

Understanding your rights and responsibilities when financing your home may avoid costly delays



Know Before You Owe The Loan Estimate

The process involves two separate but related disclosures. Below are tips for understanding the Loan Estimate.

1. A lender must issue a Loan Estimate within three days of receiving the following:

- Your name
- Your income
- Your social security # (so the lender can check credit)
- The address of the home you wish to purchase
- An estimate of the home's value (typically the sale price)
- The amount you wish to borrow

Issuing a Loan Estimate does not mean the lender has approved or denied the loan. Use the Loan Estimate to compare lenders and determine which loan best meets your needs.

2. The lender may not proceed with the loan without clear indication of your intent to proceed

Delays could mean you have to start over. With exception of a reasonable fee for a credit report, the lender may not request any payment information in advance of your indication of the intent to proceed. Lenders may require payment information as part of confirming your intent to proceed. To avoid delays, ask the lender for specifics as to what you need to do to indicate your intent to proceed.

3. It's possible the Lender will not share the Loan Estimate with your REALTOR® (even with your permission)

Your REALTOR® representative could be an important resource to avoiding delays. If you wish your REALTOR® representative to assist you in understanding or managing the information in the Loan Estimate(s) be sure to share it immediately upon receipt so you do not miss any important deadlines.

4. A change in circumstances may mean a revised Loan Estimate is needed

The lender is responsible for providing accurate pricing information based on the information available to the lender at the time of the Loan Estimate. Common reasons why a revised Loan Estimate may be required include:

- You decide to change loan programs or the amount of down-payment
- The appraisal on the home comes in higher or lower than expected
- Your credit status changes; perhaps due to a new loan or missing payments
- The lender cannot document income details (bonuses, overtime, etc.)

For more information visit: www.consumerfinance.gov/owning-a-home/



John L. Scott
REAL ESTATE
What's important is you.

Name
Office Name
Office: 215-555-5555
Cell: 610-555-5555
Email: jdoe@jlsconfig.com



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Contact Kristin Tornetta at
ktornetta@tcsr.realtor for more information