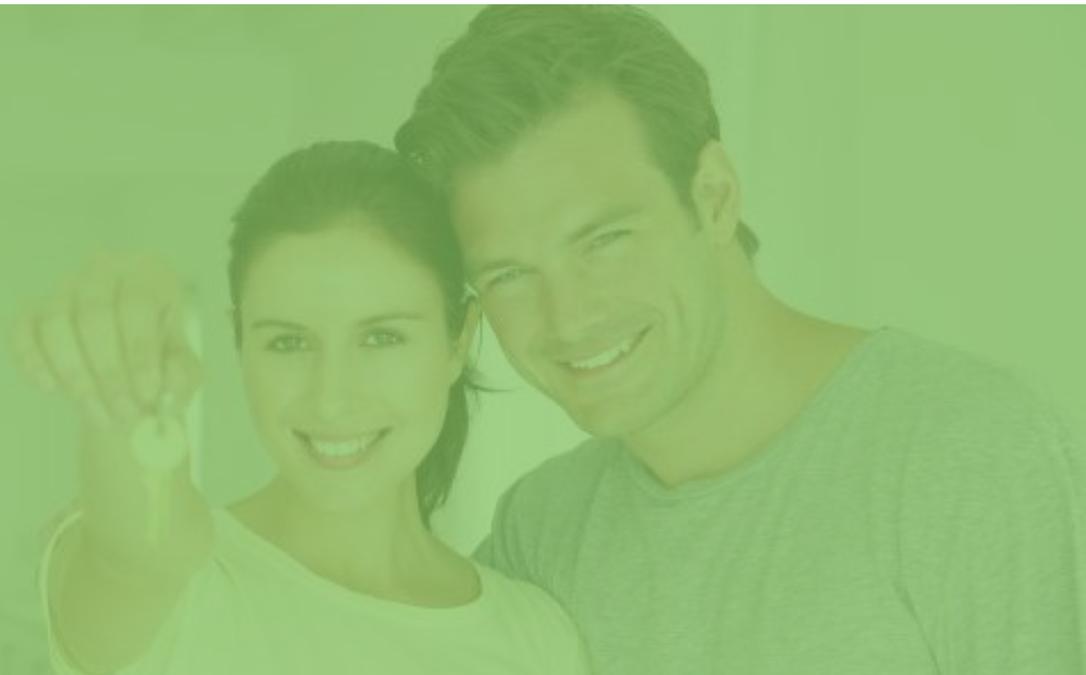


TABLE OF CONTENTS

Knowledge _____	2 - 4
Communication _____	5
Choices _____	6
Timeliness _____	7
Overall _____	8



There are **literally hundreds—even thousands—of lenders** begging you for your business. Some of them advertise heavily on radio and television. Some would like you to feel like an astronaut if you choose them to handle your loan. Others want you to believe that you can't possibly get a lower rate than theirs. It may be hard to sort out what's truly important amid all the noise, but we'd like to give you some points to keep in mind when you are ready to buy or refinance a home.





KNOWLEDGE

The process of getting a mortgage involves a great many steps between completing an application and closing your escrow. Your loan officer will guide your loan application through many steps.

Even before you have submitted a loan application, however, you should have a conversation with your loan officer to be sure that you are getting the right program for you, that he or she has helped you gather all necessary documentation for loan approval, and that you are able to get the very best rate for your mortgage.

Case Study #1

Bill and Marion were planning to buy their first home. They had saved enough money for a 10% down payment. Their loan officer gave them an initial estimate of their closing costs and the amount of cash they'd need to close escrow.

They both looked at the estimate, frowning.

“Is anything wrong?” their loan officer asked.

“We didn't know we'd need this much cash. We have the 10% cash for a down payment, but not much more than that.”



CASE STUDY #2

Jason and Katie were refinancing their home for a lower interest rate. Katie's credit score was 740, but Jason's was 675. Their loan officer explained that the lender would use the lower of the two scores in determining the cost of their loan.

