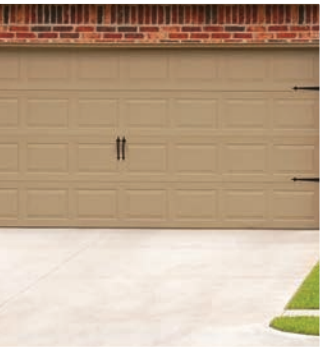
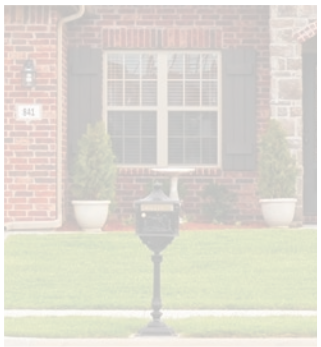


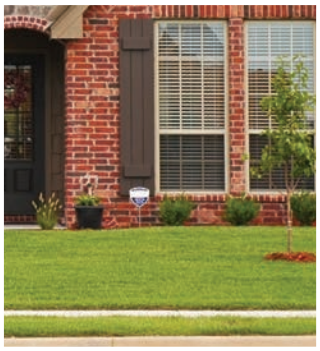






















Your Step-by-Step

MORTGAGE GUIDE

From Application to Closing

At First Harrison Mortgage, our goal is to help make the mortgage process as clear and informative as possible. A better understanding of the process can help ensure your loan closes on time. This guide will walk you through each step so you know what to expect from application to closing.

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FirstHarrisonMortgage.com

INSIDE THIS GUIDE

At First Harrison Mortgage, our goal is to help make the mortgage process as clear and informative as possible. A better understanding of the process can help ensure your loan closes on time. This guide will walk you through each step so you know what to expect from application to closing.

Here is what you willl find on the following pages:

- An introduction to the key team members involved in the mortgage process
- An outline of the steps required to close on your mortgage
- Tips to make sure your documents are complete and received on time

If you have any questions about your application, contact your Mortgage Loan Officer.



YOUR FIRST HARRISON MORTGAGE TEAM

Before you begin, it is important that you know the key team members involved. Understanding what they do can help you more easily navigate the process.

Mortgage Loan Officers

Your First Harrison Bank Mortgage Loan Officer will provide you with information to help you determine the loan that best fits your needs, take your application, and explain what to expect during each step in the loan process.

Rob Marlin
Senior Mortgage Loan Officer
RMarlin@FirstHarrison.com
812-981-6275

Stephanie Smythe
Senior Mortgage Loan Officer
SSmythe@FirstHarrison.com
812-364-0412

Tammy Simon
Senior Mortgage Loan Officer
TSimon@FirstHarrison.com
502-693-1475

Debbie Manley
Senior Mortgage Loan Officer
DManley@FirstHarrison.com
812-883-8305

Real Estate Professional

During the loan application and closing, your Real Estate Professional may also work with your lender to provide information about the home you have contracted to buy.

Loan Processor

Once your application is complete, it will be sent to the processing department and your loan will be assigned to a Loan Processor who will work with you to collect needed documents and keep you informed of key activities, such as the property appraisal and underwriting status.



Loan Underwriter
The Loan Underwriter is responsible for reviewing your mortgage application and supporting documentation, as well as the property appraisal and title information, against the approval criteria. You will not need to communicate directly with the Loan Underwriter, but be assured he or she plays a key role on the team.

Closing Coordinator
Upon Final Loan Approval, your Closing Coordinator will contact you to schedule the date, time, and location of your mortgage closing. He or she will also address any questions you have about your closing documents and provide you with the total closing cost and any down payment amount you will need to bring to closing.



STEP 1 - SUBMITTING YOUR APPLICATION AND DOCUMENTS

Submitting a complete application with all the required documents helps reduce the chance of surprises or delays later in the process.

Begin Your Application
Once you have found the right home and negotiated the purchase contract with the seller, you are ready to apply for your mortgage. Your Mortgage Loan Officer will take your application online, in person, or over the phone.

