



NORTHPOINT
MORTGAGE

Real Estate Agent

INFORMATION BOOKLET

It's not just a transaction, it's a relationship.

WWW.TRYNORTHPOINT.COM

REAL ESTATE AGENT BOOKLET

The idea of purchasing a home is bound to bring many questions to mind. This is a natural reaction, as this is one of the biggest financial decisions your clients will ever make. Rest assured, we are here to assist you and your clients in understanding the loan process. Our ultimate goal is to make the experience as smooth as possible.

This booklet covers the basics about your clients financing a home. It is designed to answer commonly asked questions and provide clear definitions of terms you may be unfamiliar with.



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ABOUT NORTHPOINT MORTGAGE



Since 2005, Northpoint Mortgage has been helping home buyers and homeowners get the financing they need to buy a new home, refinance an existing mortgage, or consolidate high-interest debt. Customer approval is the matter of greatest importance, and we are always developing new ways to keep this process as simple as possible.

We have been able to provide thousands of loans for people over the last fifteen years. We work with our clients from beginning to end, matching them with a dedicated loan officer that is there from day one to closing day. They explain each step before you take it, provide options, and help you find the best loan for your situation.

Northpoint Mortgage is a full-service mortgage lender serving in CA, CT, FL, GA, MA, MD, ME, NC, NH, NJ, PA, RI, SC, the USVI, and VA. We specialize in conventional loans, jumbo loans, portfolio loans, and government-backed loans such as VA, FHA, USDA, and many more.



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THE RIGHT MORTGAGE FOR YOUR CLIENTS

Loan Type	Description
Fixed Rate Mortgage	<p>A mortgage loan in which the interest rate does not change during the entire term of the loan.</p> <ul style="list-style-type: none">• A fixed-rate mortgage term is generally 15, 20 or 30 years long.• Low down payment options.• Variety of terms to fit the borrowers' needs.• Best if you plan to stay in your home at least 5 years.
Adjustable Rate Mortgages (ARM)	<p>A mortgage loan that permits the interest rate to adjust periodically during the life of the loan on the basis of changes in a specified financial index.</p> <ul style="list-style-type: none">• Available in 5-year, 7-year and 10-year fixed-rate periods.• At the end of the fixed-rate period, if interest rates go up or down, payments will also change at each scheduled adjustment date. Note: In most cases, there are "rate caps" to limit the amount the interest rate can go up or down.• Best for buyers who know they'll sell within 5-10 years.
Jumbo Loans	<p>A mortgage loan that exceeds Fannie Mae's legislated mortgage amount limit for a single family residence.</p> <ul style="list-style-type: none">• Also called a nonconforming loan.• Available in a variety of fixed-rate and adjustable-rate loan options.
FHA Loans	<p>A mortgage loan that is insured by the Federal Housing Administration (FHA).</p> <ul style="list-style-type: none">• Low down payment options.• Low credit score requirements.• Fixed-rate mortgages.
VA Loans	<p>A mortgage loan that is guaranteed by the Department of Veterans Affairs (VA). Available for active duty and veterans.</p> <ul style="list-style-type: none">• Up to 100% financing.• No monthly mortgage insurance.• Fixed-rate mortgages.
Rehabilitation Loans	<p>Rehabilitation mortgage loans are designed for houses that are damaged or in need of rehabilitation. The loan covers the cost of the property as well as the cost of home repairs. Home owners whose homes need improvement can also refinance with these loans. A vast range of repairs including room additions, bathroom remodels, roofing, septic and air conditioning systems can be funded with these loans.</p>
State Housing Programs	<p>State Housing Agencies efficiently provide quality, affordable housing opportunities and appropriate supportive services to low- and moderate-income home buyers with low, fixed interest rates including down payment and closing cost assistance programs. Mortgage loans vary by state. Ask a Loan Officer for more information!</p>
USDA Rural Housing	<p>A USDA mortgage loan from USDA loan program, also known as the USDA Rural Development Guaranteed Housing Loan Program, is a mortgage loan offered to rural property owners by the United States Department of Agriculture.</p> <ul style="list-style-type: none">• Must be located in a USDA eligible area. Property eligibility can be checked at http://eligibility.sc.egov.usda.gov• Up to 100% financing.



