

# PRE-APPROVAL



## **BENEFITS:**

You look at the “right” homes

We can submit your pre-approval with your offer  
which will give the seller peace of mind

You can close more quickly

# LENDER CHECKLIST

## Prepare for Your Loan Application

Mortgage lenders require borrowers to provide a multitude of documents in order to make accurate lending decisions. This checklist will help you prepare for your loan application and enable the lender to process your file efficiently.

### IDENTIFICATION DOCUMENTS

- ☐ Social security card and legible photo I.D.

### RESIDENCE

- ☐ Addresses for the previous 2 years (if renting, include landlord's name and phone number)

### EXISTING MORTGAGE (ALL PROPERTIES OWNED)

- ☐ Mortgage companies name, address, account number and approx. balance; market value
- ☐ HOA Bill on any properties
- ☐ Homeowners Insurance declarations page (reflects agent contact info, premium and coverage period).

### EMPLOYMENT

- ☐ Name, address, phone number of employers (current and previous 2 years)
- ☐ Engagement letter (for new employment situations, citing dates and terms of your employment)

### INCOME

- ☐ 2 of most recent pay stub and proof of any additional income including benefits, dividends, social security, retirement, rental income, etc.
- ☐ Last 2 years W-2s and/or 1099s
- ☐ If self-employed or commissioned, business/personal Income Tax Returns for previous 2 years (with all schedules K-1s) and year-to-date Profit/Loss and Balance Sheet Statements

### CHECKING, SAVINGS AND INVESTMENT ACCOUNTS

- ☐ Names, addresses, account numbers and approximate account balances
- ☐ Last 3 month's bank/savings account statements
- ☐ Checking, Savings, Investment Accounts and Retirement accounts

### INSTALLMENT AND REVOLVING DEBT

- ☐ Names, addresses, account numbers, monthly minimum payment, balance (including zero balance accts)

### LEGAL DOCUMENTS (IF APPLICABLE)

- ☐ Leases on rental property owned
- ☐ Settlement statements (previously owned property, sale of business, etc.)
- ☐ Copy of divorce decree or Separation Agreement
- ☐ Bankruptcy with release
- ☐ Documentation of child support/alimony
- ☐ Transcripts from school if recent graduate

### PURCHASE AGREEMENT

- ☐ Copy of fully executed contract including counterproposals, addendums (signed by both the Seller & Buyer)
- ☐ Copy of earnest money check

### VA LOAN ELIGIBILITY

- ☐ Certificate of eligibility if applying for VA loan; copy of DD 214
- ☐ At time of loan application you will generally need to pay an application fee, appraisal fee and credit report.

*Once Under Contract...*

# SELLER'S PROPERTY DISCLOSURE



The seller's property disclosure is a form that is used by the seller to disclose information about the property that the seller has knowledge of. By signing this form you are acknowledging receipt of this information.

**Make sure the inspector has a copy of this prior to the inspection.**

These are things known to the seller – you should do your own investigation on anything that is of concern to you.



# PROPERTY INSPECTION



As part of the sales contract you have the right to inspect the mechanical, electrical, plumbing and structural portions of the property along with any concerns that you have about anything that affects the property. In short, the property inspection is for things that you cannot see.

I encourage you to meet the inspector at the end of the inspection so that they may point out any concerns about the property and also answer any questions that you have. They will give you an itemized report for your review.

If repairs are needed, you can request that the seller make them in accordance with the provisions of the sales contract, or if they are unacceptable you may void the contract.

## **Square Footage**

The initial measurement is for the purpose of marketing, may not be exact and is not for loan, valuation or other purposes. If exact square footage is a concern, the property should be independently measured prior to the Inspection Deadline.

# HOME PROTECTION PLAN



As an additional benefit, some sellers provide a Home Protection Plan for the buyer. This coverage is good for one year on selected items:

**Central Heating System**  
**Electric Central Air System**  
**Interior Plumbing**  
**Built-in Appliances**

If the home you choose does not have a Home Protection Plan, you can acquire the coverage yourself.



# INSURANCE



## HAZARD INSURANCE

Once you have a home under contract, it is critical that you contact your insurance company right away to get a quote on insurance. You can request a Claims History Report from the seller as part of the due diligence documents in the contract, which will give you a 5 year history of any claims on the property.

