

Borrow Wisely: Making Home Buying and Building Easy from Start to Finish

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Your Home Financing Process Checklist

As you prepare to purchase a home or refinance your loan, it's important to know what to expect along the way. Here, we've outlined some of the general steps in the home financing process.

	STEP	DESCRIPTION	TIMING
HOME SEARCH	<input type="checkbox"/> Initial consultation <i>(Purchase or refinance)</i>	<ul style="list-style-type: none"> • Speak with your Merchants Bank mortgage loan officer about your financial needs, goals and current situation to determine your next steps, and for information, as needed, on what you may qualify to borrow. • Your lender will interview you for your preapproval application. • Provide the information on your income, assets, liabilities, and real estate owned. • Provide written consent(s) to pull your credit report(s). • Your mortgage loan officer will work up your numbers to help you understand your financing options and determine which financing option may fit your needs best. 	
	<input type="checkbox"/> Apply for preapproval¹ <i>(Purchase)</i>	<ul style="list-style-type: none"> • Real estate professionals and the home sellers they represent often require confirmation of your credit-worthiness and your ability to purchase for a given price (at contract). • Preapproval is critical and more important than prequalification because it utilizes credit and preliminary underwriting approval. • Once you have applied for pre-approval, you will need to provide requested documentation (see next step). • A preapproval letter¹ will elevate your home buying status and strengthen your offer. Once you have it, you're ready to shop for a home with confidence. 	
	<input type="checkbox"/> Provide all requested documents <i>(Purchase or refinance)</i>	<ul style="list-style-type: none"> • Refer to the last page of this checklist for a list of documents that you may need to provide. Your mortgage loan officer will advise you of the specific documents required for us to underwrite and approve your mortgage. • It's important to submit the required documentation as quickly as possible to ensure a smooth process and on-time closing. All information must be accurate and complete at least ten business days prior to closing 	
	<input type="checkbox"/> Find your home <i>(Purchase)</i>	<ul style="list-style-type: none"> • Work with a real estate agent for valuable direction and market expertise. 	

1. A preapproval is based on our preliminary review of credit information only and is not a commitment to lend. We will be able to offer a loan commitment upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal and title report. Not available on nonconforming products.



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	STEP	DESCRIPTION	TIMING
HOME SEARCH (continued)	<input type="checkbox"/> Make an offer (Purchase)	<ul style="list-style-type: none"> Your preapproval letter helps your agent negotiate with the seller on your behalf — it shows everyone that this is a “real deal.” 	
	<input type="checkbox"/> Sign the purchase contract (Purchase)	<ul style="list-style-type: none"> Regardless of who writes up your purchase contract (a real estate attorney, title company, etc.), they should be fully aware of important negotiating points or contingencies to include in the contract. Make sure you have a contingency in your purchase contract that lets you renegotiate the contract if a major defect is discovered at inspection. You may be required to advance a “good faith deposit” or “earnest money” when you sign the contract. This payment will be considered part of your down payment if you are making one. When determining the closing date on your offer, please consult your mortgage loan officer. 	
	<input type="checkbox"/> Get a home inspection (Purchase)	<ul style="list-style-type: none"> We encourage you to hire a home inspector to evaluate the condition of the property. Sales contracts are usually written “as is,” so it’s important to know what you are buying. 	
MORTGAGE APPLICATION AND PROCESS	<input type="checkbox"/> Finalize the application (Purchase or refinance)	<ul style="list-style-type: none"> When you finalize your application and mortgage choice, carefully review the terms and conditions, and be sure to ask your mortgage loan officer about anything you do not fully understand. 	
	<input type="checkbox"/> Lock or float the rate (Purchase or refinance)	<ul style="list-style-type: none"> You can elect to lock in your rate at application or allow it to “float” with the market. If you choose to float your range of rates, you may lock it in at current rates at any time up to 10 business days prior to closing. Locking in secures your mortgage choice and your price range; both are subject to change and may be necessary to maintain your mortgage approval. 	
	<input type="checkbox"/> Receive and review the disclosure package (Purchase or refinance)	<ul style="list-style-type: none"> You will also work with a mortgage loan officer to see you through to closing. You will be given a package of disclosures including a Mortgage Loan Transaction Loan Estimate and other information about the financing you have chosen within 3 business days of your application. It’s important for you to review these materials and confirm that the terms shown match your expectations. Contact your mortgage loan officer with any questions. After you have reviewed initial disclosures, you will be expected to pay certain fees, which vary by area. 	
	<input type="checkbox"/> Appraisal and title search are ordered (Purchase or refinance)	<ul style="list-style-type: none"> Your mortgage loan officer will order an appraisal and follow up with your attorney or a title agency representative to ensure that a title commitment is ordered. If you are refinancing, you or someone else may have to be available to give the appraiser access to your home. You will receive a copy of your completed appraisal. 	



