

MORTGAGE QUICK START GUIDE

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OUR SOLUTIONS

Together with our subsidiary, eCU Mortgage, First Service Credit Union offers:

- Conventional Mortgages
- FHA / VA / USDA Loans
- Foreign National Loans
- Fresh Start Loans
- Investment Loans
- Jumbo Mortgages
- Condo Loans
- Newly Self-Employed Loans
- Renovation Loans
- Purchase Money Second Liens
- Reverse Mortgages
- Construction Loans
- Lot / Land Loans
- Home Equity Loans
- Home Improvement Loans

FOR
YOU NOT
PROFIT

TIPS & TERMS

Tips to Keeping Your Loan Process on Track:

As members of your team, our mutual goal is working with you to meet your desired closing date for this transaction. Once you've submitted your application, follow these tips to keep your loan on track by avoiding sudden changes in your employment, credit, and cash flow.

- Notify your loan officer if you are considering a job change.
- Consult with your loan officer before making substantial financial decisions.
- Wait until after your loan is complete to open any new lines of credit or make large purchases.
- If you make any large cash deposits, ensure that they are documented properly.
- Continue making current loan payments in a timely manner.
- Closely monitor your bank account to avoid an overdraft.
- Keep your records nearby in case we request any additional documentation.

Terms to Know:

- **Adjustable Rate Mortgage (ARM)** – A mortgage in which the interest rate is adjusted up or down periodically based on a pre-selected index; also known as a re-negotiable rate mortgage or a variable rate mortgage. ARM products have interest rates that may increase after loan consummation.
- **Amortization** – Repayment of debt with periodic payments of both principle and interest, calculated to pay off the loan obligation at the end of a fixed period.
- **Annual Percentage Rate (APR)** – APR includes the origination fee and other finance charges in addition to the interest on the mortgage. The APR will be higher than the interest rate.
- **Appraisal** – A report by a professional appraiser featuring comparable property values and details of the subject property.
- **Balloon** – A loan with monthly payments not sufficient to pay off entire loan debt, followed by a single, usually much larger, "balloon" or lump-sum payment at the end of the loan term to pay off the remaining principle balance.
- **Buy-Down** – An interest rate subsidy in the form of additional discount points paid by a builder, seller, lender, or buyer which results in either a permanent or temporary below-market interest rate. Both temporary and permanent buy-down options are available.
- **Closing** – The meeting between the buyer, seller, title company's escrow agent, and real estate agents to finalize the sale.
- **Closing Disclosure** – This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.
- **Credit Report** – A report reflecting an individual's payment history and public records of bankruptcies, liens, or judgments.

TIPS & TERMS (CONT.)

Terms to Know:

- **Debt to Income Ratio (DTI)** – The ratio, expressed as a percentage, which results when a borrower's monthly payment obligation on long-term debts is divided by his or her gross monthly income.
- **Discount Points** – A fee paid by the buyer to decrease the interest rate of the mortgage. One point is equal to 1% of the loan amount.
- **Escrow** – An account set up through the mortgage lending process for the buyer's payment of future property taxes and one year of homeowner's insurance.
- **Flood Certification** – A process in which the location of a property is examined to determine whether it falls within an area that is at special risk for flooding as determined by the Federal Emergency Management Agency.
- **Loan Estimate (LE)** – A Loan Estimate is a three-page form which tells you details about the loan you have requested. Lenders must provide the LE within three business days of receiving your application.
- **Loan to Value Ratio (LTV)** – The ratio, expressed as a percentage, which results from dividing the amount being borrowed by the appraised value or selling price of the house.
- **Loan Origination** – The fee for mortgage financing services.
- **Loan Origination Points** – A fee paid by the buyer to the lender above loan origination. One point is equal to 1% of the loan amount.
- **Hazard Insurance** – An insurance policy insuring against multiple perils, commonly called a package policy, and made available to owners of private dwellings. There are wide variations in the coverage of such policies, which generally insure the dwelling and its contents.
- **Prepays** – The property taxes, homeowner's insurance, and interest paid outside of the closing or included in the fees of the mortgage loan.
- **Principal** – The true balance amount of the mortgage, not including the interest.

MORTGAGE PROCESS: STEP BY STEP



1

Application

Estimated Time: a few minutes

- Complete the loan application using one of the methods listed on page 6.
- Sign the credit report authorization on page 8.
- Download SKIP by eCU Mortgage and register your email to receive digital updates.



2

Disclosures | Pre-Qualification

Estimated Time: 1 day

- Provide us with income/assets information.
- Receive a pre-qualification letter, often required by sellers.
- Begin collecting items on the document checklist on page 9.



