



# REFINANCING GUIDE



Refinancing your home may not be your favorite thing on your to-do list, but the fact is that it may be the most impactful. Refinancing to a more favorable term or lower interest rate can save significant amounts of money over the life of your loan. Or, changing your financing can free up the cash you may need in pressing situations, like renovations, college tuition, or unplanned home repairs.

We're here to make the process **less intimidating** and **more understandable**. Even if you've been through the mortgage process before, you may not be aware of all of the specialized mortgage products and options that can be tailored to help you to save money or gain access to funds at lower interest rates than the average credit card. At CrossCountry Mortgage, Inc., we can help cross this daunting task off your to-do list.

**Let's get started.**

## STEPS TO REFINANCING YOUR MORTGAGE

### Contact CrossCountry Mortgage, Inc.

Congratulations! You've evaluated your finances and want to make improvements to reach your goals. Before beginning the loan process, it's important to do your research. There are many steps involved to make sure you have a smooth and successful experience.

Start by pre-qualifying for your new loan. Simply fill out the pre-qualification form at [www.crosscountrymortgage.com](http://www.crosscountrymortgage.com), and a loan officer will contact you within 24 hours.

#### What is pre-qualification?

A pre-qualification determines your ability to repay a refinance loan based on information you provide. Your assets and income are reviewed to establish the maximum loan amount you can afford and how much you may be able to borrow. The loan officer will speak with you about your property, current sources of income and expenses, and also the equity in your home.



# STEPS TO REFINANCING YOUR MORTGAGE

## Understand Your Credit Report

Your credit score is not the only factor in getting approved for a mortgage, but it is an important part of determining what you will be able to qualify for.

### Check your credit score before meeting with a lender.

You can check your credit card or other loan statement to find your credit score if the company provides it. The score is usually listed on your monthly statement, or you can pay a fee to view your FICO credit score at [www.myfico.com](http://www.myfico.com). You can also obtain a free credit report once a year by visiting [www.annualcreditreport.com](http://www.annualcreditreport.com).



### Verify report for accurate information.

Report and dispute inaccuracies with the credit bureau. Disputes in process may delay loan approval.

### Paying down high credit balances may positively affect your credit score.

By paying down applicable lines of credit before applying for a loan, you may qualify and get approval for getting approved for a better interest rate.

### Set up payment plans.

Call your creditors and work out a budget-friendly payment plan on delinquent accounts prior to applying for a loan. Work out a plan that won't harshly affect your debt-to-income ratio but will still let lenders know you are serious about your debts.

# STEPS TO REFINANCING YOUR MORTGAGE

## Speak With A Licensed Loan Officer

Give us a call today to discuss your options and get started. Together, we'll recommend a mortgage product that will meet your needs.

If you want to get an idea of what kind of product may be right for you, you can visit the *Loan Types* section of our website, which will explain many of our products. But the best thing to do is to speak with one of our licensed loan officers, who will assess your financial situation and make a recommendation.



# STEPS TO REFINANCING YOUR MORTGAGE

## Start the Loan Process

Meet with your licensed loan officer to help you gather the required paperwork and submit your mortgage application.

### GATHER ALL NECESSARY IDENTIFICATION AND PAPERWORK

#### Identity & Income Information

- Your full legal name, Social Security Number (a copy of your card may be required), and date of birth.
- Your phone number, email address, and residential mailing addresses for the past two years.
- Your primary and secondary income and sources.
- Your government-issued photo ID.
- All employer names, addresses, and phone numbers for the past two years.
- The values of your bank, investment, and retirement accounts, as well as any other asset accounts.
- Your monthly debt obligations.
- The address of the mortgaged property, year built, estimated home equity amount, and home value.
- History of annual property taxes, homeowners insurance, and homeowner association dues (if any).

#### Income Information for Self-Employed Borrowers

- Your personal and business federal tax returns for the past three years.
- A year-to-date profit and loss statement.
- A complete list of all business debts.

#### Credit Information

- A letter of explanation for any late payments, judgments, collections, or other derogatory credit history items.
- Source of funds documentation for any large deposits on asset or bank statements.
- The judicial decree or court order of each obligation due to legal action.
- Bankruptcy/discharge papers for all bankruptcies in your credit history.
- Payment histories for utilities, cable TV, internet, phone, auto insurance, and any other expenses.

#### Income & Tax Documentation

- IRS Form 4506-T — request for tax transcript (must be completed, signed, and dated).
- Your W-2s for the past two years.
- Pay stubs for the past 30 days.
- Your federal tax returns (1040s) for the past two years.
- Your most recent two months' asset/bank statements for all accounts (all pages, including blank pages).
- A written explanation if you have been employed less than two years or if employment gaps exist.
- A purchase contract signed by all parties.
- Homeowners insurance information, including the agent's name and phone number.

