

Approval Process

(Approximately 1 day to 2 weeks)

Get Your Answer The Next Day!

Once your application has been filed, the processing begins immediately. In many cases LGFCU can provide same or next day loan approval. When the application is completed:

- a credit report is obtained
- ratios and disposable income are calculated

The credit report must be satisfactory and the ratios and disposable income should be within the Credit Union's guidelines. The collateral must also be acceptable. Receiving the answer quickly eliminates the apprehension in the mortgage loan process and the entire loan process can be completed in as little as two weeks.

If you do not agree with a decision made by the LGFCU loan staff, the application may be submitted to the Loan Review Committee for review. This committee consists of other LGFCU members and is the final decision-making body.

Documentation Process

During the approval process the following information will be compiled and loan approval will be contingent on the following information:

- Written verification of your income
- Verification that funds needed for closing are on deposit at your financial institution
- Satisfactory appraisal or valuation of the property
- Satisfactory credit report
- Satisfactory payment history for rent or previous mortgage
- Satisfactory flood certification and the ability to obtain flood insurance, if applicable.

Up Front Fees

- **Appraisal fee**—The fee for the appraisal may vary across the state from \$150 - \$300. The Credit Union must order the appraisal. An appraisal may not be necessary if the purchase price is less than or equal to \$250,000
- **Termite Report fee**—A new termite report may be required and should show no infestation or structural damage. The fee for termite reports varies from \$60 - \$150.
- **Flood Certification**—Flood certification is required to determine whether the property is located within a special flood hazard area, whether flood insurance is required and whether flood insurance is available. A small fee, usually less than \$15, is charged for the flood certification.
- **Credit Report fee**—A credit report is ordered for each borrower. No fee is charged for LGFCU 2 and 5-year ARM loans but all other loans are assessed a small credit report fee of less than \$20.
- **Underwriting fee**—A small underwriting fee applies for all loans other than the LGFCU 2-year ARM.

Closing Process

(Approximately 1 week)

When all documentation is in place, your loan file will be forwarded to our Loan Administration department in Raleigh. The loan papers will be prepared and sent directly to the closing attorney. You may review all papers prior to closing at your attorney's office.

Attorney's Responsibilities

- **Survey**—A survey documents the property lines and verifies that there are no encroachments. In certain situations, a survey may not be required.
- **Title Insurance**—Title Insurance is a policy which insures that the Credit Union has a valid lien position and insures that you own the property free of claims other than the mortgage. The coverage must equal at least the loan amount.
- **Loan Documents**—Your attorney will prepare the necessary documents to be signed on the closing date. They may be viewed in advance if requested.
- **Settlement Costs**—Your attorney will prepare an itemized list of exactly how much money you will need on the closing date. The expenses may include attorney fees, survey cost, recording fees, origination fees, title insurance and escrow amount.

Buyer's Responsibilities

At the date of closing you will need to provide the attorney with the following:

- **Homeowner's Insurance**—A copy of the policy or binder should be accompanied by a receipt for the first year's premium.
- **Money Order/Certified Check**—Your attorney will tell you the amount needed for this check prior to closing. It includes all settlement costs you are responsible for and your down payment.