



Your dream home.

Mortgage Application Guidebook

Let's get started.

Whether you're a first-time homebuyer or you've been around the block and are looking to refinance, buying a home is an exciting life decision that also includes some twists and turns. **This guide will help you map the journey.**

Santander travels right beside you. We listen to your ideas, simplify the process, and help you get from where you are to where you want to be: **The home of your dreams.**

Make yourself at home.

Whether you're a first-time homebuyer or you've been around the block, use this roadmap to familiarize yourself with every step from application to closing.

Icon key



You



Santander Mortgage
Development Officer



Attorney/
Settlement Agent



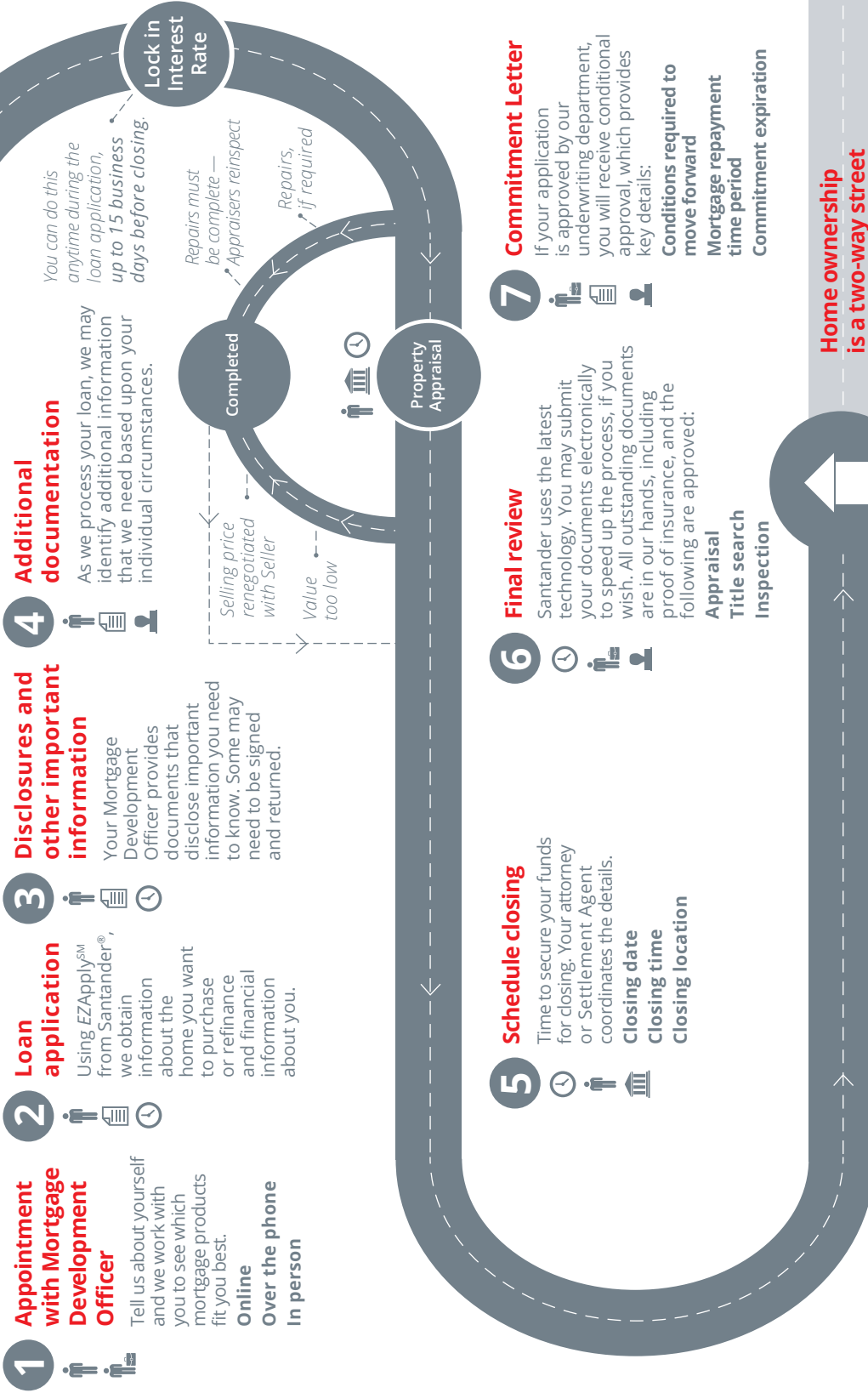
Loan Underwriter



Important documents



Time-sensitive step



Even though the mortgage process has ended, our relationship is just getting started. Moving forward, we're here to assist you in any way we can. Have questions about escrow or mortgage payments, perhaps? We'll provide simple answers, personal solutions, and ongoing resources.

On your way home.

The home-buying process is more than a transaction. It's a relationship between you and your bank. This relationship is why we're eager to share our process as a way of demonstrating our commitment to, and concern for, your dreams and ideas.

Look for the following icons throughout the guide. They identify which responsibilities are ours, your attorney's, and yours. It's always a team effort, start to finish.



Know your home loan team.

There are several key members involved in the home loan process.

Understanding everyone's position on the timeline makes it easier to track your progress.

Mortgage Development Officer

Your Santander Mortgage Development Officer is your key contact.

He or she 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 of the loan process.

Name: _____

Email: _____

Phone: _____

Attorney or Settlement Agent

Upon final loan approval, your Attorney or Settlement Agent will work with you to coordinate a date, time, and location for your home loan closing. He or she will also address any questions you have about your closing documents and provide you with the total closing costs and any down payment amount you'll need that day.

Name: _____

Email: _____

Phone: _____

Loan Processor

Once the file has been submitted to processing, the Loan Processor will assist your Mortgage Development Officer in managing your loan file.

Your processor will review the documentation provided and let you know if additional information is required.

Name: _____

Email: _____

Phone: _____

Real Estate Professional

(for purchase transactions only)

