



HOME LOANS

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*We're here to lead you through the
refinancing process step-by-step!*



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Your property is your nest egg! Whether you are refinancing your primary, secondary or investment home, refinancing needs to make sense. At no cost to you, I can help guide you through the options available to be sure refinancing supports your short and long term goals. I am committed to providing honest and transparent service and will help you understand the process so it is not intimidating.

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There are at least 15 reasons to **REFINANCE**

1

**LOWER
YOUR
PAYMENT!**

2

*Eliminate
Mortgage
Insurance*

3

*Payoff high
interest rate
debt*

4

*Remove a
co-signer*

5

*Cashout to help
finance a 2nd
home or
vacation home*

6

*Payoff your home
sooner with a
shorter term
mortgage*

7

*Consolidate
Student Loans*

8

*Cashout to
renovate your
current home*

9

*Switch from an
adjustable rate
to a **fixed rate**
mortgage*

10

***Reset the term**
on your adjustable
rate mortgage*

11

*Lengthen the
term of your
loan to **improve**
cash flow*

12

*Cashout to
invest in a
business*

13

*Pay off a
2nd mortgage*

14

*Cashout to finance
the down
payment on a
rental property*

15

***Payoff** an
ex-spouse or
business partner
in a lump sum*



THE HOME REFINANCE PROCESS

You need a good mortgage professional you can count on to guide you along the way!

1. APPLICATION

Gather your information and get prequalified.
Review and sign your loan estimate.

2. LOAN OFFICER CONSULTATION

Talk to your loan officer and strategize the best
loan product for your refinance and discuss rates.

3. PROCESSING

Work with our highly qualified team members to
gather and review your paperwork and prepare
your transaction to be underwritten.

4. UNDERWRITING

The Underwriter will review all aspects of your
transaction. The Underwriter may ask us for more
documentation or clarification before giving you
loan approval.

5. CLOSING DISCLOSURE

After Loan Approval we will prepare your Closing
Disclosure. This must be signed by the borrower(s)
3 DAYS BEFORE signing your loan documents.
There are no exceptions to this wait period.

6. SIGNING DAY

When your loan documents are prepared, a
notary will meet with you to sign and notarize
your documents.

7. FUNDING

There is a mandatory 72 hour Right of Rescission
prior to funding a refinance. The loan will usually
fund three business days after the paperwork has
been signed.

8. CONGRATULATIONS!

MORTGAGE DOCUMENTATION CHECKLIST

You will be notified of the specific document you will need to provide. These are required to approve and underwrite your loan and can vary depending on program, down payment, credit score and job type. It is important to include all pages of the documents provided even if a page is blank. You may be required to update documents originally provided before closing. Do not deposit any money that you cannot document where you received it from.

Income Information

- ☐ Most Current Paystubs
(All jobs/borrowers, showing year to date information.)
 - 1 month (Full 30 day period)
 - 2 months (Full 60 day period)
- ☐ Federal Tax Returns (All pages)
 - 1 Year _____
 - 2 Years _____
 - Business & Personal _____
- ☐ W2's
 - 1 Year _____
 - 2 Years _____
 - Written explanation if employed less than 2 years or a 30 day gap in the last two years
 - Self-employed documentation (ex. Business License)
 - Year to date profit and loss
 - List of all business debts
 - Evidence business pays debts
 - 6 months business bank statements
 - Pension Award Letter
 - Social Security Award Letter

Additional Property Ownership

- ☐ Latest mortgage statement for all properties you own.
- ☐ Property Tax Bill for all properties
- ☐ Copy of homeowners insurance for all properties
- ☐ Verification of homeowners association dues
- ☐ Copies of current leases for rented units you own

Credit Information

- ☐ Most Recent checking account statements
(all pages even if blank)
 - 1 month _____
 - 2 months _____
- ☐ Most Recent savings account statements
 - 1 month _____
 - 2 months _____
- ☐ Most recent CD account statements
 - 1 month _____
 - 2 months _____
- ☐ Most recent investment account statements
 - 1 month _____
 - 2 months _____

- ☐ Most recent quarterly retirement statements
 - 1 quarter _____
 - 2 quarters _____
- ☐ Terms and conditions of withdrawal for retirement accounts
- ☐ Judicial decree for any obligation due to legal action
(ex. child support)
- ☐ Complete bankruptcy discharge papers
- ☐ Letters of explanation
 - Credit inquiries
 - Late payments
 - Collections
 - _____
 - _____
- ☐ Documentation for any large deposit outside of payroll deposits or gift funds (typically \$200 or more)
If necessary:
 - ☐ Payments for utilities, rents, alternative credit
 - ☐ Verification of another party paying student loans
 - 6 months bank statements
 - ☐ Verification of another party paying auto loan payments
 - 6 months of bank statements
 - ☐ Verification of gift funds source
 - Full 30 day transaction history from gift fund bank account
 - ☐ Verification of gift fund destination
 - Full 30 days transition history
 - ☐ Signed gift letter

