



A HOMEBUYER'S GUIDE TO THE MORTGAGE PROCESS



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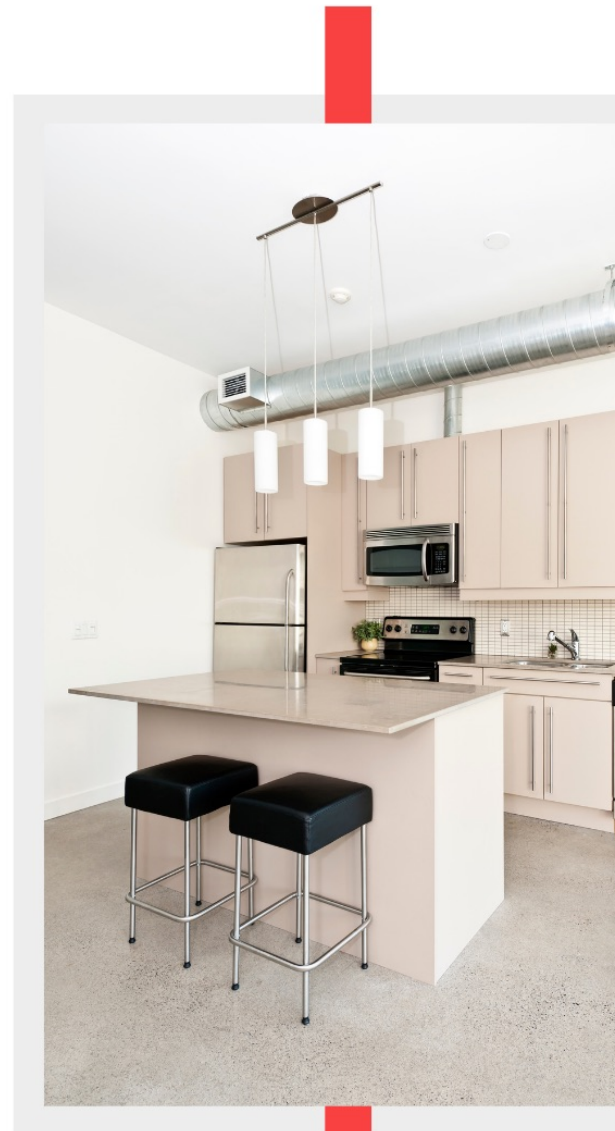


WHAT IS THE MORTGAGE PROCESS?

Purchasing a home is an exciting and sometimes challenging time. Understanding the homebuying process can help ensure a smooth closing with limited stress.

The Steps

1. Talk with a licensed loan officer
2. Apply for a mortgage loan and submit your documents
3. Start the Pre-approval process
4. Find the house and get under contract
5. Home inspection
6. Appraisal ordered
7. Loan is processed and submitted to underwriting
8. File is underwritten & conditions are collected
9. Final review of loan and clear-to-close
10. Closing day! Sign all documents



THE MORTGAGE PROCESS



01. TALK WITH A LICENSED LOAN OFFICER

The first step in the mortgage process is to speak with your licensed Movement loan officer about your goals and the mortgage process. Be sure to share with them what you are comfortable with for a monthly payment

02. APPLY AND SUBMIT YOUR DOCUMENTS

After your initial conversation with your loan officer, it is time to submit your application. Movement Mortgage makes it easy to apply and upload documents necessary for qualification with our online application, EasyApp.

03. PRE-APPROVAL

Once the application is complete, your loan officer will review with you. If your loan is pre-approved, you will receive a pre-approval letter, which is a conditional commitment to lend you a specified amount of money for the purchase of your new home. The pre-approval is good for a finite time, usually 60-90 days. With this letter, you will know the maximum amount you qualify for.

04. FIND THE HOUSE AND GET UNDER CONTRACT

With your pre-approval, you can now begin house hunting within your budget. When you find your dream house, your agent will help you put in an offer. It may include contingencies or conditions that must be satisfied before the deal is completed. If accepted, you are officially under contract!

05. HOME INSPECTION

Before finalizing your home purchase, it's crucial to have a home inspection conducted. This process involves a professional inspector examining the property for any structural or functional issues. The results can affect the negotiation process, ensuring you're not overlooking any potential problems that could cost you later.

THE MORTGAGE PROCESS



06. APPRAISAL

The appraisal is an unbiased evaluation of the home's market value. A licensed appraiser will assess the property, comparing it to similar properties in the area that have recently sold. This ensures that the price you're paying for the home aligns with its actual value, and it determines how much a lender will allow you to borrow.

