THE *Road to Home* GUIDE

Cornerstone HOME LENDING | the NILES team

LET'S BEGIN YOUR *journey* HOME!

Thank You!

We sincerely appreciate that you have chosen Cornerstone to guide you through the home loan process. We are thrilled with the opportunity to help you achieve your homeownership goals!

This booklet contains information and tips to help you understand the home loan process and make sure you do everything you can to get approved and ***STAY*** approved.

PLEASE REACH OUT TO ME AT ANY TIME DURING THE PROCESS!

SCAN THIS QR CODE FOR ALL OF MY CONTACT INFORMATION

INCLUDED IN THIS PACKET:

- Loan vocabulary terms
- Road to Homeownership timeline
- Prequalification dos and don'ts
- Loan document Checklist

WE APPRECIATE REFERRALS!

Referrals from satisfied clients are an important part of our business. ***Do you know someone*** planning to purchase or refinance a home?

TELL YOUR FRIENDS & FAMILY ABOUT US!

LEARN THE *lingo*

ADJUSTABLE-RATE MORTGAGE (ARM)

A mortgage with an interest rate that can change according to a schedule outlined in the Note (Note Rate). The interest rate is based upon an index that changes based on the market, plus a margin which is determined by the lender. Often, the initial interest rate is lower than that of a fixed-rate mortgage.

ANNUAL PERCENTAGE RATE (APR)

The annual equivalent of the rate shown in your Note (Note Rate) plus any other fees paid at closing or throughout the life of the loan, such as monthly mortgage insurance. APR allows borrowers to compare different mortgages when shopping for a lender.

CLOSING COSTS

These are the costs and fees that are due on the date of closing, when a borrower obtains their mortgage and receives the title to their property. Closing costs include insurance, taxes, and other applicable fees.

DEBT-TO-INCOME RATIO (DTI)

This is the percentage of your gross monthly income (before taxes are taken out) that goes to paying monthly debts, including the new mortgage payment. The lower DTI typically means better mortgage terms.

DOWN PAYMENT

The difference between the sales price and the loan amount on a real estate transaction. The down payment is brought to the closing by the buyer along with other fees to be paid at that time.

DOWN PAYMENT ASSISTANCE (DPA)

Programs which provide additional funds, usually to first-time homebuyers, which reduce the amount of cash needed to close. These may be in the form of a grant, requiring no repayment; forgivable seconds, which only require repayment for a certain period or if certain events happen (e.g., if you sell your home); repayable seconds, which typically have a low (or, in certain cases, no) interest rate which must be repaid. The period prior to repayment varies, usually between 3 and 30 years.

FIXED-RATE MORTGAGE

A mortgage in which the interest rate does not change during the loan term.

LOAN-TO-VALUE RATIO (LTV)

A ratio measuring how much you borrow to the appraised value of a property being purchased or constructed. LTV is used by lenders to help assess the potential eligibility or risk in taking on a loan

PRINCIPAL, INTEREST, TAXES AND INSURANCE (PITI)

Often referred to by the acronym "PITI" which is the total monthly housing expense: principal, interest, taxes, and insurance. Some loans will also require a monthly payment for mortgage insurance.

PRIVATE MORTGAGE INSURANCE (PMI OR MI)

A fee typically paid by the borrower to provide insurance in the event of default on the loan. Required on most loans with less than a 20% down payment.

RATE LOCK

This is a commitment between you and the lender to hold a certain interest rate for a specified period of time. When you decide to lock your rate you will receive a written confirmation from your lender.

TITLE/DEED

This is a document which transfers ownership from the seller to the buyer and establishes the real estate transaction took place.

TITLE INSURANCE

Title insurance protects a real estate owner or lender against any loss or damage they might experience because of liens, encumbrances, or defects in the title to the property, or the incorrectness of the related search.

THE ROAD TO *home*

Getting a mortgage doesn't have to be complicated. At Cornerstone Home Lending, we do everything we can to make the process as effortless as possible. **You can count on us to be there for you at each step – and beyond.**

STEP 1: Prequalify with Loan Officer

STEP 2: Discuss financing goals and select the right program that fits your needs

STEP 3: You found your dream home!

STEP 4: Lock in interest rate and sign initial loan disclosures

STEP 5: Provide all required items for your loan application*

STEP 6: Select home insurance agent and forward the quote to our team

STEP 7: Complete home inspection and order appraisal

STEP 8: Your loan is in process and wheels are in motion

STEP 9: Acknowledge receipt of the Closing Disclosure

STEP 10: Prepare funds to close via wire transfer or cashier's check

STEP 11: SIGNING DAY! Sign final loan documents (2-3 days prior to close of escrow date)

STEP 12: CLOSING DAY! Home loan funds are wired, deed is recorded, and you get your keys. **Congratulations!**

This information is meant as a guide to show the general steps of the financing transaction. Not every transaction may follow these steps due to the borrower's specific needs and the type of loan the borrower qualifies for. *Submitting documents does not obligate you to accept any mortgage terms; documentation is not required to receive a Loan Estimate.