HOME LENDING SOURCES

Your clients have many options when it comes to home financing, but which one is right for them?

Mortgage Lenders

A mortgage lender is a financial institution that originates and funds loans in their own name. Most lenders do all their own loan processing, underwriting and closing in-house. They can take care of the entire process which can shorten the time frame.

Lenders have specific borrowing guidelines to verify creditworthiness and ability to repay a loan. They set the terms, interest rate, repayment schedule and other key aspects of the mortgage.

Mortgage Brokers

A mortgage broker works as an intermediary between the borrower and the lender. Mortgage brokers don't control the borrowing guidelines, time line or final loan approval. Brokers are licensed professionals who collect the mortgage application and qualifying documentation. Mortgage brokers are independent and can shop multiple lenders on the borrower's behalf.

Once a mortgage broker pairs a borrower with a lender, they don't have much control over how the loan is processed, how long it takes, or whether they'll receive final loan approval. This can add more time to the closing process and frustration if delays arise. Also, if your clients choose to work with a broker, the lender might charge a higher interest rate to cover the broker's commission, costing your clients more.

Banks

Banks are a common source for mortgages. Along with checking and savings accounts, banks offer mortgages as part of the financial products they offer their customers.

This is a great option if a borrower prefers to have all their accounts in one place. However, bank may not offer a wide variety of loan programs.

What Sets Northpoint Mortgage Apart

- Full In-House Underwriting on Most Loan Programs.
- Home Buyer Certificate (more than just a pre-approval, this is fully underwriter certified by our underwriting team).
- CRM for Prospective Buyers.
- Personalized Single Listing websites.
- Marketing Co-Branding.
- Top Notch Service.
- And more...

PRE-QUALIFICATION VS. PRE-APPROVAL

Pre-Qualification vs. Pre-Approval

A Pre-qualification gives a borrower an idea of how much they can spend. That's it! A pre-qualification doesn't typically include an analysis of their credit report or an in-depth look at their true ability to buy a home. A borrower can be pre-qualified by a lender, by a real estate agent or they can do it themselves. The term means that someone has taken a general look at their income and expenses and plugged them in to a debt-to-income ratio formula. Pre-qualifying before they start looking for a home gives them a general idea of the price range they can afford.

When borrowers are pre-approved for a mortgage loan, it means a lender has reviewed their credit report and validated their income and assets, determining that they qualify for a loan. The lender will provide them with a letter telling them the maximum amount of a loan they qualify for, which loan programs they qualify for, and will discuss the interest rates they will offer for different types of loans.

Our Alternative: Underwriter Certificate

One of the first steps in shopping for a home is to get pre-qualified, pre-approved, or even better -- to get a Northpoint Underwriter Certificate. This happens after a borrower submits their financial documents to an underwriter for review and they've been approved for financing.

After getting their certificate, they can focus on finding their dream home and then getting the specific financing approved.

Going through this process ahead of time allows them to iron out any potential issues and avoid problems at the last minute. Receiving the Underwriter Certificate is the strongest option, especially in the current market where there is so much competition.



The Dos and Don'ts

WHEN APPLYING FOR A MORTGAGE

Buying a home can be exciting and overwhelming all at the same time, which is exactly why Northpoint will be there to guide your clients the whole way. Here are a few do's and don'ts to keep in mind.

THE DOS

- ✓ **DO** apply for loan within 5 days of the contract date.
- ✓ **DO** stay current on existing accounts.
- ✓ **DO** attend your closing as scheduled.
- ✓ **DO** take time and relax and breathe daily. Buying a new home can be overwhelming.

THE DON'TS

- ✗ **DO NOT** quit your job.
- ✗ **DO NOT** miss any payments.
- ✗ **DO NOT** apply for new credit of any kind.
- ✗ **Do NOT** make larger purchases.
- ✗ **DO NOT** go negative in your bank account.
- ✗ **DO NOT** make large, unexplainable deposits into bank accounts.
- ✗ **DO NOT** borrow money for down payment or closing costs.

