You found a home.

Make yourself at home.

Icon key

- You
- Santander Mortgage Development Officer
- Attorney/Settlement Agent
- Loan Underwriter
- Important documents
- Time-sensitive step

A Appointment with Mortgage Development Officer
Tell us about yourself and we work with you to see which mortgage products fit you best.
- Online
- Over the phone
- In person

B Loan application
We obtain information about the home you want to purchase and financial information about you.
- Online
- Over the phone
- In person

C Disclosures and other important information
Your Mortgage Development Officer provides documents that disclose important information you need to know. Some may need to be signed and returned.
- Loan Estimate

D Additional documentation
As we process your loan, we may identify additional information that we need based upon your individual circumstances.
- Commitment Letter

E Commitment Letter
If your application is approved by our underwriting department, you will receive conditional approval, which provides key details:
- Conditions required to move forward
- Mortgage repayment time period
- Rate of interest
- Commitment expiration

F Final review
All outstanding documents are in our hands, including proof of insurance, and the following are approved:
- Appraisal
- Title search
- Inspection

G Schedule closing
Time to secure your funds for closing. Your attorney or Settlement Agent coordinates the details.
- Closing date
- Closing time
- Closing location

H Closing takes place
An eagerly anticipated culmination of the real estate transaction where you review and sign documents including:
- Automated payment program
- Loan Estimate
- Promissory Note
- Mortgage

I Congrats!
You're a homeowner

Lock in Interest Rate

Completed

Property Appraisal

Value too low
- Repairs must be complete — Appraisers reinspect
- Repairs, if required

Selling price renegotiated with Seller

You can do this anytime during the loan application, up to 15 business days before closing.

Home ownership is a two-way street

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 that identify which responsibilities are ours, your attorney’s, and yours. It’s always a team effort, start to finish.

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Home Loan resources

- Document tips
- Mortgage clauses
- Loan servicing
- Fax and mail
- Fax sheet
- Frequently asked questions
- Glossary
- Simple Facts
Questions to ask your Mortgage Development Officer

The best way to get answers is to ask questions, lots of questions. Think of your Mortgage Development Officer as a partner and sounding board to help you understand all you want to know about financing one of your most valuable assets. Furthermore, all Santander Mortgage Development Officers are registered on the NMLS. Here are a few key things you should ask:

**Ask about any type of mortgage**

Can my interest rate and monthly principal and interest payment go up over time?

Will my mortgage payment include insurance, taxes, and other charges?

Can I make extra payments to reduce the principal?

Does this loan have a balloon payment? If so, how much? When is it due?

Will the lender be obligated to refinance my balloon payment mortgage?

Will I have to pay an additional fee if a payment is late?

**Ask about Adjustable Rate Mortgages**

How much higher can my interest rate and payments go when the mortgage first adjusts?

After the first adjustment, exactly when, and how often, could my rate and payment amount adjust?

What's the most my interest rate and payment can increase?

Can I also pay down the principal?

**Additional Notes**

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**Additional Notes**
Credit score myths and misconceptions

Your credit score is a major factor in any home purchase. That’s why it’s important to understand a number of credit scoring myths and misconceptions. Some of the following factors and rules, if ignored, could take you from qualifying for a mortgage now to having to wait 1 to 2 years before qualifying.

**Paying off collection accounts before getting a loan:**

If someone has a number of collection accounts, common sense would tell you to pay them off before going to apply for a loan. While it’s true that in most circumstances you will need to take care of these items, you will want to be cautious when doing so. If you wish to purchase a home in the immediate future, you will want to inform one of our Mortgage Development Officers before paying these collection items off. Keep in mind. It is not uncommon to see a credit score drop substantially from paying off older collection items. This counterintuitive event happens as a result of having the older collection items refreshed with a current date.

**Closing open credit card accounts that have not been used for a while:**

A major factor in credit scoring is the ratio of credit in use to credit available. This ratio is calculated using the following equation:

\[
\text{Credit Utilization Ratio} = \frac{\text{Balances}}{\text{Credit limit}}
\]

When you close open credit card accounts, you eliminate the available credit and thereby affect this ratio. If you were to close a number of open accounts that have no balance, you could negatively impact your score.

**Making a large purchase before closing on a home loan:**

If you have been pre-approved for a home loan and are making an offer on a house, do not go out and make a large credit-based purchase. Don’t buy a new car or purchase furniture for the house you are buying. Don’t make any large credit moves until you have completed your home purchase. Keep in mind. New debt could potentially disqualify you for the home loan, even if you have been pre-approved, or, at minimum, could cause delays and even impact your interest rate.