## FLOOD INSURANCE

Many policyholders do not realize that basic homeowners insurance does not include protection from flood damage. Instead, the Federal Emergency Management Agency (FEMA) administers flood insurance through a federal program. Flood insurance may be purchased as a separate policy. Many people mistakenly believe that if a flood were to hit, standard homeowner's insurance would cover the cost to recover. It doesn't. National Flood Insurance does, for an average cost of about \$1 a day, depending on where you live and the coverage you choose. Be sure to have your insurance agent check to see if the property is in a flood zone.

# PRE-CLOSING BUYER CHECKLIST



- ☐ You have a right to do a “walk-through” on the property before closing. Please make advance arrangements.
- ☐ Prior to closing we will both receive a copy of your Settlement Statement, which I will review with you. This will indicate the amount you will need to bring to closing.
- ☐ Bring certified funds to closing, in the form of wired funds or a cashier’s check, made payable to title company. Usually we will have the correct figure the day before closing from the title company. You will endorse the check over to the title company at closing.
- ☐ If jointly purchasing and one of you will not be at closing, we will need a power of attorney form signed. You may designate anyone to act as your “power of attorney.” If neither of you will be at the closing, you may sign the closing documents in advance and the title company handles the rest.
- ☐ Please bring your driver’s license for I.D. to closing, as you will be signing legal documents.
- ☐ Arrange for Homeowners Insurance. You will need a certificate of your paid insurance premium at closing. Check with your lender to see if you are having your insurance escrowed and included in your mortgage payment.
- ☐ Please allow approximately one hour for closing.
- ☐ Notify applicable companies of your new address in order for accounts to be set up/transferred accordingly and to assure continued service.

# REAL ESTATE TERMS

**ADJUSTABLE RATE MORTGAGE (ARM):** A mortgage for which the interest rate and the payments change during the life of the loan.

**ALTERNATIVE FINANCING:** Mortgage instruments for both new and existing homes which allow the buyer to qualify at lower than market rate. Among these instruments are adjustable rate mortgages, graduated payment mortgages and buy down mortgages.

**AMORTIZATION:** A gradual repayment of a mortgage by periodic installments.

**ANNUAL PERCENTAGE RATE (APR):** The total cost of credit expressed as a yearly rate. It reflects all of your mortgage loan financing costs, including interest paid up front as points and interest paid over the life of the loan.

**APPRAISAL:** An analysis done by a qualified appraiser that puts a dollar value on a property based on a number of considerations, including the condition, location and size of the property.

**ASSUMABLE LOAN:** A loan that can be picked up by a subsequent buyer for a small assumption fee. It saves thousands of dollars in closing costs and loan origination fees. Conventional loans that are assumable usually require a new application.

**CLOSING OR SETTLEMENT:** The conclusion of a transaction, including delivery of a deed, financial adjustments, signing of the note and the disbursement of funds, which allows for transfer of ownership.

**CLOSING COSTS:** Costs in addition to the price of a house, usually including mortgage origination fee, title search and insurance, recording fees and pre-payable payments collected in advance and held in an escrow account. Be sure your sales contract clearly states who will pay these costs - the buyer or the seller.

**CONVENTIONAL LOAN:** Fixed-rate or adjustable-rate mortgage that is not guaranteed by a government agency. If you are applying for a conventional loan and your downpayment is less than 20 percent of the purchase price, mortgage insurance is required. The lender will obtain mortgage insurance for you. Mortgage insurance protects lenders against default by borrowers.

**CREDIT REPORT:** Lists the credit history of a borrower on current and previous credit obligations.

**DEED:** A written document transferring ownership of property from seller to buyer.

**DOWN PAYMENT:** A specified percentage of a home's value paid at closing. Usually a down payment is 5 to 25 percent of the house price. Private mortgage insurance is required at amounts less than 20 percent.

**EARNEST MONEY:** Deposit money given to the seller by the potential buyer to show that he is serious about buying the house. If the deal goes through, the earnest money is usually applied to the down payment. If the deal does not go through, it may be forfeited.