HOME INSPECTION VS. APPRAISAL

Inspection

A home inspection is an in-depth tour of the house to determine the true condition of a property after an offer has been accepted. The inspection report will detail what is and isn't working, what may need to be replaced now and what may need to be replaced in the future.

An inspection should be conducted by a licensed inspector who is trained and has passed state testing. A home inspection generally includes review of the heating system, air conditioning system, plumbing, electrical, roof, attic, visible insulation, walls, ceilings, floors, windows, doors, foundation, and the basement.

In recent markets, many sellers have indicated they won't fix any problems found in the inspection. It's still a good idea for buyers to conduct an inspection so they know what they're getting into with a home.

A home inspection is for the buyer and allows them to assess the condition of the home and potentially negotiate the terms of the offer.

TIMING: The inspection itself takes around three hours. The inspection should be scheduled as soon as possible after signing the purchase contract. All buying parties are encouraged to attend.

COST: Home inspection costs can vary by the size of the home and from state to state, but typically costs run in the \$400 - \$600 range.

Appraisal

A home appraisal is an opinion of value provided done by a licensed appraiser, required by a lender to assess the value of the home. The home appraisal helps the lender determine if the house is worth what the borrower is paying. Once the mortgage lender orders the appraisal, an appraiser will visit the property to do a visual inspection and take photos of the home. Although the appraiser will pay specific attention to health and safety hazards, the structural integrity of the home, upgrades or improvements, and visible defects, it is not an inspection.

They will then compare amenities against recently sold comparable properties within the same neighborhood. The appraiser will use all this information to create an appraisal report, assign a monetary value to the home and send findings to the mortgage lender.

Appraisal Gap and Appraisal Gap Coverage

An appraisal gap refers to the difference between the appraised value of a property and the purchase price of a home. If there is an appraisal gap, the buyer may need to decide whether to cover the gap by paying the difference out of pocket, negotiate with the seller to lower the price, or a combination of both. Appraisal gaps can be a challenge in real estate transactions, as they may affect the financing and terms of the deal.

For example:

House sale price:	\$550,000
Appraisal value:	\$530,000
Appraisal gap:	\$20,000

Appraisal gap coverage is an agreement that is written into a contract, in which the buyers can stipulate that they will pay the potential difference between the appraised value and the contract price, up to a certain amount

TIMING: On average, the home appraisal process can take up to a week, but sometimes longer. The appraisal is ordered by the mortgage lender after an offer has been accepted. Once the appraisal report is completed, the lender will finalize the loan terms.

COST: Home appraisals cost can vary by the size of the home and from state to state, but costs typically run in the \$450-\$900 range.

ABOUT AN APPRAISAL INSPECTION

What Appraisers Want Real Estate Agents to Know About an Appraisal Inspection

Here are answers from real life appraisers. This information may help to make the appraisal process easier and faster for everyone!

Helpful Information to Give to the Appraiser

- A clear and fully executed P & S Agreement with all riders and addenda included.
- Any conditions of sale, including repairs.
- Appraisers can photograph repairs at time of inspection to show that it has been completed.
- Seller's property information disclosure statement.
- Seller's lead paint disclosure statement and documents (mandatory disclosures).
- Assessor record, tax bill, betterments, etc.
- Deed.
- Home Inspection Report (any items of concern).
- Plot Plan stating frontage.
- A list of items that the appraiser should be aware of: recent remodeling or updates to the mechanical systems, as well as negative items.
- Information about "invisible" items such as French drains, underground oil tanks, etc.
- Disclosure of hidden conditions such as mold, infestation or previous fire damage.
- Comparable sales for appraiser to review. Agents know their neighborhoods and town better than most appraisers; even if the appraiser ultimately chooses other comparables, it gives them an increased perspective.

Helpful Information to Give to the Appraiser

- Condo association or management contact information.
- Condo budget information, rules and regulations, special assessment information, condo fees.