LOAN *checklist*

GATHER THESE DOCUMENTS TO HELP MAKE YOUR LOAN APPLICATION A BREEZE!

IDENTIFICATION & CONTACT INFORMATION

- [ ] Government-issued photo ID
- [ ] Homeowners insurance agent information
- [ ] Contact information for your landlord

INCOME VERIFICATION - WAGE EARNER

- [ ] W-2s for the past 2 years
- [ ] Federal tax returns for the past 2 years
- [ ] Paystubs covering the most recent 30 days
- [ ] Written explanation if employed less than 2 years
- [ ] Written explanation if a gap of employment exists in the past 2 years

INCOME VERIFICATION - SELF EMPLOYED

- [ ] Federal tax return (personal and business) for the past 2 years
- [ ] Profit & Loss statement - year-to-date

ASSET DOCUMENTATION

- [ ] Bank statements for the last 2 months (all pages)
- [ ] Explanation and paper trail for any large deposits

REAL ESTATE OWNED INFORMATION

- [ ] Copy of your most recent mortgage statement(s) for all properties owned
- [ ] Copy of your annual property tax bill(s) for all properties owned
- [ ] Copy of homeowner's insurance declaration sheet showing agent and annual premium for all properties owned

REAL ESTATE OWNED INFORMATION

- [ ] If you have had a bankruptcy: a complete copy of your bankruptcy and discharge documents, as well as a detailed letter of explanation regarding the reason for the bankruptcy
- [ ] If you have sold a property in a short sale: a copy of the settlement statement from the sale of the property
- [ ] If you have had a deed foreclosure: a copy of the Deed reflecting the actual date of transfer of ownership interest
- [ ] If you have had late payments, collections, or judgments: a detailed letter of explanation for the items
- [ ] If you are a veteran: a copy of your DD214
- [ ] If you receive Social Security/Disability/Pension income: a copy of your award letter(s) showing annual amount and duration of benefit/income
- [ ] Proof of child support income or proof of child support payment

THE DOs & DON'Ts

OF FINANCING A HOME

✓ the Dos

- [ ] Let us know if your down payment is a gift
- [ ] Call if you have any questions or concerns
- [ ] Tell your family and friends about Cornerstone
- [ ] Get a good night's sleep; you were referred to our team for a reason and can rely on us for remarkable service

Contact our team if you think any of these ***don'ts*** *are unavoidable. We can help determine what to do so your loan is least negatively affected.*

✗ the Don'ts

- [ ] Change jobs, quit your job, or become self-employed
- [ ] Buy or trade in a vehicle
- [ ] Increase debt/balances or miss payments
- [ ] Spend money you have set aside for closing
- [ ] Omit debts or liabilities from your loan application
- [ ] Buy furniture or appliances or make a new credit application
- [ ] Originate credit inquiries (E.g., no new loans, credit cards, or lines of credit)
- [ ] Make large deposits or transfer funds
- [ ] Change bank accounts
- [ ] Co-sign any loan
- [ ] Use cash for your down payment or earnest money
- [ ] Wire closing funds (Until you speak directly with our office for information first)

TALK TO US TODAY AND LEARN HOW WE CAN HELP YOU

Discover The *difference*

CORNERSTONE HOME LENDING IS MORE THAN A MORTGAGE COMPANY. WE'RE A COMPANY THAT CARES. DISCOVER HOW CORNERSTONE IS REFRESHINGLY DIFFERENT FROM OTHER LENDERS!

OUR PURPOSE

We honor God by using our talents to make a positive difference in your life!

OUR PROGRAMS & PRODUCTS

- Purchases and Refinances
- FHA, VA, and USDA, 184
- Conventional and Jumbo
- Down payment assistance
- Renovation and Construction Financing
- First-Time Homebuyer Programs
- Investment Properties and Second Homes
- Fixed and adjustable-rate terms
- Extended Rate Locks

OUR PERFORMANCE

- 100% committed to your on-time closing goal
- Financially stable and secure since our 1988 founding
- Variety of home loan programs to meet your needs
- In-house processing, underwriting, closing, funding, and servicing
- Proactive, prompt communication and status updates
- Trusted guidance and support long after your loan closes

OUR CONVICTIONS

- We live and lead with honesty and integrity
- We respect and care for our people
- We go all-out because we are all-in
- We are wise stewards

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