LET THE JOURNEY BEGIN...
I look forward to helping you each step of the way. Thank you for choosing Cornerstone Home Lending!

Sincerely,

LANCE FOREHAND
Loan Officer | NMLS ID #504848
Office: 252.384.6909
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LForehand@houseloan.com
1145 North Road Street, Offices 207 & 208
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Company NMLS ID #2258 (www.nmlsconsumeraccess.org)

Providing innovative service and mortgage guidance to help select a residential loan program for each individual client is my main goal. I love working with people, and I enjoy forming relationships with my clients built on trust, integrity, and hard work.

Please don’t hesitate to contact me should you have questions about your current mortgage, prequalification for a new mortgage or any other home-financing needs. Also, please feel free to pass on my name to any friends or relatives who you think may benefit from my services. Referrals are the highest compliment I can receive!

Not a commitment to lend. Borrower must meet qualification criteria. Equal Housing Opportunity.
WHAT IS LOANFLY BORROWER PORTAL?

It is a first-class application for mortgage customers on the go! With loan status updates, document upload, and 24/7 access from any device, LoanFly Borrower Portal is a truly transparent view of your home loan process.

HOW DO YOU ACCESS THE PORTAL?

After prequalifying with our team, you’ll get an email invitation to create a free, secure account. Follow the instructions, and get ready for takeoff!

WHY WILL YOU LOVE LOANFLY BORROWER PORTAL?

- You’re in complete control of your loan process from the start
- You can access the portal anytime, anywhere, and from any device
- You have an easy-to-read loan status bar so you know exactly where you are in the process
- You can securely upload documents and easily manage paperwork on the fly
- You can quickly connect with us at all times

UPGRADE THE FLIGHT HOME WITH LOANFLY BORROWER PORTAL

CONTACT OUR CREW TO GET STARTED!
HERE ARE POPULAR MORTGAGE TERMS THAT ARE USED THROUGHOUT THE HOME-FINANCING PROCESS:

**Annual Percentage Rate (APR):**
This is your annual cost of the loan represented as a percentage. APR allows homebuyers to compare different mortgage programs based on their annual cost.

**Appraisal:**
A professional opinion of market value of a property.

**Adjustable-Rate Mortgage (ARM):**
An ARM may have a lower interest rate than a fixed-rate home loan. The adjusted rate may fluctuate over the course of the loan term based on the index, and mortgage payments may increase.

**Closing Costs:**
These are the costs and fees that are due on the date of closing, when a borrower obtains their mortgage and receives the title to their property. Closing costs include insurance, taxes, and other applicable fees.

**Credit Report:**
This report details a borrower’s credit history and current financial obligations.

**Down Payment:**
This is the portion of the purchase price that the buyer pays.

**Debt-to-Income (DTI):**
Lenders use this ratio to determine if a borrower can afford their monthly mortgage payment. They divide the borrower’s monthly debts by their pre-tax income.

**Fixed-rate Mortgage:**
With this type of mortgage, a borrower’s interest rate stays “fixed” and will not change during the life of the loan.

**Interest:**
This is the money the borrower pays a lender over a period of time as part of the mortgage agreement.

**Loan-to-Value (LTV):**
The lender divides the amount of the loan by the purchase price, or appraised home value. For example, if a borrower’s loan amount is $80,000 and their purchase price is $100,000, then their LTV is 80%.

**Origination Fee:**
This is the fee that a lender charges to prepare the documents related to a borrower’s mortgage.

**Principal, Interest, Taxes and Insurance (PITI):**
Make up a borrower’s total monthly mortgage payment.

**Principal:**
This is the amount of debt remaining on a loan before interest; it is the face value amount of the mortgage.

**Rate Lock:**
This is a commitment between you and the lender to hold a certain interest rate for a specified period of time. When you decide to lock your rate, you will receive a written confirmation from your lender.

**Truth in Lending Act (TILA):**
Is part of Regulation Z that requires creditors to provide clear, accurate costs to the borrower in order to keep them informed about their financial decisions (i.e. mortgages and credit cards).

**Title:**
This is a document that states a real estate transaction took place and establishes the buyer as the legal and exclusive owner of the property.

**Title Insurance:**
This type of insurance provides a real estate owner or lender with protection against any loss or damage they may experience if any claims against the title are made.

