

# WHAT SHOULD I EXPECT WHILE MY PURCHASE MORTGAGE IS IN PROCESS?

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**1. APPLICATION:** Provide documents below

- ✓ *Pay stubs – last 30 days*
- ✓ *W2s – last 2 years*
- ✓ *Federal tax returns – last 2 years, all pages/schedules*
- ✓ *Bank statements – Last 2 months, all pages*
- ✓ *Purchase contract – All pages*
- ✓ *Realtor and attorney contact info*
- ✓ *Copy of photo ID – must be legible*

**2. PROCESSING:** Loan file is turned into the processing department. The processor will immediately order your appraisal and begin to process your loan file.

**3. APPRAISAL:** Appraiser contacts realtor to schedule appraisal. Report available 3-5 days after the appraisal is performed.

**4. UNDERWRITING:** Appraisal is reviewed and file submitted for underwriting. Approval is typically available within 3 days.

**5. APPROVAL:** Once your loan is approved, the Mortgage Commitment is sent to you, your Realtor and attorney. Processing will contact you to discuss any outstanding documentation (conditions).

**6. CLEARING CONDITIONS:** Once outstanding conditions are supplied to processing, the file returns to underwriting for final review. Typically takes 48 hours.

**7. CLEAR TO CLOSE:** Once underwriting reviews the conditions, they clear the loan for closing. The closing department will contact your attorney to set up a closing date. Closing can take place any time after this point.

**8. A FEW THINGS TO KNOW ABOUT THE MORTGAGE PROCESS**

- ✓ *Do not make any large purchases without consulting your loan officer. Spending cash or incurring new debt could negatively impact your ability to qualify for a mortgage.*
- ✓ *After closing, your loan may be transferred to a new servicer. You will receive a notice in the mail when this happens. It is normal and everything is okay with your account.*



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# 4C'S OF QUALIFICATIONS

## WHAT DOES GREENWAY LOOK AT TO DETERMINE IF A CLIENT IS QUALIFIED FOR A MORTGAGE?

The mortgage process can be a scary one, especially the early stages of qualification! We ask many questions that may not seem to relate to a mortgage and request a significant amount of documentation. Guidelines have become more stringent to ensure the borrower is given a mortgage they can afford. Understanding the underwriting process can help ease stress and streamline the effort. In general, mortgage lenders like Greenway observe the 4 C's of borrower qualification – Character, Credit, Capacity and Collateral. Since every client's financial situation and scenario varies, this method helps Greenway determine if a particular borrower and property is mortgage-worthy.

The following information details what each “C” means and outlines what we look at in making an underwriting determination.

### CHARACTER:



#### WORK & INCOME HISTORY IS INVESTIGATED

- **HELPS DETERMINE THE BORROWER'S ABILITY TO REPAY**
- **EMPLOYMENT HISTORY**  
2 years steady employment
- **REGULAR FLOW OF INCOME**  
Salary, bonus and commission  
Self-employed income
- **ASSETS**  
Funds to close, Reserves

### CREDIT:



#### EXAMINES LIKELYHOOD BORROWER WILL CONTINUE TO REPAY DEBTS

- **PAYMENT HISTORY**  
Late payments, Judgments, Liens, Bankruptcy
- **CREDIT BUREAUS**  
Render credit score  
Lower scores means higher interest rates and more difficulty qualifying.

### CAPACITY:



#### ASSESS WHAT THE BORROWER CAN AFFORD

- **DEBT-TO-INCOME RATIO (DTI)**
- **HOUSING COSTS (PITI)**
- **OTHER DEBTS: CAR PAYMENTS, LOANS, CREDIT CARDS, ETC.**

### COLLATERAL:



#### DETERMINE VALUE OF THE HOME A MORTGAGE IS TAKEN AGAINST

- **ENSURES LENDER CAN RECOUPE IF DEBT IS NOT PAID (FORECLOSURE)**
- **LOAN TO VALUE (LTV)**  
Loan > 80% of value requires mortgage insurance
- **VALUE DETERMINED BY APPRAISAL**



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