



5-STEP ROAD MAP OF THE LOAN PROCESS

TABLE OF CONTENTS

Introduction.....03

Step 1: Loan Pre-approval.....04

Step 2: Select Your Loan Program.....06

Step 3: Processing and Underwriting.....08

Step 4: Loan Approval.....10

Step 5: Loan Closing.....11

About American Pacific Mortgage.....12





START

Getting a home loan may feel like an epic journey at times. Like all worthwhile adventures, however, the right guidance can see you through to a positive outcome. Follow this road map and you will see that the journey before you can be conquered in five simple steps.

BEFORE YOU BEGIN

Every great journey begins with the right guide. Your mortgage loan advisor is your guide through the loan process: an experienced and knowledgeable expert who knows the terrain and what's around every corner.

Our loan advisors come from many different backgrounds, but we all share the same core values: **respect**, **transparency**, and a **scrappy** determination to get you through to the end.



1

LOAN PRE-APPROVAL

Pre-approval is part of the official loan application process where a lender provides a conditional commitment for a specific loan term and amount.

The benefits of pre-approval are two-fold:

- #1: You are armed with the knowledge of exactly what loan amount you can expect to be approved for, in order to shop for a home at or below that amount.
- #2: When you present a pre-approval letter with your offer on a home, you are at an advantage over any competitive offers which aren't backed by the power of a pre-approval.

1.1

THE LOAN APPLICATION

The pre-approval process begins with a loan application. When you fill out your application, you will provide a complete picture to your Lender of your income, assets, and debts.

1.1.1

LOAN DOCUMENTATION

You will be asked to present documentation that substantiates the information you provide on your application, which may include:

- Paystubs
- Proof of income
- Tax returns
- Employment history
- Bank statements

Your mortgage advisor will provide you an initial list of specific documents that may be needed in order for you to complete your loan application.



TRANSPARENCY

You will receive clear communication from us every step of the way. We will provide clear answers and straight talk; sharing information and earning your trust. We are clear, concise, and trustworthy.

2

SELECT YOUR LOAN PROGRAM

Fixed rate? Adjustable? FHA? There is a perfect loan for your unique needs, and we can help you find it.

Are you looking for the consistent rates and payments that a fixed rate loan can provide? Do you want the short-term benefits of lower rates that an adjustable rate loan can bring? Our extensive portfolio of loan options means you have more options available to get just what you need.

Your mortgage advisor will help you uncover just the right loan program, presenting options that meet your individual needs.



2.1

UNDERSTANDING FIRST-TIME BUYER PROGRAMS

Selecting the right loan means understanding all of the options available to you, which may include a first-time buyer program. These are loans and programs which are specifically designed to help get you into your first home, often with lower down payment requirements or more relaxed qualifying guidelines.

2.2

DOWN PAYMENT ASSISTANCE

Historically, people made down payments of 20% the purchase price of the home. Today, if you want to put down less than 20%, your mortgage advisor can help show you the way through various loan programs, mortgage insurance and down payment assistance options.

RESPECT

We serve our customers with our full attention, intention, and purpose at all times. Your home loan is important to you, so it deserves our full respect. We are dependable, reliable, and honest.

3 PROCESSING & UNDERWRITING

Every loan has its own specific set of investor guidelines which need to be met. Your mortgage loan advisor will now work with two more experts to guide you further along your journey: a processor and an underwriter.

3.1 LOAN PROCESSOR

Loan processors don't just submit your file, they verify and validate all Borrower information and double check all of the documents provided to make sure there are no errors or mistakes. The processor makes sure your final application is in tip-top shape.

3.2 LOAN UNDERWRITER

Your loan has specific investor guidelines which have to be met, and it's the job of your loan underwriter to be sure your financial profile meets these pre-defined guidelines.

3.3

REQUESTS FOR MORE DOCUMENTS

At this point in your journey, you may be asked for more documentation as your loan is processed and underwritten. This is a normal stop along the way, so don't worry if you need to submit any additional paperwork.

3.2.1 THE 3 C-S

Loan underwriters follow a set of guidelines known as the 3 C's when examining your loan application:

- **Capacity:** Can you repay your mortgage?
- **Credit:** Do you have a solid history of repaying debt? What's your credit story?
- **Collateral:** Does the sales price/loan amount exceed the value of the property?