Below is some of the important information you will need to provide when you apply. If more than one person is applying, all applicants must supply this information:

- Full name, Social Security number, address and phone number
- Employer name, address and phone number
- Annual income before taxes
- Value of assets, including banking, retirement and investment accounts
- Expenses, including housing, credit card and other loan payments
- If currently renting, the property address, monthly rent, and name and address of your landlord (for purchase transactions only)
- The address and sales price of the property being purchased (for purchase transactions only)

Gather Your Documentation
After taking your application, your Mortgage Loan Officer will review your next steps and send you an application follow-up letter, often referred to as a "needs" letter. Carefully review this letter. It contains a list of the documentation needed to support your application. **It is very important that this documentation be provided as soon as possible to avoid delays in the processing of your loan.**

Provide Copies of Your Documents Within Seven Calendar Days
When you have gathered the documents listed in the application follow-up letter, provide copies to your Mortgage Loan Officer or the Mortgage Loan Assistant via email, fax, or upload into the secure website at www.FirstHarrisonMortgage.com.

If you do not **provide all required documents within seven calendar days of submitting your application,** it could create delays and potentially cost you to extend your interest rate.

Please see the Mortgage Loan Application Document Checklist for a list of the most common documents needed to support your application.

APPLY ONLINE
FIRSTHARRISONMORTGAGE.COM

STEP 2 - PROCESSING YOUR APPLICATION

You will receive your Early Disclosure Package, which contains important documents to read, sign and return, so we can process your application.

Review and Sign or E-Sign Your Early Disclosure Package
Your Mortgage Loan Officer can address any questions you may have. You should thoroughly review all the loan documents and disclosures that are in the Early Disclosure Package, including the Loan Estimate.

The Loan Estimate outlines the credit terms of your loan and provides an itemized list of the estimated fees and closing costs related to your loan.

Property Appraisal and Title Search
After you submit your application First Harrison Mortgage will order:

- An appraisal to provide an estimate of the property value for lending purposes
- A title search to ensure there are no outstanding issues with the property that could hold up or stop the process
- Your Loan Processor will keep you updated on the status of the appraisal and let you know if there are any outstanding issues with the title search

Conditional Approval
If you qualify, your Loan Processor or Mortgage Loan Officer will call to confirm you have received a Conditional Approval based on a review of the information and documents you submitted.

A Conditional Approval is an initial credit decision and means that additional information and or documentation is required prior to issuing a Final Approval.

Common conditions include receipt of documents to support income and assets, as well as a homeowners insurance policy, an acceptable title insurance binder, and property appraisal supporting the purchase price or stated value.



STEP 3 - FINALIZING YOUR APPLICATION

After the Conditional Approval has been issued, any remaining documentation must be collected and requirements related to the property must be met so we can finalize your mortgage.

