

What May Have Changed Since Your Last Mortgage Application



If it's been more than 3 years since you last applied or obtained a mortgage, you may be surprised as to how the process has changed. This document covers three key changes that have affected the mortgage process – Technology, ability-to-repay and mortgage loan disclosures.

Technology

Changes in the industry have inspired technology and a generation of buyers have requested a better customer experience. With key information and borrower permission, a lender can:

- **Securely and electronically verify your income, you may not need to submit pay stubs**
- **Provide a link that allows you to identify your bank and attach bank statements to your loan application, you may not need to provide bank statements**
- **Obtain enough data from historical information that an appraisal may not be necessary**

Ability To Repay

Lenders are now required by law to make a reasonable, good faith determination if a borrower can repay the loan. While this protects the consumer, it also may require the consumer to provide additional documentation for certain products or situations. A majority of mortgage products require standard documentation, don't agonize if you are asked for something additional. All lenders would make the same request for that same mortgage product and situation to meet the ability to repay requirements.



Mortgage Disclosures

The Consumer Financial Protection Bureau (CFPB) set out to ensure customers receive timely, clear and concise information in order to make the best financial decisions and understand what is expected at the time of closing. All lenders now use the same disclosure forms. Key items to note are:

- **Once an application is received, a borrower must receive the Loan Estimate within three days**
- **The Loan Estimate includes estimated interest rate, monthly payments and total closing costs**
- **Three days prior to closing, the lender must provide the Closing Disclosure**
- **The Closing Disclosure must closely reflect the Loan Estimate, if not, ask!**
- **Lenders are very limited on changes between the two disclosures**



Lenders can provide these powerful tools but remember, nothing outweighs a conversation with an experienced mortgage consultant. Make sure you are comfortable with the electronic/digital tools you are using and if you have a question, please ask!

Call a Premia Relocation Mortgage Consultant at 866.591.0655 or check out our website at: www.premiarelocationmortgage.com

