

Call Today

You've Applied
for Your
Mortgage.
What Happens
Next?



Apply Online



A Simple Guide to Help You Through The Mortgage Process.

Four Easy Steps

You have found the right home at the right price in the right location. Now it's time to focus on your home financing. This guide can help you feel more comfortable with the mortgage process by giving you a better idea of what to expect.

Your application has been taken by a loan officer who will see that you receive a loan decision as quickly as possible and move even closer to achieving your homeownership goals.

So, what happens next? *See following page for steps.*

The terms that appear in boldface throughout this guide are defined in the glossary.

We specialize in rural property loans.



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1. Processing

Your loan officer has asked you a number of questions at application. Your answers, your **credit report** information, and the loan program you've applied for will help determine if you qualify for instant mortgage approval using an automated **underwriting** system. Another processing option may be better suited to your needs. Documentation requirements vary, depending on the loan program, underwriting method and your own financial and credit profile. In some cases only minimal documentation is required. In other cases more detailed documentation may be required.

An **appraisal** will be ordered to determine the fair market value of the property you are purchasing.

You can either lock in your range of rates (**rate lock**) or **float** your **loan pricing**. It is important to discuss these options with your loan officer.

At application or shortly after, you will receive a **Good Faith Estimate** and a **Truth-in-Lending Statement**, which will show your **annual percentage rate (APR)**. These documents are required by federal law and disclose the credit terms of your loan and estimated closing costs. Please see "annual percentage rate" in the glossary for a complete explanation.

2. Underwriting

If you received instant approval at application, you were given a conditional credit approval letter. If another processing option was determined to be best, your file is reviewed by an underwriter to make a decision on your loan application. An underwriter is a trained credit-risk analyst who will do everything possible to help you receive loan approval.

Soon after your application is approved (instantly or by an underwriter), you will receive a approval letter¹ that explains the terms of your loan, including any loan conditions that need to be met prior to closing. Read your commitment letter carefully, and be sure to follow the instructions to ensure a timely closing.

In the case that your application is not approved, you will be provided a letter outlining the reasons for denial.

3. Pre-Closing

Prior to loan closing, your loan officer may ask you to provide:

- A copy of your **homeowners** or "**hazard**" **insurance** policy and a one-year paid receipt.
- A copy of the **flood insurance** policy and paid receipt if the property is in a flood zone.
- Evidence that you have satisfied all outstanding loan conditions listed in your approval letter.
- Evidence that any required inspections have been conducted. These requirements vary, depending on the type of financing you choose and the region where you live.
- A **Certificate of Occupancy** may be required if you are purchasing a newly constructed home or one that has undergone certain types of renovations.

It's time to schedule your closing date. All involved parties will be contacted to arrange a convenient time and location. Closing procedures and associated fees vary depending on where you live. You will be notified of the amount you will need to close your loan. This amount is payable by certified or cashier's check.

1. In New Jersey it will occur after the appraisal.

4. Closing

At closing, a closing agent will review the terms of your loan and explain each document. The closing agent will also provide you with a copy of the **HUD-1 Settlement Statement**, which shows all the costs related to the closing. These costs may include, but are not limited to, the **down payment**, loan **origination fee**, **survey**, **appraisal**, **inspections**, and **title search** costs. Some loans may require **mortgage insurance** if your down payment is less than 20%. In addition, you will be responsible for various **prepaid** expenses, including **interim interest**.

An **escrow account** may be established at the time of closing. Your initial escrow account deposit will cover real estate taxes, hazard insurance, and your mortgage insurance if applicable. Your loan **servicer** will pay your taxes and insurance premiums from this account when they come due.

You will either be given or mailed a first payment letter. This document states how much your monthly loan payment will be and instructs you where and when to send your initial payment.

Congratulations! You have completed the mortgage process.