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The Mortgage Process

A Step-by-Step Guide to Financing the Purchase of Your New Home!

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- Our goal is to make the home loan process as simple and straightforward as possible.
- We do this by setting realistic expectations upfront and maintaining solid communication throughout the transaction.
- We believe that good communication and proper preparation is the key to smooth home loan process!

Physician Mortgage (The Basics)

The Physician mortgage program is designed to making home ownership easy and affordable for recent medical school graduates heading into residency.

Program Basics:

- Up to 100% financing
- No Mortgage insurance required (NO PMI)
- Exclusion of Student Loan debt payments from the credit approval process
- Up to 6% seller paid closing cost and pre-paid costs are allowed
- Gift funds are allowed: No Limits
- Future Income allowed for qualification
- No Cash Reserves

STEP ONE (1)

Pre-Qualification:

- Fill out basic information online.
- Receive a Pre-Qualification Email and Letter within minutes.
- The letter will preemptively state the loan amount you qualify for.
- Make a note: This is NOT a commitment to lend nor does this lock you into the loan.
- Upload all your documents securely online.

Fast Track

Why is Pre-Qualification (PREQ) so critical?

What is the Value of the PREQ?

- Speed & efficiency - Know you are qualified within minutes
- Peace of Mind - Knowing you have been screened by a bank
- Confidence - To start looking for a home and make an offer
- Trust – That you are getting the guidance you need to make good decisions

The Four C's

- **Capacity:** How much payment can you afford?
- **Capital / Cash Reserves:** Do you have enough cash on hand?
- **Collateral:** Are you paying a fair price for your home?
- **Credit:** Do you pay your bills on time?

Pre-Qualified

- No obligation
- Informal
- Specific purchase price
- Specific loan amount
- Based on opinion of questionnaire answers

Pre-Approved

- Formal commitment from lender
- Specific purchase price
- Specific loan amount
- Based on facts verified by documentation

VS

STEP TWO (2)

- Bank will send you an email with instructions on next steps
- You will make an offer on a home purchase
- Offer is accepted
- You will email the signed purchase agreement to the bank
- Bank will review and confirm the agreement and send a loan estimate and all disclosures electronically
- You will Read and Sign all e-disclosures immediately to prevent delays. (Electronically) (This does NOT commit you to the loan.....but are required for the Bank to move forward)

STEP Three (3)

Some of the documents you will need to provide prior to Full Approval:

- Evidence of acceptance into a residency program
 - Executed (Signed) employment agreement with your residency program
 - All Bank Statements, all pages (including blank pages) 2-months
 - Source of down payment or closing costs
 - If Gifted funds (source of those funds)
 - We will assist in finding the most appropriate type of mortgage loan for you

STEP FOUR (4)

Lender Verifies:

- ✓ Credit Reports
- ✓ Your Financial Status
- ✓ Debt-to-Income Ratios
- ✓ Balances on all account statements
- ✓ Residency Enrollment (VOE) Verbal Verification of Employment
- ✓ Application accuracy
- ✓ Contract
- ✓ Sources of all funds for down payment and escrows
- ✓ Property Appraisal
- ✓ An underwriter will review the loan and submit for a final approval