**Underwriting:**
This is the process of evaluating a loan application to determine the risk involved for the lender.
Thank you for the opportunity to be your home lender! To help us better serve you, we are providing the following list which includes the typical documentation reviewed by the Lender to complete the mortgage process. After the documentation is reviewed by the Lender, there may be more detailed documentation deemed necessary to complete the mortgage process. By furnishing any and/or all of the documentation, an applicant is in no way obligated to accept the terms and conditions of the mortgage offered, nor does the borrower have to provide these documents to receive a Loan Estimate.

### ALL BORROWERS

- Copy of unexpired picture identification (e.g., Driver’s License, VISA, Passport, Military ID, or State Issued ID) for each applicant
- Most recent two (2) months of bank statements, ALL numbered pages
- Most recent two (2) months of brokerage statements, ALL numbered pages
- Most recent two (2) months of retirement statements, ALL numbered pages
- Terms of withdrawal for retirement accounts
- Executed Purchase Contract/Agreement with all addendums
- Supporting documentation for any recent deposits not noted as automated payroll deposits
- Homeowners insurance policy if refinancing or information for the new property – agent and company name with phone number
- If any deposits or funds for closing are from a Gift (e.g., from relative, employer, non-profit, etc.), then more documentation will be required depending on the loan program – check with your Loan Officer for a specific list for your chosen program
- Copy of Earnest Money Check (a copy of the cleared check may be required as well, check with your Loan Officer)
- Copy of Social Security card

### SALARIED BORROWERS

- Most recent 30 days of pay stubs for each income source for each applicant
- W-2, K-1, and/or 1099 forms for the previous two (2) years for each applicant
- Most recent two (2) years of personal federal income tax returns with ALL schedules for each applicant, if filed separately

### SELF-EMPLOYED BORROWERS (Own at least 25% of a business, corporation, and/or partnership)

- Most recent two (2) years of business federal income tax returns with ALL schedules for each applicant, if applicable
- Year-To-Date Profit/Loss Statement and Balance Sheet for any sole proprietor company, partnership, or corporation in which you have 25% or more ownership
- W-2, K-1, and/or 1099 forms for the previous two (2) years for each applicant
OTHER ITEMS BASED ON YOUR SITUATION

- School transcripts (if employed less than 2 years from graduation)
- Current year’s Award Letter for Social Security benefits, if applicable
- Most recent 30-day pension/retirement income statements, if applicable
- If using Child Support or Alimony as income, copy of agreement as well as proof of receipt of the support for the last six (6) months
- Plans and specification may be required for new construction – check with your Loan Officer
- If applying for a VA loan – DD214 (if retired/discharged), Statement of Service (if active duty), monthly child care amount/letter
- Name and contact information for landlord if currently renting
- Documentation for obligations not reflected on the credit report (e.g., Divorce Decree, Parental Support Document, privately-held note, farm equipment loans, etc.)
- For any loans on which any applicant is a “Co-Signer,” furnish a copy of the note and 12 months of cancelled checks to prove payment by other signer if you do not want the debt to be considered as your debt
- Deferred student loans may require further documentation depending on the loan program – check with your Loan Officer for a specific list for your chosen program
- Non-US citizens must provide proof of eligible permission to reside and work in the US – EAD or other eligible work VISA – with evidence of history of renewal if expiring within 12 months
- Letters of explanation will be required for any credit inquiries, name variations, and address variations reflected on the credit report
- Bankruptcy, judgment, and/or foreclosure documentation – petition, discharge, release, and letter of explanation for the event

OWNERSHIP OF OTHER REAL ESTATE

- Lease agreements on any rental properties
- Most recent mortgage statement for all currently open mortgages with property address indicated
- Most recent tax, insurance, and applicable HOA statements if current mortgage payments do not include those escrow amounts
- Listing agreement or executed purchase contract for current residence and certified copy of executed closing statement (when available) for any property to be sold for the purposes of the new home loan
THE HOME-BUYING PROCESS

1. Choose a qualified mortgage professional
2. Prequalify for a home loan
3. Select a real estate agent
4. Assess needs, research home values, determine purchasing power
5. Preview homes with an agent
6. Select a property
7. Research home values
8. Write offer with agent (include contingencies)
9. Professional home inspection with agent
10. Contract accepted
11. Offer rejected
12. Counter offer
13. Appraisal
14. Loan being processed
15. Purchase homeowners insurance
16. Underwriting
17. Schedule closing (certified check due at closing)
18. Pre-closing inspection
19. Loan approval with Lance Forehand
20. Close on your new home
21. Keys are delivered
22. Move into your new home!
KEY STEPS OF THE LOAN PROCESS

THE FOLLOWING STEPS WILL HELP YOU UNDERSTAND OUR PROCESSES AND WHAT YOU CAN EXPECT FROM US.

