

Cherry Creek Mortgage

The Loan Process

Buying or refinancing can be easier than you think. But, there are certain things you should do to keep the loan process on track:

- **Organize all your documents**
- **Get pre-approved or approved**
- **Close your loan**

Organize your documents

1. Provide two years W2's and one month of paystubs-if you are salaried
2. Provide two years 1040's and a YTD Profit & Loss Statement-if you are self employed. The P & L does not necessarily have to be completed by an accountant. If you keep accurate and complete records, you can do this yourself.
3. Provide two month's bank statements for each bank account, and the most recent statements for each stock, mutual fund, IRA/401K that are in your name.
4. Provide a copy of your divorce decree, if applicable.
5. For rental property, provide rental agreements and two years tax returns.
6. For Home Equity Line of Credit, provide a copy of the Closing Statement and note on your first mortgage.

Get Pre-Approved or Approved

When buying a home or refinancing your current home, it can be beneficial to you to get pre-approval or approval. The difference between the two is that approval is more involved and takes a little more effort on your part. But, the results are well worth the time and effort. Having the approval will allow you to:

1. Know exactly how much of a house you can afford. This will save you time when shopping for your home to look for properties in your price range.
2. The seller will know that you are already approved. This will give you an advantage.
3. If you are in competition when looking for a home, the seller will most often prefer to work with a buyer who is already approved.
4. You can close more quickly because you are already approved. Select a Loan Officer with whom you feel comfortable and one that will listen to you and your concerns. Your Loan Officer will work with you to help you determine which loan is right for you. There are literally hundreds of mortgage programs to choose from and the experience of the Loan Officer will help make this process a little easier for you. In addition there are other considerations such as rates and points where you will need to call upon the experience of your Loan Officer.

While working on the approval process, there are a few steps to keep in mind:

1. The Loan Officer needs your help in obtaining the documentation needed to process your loan request. This documentation is needed to verify your credit history, employment history, assets and the property value.
2. It is important to get this information to him/her as soon as possible.
3. Do not make any major purchases. If your debts increase, this may affect your debt ratios and the result could be that you will not be able to get approval.
4. Do not move money around, in and out of accounts, until your loan closes.
5. Stay in close contact with your Loan Officer during this time.

Close your Loan

Once approved, there are loan documents that must be signed. This will normally be done in front of a notary. There are a few things you will need to do:

1. Have a cashier's check for the closing costs. Your Loan Officer can give you an estimate of what they will be. Personal checks are generally not accepted.
2. Carefully look over your documents. Check for spelling and addresses. Also, make sure the rate and terms are the same as those quoted to you. It will take a few days after signing for your loan to close. With refinancing and equity loans, federal law requires three (3) days so you have the opportunity to review your documents before the loan will close.

Enjoy!