3

Home Shopping | Contract

Estimated Time: within 90 days of your pre-qualified letter

- Interview & select a real estate agent to represent you in your home search.
- Inform us of your real estate agent's name, email & phone.
- Provide your pre-qualification letter to your real estate agent.
- Upon acceptance of an offer for your home, notify us with a copy of the contract.



6

Final Approval | Closing Disclosure

Estimated Time: 1 week

- Once conditions have been cleared by underwriting, your loan officer will notify you of a Clear to Close.
- The Closing Disclosure (CD) will be prepared by our closing team and sent to you in SureDocs.
- Upon receiving the approved CD, the closing date may be set for 3 business days later.
- During this 3 day wait period, it is critical to set up movers, utilities and prepare your cashier's check.



5

Rate Lock | Conditional Approval

Estimated Time: 1-2 Weeks

- Submit additional information to support the underwriting conditions.
- Discuss locking in your mortgage rate and terms with your loan officer.
- Be on the lookout for requests from your loan officer.



4

Documents | Appraisal | Insurance

Estimated Time: 1-2 Weeks

- Provide us the documents outlined in the document checklist on page 9.
- During the (usual) 10 day option period, you have time to finalize your credit & income approval.
- Submit payment for the appraisal and when necessary, the inspection.
- Your loan officer will order the appraisal, the inspection when required, and provide updates.
- You will receive a copy of the appraisal and inspection.
- Determine the home meets value expected & finalize contract before option period expiration.



7

Closing | Funding

Estimated Time: 3 business days after receiving approved closing disclosure

- Attend the closing at the time & location provided by your loan officer.
- Provide identification to the escrow officer and sign the final set of closing documents.
- Offer your cashier's check for the closing costs to complete the funding of your mortgage.



SUBMITTING YOUR MORTGAGE APPLICATION



Mobile/Tablet App

Download **Skip** by eCU Mortgage, our easy-to-use mobile app, from Google Play and the App Store



Online Application

Visit FSCU.com
and click APPLY NOW



Paper Pre-Qualification Application

Included on the following page.



In Person/Verbal Application

Call 713.656.5255
Mon. - Fri. at 8:30 a.m. - 5:30 p.m.

PRE-QUALIFICATION APPLICATION

The Pre-Qualification Application may be completed by returning this form to a mortgage team member or online at: applyecumortgage.com/#/register

Purchase Refinance Home Equity Home Improvement Construction Lot/Land

Referred by: _____ Date: _____ Amount: \$ _____

Borrower's Full Name: _____

US Citizen Resident Alien

Non-Resident Alien Non-Perm Resident Alien

Social Security # _____-____-_____ Date of Birth: ____/____/____

Phone: _____

Email Address: _____

Married Unmarried

Present Address: _____

City / State / Zip: _____ Length of Residency: _____

(If less than 2 years at present address)

Previous Address: _____

City / State / Zip: _____ Length of Residency: _____

CURRENT EMPLOYMENT

Employer: _____

Address: _____

City / State / Zip: _____

Start Date: _____ Years in Current Line of Work: _____

Position: _____ Work # (____) _____-

Base Salary: _____ Hourly Wage: \$ _____/hr

Commission: _____ Guaranteed Hours per Week: _____

Total Income from Previous Year's W-2: _____

Other Income: \$ _____ Source: _____

Do you pay child support? If yes, amount per month: \$ _____

PREVIOUS EMPLOYMENT

Employer: _____

Address: _____

City / State / Zip: _____

From: _____ To: _____ Position: _____

BANK / INVESTMENT / RETIREMENT ACCOUNTS

Name of Bank Type of Account Approximate Balance

| Name of Bank | Type of Account | Approximate Balance |
|--------------|-----------------|---------------------|
| | | |
| | | |

Co-Borrower's Full Name: _____

US Citizen Resident Alien

Non-Resident Alien Non-Perm Resident Alien

Social Security # _____-____-_____ Date of Birth: ____/____/____

Phone: _____

Email Address: _____

Married Unmarried

Present Address: _____

City / State / Zip: _____ Length of Residency: _____

(If less than 2 years at present address)