**I have no credit score so I can’t get a home loan:**

While it’s true that having no credit score at all does make things a bit more difficult, it does not automatically disqualify you for a home loan. At Santander, we have the ability to use what’s called “non-traditional credit.” We can collect payment history on a number of items that don’t typically appear on a standard credit report.

**Shopping around for home loans will hurt my credit score:**

When lenders pull your credit, it causes what is called an inquiry. Inquiries do have an affect on the score, and multiple inquiries within a short period of time can negatively impact your score. However, as a savvy customer, you will want to consider comparing rates and fees with different lending institutions. The credit bureaus are able to determine when multiple inquiries may relate to the same purpose such that the inquiries generally do not impact your credit score.

Keep in mind. As long as you are comparing loans within a 30-day period, the credit scoring model only counts these multiple credit pulls as one inquiry. But, be warned, this is only the case for installment loans like a car or home loan. If you apply for five credit cards in one week, it is going to count as five inquiries and will probably drop your credit score.
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.

Name: 
Email: 
Phone: 

**Additional Notes**
Congratulations! You’ve made a smart decision to purchase or refinance a home and are ready to begin your mortgage loan process.

This is a great time to take inventory of your personal records and take stock of where you stand financially. It’s best to enter this process with your ducks in a row.

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.santanderbank.com/mortgage
- **Over the phone** at 1.877.729.4801 to speak with one of our 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.

Additional Notes
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. 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:

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

Source of funds/down payment:
- List of checking and saving accounts, including bank name, account number, and type
- 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

Property information:

Purchase transaction:
- Copy of Property Listing Sheet
- Copy of Purchase Agreement
- Seller’s Disclosure
- For a condominium or a PUD; name of project and phone number of association
- Evidence of the annual real estate taxes and an estimate of the annual insurance premium (hazard and flood)

New construction
- Original cost of land
- Amount of liens
- Estimated cost of construction
- Copies of plan (if applicable) and specifications
- Certificate of Occupancy

Additional information, if applicable:
- Power of Attorney
- Divorce decree
- Explanation of discrepancies on credit report

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

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

Additional Notes

*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 it is not 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.

(Please refer to the Document Tips section on page 30 of this guide for additional help in providing the correct documents to help eliminate processing delays.)
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.

The package will include a variety of important information that your Mortgage Development Officer will go over with you, as well as a list of any additional documentation needed to support your individual application. Failure to provide the requested documentation will cause delays in your home loan closing process. Use the space below to keep track.

Legal Disclosures Needed

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

After you gather all documents, sign disclosure documents, and forward copies of all requested information via fax, secure email, postal mail, or at any of our convenient branch locations. These documents will not be returned, so it’s important to keep the originals for your records.

Once the documentation has been received, the bank can then review your loan request. You will receive either a Commitment Letter to move forward in the process, or a Disposition Letter, which could be a request for additional information or a denial of your loan request. Your Mortgage Development Officer can answer any questions you may have.

Lock in your interest rate

If you haven’t already, you’ll need to lock in your interest rate. This step can be taken when you begin your application or anytime up to 12 days before your loan is closed. You may be required to pay a lock fee in order to lock in your rate.

Date locked: __/__/__

Interest rate: ____________%

Note: Please see fax cover page and mail tips in the back of this guide for more information.
At this point in the process, anticipation runs high—yours and ours! It is our goal to match you to a workable home loan scenario. It’s why we’re here.

02

Processing your application

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.

Avoid taking on new debt without checking with your Mortgage Development Officer while your loan is in process. 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.

Property appraisal

Appraisal completed

Title search

Clear title received

Home inspection

If a home inspection is specified as a requirement in 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.

$
Here's where we cross all the T's and dot all the I's to make sure every detail of this mutual commitment is supported. It's all part of looking out for your home financing needs.

After conditional approval, we ask you to collect any remaining documentation and meet any additional requirements related to the loan so we can finalize your home loan. *We're on our way!*

---

**Collect and return any outstanding documentation**

Your Mortgage Development Officer or Processor will alert you of any outstanding **documentation required.** It's critical that you return outstanding documents as soon as possible in order to avoid a delay or expiration of your application.

**List any remaining documents requested here:**

---

**Homeowner’s Insurance**

Proof of homeowner's insurance covering your property must be provided to us before your loan closing. When obtaining your policy you must ensure that Santander Bank, N.A. is named as the mortgagee, along with the correct mailing address, and your name as it appears on the loan documents. Most conventional loans should be labeled as below.

