

## The Mortgage Loan Process

Thousands of families and individuals have financed their very first home with The Harvard State Bank (HSB). We can help you too, every step of the way from prequalification to your loan approval and closing.

The Loan Officer will not require verification of income or assets before providing you with an estimate of your closing costs. You may voluntarily provide information and documentation and ask the Loan Officer to review your material. You are welcome to request the Loan Officer's advice.

The Bank's Loan Officer will council you with loan qualification standards and suggest ways that you may improve your ability to gain a loan approval. The Bank does not fully decide the merits of the loan request until written application has been submitted. You have the right to file a written loan application.

### Step 1: Prequalification

#### You need to:

**Speak** with a Loan Officer.

**Share** general information about your employment history, income, savings, investments, debts and property you wish to purchase or refinance. The HSB Bank will accept private information about you only via a secure port such as our online mortgage pre-qualification or via secure e-mail that we initiate through our secure message exchange box. Please never send this sensitive information via regular e-mail or if you feel your system has been compromised.

#### The HSB Bank will:

**Identify** product, interest rate options and closing costs.

**Discuss** qualification requirements and if this is the right time to buy a home.

**Recommend** the product(s) that best fit your financial needs and goals.

**Identify** required documentation and deposit necessary.

**Schedule** an appointment for the right time to have the application interview.

**Helpful Hint:** When you choose The HSB Bank for your mortgage financing needs, you'll have the resources of an experienced financial lender, as well as the assistance of a professional Loan Officer who will walk you through each step and help you understand the process. If we don't make a certain type of loan we likely already have a relationship set up to provide it via our process with help from another lender.

### Step 2: Application

## You need to:

**Complete** a mortgage loan application.

**Provide** documentation supporting your employment history, income, savings, investments, debts and property you wish to purchase or refinance.

**Select** a product and interest rate.

**Receive** and sign the application documentation and regulatory disclosures.

**Submit** your application deposit.

## The HSB Bank will:

**Identify** any additional documentation that may be required to render a credit decision.

**Deliver** the complete application package to The HSB Bank Consumer Lending Center.

***Helpful Hint:** Come to the application interview prepared. When you provide the following documentation up front, the Loan Officer can help complete the application form and better advise you how to move along to the next step of the process:*

*Realtor and attorney contact information*

*Most recent two year's W-2s*

*Most recent two year's federal income tax returns*

*Most recent 30 days of paystubs*

*Most recent three month's bank and investment statements — all pages of the Purchase Contract—and all riders*

## Step 3: Processing

### The HSB Bank will:

**Confirm** your preferred method for communication and receipt of documentation.

**Identify** any additional documentation needed to process the loan and render a credit decision — confirm how and when it will be received.

**Determine** who should be contacted to gain access to the property and the best time to schedule the appointment with the appraiser.

**Order** the appraisal, flood certification, title commitment and private mortgage insurance certificate. The appraisal will be completed by a state-licensed and/or certified appraiser assigned by us.

**Notify** you of the appraisal results.

***Helpful Hint:** Ensure that your appraisal appointment is scheduled promptly and kept as agreed. Once the appraisal is complete, the application can move quickly into the next step of the process. Promptly provide The HSB Bank Consumer Lending Center with any additional documentation required to render a credit decision.*

## Step 4: Underwriting

### The HSB Bank will:

**Review** all employment, income, savings, investments and debt.

**Compare** information on the application to paystubs, W-2 forms, tax returns, bank and investment statements, etc. to determine sufficient income and funds are available for down payment, closing costs and reserves.

**Review** the credit report to determine outstanding debt, payment history and your current credit score.

**Review** the appraisal to confirm the market value and determine if the property represents sufficient collateral for the loan.

**Determine** that qualification requirements are met to approve the loan.

**Deliver** the Commitment Letter and identify any closing conditions.

**Provide** updated regulatory disclosures and a copy of the appraisal.

### You need to:

**Secure** and provide evidence of homeowners or hazard insurance coverage for the property being purchased or refinanced.

***Helpful Hint:** When you receive the Commitment Letter, updated regulatory disclosures and appraisal, please review them. Identify any conditions required for closing. The loan can be scheduled for closing once The HSB Bank Consumer Lending Center has received the signed Letter and disclosures.*

## Step 5: Closing

### The HSB Bank will:

**Review** and confirm all loan terms and closing conditions.

**Identify** a convenient date, time and location for the closing.

**Schedule** the closing with the title company.

**Order** pay-off letters, subordinations, releases, etc. and clear all closing conditions.

**Prepare** and deliver the closing documents to the title company. Coordinate final figures for closing and wire the loan proceeds to the title company.

**Provide** information on final funds needed for closing and the method of payment required.

### You need to:

**Attend** the closing at The HSB Bank branch or title company as scheduled and sign all mortgage and legal documents.

**Provide** final funds for closing.

**Helpful Hint:** *When you attend the closing, bring a legal form of government issued photo identification (driver's license, state I.D., passport, etc.) and the necessary final funds in the form of a cashier's check.*

Refer to the CFPB's Settlement Cost Booklet for additional helpful information concerning the Mortgage Loan Process, government rules, and your rights as a consumer. Please call The HSB Bank with additional questions or for clarification at (815) 943-4400.