

PHASES OF THE LOAN PROCESS

*****Indicates action item for borrower*****

- **Prequalification**
 - Run credit
 - Obtain relevant documents
 - Discuss options
- **Loan package and disclosures sent for signature**
 - ***This can be done electronically or in person.***
 - ***Government forms require a wet signature.***
- **Loan registered at a lender**
 - Lender will send borrower an LE (loan estimate) and some disclosures which will be the same, or similar, to what was signed in the loan package with Spectra.
Disclosures will need to be opened, acknowledged, and e-signed.
 - Last four digits of Social Security number will be used to open lender correspondence.
- **Credit inquiry letter sent to be *e-signed***
- **Loan submitted for underwriting**
- **Package reviewed by underwriter**
 - Underwriter gives initial approval and sends conditions that will need to be met to get final approval.
 - Conditions are received usually within 7-10 days following submission.
- **Appraisal ordered through Spectra**
 - For a purchase, the appraiser will contact the seller or seller's agent.
 - If it is a refinance, the appraiser will contact the borrower to ***set the appointment.***
 - Appraisals can take anywhere from 7-15 business days to receive the report; sometimes longer during peak season.
 - A soft copy of the appraisal report will be sent to the borrower.
- **Contact made with the borrower's insurance agent to gather required information**
 - Purchase: ***Borrower needs to contact agent, request a new homeowner's quote, and accept the quote in order for us to get the required documentation.***
 - Refinance: ***Borrower needs to provide us with contact information for homeowner's insurance agent.***
- **Earnest money check sourced**
 - If loan is for a purchase that involves earnest money, we will need to "source" the earnest money check.
 - ***Borrower needs to provide a copy of the check and copy of the bank statement or bank register showing the check has cleared borrower's account.***
 - ***Required on the statement/register is borrower's name, partial account number, proof that the check cleared, and an ending balance.***

- **Conditions received from lender**
 - Borrower may be contacted if additional paperwork is requested by the underwriter.
 - Most conditions can be met by the processor.
- **Interest rate for the loan locked (if not previously locked) and final terms of loan are confirmed**
 - Lender will reissue the LE (loan estimate) to the borrower, showing it is locked.
 - ***Borrower will need to open and acknowledge this LE.***
- **Re-disclosures received**
 - During the loan process, the borrower may receive several re-disclosures of the loan.
 - ***Borrower should open and acknowledge receipt of each and every re-disclosure from the lender.***
- **Loan resubmitted**
 - Once all conditions are compiled, the loan is resubmitted to the underwriter for final review and approval.
 - Approval is usually given within 72 hours of uploading the conditions.
- **Final approval and “clear to close” granted by underwriter**
- **Closing details arranged**
 - ***We will work with the borrower***, title company, and seller (if purchase) ***to schedule a closing date, time, and location.***
- **Preliminary CD (closing disclosure) ordered**
- **CD sent to borrower**
 - ***CD needs to be opened and acknowledged immediately.***
 - DOCUMENT IS VERY TIME SENSITIVE.
- **Closing Instructions issued**
 - An email is sent to the borrower confirming date, time, and location.
 - If purchase, the final figure for the amount the borrower needs to bring to closing is noted.
 - ***Borrower’s closing costs will need to be brought in the form of a wire or cashier’s check.***
- **Closing attended**
 - ***All interested parties are present at closing.***
 - Title company representative will have closing package present for the borrower to sign.
 - Lender issues the wire for the loan amount to the title company.
 - If purchase, funds are released at that time.
 - If refinance, funds are released after a three-day rescission period.
 - Title company records documents with the county and issues checks for taxes and insurance (if part of the escrow).