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By now we're all familiar with how the home-buying process changed dramatically on October 3, when the Consumer Financial Protection Bureau did away with the Good Faith Estimate and Truth-in-Lending documents. In its place, potential home buyers now receive a much simpler form called the Loan Estimate.

Those changes level the playing field for home buyers. Is there an adjustment period? Absolutely. This guide offers you, as a real estate sales professional, ways to better prepare your clients for dealing with sweeping changes in the home-buying industry.

Under the new rules, buyers are free to shop around with various different lenders without feeling obligated to commit to the first Loan Estimate that they receive. The new rule states that the lenders must give a loan estimate within three days of the application.

The application requires ONLY the following six pieces of information to get terms from a broker/or lender:

- Name
- Property address
- Social security number
- Property value
- Employment
- Income

However, getting important pieces of information together first can make the process go quicker. Submit critical financial documents with your application for a speedier process.

Again, you are not required to have all of these key pieces to get a pre-qualification or Loan Estimate, but doing so could allow for your closing to happen sooner than the anticipated 45 days. Here is a list of the documents:

### Submit critical financial documents with your application for a speedier process.

- Two years of federal tax returns
- Two years of W2 forms
- Thirty days of most recent pay stubs
- Profit/loss statements or 1099 if you own a business
- Three months consecutive banks statements (all pages required, including blank pages)
- Photo ID and social security card
- Two years of employment (name and address of each employer)
- Residence addresses for past two years

If you are serious about purchasing a home, it's a good idea to "know before you owe." Have a credit expert analyze your credit and seek a licensed mortgage professional on how much you can afford monthly on a home. The new Loan Estimate makes it much easier

to see clearly how much you will be paying per month in principal and interest, taxes and insurance. Having these documents up front starts the process immediately.

Timely inspections and appraisals on homes are more important now than ever. Agents will need to be on top of scheduling home inspections, termite inspections and appraisals. Without attention to detail, a closing could be delayed tremendously.

With this new process, lenders send out a closing disclosure three days prior to closing. This document outlines all of the fees and costs related to the purchase of a home. This document will not be sent out until all final inspections, appraisals and the loan process are complete.

Once buyers receive the Closing Disclosure they then have three days to review it electronically. If it is sent via mail, three mail days and three review period days are required. After the review period ends, then closing procedures take place.

Timing is truly critical with this new process.

If you have all documents up front, these new regulations could mean a smoother home-buying process for everyone. ~