**ENCUMBRANCE:** A legal interest in a property that affects or limits the sale or transfer of property. Examples of encumbrances are mortgages, leases, easements, judgments, and liens.



# REAL ESTATE TERMS

(CONTINUED)

**EQUITY:** The homeowner's net ownership of his home, determined by subtracting the amount of the principal owed on the mortgage loan from the home's market value.

**ESCROW PAYMENTS:** The portion of a mortgagor's monthly payments held by the lender in an escrow account to pay for taxes, hazard insurance, mortgage insurance and other monthly payments as they become due.

**FHA MORTGAGES:** Loans made by private lenders, which are insured by the Federal Housing Administrations (FHA).

**GRADUATED PAYMENT MORTGAGES (GPM):** A type of flexible-payment mortgage whereby the payments increase for a specified time and then level off. Used by first-time homebuyers who expect their incomes to increase over the years.

**HAZARD INSURANCE:** Protects homeowners against damage caused to a property by fire, wind, or other common hazards. It is required by the lender up to the amount of the mortgage to protect the lender's security interest in the property. Additional coverage on the property can be purchased by the borrower. Flood insurance may be required if the home is in a high-risk flood area.

**LIEN:** A legal claim on property as security for a debt.

**LOAN COMMITMENT:** A written promise of a lender to a borrower to make a mortgage loan, on a specific property, under stated terms and conditions. The terms of the commitment most important to borrowers are the interest rate on the loan and expiration date of the commitment.

**LOAN-TO-VALUE RATIO (LTV):** The relationship between the amount of your mortgage to the appraised value of your property, the security. If you have a \$60,000 mortgage on property valued at \$80,000, your LTV is 75% (\$60,000 divided by \$80,000 = 75%).

**LOCK-IN:** When the borrower informs the lender that he/she wished to lock-in a guaranteed interest rate and points for a specified time period. To keep the lock-in price, the loan must close or settle by the end of the lock-in period. Be sure you fully understand the terms and conditions under which you lock-in your guaranteed interest rate and points.

**MORTGAGE INSURANCE:** An insurance, paid for by the mortgagor, which protects a lender against default. If the loan-to-value ratio is greater than 80% (or in some cases less than 80%) on conventional loans, lenders will require mortgage insurance issued by an independent mortgage insurer. Mortgage insurance protects the lender's security interest in a property if the borrower defaults on the loan. Mortgage insurance for FHA mortgages is known as the Mortgage Insurance Premium, or MIP. MIP is required on all FHA mortgages regardless of the loan-to-value ratio. Mortgage insurance should not be confused with mortgage life insurance, which pays off a mortgage loan in the event of the borrower's death.

**MORTGAGE NOTE:** Defines the terms of repayment of the debt secured by the mortgage.

# MOVING CHECKLIST

- ☐ Call security/alarm monitoring company to have the system transferred to your name as of the date of closing.
- ☐ Call your cellular phone service company to have your plan(s) changed and moved to Colorado.
- ☐ Submit your change of address form(s) to the Post Office for mail and magazines, or visit [moversguide.usps.com](http://moversguide.usps.com) to submit your address change online.
- ☐ Notify your financial institution(s) of your move.
- ☐ Order new checks from your bank.
- ☐ Arrange for moving assistance.
- ☐ Notify your employer(s) of your change of address.
- ☐ Notify your creditors of your change of address and phone number.
- ☐ If you are moving from out-of-state, get your automobile emissions test completed. Colorado requires this test before you can get your license plates. If you are moving to a different county within Colorado, notify the state and possibly get new license plates.
- ☐ Update your driver's license or get a new one if moving from another state.
- ☐ Register your automobiles with Colorado in the county where you will be residing.
- ☐ Transfer your auto policy or make arrangements for new auto insurance.
- ☐ Register to vote.
- ☐ Register your kids at their new schools or submit a change of address with their school.
- ☐ Make arrangements to have your entire family's medical and dental files transferred to your new doctors.
- ☐ Arrange for homeowners insurance by the insurance objection deadline in the purchase contract.

