



Thank you for choosing First Mortgage Group LLC for your home financing needs. It is our pleasure to be of service to you. In order to make this process as smooth as possible, we'd like to take a moment to explain the application process, from the initial application to your closing.

Step one, of any loan process requires you to be pre-qualified, then to pick a loan program, complete and sign all application documents; including all required disclosures. If you are receiving this letter, you have already completed this step with your mortgage consultant, Bob Hester.

Step two is having your file turned into our operations/processing team. The team's function is to document, verify and correct all your paperwork, in order to present it in the best possible way to the lender's underwriter. The team will request necessary documentation from you, and other sources, pertaining to your employment, income, credit history, assets and the property itself. Once your file is completed, it will be sent to underwriting.

The underwriter's function is to analyze the loan, to ensure it meets all established qualification and program guidelines; and that the loan is in full regulatory compliance, and is properly and completely documented. This will ultimately determine the likelihood that your loan will be paid (and, on time). Additionally, the underwriter can ask for further conditions to make sure that the loan is complete. At this point, you will then receive your final approval, and your loan will be cleared to close.

From this point, the loan is handed off to the lender's closing department. Their function is to receive and review the title commitment, hazard insurance, real estate tax information, the termite or other certifications, and to make sure the contract and/or deed are complete and correct, to prepare closing instructions for the closing agent, to order funds for your closing, to review and correct the preliminary HUD-1 settlement statement. Additionally, they also review all paperwork prepared by the real estate agent and closing agent to make sure that they comply with all documentation requirements and disclosure and regulatory guidelines and that your loan will be properly set up for closing.

Your closing agent must comply with all lender closing instructions and documentation requirements, in addition to explaining ALL paperwork, witnessing signatures and disbursing necessary funds. Also, your agent is responsible for making sure all closing paperwork, and the actual recorded legal documents are returned back to the lender.

At this point, your loan will then be assigned to a lender-servicing department. You will make your payments to said department, and they will, if there is an escrow set up, pay your annual property taxes and homeowner's hazard insurance, for the duration of the loan.

FMG hopes this overview is helpful to you and explains the process in order that you know what to expect with each step of the loan process. Our team members are always available to answer any questions you may have. However, you as the customer have some responsibilities as well! These responsibilities are as important as the process itself and include the following To-Do list.

**CUSTOMER "TO DO" LIST:**

- ❖ Select an insurance company to write your homeowner's/hazard insurance policy. Once you have selected an insurance agent, please make sure they know you are obtaining mortgage financing and make sure they have all our contact information. Please provide, to the insurance company, the following information: Your deductible cannot exceed \$1,000 or 1% of your mortgage loan, WHICHEVER IS LOWER!!! Your coverage MUST reflect 100% replacement cost coverage, with no caps. If you give them this information upfront, it will make provide more ease for them to accurately figure your rate and write your policy.
- ❖ Continue to pay all your bills ON TIME.
- ❖ Turn in any and all requested documentation in a timely fashion.
- ❖ DO NOT SPEND ANY OF THE MONEY WE HAVE VERIFIED TO GO TOWARD DOWN PAYMENT or CLOSING COSTS PRIOR TO YOUR CLOSING DATE.
- ❖ DO NOT CHANGE JOBS BEFORE CLOSING.
- ❖ DO NOT APPLY FOR ANY NEW CREDIT UNTIL AFTER CLOSING!!!
- ❖ Do not make any large (i.e.: furniture, automobiles, TV's, boats etc.) until AFTER closing.
- ❖ Communicate openly and honestly with your mortgage consultant, and their team members, and the loan process will be a pleasant and timely one for all.

Thank you for making First Mortgage Group LLC your First Choice!