Loan Processing Overview

We strive to have a smooth and successful journey to settlement.
Here are some helpful tips to make that happen.

Getting Started

Property Address:	
Settlement Date:	
Client(s):	
Required Setup Documents: (Other items may be requested by Underwriting)	☐ *Application and Disclosure Package* ☐ *Photo ID* ☐ *Business Entity Documents* ☐ *Bank Statements - Showing the funds to be used for settlement, etc.* ☐ *Executed Sales contract on purchases* ☐ *Proof of ownership on refinance loans - ask your Funding Consultant* ☐ *Renovation Budget on rehab loans* ☐ Contact information for your Title company, Insurance Agent, renovation contractor & HOA (If applicable)

Introduction To Processing

Welcome to the private mortgage loan application process! We understand that securing a loan is a significant milestone in your journey towards growing your investment portfolio, and we're here to guide you through every step of the way. Whether you're a first-time buyer or a seasoned investor, our team is committed to making the process as smooth and transparent as possible.

At ROC Financial Solutions, we prioritize your goals and tailor our services to meet your individual needs. Our dedicated team of mortgage specialists is here to assist you in navigating the complexities of the loan application process and finding the best financing solution for your specific circumstances.

In this introduction, we'll provide you with an overview of what to expect during the mortgage application process. From gathering necessary documents to understanding the various steps to getting the finial loan approval, we'll cover the essentials to ensure a successful and stress-free experience.

Once we submit your loan application to processing, the clock starts ticking. It is very important for you and your Funding Consultant to communicate regularly about how your file is moving along. Let them know of any changes or red flags.

Let's embark on this journey together and take the first step towards settlement. Whether you're purchasing a rental property, refinancing an existing mortgage, or starting on a fix and flip project, we're here to support you every step of the way. Let's get started!

Details to Remember

Some of the delays that we see are caused by incomplete application packages, outdated or expired documents, rehab budgets without enough details, and/or a lack of contact information for 3rd parties involved in the transaction.

- [ ] Your photo ID must not be expired. We can accept driver's licenses and passports.
- [ ] The settlement funds must come from a bank account that we have verified during processing.
- [ ] We will need to see that your Earnest Deposit Money (EMD) has cleared your bank account.
- [ ] You will need your down payment, closing costs, and to show 25% of the rehab budget in reserves. (**We do <u>not</u> collect the reserve amount**).

The Loan Approval Process (Estimated Timeline)

Stage	Steps Taken	Timeline
Review application package and submitted documents	If we have everything that is required for setup - we will submit the package to processing.	1 - 5 days
	Request incomplete or needed items from borrower.	
Submit to Processing	We will order the appraisal, title, insurance, etc.	2 - 3 days
	Borrower's credit card will be charged at this time.	
Processing	Our processing team will check credit, verify business entity, verify investor experience, review bank statements - verifying account ownership and funds to close, review sales contract, renovation budgets, general contractor information, etc. The appraiser and/or inspector will communicate with the point of contact for the property directly, so make sure that they can get full access to the property as quickly as possible. Processing will also work with the title company and insurance agent to ensure the loan requirements are met. Processing may request additional documentation at this time. Please respond quickly.	3 - 10 days
Underwriting	The underwriting team will review the loan application package and supporting documentation. At this point, they may request additional documents or have questions for the borrower to answer. Although we do pre-underwrite your file, it will still be pending the completed appraisal, title, insurance, etc. Once the title work, insurance, and appraisal are received, underwriting will release any other required conditions. It is important that all parties quickly respond to these requests. Once all of the conditions are met, we can move the file to the closing department.	5-15 days
Closing	The closing department will balance the figures with	10-25 days

	the title company for settlement. We are required to verify that your closing funds and Ernest Money Deposit (EMD) are coming from the same account(s) that were verified by processing. (You must show that the EMD has cleared your bank account). Once everything is finalized, the Title company will schedule the date, time, and method of settlement with you.	
Funding	Once the executed settlement documents are received back from the title company, they will be reviewed and approved providing everything is correct. Otherwise the closing department will request anything that is needed through the title company. Once everything has final approval, the lender will the release the funds. This completes the transaction.	24 hours Average
	The timeframe of each step is directly affected by the response time and quality of the items received by the Borrower and 3rd parties. This time line does not apply to Fasttrack loans. Time to close loan is subject to change.	

Document Basic Requirements **Email to processing@rocfinancialsolutions.com**

Basic Documents	Requirements
Bank Statements and other account statements	**Must be recent and include all pages even if left blank by the bank**. May not be marked up or have anything crossed out. We need 3 months of sequential statements. Must be PDF - No photos.
Photo ID	**Must be current**. This is the only document that a photo will be acceptable. Expired ID's will not be accepted.
Sales Contract	**Must be fully executed with all signatures and dates**. ROC Financial Solutions request that the Settlement date be 30 days from the date of the contract with the option to close early. *We try to close within 15-30 days. Must be PDF. No photos.
LLC Documents	**Articles of Incorporation, Operating Agreement, IRS EIN letter, and Letter of Good Standing**. (Underwriting may request the Letter of Good Standing be no older then 90 days). *If your property is located in a state different from the one where their borrowing entity is registered domestically, a Foreign 'Certificate of Good Standing' (COGS) will be mandatory. Must a PDF - No photos.
Renovation Budget	Your Funding Consultant will provide you with the required budget format. It is important that you be as detailed as possible in the budget to reduce the chance that the underwriter would request more information. In addition, the renovation budget is required for the appraisal to be ordered. in some cases the General Contractor will need to complete a profile package. Must be our format - NO photos
Evidence of Insurance	Purchase Loans - Accord and invoice Refinance - Declarations Page Renovation Loans - Builders Risk Policy *Lender requirements will be sent to the insurance company that you are working with. You can request an insurance quote at: [Insurance Quote Request]
Refinance Loans	Copy of Settlement Statement, ALTA, or HUD if purchased

*Other documents may be needed for your loan scenario.	within 12 months, copy of completed renovation budget, proof of insurance, current mortgage payoff, copy of lease, if rented. *If property is managed by a management company, we will need their contact information.

Questionnaire

Determine if any of these questions apply to your transaction and go over them with your Funding Consultant.

1. **Purchase** - will the property convey vacant or with an intact lease?
2. If the property is leased, is it self-managed or is there a management company involved?
3. Have you or your agent reviewed comparable properties for value?
4. **Refinance** - have you completed renovation on the property?
5. Do you know how much your payoff is?
6. **Renovation Loans** - are you managing the project or using a General Contractor?
7. **Down Payment** - do you have questions or concerns about how much down payment you need?
8. **Closing Cost** - average closing costs on a private money loan are about 8% of the loan amount.
9. Has the seller offered to pay any closing cost?
10. **Renovation Reserves** - do you understand how much is needed for your reserves?

Thank you

We're excited to embark on this journey with you as you navigate the process of securing a loan. At ROC Financial Solutions, we are committed to providing you with personalized assistance and expert guidance every step of the way. Whether you have questions about the application process, need clarification on loan terms, or require support in gathering necessary documentation, our team is here to help.

We encourage you to reach out to us with any concerns or inquiries you may have, as we're dedicated to ensuring that you feel confident and informed throughout this process.

Thank you for choosing ROC Financial Solutions for your commercial and investment financing needs. We look forward to working with you!

Sincerely,

The ROC Financial Solutions Team

240-521-6077

info@rocfinancialsolutions.com

www.rocfinancialsolutions.com