Jason's score was high enough to qualify for the loan they wanted, but the rate was higher because of the score. The loan officer analyzed Jason's credit report and knew that if Jason's score was 680 or higher—just five points more—they'd get a much lower rate. He saw that the balances on some of Jason's credit cards were more than 30% of their credit limits. He advised Jason to reduce those balances. Two weeks later, Jason's credit score had increased to 685—and their rate dropped .25% as a result.

A loan officer who understands credit scoring can advise his clients how to position themselves to get the best rate.

Understanding the Underwriter's Process

Your loan officer should be completely familiar with every step of the underwriting process. This professional should be able to advise you ahead of time what documents you'll need for loan approval, rather than waiting for the underwriter to tell them what to do. This would slow down the progress of your loan application.

When the underwriter gets your application with all its supporting documents, they'll calculate a critical number called the Debt to Income Ratio, or DTI. They do this by adding up your total house payment (including taxes, insurance and mortgage insurance, if any) along with any debt payments with 10 months or more remaining. They divide this number by your gross monthly income to arrive at your DTI.



Your loan officer should know how the underwriter will evaluate your income. Will they average the hours of overtime you've worked over the last two years? Will they consider the fat end-of-year bonus you received last Christmas? Your loan officer should have these answers before sending any loan to the underwriter for approval.

COMMUNICATION

Getting a mortgage can be a daunting task. It may seem as though there are foreign words and terms in the process. There are dozens of steps to getting a mortgage, and some of them require action on your part.

The most important part of any loan officer's job is to communicate clearly and effectively with you, their customer. You should never feel as though the loan officer is trying to rush you when you have questions, or making you feel stupid for asking basic questions.

Here is the kind of communication you should expect from your loan officer:

- He (or she) should explain the steps in your loan process in terms that you understand.
- He should encourage you to ask questions.
- He should answer the phone when you call. If he's not immediately available, he should return your call promptly.
- If he uses technical mortgage terms (and there are a lot of them), he should be sure you understand them.
- He should explain all the costs of your purchase in plain language, so you understand them fully.
- If he asks you for additional documents, he should explain to you why he needs them.
- He keeps you informed with each phase of your loan. He'll communicate with you through whichever medium works best for you: phone, email, text—or all three.
- He should make you feel like a partner in the process, rather than a victim.

CHOICES

Sometimes there are several different approaches to your unique situation. Your loan officer should be willing to explore different kinds of loans with you, if that's appropriate.

Here are some examples of situations that might require a loan officer's knowledge and expertise:

- You plan to live in your home for just four or five years. Will a 5-year adjustable rate mortgage save you money?
- You don't have a large down payment. Can your loan officer suggest different scenarios to handle the down payment and closing costs?
- If your credit score were just a few points higher, would you get a lower interest rate? Your loan officer should be able to analyze your credit report and determine whether this is possible for you.



Credit Score



Large Down Payment



5 Year Adjustable



TIMELINESS

When an underwriter approves a loan application, they will specify certain conditions that must be signed off before the loan can go forward to completion. Many of these conditions are routine and can be handled by the loan processor or title company. Others need the efforts of an experienced person—your loan officer—to deal with. He should let you know about all the conditions that the underwriter has called for, and without delay.

There are many steps in every loan process. A delay in any one of them can delay the closing of a loan. Your loan officer should be dedicated to completing these many tasks as quickly as possible, so your loan can close in the shortest possible time.

OVERALL

Getting a mortgage to buy or refinance a home involves a kind of partnership between you and your loan officer. You should always have a sense of comfort and confidence that your partner in this process is dedicated and attentive to your best interests as the two of you move through all the steps of the process.

[CLICK HERE TO TALK TO
A LOAN OFFICER NOW](#)



Talk With a
Loan Officer Today!

CONTACT US NOW