07. LOAN IS PROCESSED AND SENT TO UNDERWRITING

Once you are under contract on a home, the loan processing phase begins. During this stage, you may be asked to provide additional documentation or clarify information. Examples include recent pay stubs, bank statements, or letters of explanation for any significant financial events. Ensuring timely responses and clear communication with your lender can help this stage proceed smoothly.

08. FILE IS UNDERWRITTEN & CONDITIONS COLLECTED

The processor will next send your packaged file to an underwriter for further review. The underwriting phase is a deeper dive into your financial stability and the potential risks associated with granting you a mortgage. You can expect the underwriter to thoroughly assess your creditworthiness, employment history, and overall financial situation. If there are any areas of concern or additional verifications needed, you'll be asked to fulfill certain "conditions." Promptly addressing these conditions can speed up the loan approval process.

09. FINAL REVIEW AND CLEAR-TO-CLOSE

After all conditions are satisfied, the underwriter provides a final review of your file. If everything is in order, they will issue a "clear-to-close" (CTC). This means that all the requirements have been met, and you're one step closer to owning your new home.

10. CLOSING DAY AND SIGNING OF DOCUMENTS

On closing day, you'll meet with various stakeholders involved in the transaction, such as the title company, realtor, and possibly the lender. This is when you'll review and sign all the final mortgage and property-related documents. Once everything is signed and the closing costs are paid, you'll receive the keys to your new home. Welcome to homeownership!



QUALIFYING FOR A MORTGAGE

Obtaining a mortgage loan is no small step! Learn what goes into consideration during the qualification process.

CREDIT

One of the first things your lender will look at is your credit - credit score and credit history. Credit can also affect your interest rate. Typically, the higher your credit score, the lower your interest rate will be. Conversely, the lower your credit score, the higher your interest rate.

INCOME

When assessing your eligibility for a loan, lenders focus on your income to ensure you can comfortably make mortgage payments alongside existing debt obligations. Steady income, in the eyes of a lender, is one that has been consistently earned from the same source or line of work for at least two years, with an expectation that it will continue for the next three years. A two-year work history is a standard requirement; although gaps in income may be acceptable, they will require explanation. Lenders will also request documentation to verify your income and to calculate your debt-to-income ratios.

ASSETS

Next, Lenders assess your assets to determine if you have enough liquid assets to cover the down payment and closing costs, and whether these funds are properly sourced. Only verifiable assets with a paper trail are accepted, so be prepared to submit two months of bank or asset statements. If your down payment is a gift from a donor, a gift letter clarifying that the funds are not a loan is also required.

COLLATERAL

Lenders require an appraisal to confirm that the home you're buying is in good condition and worth its purchase price. The amount you can borrow is based on this appraised value, and lenders generally do not lend more than the home's value, unless it's a special type of loan like a renovation loan. If the appraised value is at least as high as the offer price, you're in a favorable position; if it's lower, you'll either have to cover the difference or renegotiate the offer price.

Common Income Sources*

- Base pay
- Self-employment income
- Retirement
- Rental income

Other Acceptable Income Sources

- Trust
- Alimony
- Child Support
- Disability
- Foster Care
- Social Security

*Talk to your lender if you need to qualify using other income as this is not a complete list. Your lender will provide guidance on your specific income scenario.

Acceptable Source of Funds*

- Savings/ Checking account
- IRAs, Thrift savings plans, 401(k) and Keogh accounts
- Stocks and bonds
- Savings bonds
- Gift funds
- Sale of personal or real property
- Down payment assistance programs
- Employer assistance programs
- Cryptocurrency



Lenders scrutinize your bank statements for non-income deposits, which could indicate newly acquired debt or suspicious activity. To avoid complicating your loan process with additional conditions or the need for explanation letters, it's advisable to refrain from making non-income deposits in the months leading up to your home purchase.

MORTGAGE TIP

APPLICATION CHECKLIST

Here is a list of common documents requested during the loan process.
NOTE: additional documentation may be required in order to complete the underwriting process.

