

LOAN PROCESSING TOOLKIT

*Helping You Know What to Expect
Over The Next 30 Days*

**Compliments Of
Brian McDonnell, President
David Church, Broker**



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INTRODUCTION

Thank you for choosing IFC Mortgage to help you secure a loan for your property. You have made a smart choice.

Our mission is to provide you with exceptional service.

As we begin our journey together, we will do our part to be honest, creative, and versatile.

- ✓ We will be honest and clear in all our communications with you.
- ✓ We will present you with several options, including lending you our own money, if necessary.
- ✓ We will begin immediately to tap into our huge network of lenders to find you the best loan for your unique needs now.

We sincerely hope that you will find your association with us so memorable that you will choose IFC Mortgage as your lender for life.

The IFC Team is ready, willing, and able to help you every step of the way. If you have any questions throughout this transaction, just ask!

Thank you again.

David & Brian



HELPFUL HINTS

Avoid Common Hurdles in Financing Your Loan

- **Be open and honest with your loan officer.** Don't be tempted to lie about your income, employment, or try to hide your past credit problems.
- **Create an accurate paper trail.** You need to prove where all your money came from, including gifts.
- **Gifts need to "seasoned" in account.** Any deposit or withdrawal of funds of \$1000 or more, which are not a normal monthly deposit or withdrawal, will need to be explained.

If you are going to be depositing or withdrawing any large sum of money, talk to your Loan Officer first to make sure that it is being done correctly, so that you do not run into a problem at the time of the loan.

PROTECTING YOUR CREDIT SCORE

15 Things That Hurt Your Credit Score

1. Paying late
2. Not paying at all
3. Having an account charged off
4. Having an account sent to collections
5. Defaulting on a loan
6. Filing bankruptcy
7. Having your home foreclosed
8. Getting a judgment
9. High credit card balances
10. Maxed out credit cards
11. Closing credit cards that still have balances
12. Closing old credit cards
13. Closing cards with available credit
14. Applying for several credit cards or loans
15. Having only credit cards or only loans

LENDING TERMS

Loan Application

Your loan agent will put together a complete financial picture. Keep in mind we are working for you but we cannot do it alone. Anything you can share with us about your past finances may be helpful. Sometimes, credit issues can be resolved with an explanation. Also, the source of the downpayment can be a critical issue with some lenders.

Good Faith Estimate

You will be provided with a written estimate of all the costs associated with your transaction. We do our best to provide an accurate estimate. However, since we don't always know what specific companies may charge, we can only estimate based on typical charges for that industry. Later on in the transaction, escrow will provide an estimated closing statement. This will let you know how much money escrow needs.

Locking a Loan

Your loan's interest rate may fluctuate until it is locked. Once it is locked, this will be for a specified number of days. If we can't close within that timeframe, we may need to lock at a higher rate. TIME IS OF THE ESSENCE!

Disclosures from Lender and Broker

The purpose of all disclosures is to keep you informed of the details of the loan we are providing. You will receive disclosures from each lender we submit your loan to as well as from IFC. Please call your IFC loan agent with your questions.

Appraisal

Your appraiser is an independent contractor. His fee will be billed to you.

Credit Report

IFC will run a credit report for you free. In some cases, the lender will run a report and may or may not charge a fee at the close of escrow.

Title Insurance

Title insurance insures the title is free of defects and can be transferred to you unencumbered. You will receive a copy of the title policy after the close of escrow.

Escrow

The escrow company is a neutral party that coordinates the distribution of funds as mutually agreed to by the buyer and seller. Normally, final loan documents are signed at the escrow office. You will receive a copy of documents. Pay special attention to the Note. It spells out the terms of your new loan.

Important Documents

ALL documentation is important but pay particular attention to the following:

1. Save a copy of your settlement statement. You may need this when preparing your income taxes. Escrow will mail this to you after your loan has funded.
2. Save your note. You will receive a copy of this when you sign your loan documents at escrow. You may need this if you ever want to put a second loan on your house or if you have a specific question about the terms of your loan.

Insurance

For single family homes and PUD's, you will need to carry hazard insurance. If you are buying a condo, the condo association will have insurance in place to protect the building. Condo owners may consider an optional policy that covers personal belongings. You will talk to your insurance agent about this.

Adjustable Rate Loans

If you are applying for an adjustable rate loan, please ask for a free copy of our Consumer Handbook on Adjustable Rate Loans.

Close of Escrow

After all lender conditions have been satisfied, your loan agent will order your loan documents. Once the documents are drawn by the lender (usually within 24 hours of ordering) they will be sent to your escrow. Escrow will contact you to make an appointment to sign your documents.

Your loan may fund within a day or two after signing, depending on the terms in the purchase agreement.

For refinances, there is a three (3) business day waiting period before your loan can fund.

Escrow sends some of your signed documents to the county recorder's office to be filed or "recorded." When your loan is recorded at the county recorder's office, the loan is done. This is called the close of escrow. In a purchase, the home is officially yours!

FLOWCHART OF EVENTS

Step 1. Complete a loan application.

After your loan agent has all your information, IFC Mortgage will begin processing your loan.

Step 2. Processing your loan.

This involves verifying bank statements, income sources, credit reports, tax records, etc. It also includes ordering the Title, Escrow, and appraisal. Your loan agent will select a lender that is best suited to your circumstances. Your loan file will be sent to the lender for their approval.

Step 3. Locking your loan.

At some point, your loan rate must be locked in. If the rate is different than the initial rate given by your loan agent in your Good Faith Estimate, a new one will be mailed to you for your review and signature. After the loan is locked, your loan documents are ordered.

Step 4. Signing loan documents.

When escrow receives your loan documents, they will call you to make an appointment to go to their office to sign loan documents. Allow about an hour for this because there are over thirty pages that need to be signed.

Step 5. Funding your loan.

Many lenders can fund one or two days business days after you sign. Escrow sees to it that the monies go to the right accounts according to the instructions you and the seller signed.

Step 6. Recording the deed.

When the deed of trust is recorded at the County Recorder's Office, the transaction is complete.

Step 7. Making loan payments.

Normally, lenders will give you a coupon for your first loan payment. You may also receive a coupon book for future payments. But don't rely on this. Your payment must be received by the date specified on your Note that you received when you signed your loan documents. If you did not receive a Note, call your loan agent. From time to time, a lender will change the place of payment. They will notify you of this in writing.

INFO CHECKLIST

NAME _____
ADDRESS _____ City _____ Zip _____

Note:

IFC's Marketing Department provides a FREE educational service to all our clients. By providing us with the information below, you will receive a series of interesting, useful, and relevant communications. For example, we will pass along to you special discounts or new products offered by us or our affiliates from time to time, or ideas gleaned from the Internet that relate to your hobby or interests! We guarantee to respect your privacy and will never sell your name to anyone else. For more information, write to us at www.ifcmortgage.com.

The subject property is:

- single family residence condo
 attached PUD detached PUD

Are you going to use gift funds for the downpayment?

- Yes No N/A

Please fill in the name of your preferred insurance agent:

Insurance Company: _____

Agent Name: _____

Telephone: _____

If you don't have an agent, we can recommend someone to you.

- Please recommend an agent to us.

The best telephone number to reach you at is:

His: _____ Time _____ a.m. / p.m.

Her: _____ Time _____ a.m. / p.m.

Do you have a fax number?

Do you have an e-mail address?

His: _____

Her: _____

What are your hobbies or interests?

His: _____

Her: _____

When is your birthday?

His: _____

Her: _____