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	STEP	DESCRIPTION	TIMING
MORTGAGE APPLICATION AND PROCESS (continued)	<input type="checkbox"/> Receive a follow-up call, email or letter	<ul style="list-style-type: none"> You may receive a follow-up call, email or letter from your home loan processor, who, along with your mortgage loan officer, will be a primary contact. He/she can help answer your questions and is responsible for: <ul style="list-style-type: none"> Providing you with the status of your mortgage application Ensuring you have all the necessary contact information Requesting any outstanding documentation or other items to facilitate your approval Confirming and managing your closing date 	
	<input type="checkbox"/> Receive a conditional approval letter <i>and</i> <input type="checkbox"/> Meet all contingencies <i>(Purchase or refinance)</i>	<ul style="list-style-type: none"> Your purchase agreement may require a conditional approval letter. Receipt of a conditional approval letter means your mortgage is approved, subject to the conditions in the letter, and that you are almost ready to close.* A conditional approval letter contains the terms and conditions under which we will close your loan. Carefully review the conditional approval letter and act quickly on outstanding items, because we cannot close your mortgage until all approval conditions are satisfied.* Please allow time for all conditions to be submitted by your originator and reviewed by underwriting staff. This can typically take 72 hours based on files in our underwriting queue. <p>These items may include, but are not limited to:</p> <ul style="list-style-type: none"> Any final mortgage conditions Copy of a paid receipt for homeowners insurance (provided by a licensed insurance agent) Copy of a paid receipt for flood insurance, if required Evidence that required inspections have been conducted and passed Certificate of Occupancy for a newly constructed home or one that has undergone certain types of renovations <p><small>*For new construction purchase loans, the initial loan commitment may expire prior to your actual settlement date depending on the length of time it takes the builder to complete the home. As the expiration date approaches, you will be asked to provide additional documentation to extend the date of the commitment as needed. This may occur multiple times throughout the building process. It is important to discuss any potential changes in employment, income, debts, credit profile, etc. with your home mortgage consultant prior to their occurrence during the building process, as the changes could affect the status of your approval/commitment.</small></p>	



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	STEP	DESCRIPTION	TIMING
CLOSING	<input type="checkbox"/> Receive a preclosing Mortgage Loan Transaction Loan Estimate	<ul style="list-style-type: none"> If your initial Mortgage Loan Transaction Loan Estimate has changes, you will receive an updated Mortgage Loan Transaction Loan Estimate before closing. After receiving the disclosure there is a 3 business day waiting period before your loan can close. The disclosure will have your Annual Percentage Rate (APR) and Total Interest Percentage (TIP). If you have questions about this disclosure, contact your mortgage consultant immediately. Any further changes to the APR or TIP may require you to be sent another disclosure and incur another 3 business day waiting period, which may impact your closing date. 	
	<input type="checkbox"/> A closing date is set <i>and</i> <input type="checkbox"/> Your Mortgage Loan Transaction Closing Disclosure and closing package are prepared <i>(Purchase or refinance)</i>	<ul style="list-style-type: none"> All involved parties need to arrange a date, time and location for closing. Your closing agent will be equipped with a copy of the Mortgage Loan Transaction Closing Disclosure, which shows all the closing-related costs. Your lender must provide you with certain disclosures before your loan can close, which may impact your closing date. 	
	<input type="checkbox"/> Obtain your certified or cashiers checks <i>(Purchase or refinance)</i>	<ul style="list-style-type: none"> You will be notified of the exact amount of money you will be required to bring to closing. Funds may not be required if you are refinancing. 	
	<input type="checkbox"/> Attend your closing <i>(Purchase or refinance)</i> Note: <i>On occasion, if you cannot attend a power of attorney can be arranged in advance. Some refinances can be done by mail (restrictions apply).</i>	<ul style="list-style-type: none"> At closing, your closing agent will review and explain all of your mortgage and closing documents. Most customers establish an escrow account at closing with funds that will cover future real estate taxes, homeowner's insurance, and if applicable, your private mortgage insurance. If applicable, your lender will make these payments for you from this account when they come due. Note: <i>Prior to closing, inform your home loan processor or mortgage loan officer if you would prefer to make tax and insurance payments on your own. But understand that many mortgages require an escrow account, and that a fee may be charged if the escrow account is waived.</i>	



