

If you're planning to obtain mortgage financing, the sales contract will stipulate the date by which you must secure a loan commitment. Your real estate professional can provide you with the contact information of Lenders with whom they have frequently worked with and trust. It is strongly recommended that you utilize the services of local lenders who have experience in this specific market. These lenders will be familiar with area specific insurance and title requirements. In addition, they will use local appraisers.

Once you chose a mortgage company, it's time to begin the loan application process. An experienced loan officer will fully explain the available loan products, rates and terms that suit your individual needs. In general, lenders will require a 20% down-payment for loans up to \$1,000,000. Whether you choose a fixed rate of adjustable rate mortgage, be prepared to provide the following information at the time of mortgage application:

- Fully executed copy of the sales contract with all addenda;
- Most recent two months bank statements for all checking, savings, investment and retirement accounts being used to qualify;
- Most recent two years' personal and business tax returns, if self-employed, with all schedules and attachments;
- Year to date paystub and two years W2 forms
- Contact information for your insurance agent who will be providing the required coverage's for the subject property.

The lender will review the above information, your credit score and history to determine your ability to complete the transaction and repay the loan.

Once the bank approves your loan, they will issue a commitment letter. This document will confirm the loan product, terms and interest rate you have selected. It will also list any additional conditions that must be satisfied prior to closing. Such conditions may include, but are not limited to, an acceptable appraisal report indicating a fair-market value of at least the purchase price of the property, any credit explanation(s), and satisfactory homeowners/ flood insurance policies. As soon as all conditions have been met, your loan is cleared for closing.