

When Your Home Purchase Involves Financing, These Are the Players on Your 'Team'

If you are contemplating a home purchase or sale in 2025, now is the time to begin educating yourself about the real estate market and your lending options.

I always like to educate readers (and myself) about the lending process, so I asked **Jaxzann Riggs**, owner of **The Mortgage Network** to explain who the "players" are during the loan process.

Your first stop should be a conversation with a licensed **mortgage loan originator** (MLO) like Jaxzann. Your MLO will review your income, assets, and credit to figure out the financing for which you qualify. Your MLO is both your educator and advocate. He or she will manage the overall process of the application, making sure that the deadlines agreed upon by you and the seller are honored.

FNMA and FHLMC introduced **Automated Underwriting** in 1995. Think of this software as "artificial intelligence" for the lending industry. While experienced MLOs should know what the results of your "automated findings" will be after completing your application, this is really the beginning of your path to loan closing.

Another key player will be your **loan processor**. He or she will be tending to your loan application as it winds its way from application to

closing. Your processor will request documentation from you that supports the information that you and the MLO used to obtain your automated approval.

While you should have an automated approval early in the loan process, this does not guarantee that a final approval will be issued. An **underwriter** who works for the lender will be charged with ensuring that the loan conditions spelled out by automated underwriting have been satisfactorily met. The underwriter's role is that of an umpire in the application process. He or she will review everything presented by your team and is the one who ultimately decides if your application meets government standards. Underwriters have discretion in the approval decision, and while they are the "gatekeeper" for the lender, they typically will provide an assist to the borrower's team to get the loan approved. If they decide that your application doesn't meet FNMA/FHLMC standards, they may require a larger down payment, ask for added documentation or offer an alternate strategy to earn their final approval.

Once the underwriter has issued a "cleared to close" status for your

file, you will be handed off to the **closer**. While not obvious, there will be two closers for your transaction. The title company's closer must coordinate with the lender's closer to reconcile the numbers associated with the loan and real estate transaction. The title closer will be presenting the lender's final documents for your signature on the day of closing.

The **closing package** includes the final loan application, loan estimate and closing disclosure, title insurance documents, deed of trust, bill of sale, title commitment, tax documents, and more. While they start their work at the beginning of the transaction, your closer's work isn't done until all the documents that you sign at closing have been recorded with the county.

The most important player is **YOU**. Your loan team's goal is to make sure you are fully informed (and happy) during the loan process, and to help you secure the best rate and terms for your loan. Your participation in the process is crucial to success. Your MLO and processor will need to collect a significant amount of documentation that will be required by the underwriter.

The more responsive you are to their requests, the faster the loan will be approved and the lower your stress level will be during the process. If you want Jaxzann Riggs to head your team, call her at **303-990-2992**.