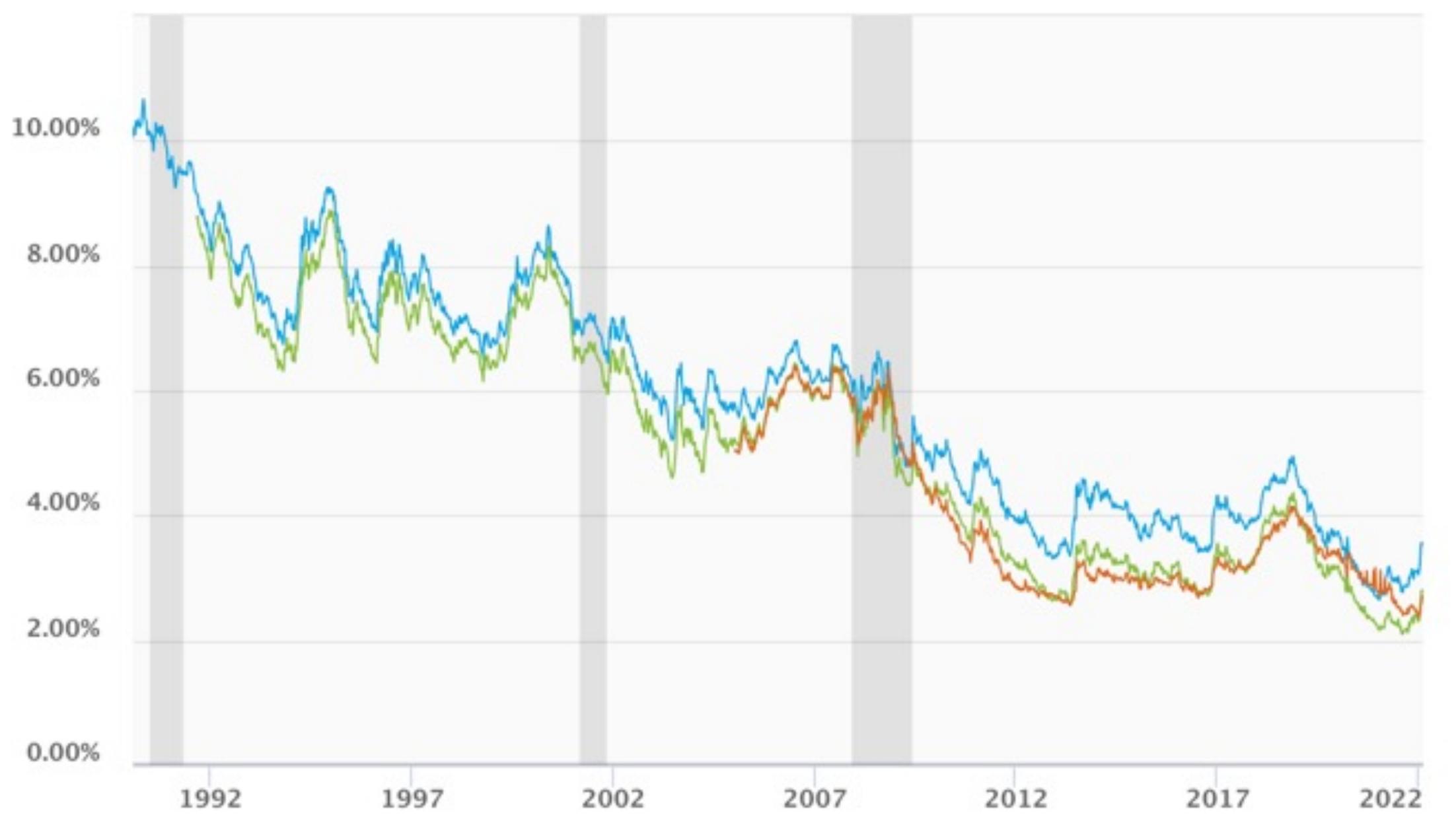
STEP FIVE (5)

Once All documentation is received and reviewed;

- ✓ Loan will be submitted for full approval and a closing date will be set
- ✓ You will receive an Initial Closing Disclosure (CD), which will provide an estimate of closing costs. You must open the email and click on the attachment.
- ✓ Once you open the CD, this will begin a three (3) day right of rescission. So you can change your mind at anytime. The loan can't close until the three (3) days expire.
- ✓ Our Closers will work with the Title Company to “fine tune” the closing statement. You will eventually receive a final settlement statement breaking down the closing costs and amount you need to bring to closing to close on your new house.
- ✓ Closing Occurs
- ✓ The title of the home will be transferred to you

Some Data for your consideration

Historical Interest Rates (30+yr. timeframe)



Historical Interest Rates (10-yr. timeframe)





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Determining whether to buy or rent your home involves a complex decision-making process. The [SmartAsset rent vs. buy calculator](#) helps you see when you'll reach your break-even point and integrates some of the following questions to help you make an informed choice:

- How long do you plan on staying in an area?
- How much flexibility do you enjoy?
- Are you prepared for the responsibility of homeownership?

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Perhaps the most important factor to consider when making this buy or rent decision is how long you plan to stay in your home. If you'll only be in town a year, renting will almost always be your best choice. In that scenario, if you're planning to pack up and leave in the short term, you probably don't want to spend the time and money necessary to buy a house, with closing costs, loan charges, appraisal fees and so on.

All told, the upfront costs of finding a house and taking out a mortgage can be in the tens of thousands of dollars (or higher). As a renter, by contrast, you'll likely just have to pay an application fee, fork over a broker's fee and make a refundable security deposit of a few months' rent.