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

Name: _____

Email: _____

Phone: _____

Loan Underwriting Department

The Loan Underwriting Department is responsible for reviewing your home loan application and all of the supporting documentation against the approval criteria.

In most cases, you will not communicate directly with the Loan Underwriting Department, but be assured that they play a key role on the team.

Begin your application. †

As a borrower, you will be asked to fill out an application. Depending upon your preferences, there are several ways you can start:

📄 **Online** at www.websitesantander.us/ezapplyjpacker

☎ **Over the phone** at **1.877.729.4801** to speak with one of our local Mortgage Development Officers.

📍 **In person** at one of our convenient branch locations

Your Mortgage Development Officer will work with you to understand your needs and circumstances.

They will also explain the various home loan options available to you. Some of these options may require you to pay certain fees relating to your application. Fees vary by loan type and the location of the property. Your Mortgage Development Officer will give you details about these and other fees along the way.

Gather your documentation.

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

It's important to know that, at several points throughout the home loan process, additional documentation may be requested in order to verify certain income, assets, or conditions that arise as your application is being reviewed.

Personal information:

- Full name and Social Security number
- Driver's license or state-issued identification card (unexpired)
- Home address for the last two years, including dates

Income verification:

- Employment information for the last two years (name, address, and phone numbers), W-2 statements, and pay stubs from the last two months
- Proof of any other current income source, such as rental property
 - If you wish to have it considered as part of your income, child support/alimony: friend-of-the-court printout or 12 months cancelled checks*
 - Awards letter for Social Security and 1099 for disability income
 - Rental income: copy of lease, if property has been held for less than 12 months; 2 years of tax returns with all schedules, if property has been held longer than 12 months

If self-employed:

- Signed, completed federal income tax returns for the past two years, including personal, partnership, and corporate returns
- Year-to-date business profit-and-loss statement for current year, if more than three months have passed since the end of the last tax year
- Current business balance sheet

This is a common occurrence and no reflection on you or your attention to detail.

