The Loan Process

The loan process can be broken down into these steps:

1. The Borrower fills out our Quick Quote Form, which provides the lender with information about the property and the purpose for the loan.

2. The lender issues a "Letter of Intent" (LOI) or Term Sheet, to the Borrower, stating the terms of the loan that the lender is able to offer the Borrower. This document will include the loan amount, the term for the loan (# of years), interest rate and estimated loan costs.

3. The Borrower accepts the loan terms by returning a signed copy of the LOI or term sheet to us, along with the required documents that are needed to start the loan processing (see Required Documents).

4. Escrow is opened and the following occurs:
   a. The Preliminary Title Report is ordered. This report will show the names of all owners to the property and any loans and liens that have been filed against the title. When the report is issued, one of two things happen:
      1. If this report shows items found on the report are standard and won't affect the title after closing, then the title company will clear the title for closing.
      2. If however, items are found which would affect the title from being cleared, then we may need to reach out to the Borrower to supply us with documents relating to the items found on the report. For instance, if a lien is found on the title report that shows a judgment was filed against the property, related to a personal loan that went to collections years ago that was paid but never cleared by the creditor, we will ask the borrower to show us any proof they have that the debt was paid. The title company will then remove this item from the title at the time the borrower's loan closes. In this same instance, if the borrower could not prove the debt was paid, then this debt must be paid at closing so it can be removed from the title. The borrower will need enough loan proceeds due to them at closing to cover this debt.

   b. Documents are ordered from the current lender(s) who have provided mortgage loans to the Borrower previously. Escrow could order Loan Payoff Statements or Reinstatement Letters showing the amount needed to bring the loan current.

5. Once escrow has been notified that the title can be cleared at closing and they have received the statements from lender(s) for loans being paid off at closing or brought current, the escrow company will let the lender know that they can send their loan documents to escrow. Once escrow has received the loan documents, they will assign a notary to meet with the borrower to get the documents signed. Once signed, the notary will return the loan documents to escrow and escrow will let the lender know that they can fund the loan.

6. The lender will now send their funding to the title company and the escrow company will file the required documents with the county recorders office. Once this is done, the escrow company can close the escrow, which usually happens at the end of the day.

7. Usually the next day, escrow will disburse payments to the lenders whose loans are being paid off or reinstated and the disbursements will be wired to the Borrower if they are receiving cash at closing.

Please contact me any questions.

RE CAPITAL LOANS

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