

Mortgage Process



One of the first things you need to do after signing the Purchase Agreement is to begin the process of arranging financing for your new home. With any new home purchase, the mortgage process can be a bit more complicated, so the sooner you get started, the better.

The mortgage process can be a confusing, frustrating process, but with an early start and some good planning, you can make the process less stressful.

In this section, we'll spend some time going through the mortgage process, show you why you should consider financing through T.W. Lewis Mortgage Company, and give you some tips on how to help streamline the procedure.



Why T.W. Lewis Mortgage Company?

If you haven't already selected a mortgage lender, we encourage you to consider working with T.W. Lewis Mortgage Company, our preferred lender.

Some of the benefits of choosing T.W. Lewis Mortgage Company include:

- **Competitive Rates/Financing Options:** T.W. Lewis Mortgage Company offers a wide range of financing options and competitive rates.
- **Prompt Service:** T.W. Lewis Mortgage Company provides timely service, such as a pre-qualification letter within 10 days of application and a prompt written loan commitment.
- **Keys at Closing:** Buyers who choose T.W. Lewis Mortgage Company are given the keys to their new home at the time of closing. If a different lender is used, the loan must be funded before the keys are available, which is usually a few extra days after closing.
- **Convenient Location:** For your convenience, T.W. Lewis Mortgage Company offices are located in the same complex as the T.W. Lewis Design Center.
- **Save Money:** Buyers who select T.W. Lewis Mortgage Company receive an allowance on lender-related financing costs at the time of closing.

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Take advantage of significant financial and convenience benefits by selecting T.W. Lewis Mortgage Company.

Your Sales Associate can help you schedule an appointment with T.W. Lewis Mortgage Company to learn more.

Should you choose to work with a different lender, please notify your Sales Associate which lender you are using, along with a contact name, address and phone number. You should also keep the Sales Associate informed of the status of the loan application process, so that the loan is ready to close when your home is completed.

The Mortgage Application

All T.W. Lewis home buyers will go through a pre-approval process for a home loan through T.W. Lewis Mortgage Company so we may begin construction as soon as possible. However, you are not required to use T.W. Lewis Mortgage Company for your new home financing.

The paperwork needed to apply for a mortgage loan may seem a little overwhelming. Use the tips in this section to help get a head start on the process.

If you plan to use a lender other than T.W. Lewis Mortgage for your home loan, then you need to apply for your mortgage within five days per your Purchase Agreement.

To help you prepare for your loan application, the following is a list of documents or information that most lenders will need to process your application.

Lenders differ slightly with regard to which documents and forms they require. Similarly, your individual situation may add or delete requirements from the mix. Please keep in mind that if there is more than one applicant, you will probably need to provide this information for each person.

- 1) Copies of last two consecutive months' complete statements on all asset accounts, including banks or other financial institutions, stock accounts, retirement accounts, pensions, 401(k) accounts, etc.
- 2) Copies of consecutive current pay stubs covering the most recent 30-day pay period for all borrowers.
- 3) Copies of W-2s and 1099s from the past two years.
- 4) Evidence of any other income, such as social security, retirement, note income, alimony and/or child support, or rental income.
- 5) If you are self-employed, the past two years' tax returns and a year-to-date profit and loss statement and balance sheet.
- 6) If a partner in a business, the past two years' corporate/partnership returns.

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The Mortgage Application (cont.)

- 7) History of residence for the past seven years, including previous and present mortgage and/or landlord's name and address.
- 8) Information on any other real estate owned by either applicant.
- 9) Lease agreements for any rental property you own.
- 10) Current balances, monthly payments and lender addresses for all revolving debts (credit cards, car payments, student loans, etc.)
- 11) Payment for credit report and appraisal.
- 12) If divorced, copy of complete divorce decree or separation agreement.
- 13) If applicable, proof of Social Security income with a copy of the Award Letter. Also, a copy of a recent check or a copy of the bank statement showing direct deposit.
- 14) If retired, proof of your retirement/pension income, with a copy of the benefits letter, copy of check, tax returns and/or W-2 forms.
- 15) If applicable, most recent copy of employer's 401(k) or IRA statement.
- 16) If applicable, complete copies of bankruptcy and discharge papers.



Try to avoid making any major purchases during the mortgage application process. If you plan to make any such purchases, check with your lender beforehand.

Remember, these are only suggestions to help get you started; please refer to your chosen lender's guidelines for specifics on the information and/or documents you'll need.