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	STEP	DESCRIPTION	TIMING
MORTGAGE SERVICES	<input type="checkbox"/> Select your preferred payment method <i>(Purchase or refinance)</i>	<ul style="list-style-type: none"> At closing, you will receive instructions on the amount and timing of your first payment. You'll also receive a document explaining your choices of automatic payment options to help with budgeting and/or paying down principal faster. Choose your preference for automatic payments at closing or any time after. You may also make payments online or by check. <p><i>Congratulations!</i> Now that you've closed on your mortgage, we're happy to have you as our customer and continue to meet your home financing needs as your mortgage moves into the servicing process.</p>	
	<input type="checkbox"/> Call your mortgage loan officer or loan servicing team <i>(Purchase or refinance)</i>	Feel free to contact your mortgage loan officer or loan servicing team if you: <ul style="list-style-type: none"> Have questions, concerns, an issue, or if you can't make a mortgage payment(s) Want to refinance to change your rate or term Want to borrow cash from your home's equity Are moving or buying a vacation home or investment property — your mortgage loan officer can help you finance a home Have a friend or family member who needs home financing — your mortgage loan officer can also help them finance a home <i>(Subject to credit approval)</i> 	

Thank You

We hope you find this document useful as you progress through the home financing process. It is important to note, the steps outlined here are general and may not include all steps specific to your home financing situation. Your Merchants Bank mortgage loan officer will advise you of any differences that may apply to your specific mortgage and circumstances. Certain state requirements may also apply and impact the steps specific to your mortgage.

We're dedicated to providing you with an outstanding experience

Please do not hesitate to make us aware of any questions, issues or concerns you may have so we can address them right away.

We value your feedback

Shortly after closing on your home mortgage, you will receive a survey regarding the level of service you received throughout your home financing experience. We would appreciate you taking the time to complete and return it. Our goal is to provide outstanding levels of service that result in you wanting to use us again in the future and recommend us to friends and family.

Signature: _____



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Mortgage Documentation

Your mortgage loan officer will advise you of the specific documents — which may include some or all of the below — required for us to underwrite and approve your mortgage based on your specific circumstances and mortgage choice. *It is important that all pages of the documentation are included, even if a page is blank.*

Income Information

- Most current pay stubs (all jobs/borrowers, showing year-to-date information and your name and employer's name)
 - 1 month (full 30-day period)
 - 2 months
- Federal tax returns (1040s)
 - 1 year
 - 2 years
- W-2s (for all jobs)
 - 1 year
 - 2 years
- Written explanation if employed less than two years or gap in last two
- Self-employed documentation
 - 2 years tax returns with all schedules (K-1s)
- Pension award letter
- Social Security award letter
- Other _____

Business information (if applicable)

- Complete federal tax returns (both personal and business)
 - 1 year
 - 2 years
 - 3 years
- Year-to-date profit and loss statement
- List of all business debts
- Evidence that business pays expenses
 - 6 months of business bank statements
- Other _____

Additional property ownership

- Latest mortgage statement for all properties you own
- Property tax bill for all properties you own
- Copy of homeowner's insurance binder or bill for all properties you own
- Verification for applicable homeowner association (HOA) dues for any properties you own
- Copies of any current leases for rented units that you own

Credit Information

- Asset statements
- Most recent checking account statements
 - 1 month
 - 2 months
- Most recent savings account statements
 - 1 month
 - 2 months
- Most recent CD account statements
 - 1 month
 - 2 months

Credit Information (continued)

- Most recent investment account statements
 - 1 month
 - 2 months
- Most recent quarterly retirement statements
 - 1 quarter
 - 2 quarters
- Terms and conditions of withdrawal for all retirement accounts
- Judicial decree for any obligations due to legal action (ex: child support, divorce decree), all pages
- Complete bankruptcy discharge papers, if applicable
- Letters of explanation, if applicable
 - Inquiries (180 days for conventional and 90 for government loans)
 - Late Payments
 - Collections
 - _____
 - _____
- Documents for any large deposits outside of payroll or gift funds
- Payments for utilities, rent and car
- Verification that another party pays student loan payments
 - 6 months of relevant bank statements
- Verification that another party pays auto loan payments
 - 6 months of relevant bank statements
- Verification of gift fund source
 - Full 30-day transaction history from the gift fund bank account
- Verification of gift fund destination
 - Full 30-day transaction history from the gift fund bank account where gift funds were delivered (needed after transaction is complete)
- Signed gift letter (copy of gift check(s), deposit slip, and deposit receipt)

Other Information

- Driver's license
- Social Security card
- Homeowners insurance information
- Contact information, including name and phone number, for:
 - Employer
 - Real estate agent
 - Attorney
 - Homeowner's insurance agent
 - Accountant
 - Property management company
 - Relocation coordinator
 - Landlord
 - Other _____
- Copy of earnest money check after clearing account
- County child support is paid through or received through _____
- Copy of construction contract
- Copy of plans & specifications for home being built
- Sworn construction statement



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