



# Key Players in the Homebuying Process

KeyFactor & Co.

# Meet 7-Key Players of the Homebuying Team



Loan Processor



SHABRENA BUCHANAN  
Mortgage Loan Officer



Loan Underwriter



ANGELA WINN  
Real Estate Agent



ROWAN MURPHY  
Home Inspector



RAJESH SANTOSHI  
Home Appraiser



ROBINE KLINE  
Title Company  
Settlement Attorney



GRAHAM BARNES  
Home Insurance Agent



ELIZABETH MOORE  
The Mortgage Servicer

# The Homebuying Team



## Mortgage Loan Originator

A mortgage loan originator (MLO) is a person or institution that helps a prospective borrower get the right mortgage for a real estate transaction. The MLO is the original lender for the mortgage and works with the borrower from application and approval through the closing process.

Your mortgage lender may not be one person specifically, but rather an institution that finances your mortgage. This could be an independent lender, a credit union, or a bank. It's up to you to decide which lender you'd like to work with, so feel free to meet with several and choose the one that best fits your needs. From there, you'll work with a specific individual – a mortgage loan originator – throughout the process of obtaining your home loan. This is the person you'll contact with all questions related to the financial side of home buying, and they will help you determine how much you can afford and will walk you through the application process all the way through to closing.

## 7 Key Players in the Home Buying Process



Loan Processor



Loan Underwriter

# *The Loan Processor & The Underwriter “The Guru”*

### **The loan processor**

Once you've completed a loan application, the mortgage loan processor takes over and plays an important role in guiding your loan to the closing table. A loan processor helps collect and organize your application paperwork before your loan file gets approved by the underwriter. They verify that all required data and documentation have been submitted, such as debt-to-income ratio, credit reports for all borrowers, credit history, income sources, order appraisals and verifications, and property documents to prepare detailed loan applications and loan files for delivery to the Underwriter.

### **The Underwriter**

•An underwriter is a financial expert that knows all the loan regulations and requirements from front cover to back cover. It's the main job to know how to address every circumstance. The U/W looks at your finances and assesses how much risk a lender will take on if they decide to give you a loan. More specifically, Underwriters evaluate your credit history, assets, the size of the loan you request and how well they anticipate that you can pay back your loan. The Underwriter is responsible for deciding whether a borrower's loan application is approved or not. The essential responsibilities include but not limited to:

- Compliance of FHA, USDA, VA, FNMA and FHLMC loans
- Review and verify loan applications and supporting documentation
- Review loan documentation and vendor reports to identify signs of fraudulent activity
- Make loan eligibility decisions and approving or rejecting applications

# The Homebuying Team



Real Estate Agent

Listing agents and buyer's agents are paid a commission by the seller.

Some agents may serve dual roles.

An agent's commission can range from 2-5% based on expertise and other factors.

Another vital player in the home buying process is your real estate agent. This person will be your lifeline from the beginning and will listen to your wants and needs to help you find the home that's perfect for you. It's great when you can find real estate agents who not only mesh well with your personality and will go above and beyond to ensure you find the right home for the phase of life you are in at the time and one who will act as your advocate before, during, and after you close on the home.

Typically, there are two types of licensed agents: Listing Agent [aka Seller's Agent], and a Buyer's Agent or Real Estate Broker. The listing agent produces High-Definition (HD) photos, videos, scheduling open house and personal, create promo information, and brochures. Make the home look desirable to prospect buyers.

The buyer's agent help individuals search and find and tour houses on the market for purchase, writeup compelling contracts to submit for home sales, and negotiate purchase offers on the buyer's behalf, and they represent the buyer at the closing table.

# The Homebuying Team



The Home Inspector

An inspector will carefully check the home's building structure, electrical, HVAC, plumbing, roofing and more and provide you with a detailed report of the findings.

A home inspection is a smart idea, and its highly recommended, no matter the age of your future home. While its optional and voluntary, getting the home inspected can protect you from purchasing a house that has expensive underlying issues that you may not see during a walkthrough.

*The outcome of the inspection could impact your decision to buy the home, or at the very least, ask the seller to repair any issues before moving forward with the purchase transaction.*

# The Homebuying Team



The Home Appraiser

Appraisers assess the value of a property after a thorough inspection, by researching comparable homes (in the area that have sold recently), and properties, buildings, public records, legal descriptions, and tax records. They analyze the collected data to determine the current property's value and potential future value.

This is a critical role in the home buying process – your appraiser is the one who will ensure that you aren't overpaying for the property. He or she will review the condition of the home and compare it with similar home sales in the area to come up with a fair market value.

Conducting formal appraisals of real property or land before it is sold, mortgaged, taxed, insured, or developed. Appraisers evaluate properties to establish fair market values and property ratings using internal and external sources by making onsite visits, inspecting property and interviewing clients which may offer a buyer and seller peace of mind.

# The Homebuying Team



The Title Company  
Settlement Attorney  
or Settlement Agent

Your title company will also schedule your settlement closing date and will facilitate the actual event, from providing necessary documents, to collecting closing costs, and ensuring your new home's title records are properly filed with the Land and Records Division at your county courthouse. .

