

THE

BETTER

WAY

TO MORTGAGE



QUICK LOAN GUIDE

ADJUSTABLE-RATE MORTGAGE (ARM)

ARMs tend to originate at a lower interest rate than a fixed-rate home loan. However, this rate will fluctuate based on a set index. Payments for ARM loans can increase.

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.

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.

CLOSING DISCLOSURE (CD)

This form is a statement of final loan terms and closing costs. You must receive this form from your lender at least 3 days before your closing. Compare this document with your Loan Estimate.

DEBT-TO-INCOME RATIO (DTI)

Borrower's monthly liabilities divided by borrower's monthly income (pretax) equals the percentage of monthly gross income that goes toward paying debts. Lenders use this ratio to determine if a borrower can afford their monthly mortgage payment.

DOWN PAYMENT

This is the portion of the purchase price that the buyer pays.

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.

LOAN ESTIMATE (LE)

A detailed estimate of the total costs, given to the borrower 3 days after the lender receives their application. The lender's origination fee, points, escrow, title insurance, appraisal fee, taxes, and other expenses should be included.

LOAN-TO-VALUE RATIO (LTV)

The mortgage amount divided by the purchase price or appraised value of the home. LTV helps assess the risk of the loan for the lender.

MORTGAGE INSURANCE PREMIUM (MIP)

To protect the lender from potential loan default, the borrower pays a premium on Federal Housing Administration (FHA) loans. There is an upfront MIP and a monthly MI (mortgage insurance) amount that the borrower must pay for the life of the loan with a down payment of 3.5% to 9.99%. For down payments of 10% or more, MIP is only paid for 11 years.

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)

The monthly mortgage payment expected from the borrower.

PRIVATE MORTGAGE INSURANCE (PMI)

The borrower is required to pay for PMI when LTV is over 80 percent.

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.

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.

MORTGAGE GLOSSARY

STEP 1. PREQUALIFY WITH RYAN NILES

- Online at www.NilesTeam.com
- Over the phone by calling 206.949.4326
- Face-to-face - contact Ryan to schedule your appointment

STEP 2. LEARN ABOUT OPTIONS THAT FIT YOUR NEEDS AND GOALS

- Cornerstone will order and review your credit report
- Cornerstone will determine your purchase price and estimated monthly payment
- Ryan will give you a prequalification letter

STEP 3. FIND YOUR HOME & MAKE AN OFFER

- Work with your realtor to find a home and make an offer
- Let Ryan know once the seller accepts your offer
- Have your realtor send an executed purchase contract to Ryan
- The processor will order title work

STEP 4. DISCUSS RATE LOCK

- Go over interest rates and lock terms
- Initial loan documents will be created
- Review and sign your loan documents

STEP 5. SECURE HOMEOWNERS INSURANCE & SCHEDULE AN INSPECTION

- You must have proof of homeowners insurance before you can close on your home
- Let your Loan Officer know when you've secured homeowners insurance

STEP 6. YOUR LOAN IS IN PROCESS & YOUR APPRAISAL IS ORDERED

- Cornerstone orders your appraisal after inspection is completed
- Cornerstone verifies all of your information and orders your flood certificate
- Cornerstone reviews your appraisal and sends you a copy via email, if you consent to receive documents electronically

STEP 7. UNDERWRITING REVIEWS YOUR LOAN FILE

- Cornerstone confirms all of your credit, employment, and financial information
- They will verify that you meet all of the required criteria for final loan approval
- Cornerstone may ask for additional information

STEP 8. UNDERWRITING APPROVES YOUR LOAN

- Cornerstone notifies everyone of the approval via email, phone, or both
- Cornerstone works with the title company to prepare your Closing Disclosure

STEP 9. REVIEW OF YOUR CLOSING DISCLOSURE & CLOSING COSTS

- You and Ryan will review the Closing Disclosure
- Cornerstone will let you know the amount needed for your cashier's check or wire payment for your closing
- Cornerstone will confirm all of your closing details: date, time, location, etc.
- Remember to bring your driver's license and payment for your closing

STEP 10. CLOSE ON YOUR HOME & GET THE KEYS

- The title company records the documents
- Then, you get the keys to your new home!