<b>PHONE</b>	AT&T	<a href="http://www.att.com/move">www.att.com/move</a>	1.800.MOVE.ATT or 1.800.222.0300 New Customer
	Century Link	<a href="http://www.centurylink.com/move">www.centurylink.com/move</a>	1.877.837.5739 or 1.866.776.8636 New Customer
	Vonage	<a href="http://www.vonage.com">www.vonage.com</a>	1.800.968.8720

<b>GAS AND ELECTRIC</b> Douglas County:	Xcel Energy	<a href="http://www.xcelenergy.com">www.xcelenergy.com</a>	1.800.895.4999
	IREA (electric)	<a href="http://www.intermountain.rea.com">www.intermountain.rea.com</a>	303.688.3100
	Black Hills Energy (gas)	<a href="http://www.blackhillsenergy.com">www.blackhillsenergy.com</a>	1.888.890.5554

<b>TRASH</b>	Not necessary in Denver County; suburb areas must contact independent contractor of choice.		
	Allied Waste	<a href="http://www.disposal.com/Denver">www.disposal.com/Denver</a>	303.287.8043
	Waste Management	<a href="http://www.WMColorado.com">www.WMColorado.com</a>	303.797.1600

<b>WATER / SEWER</b>	Automatically transferred/cancelled at time of closing by the title company; cost prorated and reflected on the Settlement Statement.		
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<b>CABLE AND INTERNET</b>	Comcast	<a href="http://www.comcast.com/move">www.comcast.com/move</a>	1.877.685.MOVE
	AT&T Internet	<a href="http://www.att.com/move">www.att.com/move</a>	1.800.MOVE.ATT or 1.800.524.8500 New Customer
	Century Link	<a href="http://www.centurylink.com/move">www.centurylink.com/move</a>	1.877.837.5739 or 1.866.776.8636 New Customer

<b>SATELLITE</b>	Direct TV	<a href="http://www.directtv.com">www.directtv.com</a>	1.800.DTV.MOVE or 1.888.777.2454 New Customer
	DISH Network	<a href="http://www.dishnetwork.com">www.dishnetwork.com</a>	1.888.557.9569 or 1.800.823.4929 New Customer

<b>NEWSPAPER</b>	The Denver Post	<a href="http://www.post.newscustomercares.com">www.post.newscustomercares.com</a>	303.832.3232
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<b>DRIVER'S LICENSE OFFICES</b>		<a href="http://www.revenue.state.co.us">www.revenue.state.co.us</a>	Click on gray "Driver's License" button
	Arapahoe County	5334 S. Prince St, Littleton	303.795.5954
	Aurora	14391 E. 4th Ave.	303.344.8400
	Boulder	2850 Iris Avenue, Suite F	303.442.3006
	Broomfield	5139 W. 120th Ave. #G.8	720.887.8396
	Denver	1865 W. Mississippi Ave. #C	303.937.9507
	Lakewood	1881 Pierce St.	303.205.5609
	Littleton	311 E. County Line Rd.	303.795.5954
	Parker	17924 Cottonwood Dr.	303.627.0985

<b>EMISSIONS TEST LOCATIONS</b>	<a href="http://www.aircarecolorado.com">www.aircarecolorado.com</a>	303.456.7090
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<b>MOTOR VEHICLE LICENSE AND REGISTRATION</b>		<a href="http://www.revenue.state.co.us">www.revenue.state.co.us</a>	Click on gray "Motor Vehicles" button
	Adams County	303.654.6010	For Aurora, Brighton, Commerce City, Westminster
	Arapahoe County	303.795.4500	For Littleton, Aurora, Englewood
	Denver County	720.865.4600	For the Four Denver Area Locations
	Douglas County	303.660.7440	For Castle Rock, Highlands Ranch, Parker
	Jefferson County	303.271.8100	For Arvada, Evergreen, Golden, Lakewood, Littleton

<b>ELECTION COMMISSION (VOTER REGISTRATION)</b>		<a href="http://www.govotecolorado.com">www.govotecolorado.com</a>	
	Adams County	303.920.7850	
	Arapahoe County	303.795.4511	
	Boulder County	303.413.7740	
	Denver County	720.913.8683	
	Douglas County	303.660.7444	
	Jefferson County	303.271.8111	

# HOME-BUYING PROCESS

