

Working with Lenders



Pre-qualification

Mortgage prequalification is a preliminary step in the homebuying process that estimates how much you might be able to borrow for a home loan. It's based on your income, debt, credit, and other financial information, as well as a credit check.

Follow-up and teamwork

Once a contract is agreed upon, the Lender will work with the other real estate professionals involved in the transaction in order to make sure the loan is approved and closed in a timely manner.

Qualification

The lender will begin the qualification process by completing an estimate statement of fees and costs to determine the loan amount and by verifying the information provided on the application concerning credit history, employment status and financial situation. The borrower will be required to provide recent financial information and documents. Having established preliminary qualification, the lender orders a title search, property appraisal and credit report. Usually, the borrower pays for the credit report and property appraisal, which is used to determine the value of the property and, ultimately, the amount a lender is willing to lend. The lender will require a Lender's Policy of Title Insurance to assure the priority of the new loan.

The Title Search

The title search by **Destination Title Group** will disclose the current condition of the title, according to public records. The lender will be interested in how and in whom title is vested, any special conditions or restrictions affecting the use of the property and existence of voluntary liens (existing loans) and/or involuntary liens/judgments.

The search will also show the current status of taxes and assessments and the conditions under which title insurance will be issued.

With the title search, financial and personal qualification and property appraisal completed, the lender will prepare loan documents to be executed by the borrower upon loan approval.

Loan Documents

Loan documents will include the formalization of the terms and conditions of the loan, a promissory note and deed of trust and various state and federal disclosure documents. They also provide a breakdown of the financial accounting of the loan, including fees and charges.