When you're ready to apply, you should be prepared to provide some basic information about yourself and your borrowing needs. If more than one person is applying, all applicants must supply this information:

Source of funds/down payment:

- List of checking and saving accounts, including bank name, account number, and type
- Typically any unusual or large deposits; may need an explanation and a paper trail to the origin
- Original bank statements for the last two months, including savings, checking, and investment accounts
- Stocks and securities account statements for the last two months
- Closing Disclosure if using funds from the sale of property
- Sale of asset: proof of ownership, proof of sale, and proof of funds transfer
- For gift funds: a gift letter, evidence of transfer, and sometimes evidence of withdrawal

Payment history:

- List of all debts presently owed
- Cancelled rent or mortgage payment checks for the past 12 months, if not reflected on credit report
- Child support/alimony*
- If your employment consists of variable income, such as overtime, commissions, bonus, or other similar types, a two-year year average of this income is generally used to determine monthly income.

**Child support or alimony income can be used if you received it for the past 12 months and it will continue for at least three years into the loan period. However, alimony, child support, or separate maintenance income need not be included if you do not wish it to be considered as income available to repay the loan.*

Note: Depending on your individual application, you may be required to provide additional information than what is listed above.

Disclosures and other important information.

Before taking your application, your Mortgage Development Officer will go over different mortgage options for you to consider. Once you have selected the mortgage program that is right for you, we will provide you with the following legal disclosures:

Loan Estimate (LE): The LE includes the credit terms for your loan as well as an itemized list of estimated fees and closing costs related to your loan.

Intent to Proceed: By signing and returning the Intent to Proceed, you are letting us know you wish to proceed with your loan application.

After taking your application, your Mortgage Development Officer will review your next steps and provide you with a package of important information, including legal disclosures, some of which you will need to sign and return.

To avoid delays in your closing process, supply any additional documentation that may be requested. Use the space below to keep track.

Legal Disclosures Needed

_____	_____ / _____ / _____
_____	_____ / _____ / _____
_____	_____ / _____ / _____
_____	_____ / _____ / _____
_____	_____ / _____ / _____

Provide copies of your documents with your application, as soon as possible.

Keep your original documents and upload your copies electronically using EZApplySM from Santander[®], along with your signed application. Or you can fax, use secure email, use postal mail or drop them at a branch location.

The bank will then review your loan request and issue either a Commitment Letter (to move forward) or Disposition Letter (a denial or request for additional information).

Lock in your interest rate.

Interest rates can be locked in when you begin your application or up to 14 days prior to closing. The payment of a lock fee may be required.

Date locked	_____ / _____ / _____
Interest rate	_____ %

Note: Please see Fax and mail tips in the back of this guide for more information.

Commitment Letter.

After your application is reviewed by our Underwriting Department, you may receive a Commitment Letter, which is a conditional approval. Getting a commitment letter brings you closer toward a home loan, if certain conditions are met and the applicant(s) successfully complete(s) the underwriting process.

The commitment letter typically states:

- Any conditions required to move forward
- The term over which the mortgage must be repaid
- The interest rate for the loan, if you have locked in your rate
- The expiration date of the commitment

Your Mortgage Development Officer or Loan Processor will reach out to you to answer any questions you might have and to ensure that you understand all outstanding conditions.

At this point, you'll need to gather the documents required to satisfy the outstanding conditions and submit them via fax, postal mail, secure email, or at any of our convenient branch locations.

Keep track of the conditions

_____	/	/
_____	/	/
_____	/	/
_____	/	/
_____	/	/
_____	/	/
_____	/	/
_____	/	/

If your loan is approved, your Mortgage Development Officer or Loan Processor will call you to notify you that you have received conditional approval, based on a review of the information and documents you have provided. At that time, we will let you know what further documentation may be pending or required, such as employment or income verification.

A conditional approval may require an inspection and appraisal of the property to verify the value of the

home and loan-to-value ratio of the loan. Santander will also require title verification and insurance to confirm ownership of the property and determine whether there are any liens or judgments against the property.

While your loan is in process, avoid taking on new debt without checking with your Mortgage Development Officer. New or increased obligations may impact your loan approval.

Conditional vs. final approval.

A conditional approval is issued after your loan has been reviewed by our Underwriting Department and it has been determined that it meets the loan guidelines. The approval is considered "conditional" if our Underwriting Department requests additional information prior to final approval of the loan.