Some “streamline” refinance loan products, like FHA Streamline Refinance Loans or VA Interest Rate Reduction Refinance Loans, may not require all of this paperwork. And in other cases, this list may not be all-inclusive, but you may be able to expedite the process by having these documents on hand.

## STEPS TO REFINANCING YOUR MORTGAGE

### **Submit your application.**

Fill out and sign the loan application — including the attached Fair Lending notice, loan info sheet, and credit authorization. *Note: Do not use whiteout on this paperwork. Mistakes should be crossed out and initialed.*

### **Review your Loan Estimate.**

This document contains important details about the loan you are applying for including estimations of your interest rate, monthly payment, closing costs, taxes, insurance and any prepayment penalties. The lender must provide this to you within three business days of receiving your application.

### **Clear any additional requests from underwriting.**

Underwriting will review all of your identification, paperwork, and credit history to assess if you will qualify for the desired loan. They determine the terms of the loan and will occasionally require extra documents to fully understand your background and make their decision. It's important to make yourself available during the underwriting process and to respond to any requests promptly and thoroughly.



## STEPS TO REFINANCING YOUR MORTGAGE

### **Consider a home appraisal.**

When refinancing, not everyone is required to get a home appraisal. For example, if a person has an FHA loan and wants to refinance into another FHA loan (FHA Streamline Refinance) for the purpose of lowering monthly payments, a home appraisal won't be required as long as previous mortgage payments were all made on time. However, it could be in your best interest to get a home appraisal for your refinance, because the risk is that the lender doesn't assign a high enough value to your home, thereby restricting the type of mortgage products that may be available to you. An accurate appraisal will prevent the lender from basing the refinance loan on too small of a home value.

### **Take the time to get commitments in writing.**

Make sure the amount, payments, rate lock, and other details are clearly stated in writing in a signed document.

### **Set the closing date, time, and location.**

Closing usually takes place in the presence of a public notary, and if you have a co-applicant, they will also need to be present.

You should be prepared for several things:

- Review final documents. Ensure the rates and amounts are what you have agreed to.
- Bring a cashier's check to cover the closing costs and down payment. Personal checks are usually not accepted.
- Sign the loan and be prepared to show a photo ID and possibly a Social Security card.

### **Review your Closing Disclosure.**

The lender must provide this to you at least three business days before you close your loan. This document contains the final terms of your loan. Use this timeframe to review it thoroughly and compare it to your Loan Estimate. Don't be afraid to ask your lender questions if you are unclear about the terms!

# STEPS TO REFINANCING YOUR MORTGAGE

## Make the Most of Your Second Chances

Congratulations, you can cross refinancing off your to-do list, but more importantly, you've uncovered ways to save or ways to more easily manage the expenses that life has in store for you. And either way, the financial benefits are well worth the effort.

### We're here to help.

CrossCountry Mortgage, Inc. is here to offer you guidance on any future questions or situations that may arise with your loan. A licensed loan officer will always be available to help you refinance; use your home's equity for repairs, improvements or special purchases; or even purchase additional properties to build your investment portfolio. We're just a phone call away.



## ARE YOU ABLE AND READY TO REFINANCE?

Whether you're in need of a lower monthly mortgage, or a fixed interest rate we can help. Finding the right type of loan is the next step. Complete the general statement below with the choice that most closely aligns to your situation.

### **I WANT TO REFINANCE MY MORTGAGE, AND I...**

#### **...want to stabilize my payments with a fixed rate.**

If your existing mortgage has an adjustable rate and you're looking for the security of a loan payment that won't change as rates change, then refinancing to a fixed-rate mortgage might be right for you.

#### **...want a rate that may be lower initially or could decrease during the term.**

If circumstances have changed and you don't plan on living in your home long term, refinancing to the terms of an adjustable-rate mortgage might be right for you

#### **...am a veteran.**

If you're a veteran with a VA loan, then a VA Interest Rate Reduction Refinance Loan (IRRRL) can help you lower your existing interest rate by refinancing your VA home loan, or convert from a VA Adjustable Rate Mortgage to a VA Fixed Rate Mortgage.

#### **...live in a rural area and currently have a USDA home loan.**

If you currently have a USDA rural home loan, you may be eligible for a USDA Streamline Refinance which can help lower your interest rate and monthly mortgage payments.

#### **...currently have an FHA home loan.**

If you already have an FHA home loan, you may be able to obtain an FHA Streamline Refinance or FHA cash-out refinance. You can lower your monthly principal and interest payments and convert your adjustable rate mortgage to a fixed rate mortgage.

#### **...think I'm underwater with my mortgage.**

If you are lacking equity or are underwater, meaning you owe more money on your home loan than your house is worth, the Home Affordable Refinance Program (HARP) may be right for you. HARP may help reduce monthly payments, change terms of your mortgage and stabilize payments with a fixed rate.

**Contact us today at 877.351.3400.**



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