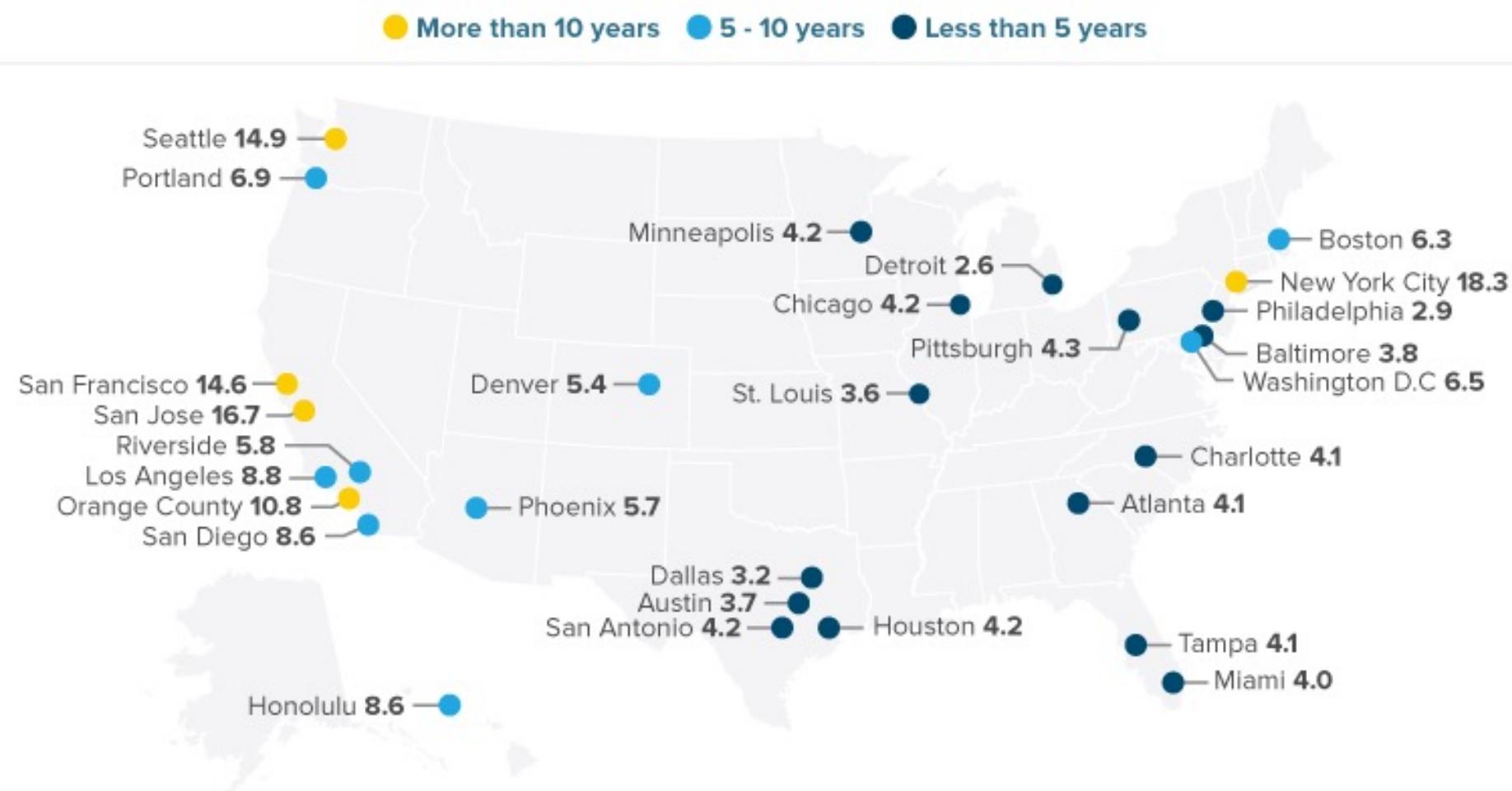
On the other hand, if you plan on staying put for 50 years, renting could be more expensive than buying over that time frame. In the long run, there are significant advantages to homeownership. You'll own property, which you can later sell, rent out or pass on to family members down the line. Another possible advantage is [mortgage interest deduction](#), a tax benefit that allows you to deduct mortgage interest payments from your taxable income. This requires filing itemized taxes and is only beneficial if the interest deduction totals more than the [standard deduction](#).