The requested information is usually supporting documentation concerning details provided on the loan application.

Once the Underwriting Department determines that all loan requirements have been met (upon review of the requested documents) and issues final approval, we are able to schedule your loan for closing.

Property appraisal and title search.

A property appraisal will be ordered after your application is complete. The appraisal is conducted by a certified appraiser and is submitted to Santander for review. Once we have determined that the appraisal is complete, we will send you a copy for your records.

Once you have designated a closing agent or attorney, we will contact them to obtain the title information for the property.

The fees associated with both of these services will be included in the closing costs and are reflected on the Loan Estimate that was included with the package of disclosures and other important information previously provided to you.

Property appraisal

_____ / /
Appraisal completed _____ / /

Title search

_____ / /
Clear title received _____ / /

Home inspection

Home Inspections are not required for the mortgage application process. However, if a home inspection is specified as a requirement for the "Purchase Agreement", ensure that the home inspection is completed as soon as possible and before the expiration of any stated contingency date.

The goal of the inspection is to identify any issues with the home that might require further action. If the inspection identifies any issues, you should discuss them with your real estate agent to determine what options you may have.

_____ / /
\$ _____

⁹ **Note:** Your Mortgage Development Officer will inform you when the appraisal and title search are complete.

Scheduling your closing.

Santander will work with your Attorney or Settlement Agent to prepare the Closing Disclosure (CD).

The Closing Disclosure is a form used to itemize all charges imposed upon the borrower and seller. It gives each party a complete list of charges and credits associated with the transaction.

Fees associated with the transaction, but paid prior to closing, are also included on the CD.

Your Attorney or Settlement Agent will coordinate the details of the closing date and time with you, and review all of the related details.

Closing date _____ / _____ / _____

Closing time _____ : _____ a.m. p.m.

Closing location _____

Review your final loan information.

Prior to closing, you will receive your Closing Disclosure at least three business days prior to your loan closing. Your Attorney or Settlement Agent will review with you the final details of your loan. He or she will outline the amount you'll need to bring to closing for any down payment, if applicable, and closing costs. Take time to review and read all of your documents.

Review and compare your Closing Disclosure to the most recent Loan Estimate you received.

Your Mortgage Development Officer can also assist you with any questions or discrepancies.

Review date _____ / _____ / _____

Secure your funds for closing.

Prior to closing, you must obtain a cashier's check from your bank for the funds you will need to pay at closing. You can also check with your closing agent to see if wiring funds is an option.

those assets and transfer the funds into a deposit account.

The funds you will need for closing may already be in a deposit account, such as a checking, savings, or money market account. If any of your funds are in CD, retirement, or mutual fund accounts, or in the form of stocks or bonds, you will need to liquidate

If any funds for closing are coming from a gift, you must have disclosed this to us during the processing of your application and provided us with a gift letter signed by the donor and evidence of the donor's funds. Prior to closing, you will need to provide us with evidence that the donor has given the funds to you.

Closing costs \$ _____

Down payment
(if a purchase) \$ _____

Total funds for closing \$ _____

Closing takes place.

At closing, the parties convene at the Attorney or Title Company office to execute all required documents. The buyer and seller, if applicable, will remit any funds due, and the Attorney or Settlement Agent disburses funds as set out on the Closing Disclosure.

While every closing is a little different, there are certain elements that each closing has in common:

If you elected to enroll in an **automated payment program**, you will also need to sign the enrollment paperwork at closing.

Closing Disclosure: Sets out all receipts and disbursements made by, on behalf of, or to the buyer and seller in the transaction.

Promissory Note: Outlines the material terms of the loan, including interest rate, term, maturity date, principal and interest payment amount, late payment penalty, and any prepayment penalty.

Mortgage: (Also known as Security Deed, Deed to Secure Debt, Deed of Trust, or Trust Deed, depending on the state in which the property is located.) The document that results in your home being pledged as security for the loan.

