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Home Loan Pre-Qualification Letter

Effective Date: 06/07/2017 **Expiration Date:** 2017-06-28
Applicant(s): Test Case
Property Address: 123 Main St
Yourtown, Maryland 21212

Pre-qualification Terms

Sales Price:	\$200,000.00	Loan Type:	FHA
Loan Amount:	\$196,377.50	Interest Rate:	3.5
Monthly P&I:	\$881.82	Loan Term in Months:	360
Monthly Mortgage Ins.:	\$136.71	Annual Homeowners Insurance:	\$1,200.00
Monthly Property Taxes:	\$200.00	Additional Monthly Fees:	\$0.00

Total Payment:\$1,318.53

The above referenced borrower(s) have made a formal loan application with our company. We are pleased to tell you that you have been pre-qualified for a mortgage loan in the amount and terms reflected above subject to conditions outlined below. This pre-qualification is based on the credit profile information that you verbally provided to us and on information provided in a pre-qualification credit report. Any material omission or misrepresentation in your loan application and/or material change in your financial position may void this letter. Conditions of this notice include:

Submission of a fully executed loan application.

Subject to fully executed and ratified contract of sale.

Subject to satisfactory appraisal with all terms and conditions listed therein supporting the value and mortgage on the subject property.

Borrower to provide income, asset, and/or liability documentation per program guidelines and AUS findings.

Any other underwriting or closing conditions that may be determined during the loan process.

This pre-qualification is based on the loan type and terms detailed above. If, upon submission of a formal loan application a different loan program is requested, this pre-qualification will be null and void and will require reconsideration. This letter does not constitute a loan commitment and is intended only to provide preliminary financing approval, subject to conditions stated herein. Please note that interest rates are subject to daily change without notice and may affect the loan amount for which you qualify.

Additional borrower/ loan specifics if any:

Should you have any questions regarding this pre-qualification, please feel free to contact the undersigned.

>*Brian Kavanagh*

Phone #: (410) 459-4644

NMLS #: #####



Prequalifyer—What is expected of Everyone

Please note, the most important tool that everyone can use throughout this process is communication. Every person in this process is important and everyone should be working toward the same goal. If there is an issue, make sure all parties are aware of it ASAP so that it can be resolved immediately. Beginning in October of 2015, new government regulations require consumers to receive the Closing Disclosure at least three business days prior to closing on the home loan. This means time is of the essence. Any information or documentation that you are asked for is a requirement, not an option. Please make sure to return all documentation and sign all documents immediately or you risk missing your closing date.

BUYER:

- 1) **On the day the contract is ratified**, please send the contract to your lender so that he/she can begin working on your loan application. Note, the lender will need a copy of either your earnest money check or wire that you submit with the contract. Once the check or wire clears your account, you will need to provide a copy of the cleared check or wire deducted from your bank account.
- 2) As soon as you get the document titled "Intent to Proceed", please have this signed and sent back to loan officer immediately.
- 3) Once you receive the loan application, ask any questions that you may have and review the application with your lender so that you understand the terms of your loan.
- 4) Inspections: The home, termite and, if applicable, well and septic inspections need to be ordered and completed prior to ordering the appraisal. Once you are happy with the results of the inspections and/or resolved any issues that may arise, your lender will order the appraisal.
- 5) The lender will be working on your loan while you are waiting on the inspections to be completed. Get all information that the lender needs as quickly as possible. Please pay close attention to what information the lender needs so that you only have to submit it one time. Once documentation is given to lender, more documentation may be needed. Please be patient—this is a very important transaction and the lender is only trying to get the correct information so that you receive the funds for your home.
- 6) The title company will require either a certified check or a wire transfer for funds that are needed at closing. Call the title company so that you know what you are expected to provide. The lender will give you the Closing Disclosure a minimum of 3 business days prior to closing so that you know how much money you will need at closing and give you an opportunity to ask any questions you may have prior going to the closing table.

Buyer's Agent:

- 1) Send the contract to the title company and send the title company information to the lender so that the lender can get a preliminary CD and order title.
- 2) Order home, termite, and, if applicable, a well and septic inspection. Even if the lender/loan does not require a termite inspection, if the home is in an area of high termite concentration, a termite inspection should be done to protect the buyer.
- 3) If there are issues with inspection reports, please meet with all parties to find a solution.
- 4) Once inspections are acceptable, call or email the lender so that the appraisal can be ordered. Once the appraisal is complete, if there is an issue with it, again, meet with all parties to find a solution.
- 5) Please get all information and requested documents to lender within 24 hours.
- 6) Coordinate closing time with all parties. Do not schedule a closing time prior to speaking with all parties involved. Please remember that the CD must be sent out 3 business days prior to closing.

Seller's Agent:

- 1) Please provide the date that the seller(s) purchased this property
- 2) Please be available to meet with the appraiser and any inspectors at the earliest possible time.
- 3) Make sure the seller is aware of any issues that arise with any inspections.
- 4) Keep the seller in the communication loop.
- 5) Please get all information and requested documents to lender within 24 hours.