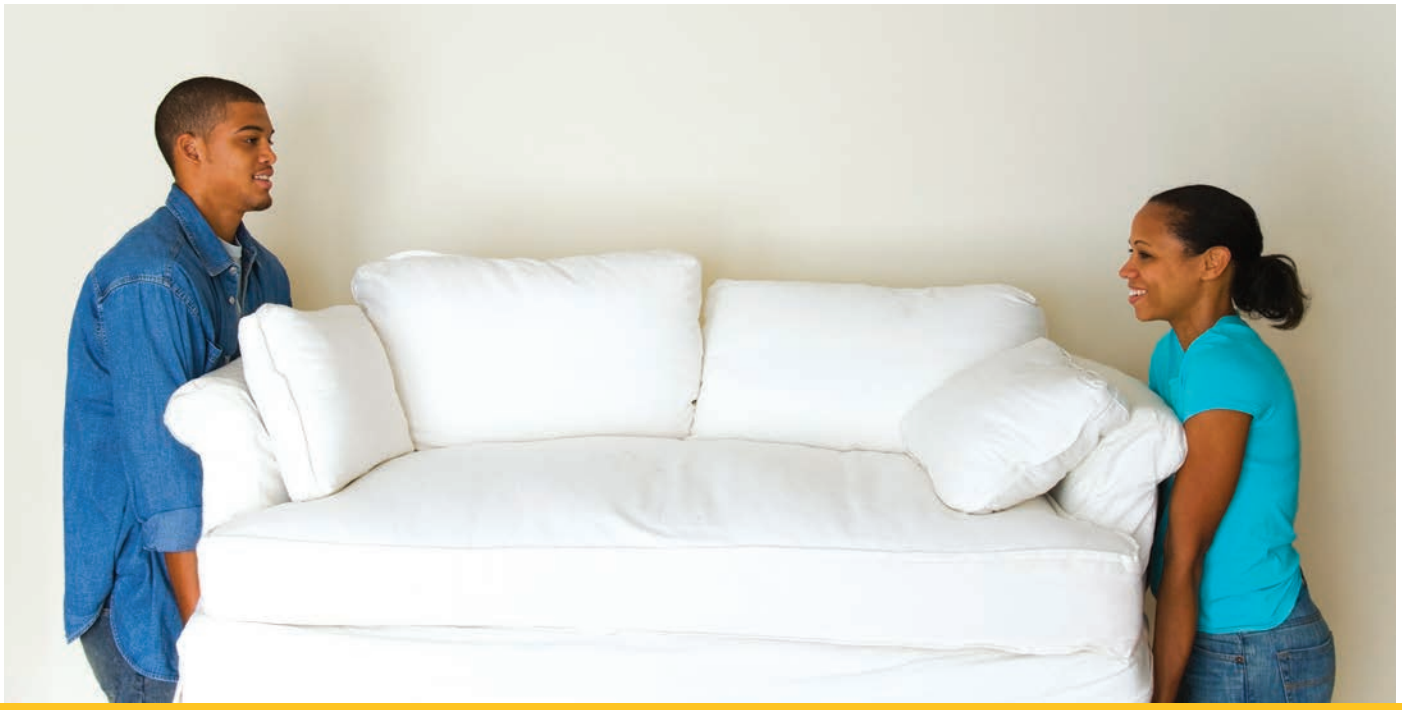
Collect and Return Any Outstanding Documentation
Your Loan Processor or Mortgage Loan Officer will alert you of any outstanding documentation needed. It is critical that you return outstanding documents as soon as possible in order to avoid a delay in obtaining your Final Approval.

Provide Proof of Homeowners Insurance
For purchases, you will need to provide a one-year policy at or before closing.
Flood insurance will also be required if the property is in a Special Flood Hazard Area. Your Loan Processor will let you know if this is a condition of your loan.

Completed Property Appraisal and Title Search
Your Loan Processor will let you know when the appraisal and title search that began in Step 2 are complete. The fees associated with both of these services will be included in the closing costs reflected on the Loan Estimate.

Lock in Your Interest Rate
If you have not already, you will need to lock in your interest rate. This can be done when you begin your application or anytime up to 10 days before your loan is closed. Contact your Mortgage Loan Officer when you are ready to lock in your rate.

Final Loan Approval
The Loan Underwriter has been involved along the way, reviewing your information and documents, as well as information related to the property. At this point, he or she will review this information to ensure the approval criteria have been met before providing Final Loan Approval.



STEP 4 - CLOSING AND MANAGING YOUR MORTGAGE

After Final Loan Approval, the last step is to close on your new mortgage.

Scheduling Your Closing
The Closing Coordinator will contact you to confirm the closing date and review the details related to the loan closing.

Review Your Final Loan Information
Prior to closing, the Closing Coordinator will review the final details of your loan and advise you of the amount you will need to bring to closing for any down payment and closing costs. He or she will also provide you with a preliminary Closing Disclosure, which regulations require to be in your hands for three business days prior to closing.

Secure Your Funds for Closing
Get a cashier's check from your bank for your down payment and closing costs.
In some cases, a wire will be required in lieu of a cashier's check.

Review and sign your documents at closing.

At your closing, take time to review your documents. Some key documents you will review and sign during closing are your Mortgage and Promissory Note. Review your final Closing Disclosure to the most recent Loan Estimate you received.

SUCCESSFUL HOMEOWNERSHIP

We would like to take a moment to thank you for choosing First Harrison Mortgage.



DOCUMENT TIPS

Proper documentation is required to support your application. Below are tips to ensure the information you provide is complete and accurate. Additional documents may be required based on your individual situation. Your Mortgage Loan Officer or Loan Processor will alert you if additional information is needed.