Affidavits: In some situations, the borrower may be required to execute sworn statements relating to:

- Owner-occupancy of the property
- Current employment and income
- Name variations or “aliases”
- The non-existence of secondary financing
- Truth and accuracy of all information supplied to the lender
- Other matters specific to the particular transaction

Disclosures and Acknowledgements: In some cases, the borrower may be required to sign the following disclosures and acknowledgements:

- Acknowledgement that a default in payment of the loan could result in a foreclosure
- Acknowledgement that the closing attorney/settlement agent represents the lender
- Disclosure of projected escrow account activity for the first year
- Acknowledgement that property is or is not located within a flood zone

Loan Application: Standard form that reflects the verified income, assets, debts, and other pertinent information used to qualify the borrower for the loan.

IRS form W-9: Verifies the borrower’s Social Security number for the reporting of payment of interest to the IRS.

IRS Forms 4506 and/or 8821: Authorizes the lender to obtain information from the IRS to verify information on application form.

First Payment Letter: Shows total payment amount, due date of first payment, and information regarding where to remit payment.

Frequently asked questions.

What is mortgage insurance?

Mortgage insurance, also known as PMI, is insurance that protects the lender from losses when a mortgage with a low down payment defaults. A low down payment is usually defined as less than 20% of the purchase price or appraised value, whichever is less.

What are closing costs?

Closing costs are costs in connection with the mortgage loan. Depending on the specific loan, these costs may include an origination fee, discount points, appraisal, credit report, title insurance, survey, attorney's fees, and pre-paid items, such as tax and insurance payments.

How can I estimate my closing costs?

Closing costs are different from case to case. Generally, these costs are estimated between 3% and 6% of the sale price of your new home.

At what point do I need to obtain a hazard (homeowner's) insurance policy?

At least ten (10) business days prior to closing you need to provide a copy of the "Declaration Page" of your hazard (also known as homeowner's) insurance policy that insures the subject property effective as of the date of your closing. You will also need to provide evidence of payment-in-full of the policy premium for at least one year.

What is a flood certification?

Santander is required by law to obtain a flood certification on all loans secured by residential real estate. A flood certification indicates if the subject property is located within a special flood hazard area. If the subject property is located within such an area, the borrower must obtain flood insurance.

Does Santander offer construction loans?

We offer a variety of lending options that meet the unique needs associated with building a home, with interest-only payments during the construction period. The loan will automatically convert to a permanent mortgage upon completion of the home. Email us or call any one of our offices for more information.

How can I get a copy of my credit report?

To obtain a copy of your credit report, visit annualcreditreport.com or call 1-877-322-8228. The law allows you to order one free copy of your report from each of the nationwide consumer reporting companies every 12 months. Reviewing your credit report prior to applying for a mortgage will give you the opportunity to identify and resolve any credit issues or discrepancies.

How quickly can I be pre-qualified for a mortgage loan?

After providing a Santander Mortgage Development Officer with all of the necessary information, you will generally receive an answer within a few minutes. *Note that a pre-qualification is not a commitment to lend.*

Can I change my payment due date?

Currently, first mortgages do not have an option to change the due date.

Why did my payment amount go up?

Please contact our Mortgage Customer Service Team at 1.855.241.5700 or email us at: CustomerService@yourmortgageonline.com.

How do I get a copy of my end-of-year statement?

If you are a Santander Online Banking customer, you can access your IRS Form 1098 year-end tax statement through Online Banking.

You may also contact our Mortgage Customer Service Team at 1.855.241.5700 or email us at: CustomerService@yourmortgageonline.com.

How can I get my 12-month history statement?

You can order a 12-month history through our automated system by calling 1.855.241.5700 or by emailing us at: CustomerService@yourmortgageonline.com.

Where can I find more information about mortgages?

You can visit the below web sites for more information:
CFPB Mortgage Site – www.consumerfinance.gov/mortgage
HUD Site – www.hud.gov/hudportal/HUD
NMLS Site – mortgage.nationwidelicencingsystem.org



To learn more, contact a Mortgage Development Officer
at 1.877.729.4801 or visit your local Santander branch.

[santanderbank.com](https://www.santanderbank.com)

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