CONGRATULATIONS, YOU'RE A HOMEOWNER!

THE LOAN PROCESS

PAYMENT CHART

Interest Rate	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%	6.0%	6.5%	7.0%
Mortgage Amount	The corresponding Estimated Annual Percentage Rate (APR) for each interest rate is listed under the estimated monthly payment. For example, a mortgage amount at \$200,000 with an estimated monthly payment of \$1,014 and an interest rate of 4.50% would have an APR of 4.579%. Payment illustrations based on a 30-year rate loan with 20% down payment.								
\$100,000	\$422 3.145%	\$449 3.648%	\$477 4.153%	\$507 4.626%	\$537 5.162%	\$568 5.667%	\$600 6.161%	\$632 6.668%	\$665 7.184%
\$150,000	\$633 3.010%	\$674 3.598%	\$716 4.102%	\$761 4.605%	\$806 5.108%	\$852 5.611%	\$900 6.115%	\$948 6.620%	\$998 7.122%
\$200,000	\$844 3.072%	\$898 3.574%	\$954 4.076%	\$1,014 4.579%	\$1,074 5.081%	\$1,136 5.583%	\$1,200 6.092%	\$1,264 6.597%	\$1,330 7.092%
\$250,000	\$1,055 3.057%	\$1,123 3.559%	\$1,193 4.061%	\$1,268 4.563%	\$1,343 5.065%	\$1,420 5.567%	\$1,500 6.078%	\$1,580 6.582%	\$1,663 7.074%
\$300,000	\$1,266 3.048%	\$1,347 3.549%	\$1,431 4.051%	\$1,521 4.552%	\$1,611 5.054%	\$1,704 5.556%	\$1,800 6.069%	\$1,896 6.573%	\$1,995 7.062%
\$400,000	\$1,688 3.036%	\$1,796 3.537%	\$1,908 4.038%	\$2,028 4.539%	\$2,148 5.041%	\$2,272 5.542%	\$2,400 6.057%	\$2,528 6.561%	\$2,660 7.046%

Taxes and insurance not included in estimated payment. Interest rates subject to change.

DOCUMENTATION NEEDED FROM BUYERS

Here's a quick list of the documents needed to apply for a mortgage. Additional items may be requested along the way.

- Most recent 2 years' signed tax returns
- Most recent 2 months' asset statements
- Most recent 2 years' W-2 forms
- Valid photo ID
- Last 30 days' paystubs

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.

PAYMENTS + DOCUMENTS

WHY CORNERSTONE?



ON-TIME CLOSING COMMITMENT

It's not just a priority; it's a core value.



EFFICIENCY

We can close quickly because we work on multiple parts of the loan.



VARIETY OF LOAN PROGRAMS

We can help everyone from first-time homebuyers and move-up homeowners to real estate investors.

WHY IS **LOANFLY**® THE BETTER WAY TO MORTGAGE?

LoanFly® is the mobile and personal mortgage process that gets buyers home faster. LoanFly® gives the buyer the choice of an online, in person, or mobile experience. Downloading the free LoanFly® mobile app gives buyers the power to communicate with their dedicated loan officer, check real-time loan status, submit documents, estimate payments and more. LoanFly® lets you soar home!

Visit www.NilesTeam.com to get started.



RYAN NILES

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IN-HOUSE OPERATIONS

From processing and underwriting to closing and funding.



PERSONAL ATTENTION

At our core, we're a local lender and we put you first.



DIRECT LENDING

We cut out the middle man and make the decisions on your loan.



INNOVATION

You can stay connected to your loan process 24/7 with our LoanFly® app and Borrower Portal.

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