Rental payments, by contrast, have no such advantages. While a portion of each mortgage payment goes toward raising your stake in your home by increasing your equity, rental payments go entirely to your landlord and tend to grow over time as rental prices increase. In the long run, the costs of renting can be much higher than buying.

Of course, renters don't have to pay [property taxes](#), homeowners insurance or maintenance costs. Those costs can really add up. In some areas of the country,

Owning a Home Pros	Owning a Home Cons	Renting Pros	Renting Cons
Can build equity	Home value can decrease	Have flexibility, can move to a new place each year	Rent prices can increase each year
Mortgage payments stay stable each month (with a fixed-rate mortgage)	Property taxes can increase each year	Landlord handles repairs	Landlord might not be responsive
Tax deduction	Must take responsibility for all maintenance	Have fewer upfront costs	Rent payments don't help you build equity
Home value can increase	Must pay homeowners insurance costs		
	Have less flexibility		
	Have high upfront expenses with down payment and closing costs		

Buying Makes Sense if You Stay in this City for...



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Rent vs Buy Breakeven Year in Major Cities

City	Breakeven Year	Average Monthly Mortgage Payment	Average Monthly Rent	Average Home Price
New York City	18.3	\$ 2,399	\$ 2,056	\$ 591,895
San Jose	16.7	\$ 3,162	\$ 2,503	\$ 779,975
Seattle	14.9	\$ 1,751	\$ 1,777	\$ 431,939
San Francisco	14.6	\$ 3,643	\$ 2,915	\$ 898,706
Orange County	10.8	\$ 2,551	\$ 2,300	\$ 629,280
Los Angeles	8.8	\$ 2,110	\$ 2,061	\$ 520,559
San Diego	8.6	\$ 2,167	\$ 2,134	\$ 534,695
Honolulu	8.6	\$ 2,970	\$ 2,682	\$ 732,637
Portland	6.9	\$ 1,285	\$ 1,428	\$ 317,085
Washington, D.C.	6.5	\$ 1,909	\$ 2,127	\$ 471,071
Boston	6.3	\$ 1,563	\$ 1,970	\$ 385,521
Riverside	5.8	\$ 1,304	\$ 1,582	\$ 321,665
Phoenix	5.7	\$ 1,122	\$ 1,410	\$ 276,744
Denver	5.4	\$ 1,114	\$ 1,504	\$ 274,835
Pittsburgh	4.3	\$ 560	\$ 1,069	\$ 138,235
Minneapolis	4.2	\$ 965	\$ 1,419	\$ 238,051
Chicago	4.2	\$ 719	\$ 1,331	\$ 177,481
San Antonio	4.2	\$ 607	\$ 1,189	\$ 149,757
Houston	4.2	\$ 645	\$ 1,264	\$ 159,203
Tampa	4.1	\$ 776	\$ 1,349	\$ 191,536
Charlotte	4.1	\$ 757	\$ 1,168	\$ 186,693
Atlanta	4.1	\$ 823	\$ 1,263	\$ 202,969
Miami	4.0	\$ 1,013	\$ 1,722	\$ 249,952
Baltimore	3.8	\$ 995	\$ 1,599	\$ 245,453
Austin	3.7	\$ 742	\$ 1,454	\$ 183,134
St. Louis	3.6	\$ 667	\$ 1,131	\$ 164,493
Dallas	3.2	\$ 594	\$ 1,302	\$ 146,616
Philadelphia	2.9	\$ 640	\$ 1,414	\$ 157,802
Detroit	2.6	\$ 432	\$ 1,206	\$ 106,456

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Tools and Resources for you

Good Links to help you with financial decisions as you move into your career:

- <https://smartasset.com/mortgage/rent-vs-buy> (Rent vs. Buy Calculator to help you determine what your break-even point might be)
- www.freddiemac.com/research/ (Original research and analysis on housing trends, the economy and the mortgage)
- <https://smartasset.com/mortgage/budget-calculator> (Budgeting Calculator to help you create and determine your monthly and annual budget)
- <https://www.jacksonphysiciansearch.com/salary-calculator/> (See how your offers stack up to the statistics. Salary and compensation averages. Easy to plug and play)
- <https://bankmd.com/> (Open and Account, Apply for a Loan)

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