

# AS LONG AS YOU HAVE DREAMS...



  
Southern Trust  
MORTGAGE

A PARTNER OF

 SINA BANK

**HOME BUYING GUIDE**



...WE'RE  
HERE  
TO HELP  
YOU  
REACH  
THEM

## CHOOSING A LENDER

Choosing a home isn't the only hurdle in the home buying process. Each situation is unique, so finding the right lender with the financing you need can be difficult. At **Southern Trust Mortgage**, we pride ourselves on staying up to date on all lending practices and current loan programs.

## ABOUT US

Founded in 1998, **Southern Trust Mortgage** is a full-service mortgage lender offering a diverse product line designed to complement any borrower's needs. As a direct lender, we control every step of your mortgage, from pre-qualification to in-house underwriting, through funding. So when we say "APPROVED," you can proceed with confidence.

## WHAT YOU WILL FIND AT SOUTHERN TRUST MORTGAGE

- More Loan Options, More Products
- Best In-House Service
- Local Processing, Underwriting, and Closing
- Excellent Reputation in the Industry
- Great Interest Rates for Purchase or Refinance
- First Time Homebuyer Programs
- FHA, VA, USDA, Conventional, and Jumbo Loans
- 203(k) Renovation Financing



## UNIQUE AND INNOVATIVE LOAN OPTIONS\*

See the options that **Southern Trust Mortgage** can provide for home financing.

- **Conventional Loans**
- **FHA Loans**
- **VA Loans**
- **USDA/VHDA**
- **Non-Conforming Programs**
- **Reverse Mortgages**
- **Fixed and ARM Options**
- **5% Down with No Mortgage Insurance**  
*95% LTV from \$300K to \$729,750, 5/5 ARM*
- **First Time Homebuyers Grant Funds**  
*Up to \$5,000 is available for qualified borrowers that meet product and income eligibility requirements*
- **Special Financing for Doctors and Dentists**
- **Grant Funds for Teachers, Firefighters, Medical Professionals & Law Enforcement**  
*Up to \$7,500 is available for qualified borrowers that meet product and income eligibility requirements.*
- **203(k) Renovation Loan**  
*Buy and renovate with 3.5% down of total of purchase price and improvement costs*

Call us today to discuss your options **1-800-748-2147**.

*\*Programs and terms subject to change without notice.*

## THINGS TO AVOID WHEN APPLYING FOR A MORTGAGE

During the home loan process, there are a number of things that could greatly impact your ability to obtain a mortgage loan or delay your closing date. It is very important to avoid any of the following until **AFTER** your loan has closed:

- **CHANGING YOUR JOB**

If you change jobs before or during the loan process it can create real problems in qualifying for a home loan, particularly if your new job is in a different line of work or at a lower rate of pay. During the loan process, it can also create time delays as the new job will need to be verified.

- **CHANGING BANKS OR MOVING YOUR MONEY AROUND**

Moving your money to a new bank interferes with the verification process. It is best to leave your money where it is until your loan closes, unless otherwise recommended by your loan officer.

- **DEPOSITING CASH**

Don't deposit any cash or money into your accounts other than funds that can be documented, such as pay check or gift checks. Cash deposits can cause a file to be denied.

- **MAKING ANY MAJOR PURCHASES**

Many borrowers make the mistake of buying a new car or making another major purchase without realizing the impact it can have on their ability to buy a home. A new monthly payment can affect the amount you can qualify for and actually make it difficult to get your loan approved.

### • CLOSING CREDIT CARD ACCOUNTS

If you close a credit card account, it can affect your ratio of debt to available credit, which has a 30% impact on your credit score. If you really want to close an account, do it after you close your mortgage loan.

### • APPLYING FOR NEW CREDIT OF ANY KIND

If you receive invitations to apply for new lines of credit, don't respond. If you do, that company will pull your credit and this will have an adverse effect on your credit score. Likewise, don't establish new lines of credit for furniture, appliances, computers, etc.

### • FAILING TO DISCLOSE FINANCIAL / CREDIT INFORMATION

Surprises during the loan process can make it difficult for the lender to approve your loan. Disclosure to the loan officer up front allows time to work on potential problems.

## LENDING LINGO

### **Adjustable Rate Loan or Adjustable Rate Mortgage (ARM)**

A loan with an interest rate that changes during the term of the loan.

### **Appraisal**

A report that estimates the value of real estate.