Other Documentation

- ☐ Copy of driver's license
- ☐ Copy of Social Security Card
- ☐ Contact information for:
 - ☐ Employer
 - ☐ Real Estate Agent
 - ☐ Attorney
 - ☐ Accountant
 - ☐ Home Owners Insurance Agent
 - ☐ Property Management Company
 - ☐ Relocation Coordinator
 - ☐ Landlord
- ☐ _____
- ☐ _____
- ☐ _____

MORTGAGE DO'S AND DON'TS

DO

Keep all records in good order

Make sure your financial records are close at hand in case updates are requested.

Track your income

Underwriters will verify income and tax documents through your employer, the IRS and/or your CPA. Hold on to new paystubs as they arrive.

Know your available assets

Continue saving incoming account statements, and keep all numbered pages of each one, even if blank (example: page 1-8 of 8)

Document the gift

If you're receiving any gift money from relatives, they'll need to sign a gift letter (we can provide) and confirm the source of the funds with a statement.

Confirm your current residence

If you're renting, continue paying rent on time and save confirmations. If you're selling your home, you'll need to show your Closing Disclosure from the sale. If you are renting out your old home, you may need to show sufficient equity, a signed lease and a deposit.

Keep up your credit

Continue to make all payments on time; your credit report may be pulled again and any negative change to your score could cause you to lose your approval.

Remember things have changed

There's more paperwork involved than in the past. Even if a request appears silly or unnecessary, it wouldn't be requested if it wasn't needed.

DON'T

Buy that new car or furniture

Don't make any big new purchases or open new lines of credit at this time. Any changes can cause delays or possibly prevent your closing. If you must open a new account, talk to your loan officer first and let them know.

Change jobs, retire or take vacation

If you are planning to retire soon or have been interviewing for a new job, let us know up front. Even moving from a salaried to a commissioned position can cause complications, and even though vacation time is necessary, taking unpaid time off from work during the loan process is not a good idea either.

Deposit lots of cash

Cash isn't like a check; we usually can't confirm where it came from, so it will not be counted as part of your funds to close. Make copies of checks you've deposited, and the slips as well.

Wait to withdraw from stocks or retirement

If you need to sell stocks or borrower money from your retirement account, it might take time for them to process the transactions. Also, your underwriter will need to confirm the transfer of funds. Don't delay by waiting until the last minute.

Don't forget to breathe

The process can be confusing and sometimes scary if you haven't purchased a house before. Even if you have, you might still have questions. We're here to help you at each step of the way, even long before you intend to buy. Call or email at any time!

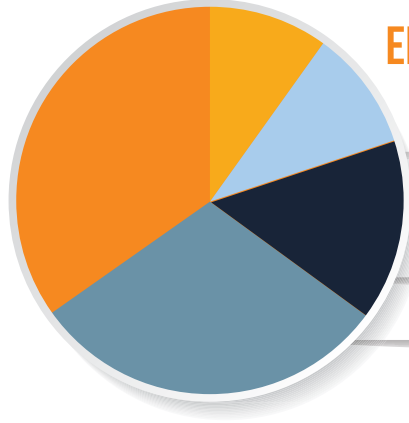


YOUR REAL CREDIT SCORE

What is a credit score?

Your credit score could mean the difference between being denied or approved for a home loan, and a low or a high interest rate. There are 3 major credit bureaus: Equifax, Experian, and Transunion. Data from your credit score goes into 5 major categories to make up your credit score. For example even if you have paid your outstanding credit on time but every account you have is used to the maximum amount, your scores will be lower than someone who has high maximum credit but lower balances on each.

Note: Making purchases on a credit card or consumer loan before or during the home buying process may impact your ability to qualify. Please discuss any purchases with your Loan Officer prior to making them. The Lender can check your credit again throughout the process to see if any new accounts are opened or if your balances have increases.



ELEMENTS OF YOUR CREDIT SCORE

PAYMENT HISTORY 35%

AMOUNTS OWED 30%

LENGTH OF CREDIT HISTORY 15%

TYPES OF CREDIT USED 10%

NUMBER OF INQUIRIES 10%

Elements of your credit score

Used by 90% of lenders, the FICO (Fair Isaac Corporation) provides the most reliable report - including scores for each of the 3 agencies. There are hundreds of different credit-scoring models, but none use the same risk criteria as FICO.

Beware of commercial sites like credit karma and credit sesame. They can be valuable tools, but don't always give correct scores.