For Multi-Family Properties

- Lease history.
- Rental comparables obtained by the real estate agent

FHA Requirement Reminder

- For FHA Inspections, the following are required:
- All utilities must be on (heat, gas, electricity, water).
- Appraisers must run water and flush toilets.
- Appraisers need to see the attic.
- Peeling or chipped paint should be scraped and re-painted prior to inspection. Interior and exterior if built prior to 1978. Exterior if after 1978.
- Site plan showing location of septic system and/or well.
- If well and/or septic, appraiser needs to know if town water or sewer is available to the site.

Miscellaneous

Photographs: Real estate agents should inform homeowners that appraisers must take photographs of property (inside and out) during the inspection.

Repairs: If a required repair costs less than the re-inspection fee, having it completed prior to the appraisal inspection saves the borrower the cost of re-inspection.

MLS Listing: Make sure you do not include the basement in the GLA of a property. Also, if condominium properties are listed as single families in MLS, it skews the market data.

Reporting sales information: Putting sales concession information and other data pertaining to differing sales prices reported on tax and MLS records into MLS databases would shorten the appraisal process.

HOMEBUYER'S JOURNEY

01

Client meets with a Loan Officer to determine the best loan program based on their financial goals and needs.

02

The Loan Officer will provide a pre-approval letter, or better yet an Underwriter Certificate, to strengthen their offer on a new home.

03

Client begin looking at homes with a Real Estate Agent.

04

Once they find their home, the Real Estate Agent presents an offer on the client's behalf. The offer is accepted, signed and a closing date is set.

05

Complete mortgage loan application and submit all the required documents.

06

Appraisal, title paperwork, insurance binder and other documents are ordered.

07

The completed loan file is submitted to an underwriter for review. Any final conditions are collected and a final loan approval is issued.

08

The loan is cleared to close!

FAQS You got questions? We got answers!

HOW MUCH DO I NEED FOR A DOWN PAYMENT?

The required down payment varies based on the type of mortgage loan the borrower applies for. In broad terms, government loans typically require a minimum 3.5% down payment, while conventional lenders usually expect at least 5%. Certain loan programs, such as state housing, USDA, and VA loans, may provide 0% down payment options. To avoid the necessity for private mortgage insurance (PMI), a down payment of at least 20% is necessary.

WHAT IS A LOAN ESTIMATE (LE)?

The Loan Estimate provides a summary of key loan terms and estimated loan and settlement costs. The form will be provided to the borrower within three business days after certain minimum information is submitted to the lender. Borrowers can use this form to compare the costs and features of different loan programs.

WHAT IS A CLOSING DISCLOSURE (CD)?

The Closing Disclosure form sums up the terms of the loan and what is to be paid at closing. The CD must be provided to the borrower three business days before closing. In addition to summarizing the final loan terms and costs, the CD provides borrowers with a detailed accounting of their transaction.

WHAT IS PMI?

Private Mortgage Insurance protects the lender against a loss if a borrower defaults on the loan. It is usually required for loans in which the down payment is less than 20% of the sales price.

WHAT ARE POINTS?

Points are mortgage interest fees paid up front. This one-time expense reduces the initial interest rate on your home loan. Points are a percentage of the loan amount, with one point being equal to one percent of the loan. When purchasing a home, the cost of the points is generally tax deductible in the year the house is bought. This is true even if the seller is paying for them.

HOW DO BORROWERS APPLY?

Borrowers can start the loan process online, or they can apply over the telephone, via mail or in person. They can also request more information or complete the no obligation purchase inquiry form on our website. A Loan Officer will be available to assist them. A Loan Officer can be available after hours to make it easier and more convenient for borrowers to complete the information.

MORTGAGE TERMS DEFINED

Don't let financial terms scare you. Here are some common terms you may hear:

ADJUSTABLE RATE MORTGAGE (ARM)

A mortgage loan in which the interest rate is adjusted periodically based on a pre-selected index. Also referred to as the renegotiable rate mortgage.

ANNUAL PERCENTAGE RATE (APR)

An interest rate reflecting the cost of a mortgage loan as a yearly rate. This rate is likely to be higher than the stated note rate or advertised rate on the mortgage, because it takes into account points and other credit costs. The APR allows home buyers to compare different types of mortgage loans based on the annual cost for each loan, however all lenders do not calculate APR the same way.

APPRAISAL

A written estimate of a property's current market value prepared by a professional appraiser.