1. **BORROWER**
   - Contacts Lance Forehand for home-financing information
   - Visits www.LoanWithLance.com to prequalify

2. **LANCE FOREHAND**
   - Discusses qualification, monthly payments and down payment needed for closing
   - Explains various loan programs available and quotes interest rates
   - Issues prequalification letter to help strengthen your purchase offer
   - Assists you in completing the loan application

3. **DURING THE LOAN PROCESS**
   - Initial documentation will need to be signed – necessary for submission of loan
   - A fully executed contract will be required for loan to be submitted and interest rate to be locked
   - Lance will notify you of key contract dates, including appraisal and loan approval
   - Lance will be available to answer any questions you may have during the loan process

4. **PROCESSOR**
   - May request additional documentation necessary for loan submission to underwriting
   - Orders title commitment to assure clear title
   - Pre-underwrites and prepares loan for approval

5. **UNDERWRITER**
   - May request further documentation upon review of your loan
   - Renders final decision on your loan approval

6. **REVIEW OF YOUR CLOSING DISCLOSURE & CLOSING COSTS**
   - You and Lance will review the Closing Disclosure
   - Lance will confirm all of your closing details: date, time, location, etc.
   - Lance will be available during signing appointment for any questions

7. **CLOSING**
   - Takes place at the title company or real estate office
   - Will require a certified/cashier’s check (payable to the escrow company)
   - Will require driver’s license or state identification

YOU ARE NOW THE PROUD OWNER OF YOUR NEW HOME!
Lance will stay in touch with you for life, and is always available to address any questions or concerns you may have.
1. BE SURE THAT YOUR EARNEST MONEY CHECK COMES FROM FUNDS IN YOUR OWN CHECKING OR SAVINGS ACCOUNT AND ARE WRITTEN ON YOUR OWN PERSONAL CHECK.

Do not let anyone else pay the earnest money for you. If this may be an issue, please contact your Loan Officer immediately.

2. TALK TO LANCE BEFORE ACCEPTING GIFT FUNDS FROM A FAMILY MEMBER TO HELP YOU BUY A HOME.

There are strict requirements to document the receipt of gift funds, for the donor as well as the recipient, and we can help you meet these requirements.

3. HAVE ALL SUPPORTING DOCUMENTS EASILY ACCESSIBLE.

These include: W-2s, tax returns, bank statements, pay stubs and assets.

4. DO NOT CHANGE YOUR JOB OR YOUR PAY STRUCTURE DURING THE FINANCING PROCESS.

You want each pay stub to show you work 40 hours per week if you are paid hourly, unless you have vacation or personal time off to account for the hours you take off.

5. WAIT UNTIL AFTER YOUR HOME CLOSES TO OPEN ANY NEW ACCOUNTS OR CREDIT CARDS.

Loan Officers are required to pull a refreshed credit report within five days of closing that will update your balances and report any new accounts since your credit was originally pulled. Your loan approval could be jeopardized if you have incurred new debt.

6. MAKE ALL PAYMENTS ON TIME.

Keep all of your accounts current to ensure no late payments appear on the refreshed credit report before closing.

7. DO NOT SHOP FOR, PURCHASE OR LEASE A CAR.

In general, do not make any large purchases during the home loan process.