Previous Address: _____

City / State / Zip: _____ Length of Residency: _____

CURRENT EMPLOYMENT

Employer: _____

Address: _____

City / State / Zip: _____

Start Date: _____ Years in Current Line of Work: _____

Position: _____ Work # (____) _____-

Base Salary: _____ Hourly Wage: \$ _____/hr

Commission: _____ Guaranteed Hours per Week: _____

Total Income from Previous Year's W-2: _____

Other Income: \$ _____ Source: _____

Do you pay child support? If yes, amount per month: \$ _____

PREVIOUS EMPLOYMENT

Employer: _____

Address: _____

City / State / Zip: _____

From: _____ To: _____ Position: _____

BANK / INVESTMENT / RETIREMENT ACCOUNTS

Name of Bank Type of Account Approximate Balance

| Name of Bank | Type of Account | Approximate Balance |
|--------------|-----------------|---------------------|
| | | |
| | | |

Where will your down payment and closing costs funds come from (bank accounts, 401k, gift, stocks, etc)? _____

REFINANCE INFORMATION ONLY: Payoff Amount: \$ _____ Yearly Taxes: \$ _____ Yearly Insurance Premium: \$ _____

Desired Term: 15 years 20 years 30 years Current Rate/Principal & Interest Payment: _____/\$ _____ Do you want to escrow?: Yes No

I/WE AUTHORIZE FIRST SERVICE CREDIT UNION TO OBTAIN A CREDIT REPORT. I/WE REALIZE THAT THIS IS NOT A LOAN APPLICATION AND THE INFORMATION CONTAINED WILL SERVE AS A GUIDE FOR THE LOAN OFFICER TO REVIEW THE FINANCIAL PICTURE. UNDER RESPA GUIDELINES THIS DOES NOT CONSTITUTE AN APPLICATION.

CREDIT REPORT AUTHORIZATION

Credit Report Order Form & Payment

In order to start the application process, First Service Credit Union must collect a tri-merge credit report fee at time of application. The credit report fee is nonrefundable once the credit report has been ordered.

Below is the information needed to collect the credit report fee; this fee will be applied on the Closing Disclosure as a paid outside of closing (POC) fee.

I authorize the fee to be paid by the following:

Credit Card: Visa MasterCard

Name as shown on card: _____

Card Number: _____

CVR (code on back of card): _____

Expiration Date: _____

Amount to be charged: **up to \$60.00**

I/We agree to the above items and give authorization to proceed with the pre-approval process and approve the ordering of the credit report. I/We understand this information will be used at the time the credit report is ordered.

Applicant(s) Signature(s):

X _____

Date: _____

X _____

Date: _____

(if card holder)

DOCUMENT CHECKLIST

Applications

- Completed loan application

Income Verification

- Pay stubs from last 30 days (two if paid bi-monthly, three if paid bi-weekly, four if paid weekly)
- W-2 forms for past two years
- Signed personal tax returns for past two years with all schedules and pages
- If less than two years of employment history: final college transcripts required for individuals with less than two years of employment history
- If self-employed: copy of corporate tax returns and/or scheduled K-1 and copy of business license
- If receiving rental income: lease agreements and land contracts
- If receiving child support or alimony: court printout showing 12-month payment history or 12 months' canceled checks. 12 months of canceled checks are required for FHA and USDA loans
- If receiving Social Security: awards letter for current year and 1099 for previous year

Sources of Funds/Down Payment

- Account statements from last two months for any savings, checking, and investment accounts
- Letter of explanation for any non-payroll deposits in checking or savings accounts
- Account statements from last two months or the most recent quarterly statement for any stocks or securities (i.e. 401(k), mutual funds, etc.). If quarterly statement, request a printout for last 30 days' activity
- If using funds from sale of a property: final HUD-1 or Closing Disclosure
- If using funds from sale of an asset: proof of ownership, proof of sale (signed contract between seller/buyer), and proof of funds transfer
- If using gift funds: copy of gift check, deposit slip, and signed gift letter (provided by loan officer)

Rental History

- Name, address, and phone number of landlord(s) for past 12 months & dates of rental history
- 12 months of canceled rent checks or 12 months' bank statements with rent check clearing

Identification

- Copy of front and back of Driver's License or Passport
- Copy of front and back of Social Security card

Subject Property (Home You are Purchasing or Refinancing)

- If purchasing: copy of tax records from appraisal district
- If refinancing: copy of most recent mortgage statement
- If refinancing: copy of note from most recent purchase/refinance
- If refinancing: copy of property survey
- If refinancing: copy of homeowner's insurance
- Name & phone of insurance agent _____

Additional Information – If Applicable

- If divorced: all pages of final divorce decree
- If applying for VA Loan: VA Certificate of Eligibility
- If previously bankrupt: bankruptcy discharge papers
- If moving for employment: relocation agreement and offer letter of employment