The Mortgage Application (cont.)

Depending on your own personal situation, you can see that a great deal of information is needed before submitting your mortgage application, so it's a good idea to start gathering information as soon as possible.

Please keep in mind that, although we'll assist where we can, T.W. Lewis does not control the underwriting or approval process for any lender. Only the actual mortgage lender can grant loan approval.

KEY STEPS IN THE MORTGAGE PROCESS :

1. Submit application
2. Pre-Qualification Letter
3. Loan approval
4. Pre-closing statement
5. Close of Escrow
(previously "Closing")

Within about 10 days of submitting your complete application, your lender will issue a Pre-Qualification Letter. This document tells us that the lender has completed preliminary credit research with positive results. T.W. Lewis requires the lender to provide us with the Pre-Qualification Letter before starting construction on your new home.

Once your loan is approved, you will usually receive a commitment letter from your mortgage lender. This letter will also identify any conditions that must be met prior to the closing and funding of the loan. In order to avoid any delays as closing nears, we also suggest you keep your mortgage lender informed of any changes in your financial situation.

You should be aware that loan approval for most mortgages is valid for a set period of time. Because it takes several months to build the home, you may be asked to re-submit certain documents or re-verify other information prior to closing. Check with your loan officer to see if any of these re-submittals apply to your mortgage.

Mortgage Dos And Don'ts

Here are some suggested "Dos" and "Don'ts" to help avoid problems with the mortgage process:

DO

keep yourself informed about interest rates, and lock in the rate for your loan at the optimum time. Also, different types of loans carry different rates and fees, so work with your loan officer to see which program fits your particular needs.

DON'T

wait too long to make your loan application. Your Purchase Agreement with T.W. Lewis requires that you make application within five days, but we suggest you do so at your very first opportunity.

DO

remember to bring along your checkbook at the initial application meeting, to cover the cost of the credit report and appraisal fee. You should also have the checkbook handy when you submit your Release 1, 2 and 3 selections.

DON'T

make any major purchases during the loan application process, if at all possible. If you foresee a major purchase, please discuss it beforehand with your loan officer.

DO

have your homeowner's insurance policy in place at least 10 days prior to closing, and provide documentation to the title company and mortgage company. The title company will also collect 1 year plus 3 months of insurance premiums at closing.

DON'T

be surprised if your loan is transferred to a different company after you close. Most primary mortgage lenders will "sell" your loan to a different company to service over the long term. If this occurs, remember that the financial specifics of the loan will remain as you agreed to with the original lender.

DO

try to provide as much complete personal and business information as possible to the lender. This detailed information is necessary for the primary lender to market the loan to the secondary, or servicing marketplace.

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Mortgage Dos And Don'ts (cont.)

DON'T

forget that it is T.W. Lewis' policy not to start construction of your pool until we receive full loan approval. Some lenders will not allow you to include a pool in the mortgage, since it often is completed after closing. In most cases, you can expect to include a swimming pool in your T.W. Lewis Mortgage Company loan; if you are using another lender, you should make them aware of the swimming pool agreement to avoid headaches with the loan.

DO

satisfy any contingencies related to your loan at least 30 days prior to closing, and provide documentation to the lender prior to closing.

DON'T

forget to keep your loan officer informed of any changes or upgrades to the home. These changes may affect your qualifying, interest rate, or documentation requirements. In addition, changes made after estimation of the loan amount could delay loan approval or closing, and you may not be able to include those options or upgrades on the mortgage.

DO

remember that your initial loan commitment documents are valid for a specific period of time, and may expire prior to closing. In such cases, you will be asked to supply updated copies of certain documentation, such as pay stubs or bank statements.

DON'T

assume that your loan is approved because of a Pre-Qualification Letter or Construction Start letter. These are not loan approvals, and your lender will notify you in writing with a Commitment Letter when your loan is approved.

DO

avoid surprises at closing by carefully reviewing your written loan commitment and pre-closing statement. These will be provided to you by American Heritage Title Agency several days before closing.

DON'T

hesitate to call your mortgage lender to discuss time frames or concerns you may have regarding your journey through the process. It is imperative you feel informed. Much of the documentation asked for on a loan application is highly personal, and your loan officer is specially trained to handle this information with care. It is essential that you accurately and completely disclose all information. Overlooked items or inaccuracies can delay or even stop the process of obtaining your loan.