WARNING!

A quick response is often the key to remaining on schedule and closing your loan on time. If any member of your mortgage team (your advisor, processor or loan assistant) asks you for something, respond as quickly as you can.





SCRAPPY

You won't often hear this word from other mortgage bankers, but we are proud of our scrappy determination to get you to the finish line. We will fight for what is right. We are resourceful, relentless, and fierce for you.

Other items during this phase can include:

4

LOAN APPROVAL

Between loan processing and loan approval, there is a flurry of activity happening behind the scenes, as multiple parties work together to get your loan to the finish line.

Before your loan is fully approved, you will receive a contingent approval and a list of closing conditions that need to be met. These conditions can include verification that your employer is current, no new debt has been incurred, and proof that homeowner's insurance has been obtained.

4.1

APPRAISAL

A written analysis prepared by a licensed appraiser and estimating the value of a property.

4.2

TITLE SEARCH AND INSURANCE

A title company researches the legal history of the property and then issues a policy guaranteeing that work.

4.4

FLOOD CERTIFICATION

Flood coverage is not included in a standard homeowner's insurance policy, but your lender will request a flood certification to see if you are in a flood zone. If you are, flood coverage may be required.

4.3

HOMEOWNERS INSURANCE

The property is the security for your mortgage loan, so your lender will require that you obtain homeowners insurance to protect against damage from fires, wind, vandalism, and other unforeseen incidents.

Once closing conditions have been satisfied, the underwriter issues a clear to close benefits of these programs and which ones you may qualify for.



5

LOAN CLOSING

With an approved loan and a clearance, you are on the home stretch of your journey.

The lender will send closing documents to a title/escrow agent that draws up paperwork and arranges for signing of documents and transfer of title. You will receive a Closing Disclosure with final terms and conditions of the loan which must be acknowledged at least 3 days prior to closing. Timely acknowledgement is key to closing on time.

TIP:

When you sign your documents, be sure to carefully review them with your title or escrow company representative, and be sure you understand the terms. If either the loan terms or amount are different, or if you don't understand the terms, please ask questions before signing.

5.1

WHO WILL BE AT THE CLOSING?

Depending on the state where you live, the parties present at your closing may include some or all of the following:

- An escrow company
- A title company
- Your mortgage advisor or other member from your loan team
- Home seller
- Real estate agents
- Your attorney or the seller's attorney

5.2

SIGNING DOCUMENTS

Once you've read and signed your documents and funding conditions have been met, the title is recorded and the process is complete.

You have reached the end of your home loan journey and you can get the keys to your new home!

The road before you may seem like an epic voyage through strange new lands. With the right guide and a detailed map, however, you can navigate your way through the five steps of the loan process with nary a worry. Let this map and your experienced American Pacific Mortgage loan advisor be your trusty guides.

FINISH



ABOUT BIG VALLEY MORTGAGE



Founded in 1990, Big Valley Mortgage is one of the fastest growing full-service mortgage bankers serving our local communities with branch locations in Reno, throughout the Sacramento Valley, and into the Central Valley.

Big Valley Mortgage delivers mortgage lending excellence at competitive rates. Our loan officers are local market experts who have one goal in mind - to serve the home financing needs of individuals and families in the communities where we live and work. Whether you are buying your first home, a new investment property or building the home of your dreams, Big Valley Mortgage will empower you with confidence, knowledge and solid expertise from loan application through closing.

It's your mortgage; it should be powered by you.



NMLS#1850

Footnote 1: "© 2016 American Pacific Mortgage Corporation. All information contained herein is for informational purposes only and, while every effort has been made to insure accuracy, no guarantee is expressed or implied. Any programs shown do not demonstrate all options or pricing structures. Rates, terms, programs and underwriting policies subject to change without notice. This is not an offer to extend credit or a commitment to lend. All loans subject to underwriting approval. Some products may not be available in all states and restrictions apply. Equal Housing Opportunity."

Footnote 2: American Pacific Mortgage Corporation is not a credit repair or financial service company. We are not licensed credit repair specialists or counselors, we are not licensed financial advisors; please contact your financial professional for your personal financial situation. The material provided is for informational and educational purposes only and should not be construed as investment and/or mortgage advice. Although the material is deemed to be accurate and reliable, there is no guarantee it is without errors.