

# Know Before You Owe: **THE LOAN ESTIMATE**

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



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 the exception of a 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 intentions to proceed with the loan. To avoid delays, ask the lender for specifics on 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. For 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 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 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](http://www.consumerfinance.gov/owning-a-home)

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