- These sites are typically affiliated with only one of the three major credit reporting agencies (CRAs).
- Algorithms used for determining each type of credit are different.
- The free score you're provided will not be accurate for all kinds of credit.
- Scores can swing by a hundred points or more.
- These sites often come with strings attached, such as recurring fees.

TIPS FOR BOOSTING YOUR CREDIT SCORE AND FINANCIAL HEALTH:

- Reduce debt with a structured payment plan
- Keep low balances and make payments on time
- Avoid excessive credit requests or inquiries
- Check your report annually

While credit reports play only a small role in the mortgage underwriting process, they serve as a "gateway" to the process. The CRAs are already required by law to provide a FREE annual credit check.

Disclaimer: Bay Equity is a Lender. This list was prepared for general informational purposes only. This information does not constitute as legal, tax, or financial advice. It cannot replace the advice of competent legal counsel or tax advisor or finance professional licensed in your state.



VERIFYING FUNDS FOR CLOSING

The Patriot Act and other state laws dictate that we verify all funds coming to a real estate transaction. Here are some tips:

What we will need:

- ✓ Complete Bank Statements covering 60 days on ALL accounts being used, showing adequate funds are in place
- ✓ Documentation to verify the source of any non-payroll deposit



Examples of what is NOT acceptable documentation for funds to close:

- ✗ Cash on hand
- ✗ Unofficial Bank Statements
- ✗ Balance "snapshot" or statement not covering 60 days

NEED TAX RETURN INFO OR TRANSCRIPTS?



ONLINE

Visit **www.irs.gov** and click on "Get Your Tax Record," then click the blue button "Get Transcript Online."
(You will need to create an account)



PHONE

Call **1.800.908.9946** and follow the voice prompts.



MAIL

Send the IRS **Form 4506-T** (or **Form 4506-T-EZ**) to the address in the directions.
Forms are available at **www.irs.gov** or **800.829.3676**
(Transcripts are mailed to your home address free of charge. Allow 5 to 10 business days for delivery)

FOR EXACT COPIES of a filed and processed return, including attachments and W-2s: Complete **Form 4506** and follow the exact payment instructions on the form. *Allow 75 days to receive copies.*

IMPORTANT DOCUMENTS TO KEEP AND HOW LONG



LESS THAN A YEAR	ONE YEAR OR LONGER	SEVEN YEARS	FOREVER
ATM, Bank-Deposit & Credit Card Receipts <i>(Until you reconcile with your monthly statements)</i>	Loan Documents <i>(Until updated or loan is paid off)</i>	Tax Records <i>(Electronic and paper. Keep for 7 years)</i>	Birth & Death Certificates
	Vehicle Titles <i>(Until you sell the vehicle)</i>		Marriage Licenses
	Investments <i>(Stocks, bonds, mutual funds, etc. Until you sell the investment)</i>		Divorce Decrees
Insurance Policies & Investment Statements <i>(Until new ones arrive)</i>	Pay Stubs & Bank Statements <i>(One year)</i>		Social Security Cards
	Home Purchase, Sale or Improvement Documents <i>(For as long as you own the property and at least six months after you sell)</i>		Military Discharge Papers
	Warranty Documents & Receipts for Large Purchases <i>(For as long as you own them)</i>		Defined-Benefit Plan Documents
	Will <i>(Until updated)</i>		Estate-Planning Documents
			Life-Insurance Policies
			Inventory of Your Bank Safe-Deposit Box



MORTGAGE BUSTERS

Top 38 things that can stop a mortgage transaction in its tracks.

Borrower (and/or Co-Borrower):

1. Incomplete or inaccurate information on loan application.
2. Late payments.
3. Additional debt after loan application.
4. Lost job. Or lacks two year history.
5. Income verification lower than what was stated on application.
6. Overtime income not allowed by underwriter.
7. Applicant makes large purchase on credit before closing.
8. Illness, injury, divorce or other financial setback during escrow.
9. Lacks motivation.
10. Gift donor changes mind.
11. Cannot locate divorce decree or discharge of bankruptcy.
12. Cannot locate tax returns or bank statements.
13. Interest rate increases. No longer qualifies.
14. Loan program changes with higher rates, points and fees.
15. Child support not disclosed on application.
16. Has Bankruptcy within two years.
17. Brings in handwritten pay stubs.
18. Starts new job with probation period.
19. Switches from salary to commission.
20. Borrower/Co-Borrower/Seller passes away.
21. Can't find acceptable property in price range.
22. Cash is short or not properly paper trailed.
23. Cashier check not provided to escrow at closing.