Income Documentation

Pay stub documentation must be dated within 30 days of application and contain:



- Most recent 30 consecutive days of pay (This may require you to provide multiple pay stubs if paid weekly, bi-weekly, or semi-monthly.)
- Year-to-date earnings
- Your name and employer's name
- Your base salary or hourly rate if paid on an hourly basis
- W-2's should reflect income for all employment during the previous two years
- When required, signed tax returns should be provided for the most recent two years, including all schedules
- Self-employment income must be documented by providing the previous two years' personal and business tax returns. Tax returns should include the following:
  - All schedules, including the business returns
  - A signed and dated 1040
  - When required, a copy of the most recent quarterly or year-to-date profit-and-loss (P&L) statement, signed and dated

Asset Documentation

Bank statements, including investment and retirement accounts, should:

- Include the most recent two months' statements, or the most recent quarter for quarterly statements
- Clearly show name of account holder, bank's name and address, account number, beginning and ending balance, and all deposit and withdrawal activity
- Contain all pages, even if they are blank (otherwise the statement will appear incomplete)

Gift funds from a relative, fiancé/fiancée, or domestic partner can be used for a portion of the down payment or closing costs when eligibility requirements are met.

Information about gift funds is required to verify that the source and purpose of the funds meet eligibility requirements. A gift from any other source or a gift with repayment requirements may impact loan eligibility. A gift letter is required and must include specific information to meet gift eligibility requirements. Your Mortgage Loan Officer will let you know what other details should be included in this letter.

Sale of an Existing Home (For Purchase Transactions Only)
A fully executed Purchase Agreement and the ALTA Settlement Statement signed by all parties are required for the home you are selling.

Letters of Explanation
Letters of explanation may be required as a condition of loan approval and can be used to provide additional detail on your application, credit report, or documentation. All letters of explanation must reference the instance (please be as specific as possible) and must be signed and dated.

Letters of explanation must be prepared by the applicant and may be required for the following reasons:

- Employment history inconsistencies among your credit report, loan application, and/or income documentation information
- Employment history gaps appearing on your loan application
- Name variations on your credit report
- Derogatory credit; please be sure to detail what caused it to occur and steps you have taken to prevent future occurrences
- Address inconsistencies between your credit report and loan application
- Credit inquiries reflected on the credit report; each inquiry must be explained, and any new credit obtained as a result must be disclosed
- Overdrafts occurring in your bank account
- Bank account deposit activity that is inconsistent with paycheck deposits or other prior activity in your bank accounts. Any recent large deposits inconsistent with your account history must be disclosed and explained. Additional supporting documentation may be required.
- Source of funds for recently opened asset accounts

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MORTGAGE LOAN APPLICATION DOCUMENT CHECKLIST

- **If you are purchasing a home, we'll need....**
  - ☐ Fully executed copy of the purchase agreement and all addendums
  - ☐ Copies of any earnest money checks provided to the Seller
- **If you are refinancing your home, we'll need....**
  - ☐ Proof of homeowners insurance for the subject property

Documents required for ALL applications

- **Personal Identification**
  - ☐ Full legal names & Social Security numbers for ALL borrowers applying for the mortgage
  - ☐ Address for last 2 years
  - ☐ Driver's license
- **Income**
  - Salaried Borrower
    - ☐ Two years of employment history with address and phone
    - ☐ Most recent 30 days' worth of paystubs
    - ☐ W-2 forms for the last two years
    - ☐ Federal tax returns for the last two years
  - Self-Employed (25% or more ownership in a business)
    - ☐ Personal tax returns for the last two years
    - ☐ Business tax returns for the last two years
    - ☐ K-1's & W-2's for the last two years
    - ☐ Current P & L statement
  - Other Income
    - ☐ Current Awards Letter for Social Security, Retirement, Pension, etc.
    - ☐ Most recent bank statement showing receipt of the income (if direct deposit)
- **Assets**
  - ☐ Current 2 months bank statements
  - ☐ If needed 401K statement showing vested amount

Additional items that may be needed

- ☐ Written explanation of any past credit problems
- ☐ Full details of any bankruptcy in last 7 years, plus documentation
- ☐ Tax and insurance information for any land or other property owned
- ☐ Copy of divorce decree or child support order, if applicable
- ☐ VA loans – Certificate of Eligibility
- ☐ VA loans -- DD214 for Military or Chronological Retirement Point Record for Reservists



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