8. REMEMBER THAT LANCE IS HERE FOR YOU!

Call us if you have any questions along the way. We want to be your resource and to make your home-buying process as smooth as possible.
### WAITING PERIODS

**HOW LONG DO YOU WAIT TO BUY A HOME?**

<table>
<thead>
<tr>
<th></th>
<th>FORECLOSURE</th>
<th>SHORT SALE [DEED-IN-LIEU]</th>
<th>CHAPTER 7 BANKRUPTCY</th>
<th>CHAPTER 13 BANKRUPTCY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fannie Mae</strong></td>
<td>7 years from when title is transferred from the borrower’s name</td>
<td>4 years (includes Deed-in-Lieu)</td>
<td>4 years from discharge or dismissal date*</td>
<td>2 years from discharge date*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4 years from dismissal date*</td>
</tr>
<tr>
<td><strong>Freddie Mac</strong></td>
<td>7 years from when title is transferred from the borrower’s name</td>
<td>No wait period requirement for loans receiving LP Accept/Eligible recommendation</td>
<td>4 years from discharge or dismissal date*</td>
<td>2 years from discharge or dismissal date*</td>
</tr>
<tr>
<td></td>
<td>No wait period requirement for loans receiving LP Accept/Eligible recommendation</td>
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<tr>
<td><strong>FHA</strong></td>
<td>3 years from the latter of the date title transferred from the borrower’s name or the date a claim was paid by FHA. Includes Deed-in-Lieu &amp; FHA Short Sale.</td>
<td>*FHA financing can be obtained in less than 3 years under certain conditions</td>
<td>2 years from discharge or dismissal date</td>
<td>1 year of the payout must elapse and payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage</td>
</tr>
<tr>
<td><strong>VA</strong></td>
<td>2 years from when title is transferred from the borrower’s name</td>
<td>As long as the veteran did not pursue a short sale to take advantage of declining market conditions and has sufficient eligibility for new transaction, we will consider the overall credit history of the borrower</td>
<td>2 years from discharge or dismissal date</td>
<td>1 year of the payout must elapse and payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage</td>
</tr>
<tr>
<td><strong>USDA Rural</strong></td>
<td>3 years from when title is transferred from the borrower’s name</td>
<td>3 years from completion date</td>
<td>3 years from discharge or dismissal date</td>
<td>1 year of the payout must elapse and payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage</td>
</tr>
</tbody>
</table>

Jumbo loans will be based on specific investor guidelines. See your Loan Officer for details.* Multiple bankruptcies within most recent seven years require a five-year waiting period. Fannie Mae and Freddie Mac require an AUS approval. Not a commitment to lend. Borrower must meet qualification criteria. Cornerstone Home Lending, Inc is not affiliated with the U.S. Government. Effective April 2017.
A credit score influences your home buying potential. FICO credit scores range from 300 to 850, with 300 being the lowest and 850 the highest. Generally, the higher the number, the better your loan terms. 

**BUT JUST WHAT GOES INTO A CREDIT SCORE?**

**THE 5 FACTORS OF YOUR CREDIT SCORE**

- **NEW CREDIT ACCOUNTS**
  - Lots of new credit account inquiries can lower your score. Mortgage and auto loan inquiries are an exception; these count as one inquiry within a 30-day period.

- **LENGTH OF YOUR CREDIT HISTORY**
  - A short history isn’t a bad thing, if you show responsible credit management. Having a few credit accounts is better than having no credit at all.

- **HOW MUCH YOU OWE**
  - Keep outstanding balances under 30% of your credit limits.

- **YOUR PAYMENT HISTORY**
  - Late payments lower your score, so pay your bills on time.

- **TYPES OF CREDIT YOU HAVE**
  - A variety of credit types – like an auto loan, credit cards, and other credit accounts – could boost your score.

**TALK TO ME TO LEARN MORE**

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10 Things NOT to do when financing a home

By following the guidance of your home loan professional, you will be on your way to obtaining competitive terms and interest rates as well as a smooth, on-time closing. If you must take one of these actions, it is wise to discuss it with your Loan Officer first. We would love to assist you; please feel free to call us with any questions or to start the home-buying process!

1. Do not look for a home without being prequalified
2. Do not suddenly pay off debts and collections or close accounts
3. Do not apply for new credit cards
4. Do not change jobs or change your pay structure at your current job
5. Do not consolidate bills
6. Do not make non-payroll deposits into your bank account without keeping copies of checks
7. Do not pack away documents needed during the loan process. These include W-2 forms, tax returns, bank statements, pay stubs, etc.
8. Do not choose a mortgage lender without researching all of your options
9. Do not shop for, lease or purchase a vehicle
10. Do not incur more debt by making large purchases such as new appliances or furniture

Contact Lance Forehand
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