### **Annual Percentage Rate (APR)**

A required Truth in Lending Act disclosure for consumer loans. It is a calculation of the cost of credit as a yearly rate and shown as a percentage. It is often higher than the interest rate because it incorporates prepaid finance charges that are not interest.

### **Broker**

A state-licensed agent who, for a commission or a fee, represents property owners in real estate transactions.

### **Buydown**

A process that allows a borrower to obtain a lower interest rate on a mortgage by paying discount points to a lender. A temporary buydown will reduce the interest rate paid during the first few years of the loan. A permanent buydown reduces the interest rate over the entire life of the loan.

### **Closing Costs**

A general term to describe the fees that a borrower will pay at closing. Sometimes called "settlement fees."

### **Down Payment**

The part of the purchase price paid in cash, up-front, reducing the amount of the loan or mortgage.

### **FICO**

Credit scores calculated by Fair Isaac Company are often referred to as FICO, normally an average of credit scores taken by 3 national credit bureaus.

### **Fixed Rate Loan**

A loan where the interest rate does not change during the term of the loan.

### **Good Faith Estimate**

This document lists the estimated fees you will have to pay to get the loan. It also identifies who is expected to provide services and receive fees in connection with your loan, such as credit bureaus, appraisers, and closing agents.

### **HUD**

The U.S. Department of Housing and Urban Development.

### **Points**

A fee charged by the lender as additional compensation for making the loan. One "point" is equal to 1% of the principal amount of the loan.

### **Private Mortgage Insurance (PMI or MI)**

Insurance required to be paid for by the borrower to protect the lender in the event payments are not made on time; most often required when the loan amount exceeds 80% of the purchase price.

### **Rate Lock (Lock in the Rate)**

The agreement between the borrower and the lender (or broker) that, as long as the loan is closed within a certain period of time (for example, 30 or 60 days), the interest rate on the loan will be set (locked) at an agreed-upon rate. A "rate lock" agreement must be in writing or it will be unenforceable.

### **Underwriting**

Detailed process of evaluating a borrower's loan application to determine the risk involved for the lender. Underwriting usually involves an in-depth analysis of the borrower's credit history, as well as an examination of the value and quality of the subject property.

# LOAN APPLICATION CHECKLIST

Use the following checklist to make sure you have everything you need before you start your loan application. These items are helpful to your loan being completed and closing in a timely manner.

- Purchase Contract *(for the purchase of your new home)*
- Sales Contract *(if you are selling your present home)*
- All original pay stubs for the last 30 days *(showing year-to-date earnings and Social Security Number)*
- Original copies of your most recent W-2s
- If you have rental property, provide your most recent 2 years tax returns with all schedules and a current rental agreement
- Information on residence history *(for past 2 years)*
- Information on all outstanding loans and credit cards
- Originals of the last 3 months' bank statements for all accounts
- Information on real estate you currently own
- Check for appraisal and credit report fees
- Certified copy of the closing statement *(if you already sold your home)*
- If divorced, all papers including marital termination agreement and final decree that have been signed by the court.
- Copy of driver's license and Social Security card *(FHA loans only)*
- Original certificate of eligibility and DD-214 *(VA loans only)*

NMLS ID #2921 ([www.nmlsconsumersaccess.org](http://www.nmlsconsumersaccess.org)) Southern Trust Mortgage, LLC lends in the following states: D.C. (Lic #MLB2921), DE, GA (Lic #16579), MD, NC, OH, PA, SC (Lic #MLS-2921), TN, VA, WV (Lic #ML-34191). Southern Trust Mortgage is proud to be an Equal Housing Lender and Equal Opportunity Lender.



1-888-464-BANK (2265)

[sonabank.com/mortgage](http://sonabank.com/mortgage)

### CHOOSING A LENDER

When you are ready to purchase a home, you will need to choose a lender. It is important to shop around and compare offers from several lenders. Consider the following factors when choosing a lender:

#### APR

The Annual Percentage Rate (APR) is the total cost of borrowing, including the interest rate and any fees. A lower APR means a lower overall cost for the loan.

#### WHAT YOU'RE GETTING AT YOUR FIRST PAYMENT

When you make your first payment, you will receive a statement from your lender. This statement will show the amount of your payment, the amount of principal and interest, and the remaining balance on your loan.

### MAKE YOUR OWN CHOICE

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