ESCROW ACCOUNT

An account held by the servicer to which the borrower pays monthly installments for property taxes and sometimes insurance. The servicer disburses funds as they become due.

HUD

The Department of Housing and Urban Development is a U.S. government agency responsible for the administration of federal housing and urban development programs.

POINTS

One point equals one percent of the mortgage amount and is a one-time charge by the lender at closing. A borrower can pay points to reduce the interest rate of a loan.

RATE LOCK

If the interest rate is locked, the rate won't change as long as you close within the specified time frame and there are no changes to the application. Rate locks are typically available for 30, 45 or 60 days and sometimes longer.

REFINANCING

The process of paying off one loan with the proceeds of a new loan and using the same property as security.

TITLE INSURANCE

An insurance policy issued by a title insurance company, which insures a home owner and/or lender against loss due to title defects, liens or other matters. The cost of the policy is usually a function of the value of the property. The Owner's Policy insures the new owner and a Lender's Policy insures the priority of the lender's security interest.

UNDERWRITING

The decision whether to provide funding to a potential home buyer, based on credit, employment, assets, and other factors, while matching this risk to an appropriate rate and term or loan amount.

Reviews from our **REALTORS[®]**

Our goal is to assist your clients in selecting the right mortgage loan program to meet their long term financial objectives. Here are comments from a few of our partners who were truly more than satisfied with our service!

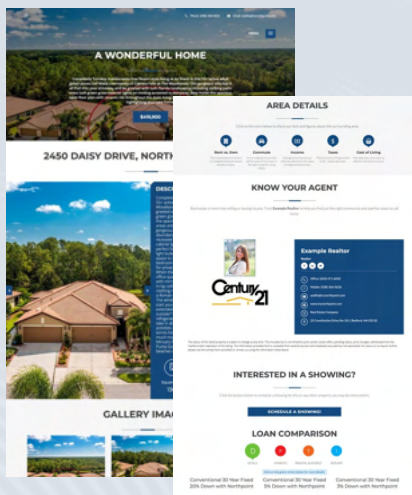
I truly would love to do more business with Northpoint moving forward into the new year. They have extremely kind, hardworking, and diligent Loan Officers and those qualities shined while we worked together. The next buyer client I have that needs an outstanding Loan Officer, you'll be the first to know!

Thank you for everything.
Northpoint is my new go-to!

The Northpoint team is phenomenal. Responsive, professional and so knowledgeable. They always looking out for our shared clients and go above and beyond to meet them where they are.

I'm not used to having a lender proactively keep track of the closing. It makes it less stressful. I used to be calling all parties and freaking out with other lenders. Thanks again!

WHY WORK WITH US



Single Property Open House Sites

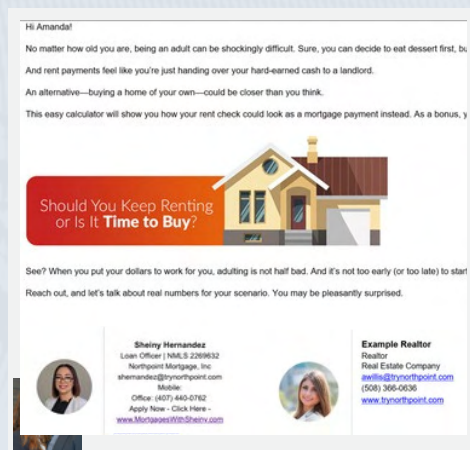
Quick and easy to set up, we now offer single property sites (SPS) that not only provide a fresh listing page, but also a great selection of details about the area: including recent sales, commute, income, cost of living, and more!

Direct links to share on Facebook, LinkedIn, and Twitter; plus a link to download a PDF informational packet for the listing.

Co-branded Automatic Email

Email campaign will begin automatically for our clients who are still in the process of finding their perfect home and it will send periodic co-branded emails for a full year. If our client finds their dream home, the campaign will automatically stop and they will be moved to our in-process video email campaign.

Included in this campaign are informational and interactive emails to encourage action and ensure our clients keep us top of mind.