- Bank Statements**
Last two months from all accounts
- Retirement**
Last two months of retirement/pension, 401k and social security 1099 statements
- Pay Stubs**
Last 30 days
- Tax Returns**
Last two years of 1040 federal tax returns, last two years of federal corporate and/or partnership tax returns (if self-employed), last two years of W-2 forms
- Valid I.D. copy**
Driver's license, social security card, passport
- Earnest Money**
Copy of earnest money check deposit
- Award Letters (if applicable)**
For retirement/pension income, social security, disability income
- Divorce (if applicable)**
Decree and separation agreement
- Mortgage Statements (if applicable)**
Property tax bills and homeowners insurance statements for all real estate owned
- Bankruptcy (if applicable)**
Petition and Discharge
- If VA**
Certificate of eligibility
- If Self-Employed**
Business license, business bank statements, and YTD profit & loss statement

POPULAR LOAN PRODUCTS

	LOAN PURPOSE	PROPERTY TYPE	DOWN PAYMENT	MINIMUM CREDIT SCORE
HOMEREADY® CONVENTIONAL	HomeReady® is a Fannie Mae conventional loan for both non-first-time homebuyers & first-time homebuyers with options for as low as 3% down	1-Unit or 2-4 Unit* primary residence only	Minimum of 3%	620
HOME POSSIBLE® CONVENTIONAL	HomePossible® is a Freddie Mac conventional loan for low-to-moderate income homebuyers purchasing in target areas with options for as low as 3% down	1-Unit or 2-4 Unit** primary residence only	Minimum of 3%	620
CONVENTIONAL 95%	Conventional options for non-first-time homebuyers with a minimum down payment of 5%	1-4 Unit primary residence	Minimum of 5%	620
STANDARD CONVENTIONAL (NO MI)	Conventional loan product for buyers putting 20% down may prevent the addition of mortgage insurance on the loan	1-4 Unit primary residence or investment homes, 1-Unit second homes	Minimum of 20%	620
FHA	For both non-first-time homebuyers and first-time homebuyers with lower credit scores and down payments, backed by the Federal Housing Administration	1-4 Unit primary residence Second homes -Restrictive- Must meet FHA guidelines	Minimum of 3.5%	580***
USDA	For buyers with low-to-moderate income purchasing in certain rural areas	Primary residence only	Minimum of 0% <small>For Qualified Borrowers</small>	580***-680
VA	Government based product available to Veterans & Reservists of the U.S. Military offering up to 100% financing of the reasonable value of the home with less restrictive guidelines than Conventional	1-4 Unit primary residence	Minimum of 0% <small>For Qualified Borrowers</small>	580***

*with minimum borrower contribution of 3% from their own funds.

**Maximum 95% LTV / 95% CLTV

*** Please see your Loan Officer for more information on credit scores.

UNDERSTANDING CLOSING COSTS



Outside of saving for a down payment, closing costs might be the most stress-inducing component of buying a home. But the good news is that if you're thinking about closing costs, you're in the home stretch!

When you "close" on a home, the title of the property you're buying officially transfers from the seller to you, the buyer. This signals the end of what can sometimes be a nerve-racking process. The costs associated with closing on a home consist of fees accrued throughout the entire process and generally include*:

- Paying a title company for handling all paperwork
- Paying local government offices for deed recording
- Attorney fees
- Courier charges, if any
- Fees for property surveyors

Closing costs are typically paid for by the borrower. Buyers can negotiate with the seller to pay some fees, but if it's a seller's market, that's not likely.

*Additional costs and fees may apply.

**SCAN TO LEARN MORE
ABOUT CLOSING COSTS**





10 DO'S & DON'TS DURING THE MORTGAGE PROCESS

1. Don't apply for new credit of any kind
2. Do keep all existing credit card accounts open
3. Don't max out or overcharge existing credit cards
4. Do keep your employment within the same company or field of work
5. Don't consolidate debt to one or two credit cards
6. Do pay off collections, judgements or tax liens reported within the past year if required
7. Do be prepared to pay off collections if required by underwriting or the loan program guidelines
8. Do provide any documentation for satisfied judgements or paid tax liens
9. Do stay current on payments for all existing monthly obligations
10. Do call your loan officer before making any financial decisions or changes to your normal financial routine



JUST A PHONE CALL AWAY.

We are available by phone, text or email for all of your lending needs!

ASK ME ABOUT IMPACT LENDING



Gina Peterson

LOAN OFFICER

NMLS#: 214679

cell: (732) 259-1030

gina.peterson@movement.com | movement.com/lo/gina-peterson



1031 US 22, Suite 203, Bridgewater Twp, NJ 08807 | www.movement.com



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PID 13331.1 | AO0224