The title company will conduct a title search to review public records for your land and property and will ensure there are no issues that get in the way of the home sale. Things they look for include overdue taxes, zoning restrictions or liens against the property that would prevent you (borrower) from obtaining a 'clean title.' from the seller (current owner). They also make sure the seller is the current owner and holds title to the property.

Title Companies protect both buyers and sellers. Your property title [Buyer's policy] shows who's owned the property in the past, contains a description of the property and shows if there are any liens on it. Your title company is a neutral third party hired by you to research and insure the title of the home you're buying. The Lender will maintain a Lender's policy for an extra layer of insurance.

## What A Title Company Does Before Issuing Title Insurance

Now that we know what a title and deed are, let's go over the approach a title company takes to make sure your title is clean and free of potential ownership claims. Undertaking this due diligence also protects the title company from liability down the line when they insure your title..

**Perform A Title Search:** The first thing a title company will do is perform a title search, which entails looking for potential obstacles to the clean transfer of ownership. The thing that most often immediately comes to mind is whether other people have ownership in or rights to the property, but a title search also looks for other encumbrances that could interfere with your ownership of the property.

**Outstanding Mortgages:** Unless the previous home is owned free and clear, the current homeowner will have a mortgage lien on the property. This will need to be paid off at closing so that the title can be transferred to you.

**Other Debts Secured By The Home:** You could have a lien on the property because you took out a home equity line of credit or you financed the cost of solar panels, for example. These will need to be paid off or otherwise removed before you can close.

**Unpaid Homeowners Association Dues:** While this will vary depending on what's written in the HOA contract, associations often give themselves broad powers in these agreements to place a lien on – and even foreclose on your property – because of unpaid HOA dues. The home seller will need to resolve their dues balance so the lien can be lifted, or the buyer will become responsible for paying those dues if the sale goes forward.

**Unpaid Property Or Income Tax Liens:** Governments can place a lien on a deed if the homeowner fails to pay required taxes. Usually, a local government places a lien on property for unpaid property taxes. It can also bring an action in foreclosure to force the sale of the property for tax repayment. The Internal Revenue Service (IRS) will also place liens on real and personal property when a taxpayer fails to pay owed income taxes. It too can force a sale of property to recoup those tax payments. Both types of tax liens must be resolved before closing.

**Mechanic's Liens:** If a contractor, their subcontractor or their employees weren't paid for work that was completed, either on the property or the house itself, a mechanic's lien might be imposed on the property. Unpaid debts for repairs done on the property stay with the property.

**Restrictions:** Anything that restricts the free transfer of ownership in a property that can cause problems in the future. For example, buying a home in a 55+ community means you can't sell your home to anyone under 55, which is a restriction.

**Easements:** Easements are agreements that, although you own the property, you're giving someone else the right to use your land for a specific purpose. An example of an easement might be the right to use space for parking.

**Leases:** Is the property rented out to anyone for a specified term? If it is, you can't interfere with their lease rights when you buy the home. A title search will reveal whether the property is encumbered with a lease.

**Conduct A Property Survey:** If required, the title company will order a property survey, or a drawing of the property. The aim of this is to discover any potential encroachments – for example, if a neighbor's home addition intruded into your property. An encroachment can give rise to a claim of adverse possession if it goes unaddressed. That means that, if the homeowner does nothing to resolve the encroachment, they could lose the affected portion of their property.

**Prepare Abstract Of Title And Title Opinion:** An abstract of title is a legal document that outlines the ownership history of a particular property. It not only covers when the property is sold, but records related to inheritance, court litigation and tax sales as well. Looking at the abstract gives you a great way to determine the history of the property. An opinion of title is then written by the title company. This is the document that actually states that they think the seller has a valid title to the property and they would feel comfortable insuring the title if you're doing a purchase or refinance.

If there are issues that come up when researching the history of the property, those may need to be taken care of before you can get title insurance, which could delay the process slightly while things are being researched and resolved.

# The Homebuying Team



The Home Insurance Agent

When looking for affordable home insurance it is important to request quotes from many insurance providers. Those who shop around for their home insurance tend to find the best deals available for their home insurance market.

Homeowner's insurance is a requirement when obtaining a mortgage and it will financially protect you and your home if disaster strikes. It will be up to you to shop around and find the best insurance policy for your needs, so it's a good idea to begin researching your options as soon possible after submitting your mortgage application. The best place to start is with your current auto insurance agency to get an insurance quote for homeowners' insurance, and most often a bundle deal is offered to save you money.

Various offerings of insurance include Apartment Renters, Flood, Condo, Mobile Home, Landlord, Business Rental, Vacant Renters and more.

# The Homebuying Team



The Mortgager Servicer

You most likely won't need to keep in touch with the key players in the home buying process after closing on your new home – with the exception of your mortgage servicer. This is the financial institution that will handle the day-to-day management of your mortgage, such as payment processing, record-keeping, ensuring your taxes and insurance are paid (from your escrow account on time and in full) and of course, offering you customer service.

*The mortgage servicer may or may not be the same as your lender – often, mortgage lenders will sell your loan to a mortgage servicer upon closing settlement since they may lack the resources to service all loans they originate. If this is the case, you'll receive information from your lender or mortgage servicer well ahead of time alerting you to the change, who will service your mortgage, the company name/address and contact information.*