Property:

24. County will not approve septic or well.
25. Home is destroyed prior to closing. Or not structurally sound or uninsurable for homeowner's insurance.
26. Incorrectly zoned.
27. Appraiser has difficulty finding comparable sales.

Appraiser/Inspector:

28. Is not local and misunderstands market.
29. Too busy and does not complete appraisal on schedule.
30. Is not on Lender's "approved list." Or Lender requires second or review appraisal.
31. Can't find comparable sales.
32. Not available when needed.
33. Inspection reports alarm buyer. Sale canceled.

Escrow/Title:

34. Forgets to notify Lender/agents of unsigned or unreturned documents.
35. Forgets to obtain information from insurance, lienholders, lenders, etc. in timely manner.
36. Discovers liens or title problems last minute.
37. Misplaces or incorrectly prepares paperwork.
38. Principals leave town, don't sign paperwork.



YOU MAY QUALIFY FOR A PROPERTY INSPECTION WAIVER

Certain refinance transactions may be eligible for a **Property Inspection Waiver**. Eligibility is determined by automated underwriting through FNMA, but will be considered on the following transaction types:

- » One-unit properties, including condominiums
- » Principal residence, second home and investment property transactions
- » Limited cash-out refinance transactions up to a 90% LTV/CLTV for principal and second homes; up to 75% LTV/CLTV for investment properties
- » Cash-out refinance transactions up to a 70% LTV/CLTV for principal residences; up to 60% LTV/CLTV for second home and investment properties
- » Loan case files that receive an approve/eligible recommendation



**This program is 100% dependent on direct underwriting results and program specifications. Each case is reviewed individually - contact your Loan Officer to find out if you are eligible. Transactions that do not receive a PIW offer will require an appraisal by a qualified residential appraiser to establish the market value.*

Thank you very much

FOR CHOOSING MY TEAM AT BAY EQUITY HOME
LOANS FOR YOUR MORTGAGE NEEDS!

Once your loan closes, you will be receiving an email survey to review my services. I strive to provide exemplary service to earn a five-star rating from you. It would mean so much to me and my team if you would take 5 minutes to complete that survey, and also write a review for us on our Google Business and social media sites.

We loved helping you, now we would enjoy helping someone you know.

If you can think of anyone who could benefit from purchase loan or refinance from our experienced team, please do not hesitate to let us know!

*Thank you again
for the opportunity
to serve you!*

**We look forward to serving
your friends, family
members and coworkers.**



MEET YOUR MORTGAGE TEAM

Mike and Robin Rafii created a team of professionals all working hard toward your mortgage goals!



MIKE RAFII

Regional Sales Manager | NMLS ID# 5341 | MLO ID# 5341 | mike@bayeq.com | **760.822.8813**

At The Rafii Group, we believe that getting a home loan should be a comfortable and empowering journey. With over 30 years in the industry, we aim to provide a **5-Star Experience** from the initial consultation to your loan closing, and beyond. We're with you every step of the way. Thank you for trusting us as your mortgage consultants for life!



ROBIN RAFII

Regional Sales Manager | NMLS ID# 5343 | rffii@bayeq.com | **760.822.8814**

A veteran with over 25 years in the industry, Robin is a key asset to the team as the department manager for processing and underwriting. Her extensive experience as a loan officer enables her to handle complex situations effectively and maintain direct communication with our team.



JEFF CONRAD

Production Manager | jfconrad@bayeq.com | **214.450.7093**

With over 15 years of experience, Jeff brings his expertise to guide you through the entire loan transaction. Working closely with Mike, Jeff is an important extension of the originating team.



SKYLER SHEA

Production Manager | srshea@bayeq.com | **858.500.4163**

Skyler works side-by-side with Mike to ensure timely and efficient communication. Working with clients is a privilege, not a right, and no matter the circumstances, we will work to find the most appropriate financing strategy to suit your life goals for many years to come.



RICH SMITH

Production Manager | rsmith@bayeq.com | **760.415.0341**

Rich is committed to ensuring a smooth and timely close of escrow. He will inform you of any action required on your part and what to expect next. His many years of experience and hundreds of closings annually provide him with the expertise to direct you along the various milestones of your loan process.



TANYA LEE

Loan Coordinator | tlee@bayeq.com | **858.657.1053**

In the industry for over 15 years, Tanya brings her expertise to guide you through the entire loan transaction. Working as a bridge between Mike and the processing team, Tanya will help everyone put the pieces together to ensure a smooth process.



TAYLOR RAFII

Loan Processor Manager | trafii@bayeq.com | **858.500.4169**

Taylor provides clients with updated and periodic information regarding loan applications, gathers necessary documentation, and ensures all documents and signatures are in order prior to submission. Her excellent attention to details and customer service are an asset to the process!



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