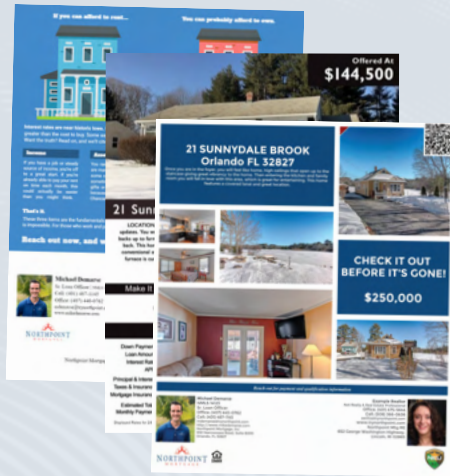


In-Process Video Emails

Once the client has started the mortgage process, video emails will be sent out along the way based on milestone points during the process.

The BEST part? You'll not only receive a copy of all of these video emails, YOU'LL BE INCLUDED IN THEM! Our videos will automatically co-brand you right alongside your loan officer at the end of each video that goes out to our client.

WHY WORK WITH US



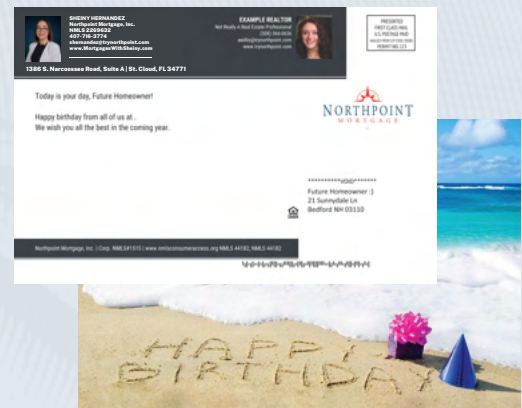
Co-branded Flyers

We have a wide variety of flyers that can be co-branded with your contact information. Anything from industry news updates to specific loan program information!

We also offer Personalized Property Flyers for your listings with or without the financing options. Each of our property flyers are individually personalized to that particular property and the realtor.

5 years of Co-branded Postcards

For 5 years after our client's closing date, they'll continue to get postcards co-branded with your information and ours.



Underwriter Certificate

One of the first steps in shopping for a home is to get pre-qualified, pre-approved, or even better - to get a Northpoint Underwriter Certificate.

This happens after you've submitted your financial documents to an underwriter for review and you've been approved for financing.

After getting your certificate, you can focus on finding your dream home and then getting the specific financing approved.

YOUR NORTHPOINT RESOURCES



Educational Seminars on a wide variety of topics available for Real Estate Offices



In-house underwriting, processing for faster results



Approved appraiser list available to Northpoint to ensure quick turn-times



Our closing department works directly with settlement agents to coordinate closing packages and wiring

A word from **HAPPY CLIENTS**

"This was my first time purchasing a home, the service I received was way above what I expected. Everyone that I spoke to and worked with took the time to answer my questions and any concerns I had. I would without a doubt definitely recommend Northpoint to anyone looking to purchase a home. Every call got answered, no automated machines, push this button or that button. Excellent, excellent service by everyone, keep up the good work. Thank you for making it that much easier to become a first time home owner."

- Patrick P.





A word from **HAPPY CLIENTS**

Over the Moon! We just closed on our house in the Orlando area; we're from Boston, and are beyond impressed with the service that we received from the entire Northpoint Mortgage team. The team was phenomenal from beginning to end, all of my questions were answered, and our closing went down without a hitch (we closed virtually). They were very knowledgeable and made this process smooth and simple. This is the 3rd time we've bought a home and it was the smoothest experience we've ever had. I highly recommend them!

- Yeliza C.

Northpoint Mortgage, Inc. | NMLS #1515



NORTHPOINT MORTGAGE

*Your friend in the
business since 2005!*



Northpoint Mortgage, Inc. is an Equal Housing Lender. NMLS 1515.

***TERMS & CONDITIONS:** Loan program terms and conditions are subject to change without notice. All loans are subject to underwriting approval. Certain restrictions may apply.

Contact us for details. 888-310-7707 | info@trynorthpoint.com | www.trynorthpoint.com