Santander Bank, N.A.
ISAOA ATIMA
PO Box 628
Amelia, OH 45102

For other product types, please refer to the Mortgage Clauses section. (see page 32).

**Insurance**

- **Company Name**
- **Contact Name**
- **Phone**
- **Policy Number**
- **Date Submitted**

For purchases, you will need to provide a one-year policy and paid receipt at or before closing. For refinances, you will need to provide the declarations page of your current insurance policy. If you live in a flood zone, federal law requires you to maintain and provide proof of flood insurance coverage. Flood insurance will also be required if the property is in a Special Flood Hazard Area. Your Mortgage Development Officer or Processor will let you know if this is a condition of your loan. As required by law, we will escrow for your flood insurance payment.
Although you may not have spoken to them directly, rest assured that our underwriting department has been involved along the way, reviewing your information and documents, as well as information related to the property. Once everything is in hand, the file goes back to our underwriting department for a final sign-off.

Sometimes, the documentation you provided may not be all that we need or may raise additional questions or the need for additional information.

Admittedly, this part of the process can often be frustrating for a borrower. But we must follow industry and regulatory requirements throughout the loan process. This guide was developed to help you through this process. This guide is our attempt to help ease this burden as much as possible.

An underwriter may ask to clarify a bank statement, or if a gift fund was deposited. They may even come back and ask for what seems like a very unnecessary document. We can assure you that no underwriter asks for documentation without a specific reason. Their job is to protect you, as well as the bank, which is exposed to a great deal of risk in extending these large dollar amounts.

But let’s assume that we’ve provided everything that was asked for, and any property issues from an appraisal or title report have all been addressed. This is the point where the underwriter “fully approves” the loan for funding.

Final loan approval

Although you may not have spoken to them directly, rest assured that our underwriting department has been involved along the way, reviewing your information and documents, as well as information related to the property. Once everything is in hand, the file goes back to our underwriting department for a final sign-off.

Sometimes, the documentation you provided may not be all that we need or may raise additional questions or the need for additional information.

Admittedly, this part of the process can often be frustrating for a borrower. But we must follow industry and regulatory requirements throughout the loan process. This guide was developed to help you through this process. This guide is our attempt to help ease this burden as much as possible.

Date approved

Final loan amount

It’s critical that you return outstanding documents as soon as possible to avoid a delay or expiration of your application.
It may seem like it’s been a long road, with several stops and starts, but now all of your efforts and patience are about to pay off. After Final Loan Approval, the last step is to close on your new home loan.

You’ll soon own the place you’ve had your heart set on, or breathe a little easier if you’re refinancing your current mortgage. Santander is happy to share this new commitment with you.

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

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.

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 those assets and transfer the funds into a deposit account.

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 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.

Successful home ownership

After you have signed all the necessary documents and paid the amount due at closing, the closing is finished.

If this is a purchase (as opposed to a refinance) and your possession date is the same day as your closing, you should receive the keys to your new home before you leave! If your possession date is different than the closing date, arrangements should be made to secure the keys on the date of possession.

Thank you for choosing Santander. Our commitment to you doesn’t end when you sign your final loan documents. We offer many resources and tips to help you manage your mortgage and remain a successful homeowner. For instance, making your monthly mortgage payment is simple when you set up online banking or an automatic withdrawal from your Santander checking account.

Closing is the eagerly anticipated culmination of the home-buying process.
Home loan resources

Closing on a home is the exciting culmination of an involved process. It helps to have tools and checklists to keep track of it all. We’ve provided these resources to make your journey from application to closing as manageable as possible.
Document Tips

Proper documentation is required to support your application. One of the major reasons for delays in the closing process is a lack of proper documentation or “piece mailing” them in. Below are tips to help ensure the information you provide is complete and accurate.

Additional documents may be required based on your individual situation. Your Mortgage Development Officer 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
- Your name and your employer’s name
- Your base salary or (hourly rate if paid on an hourly basis)
- Gross income and both current and year-to-date deductions
- Your Social Security number

W-2 statements should reflect income for all employment during the previous two years:

- Make sure the document is legible and not hand-written

Must include:

- Your name and your employer’s name
- Gross income
- Deductions
- Your Social Security number

- In some cases, you may need to provide copies of your signed federal income tax returns, including all schedules, for the most recent two years
- If you are self-employed and don’t operate as a sole proprietor, you will also need to provide signed federal income tax returns, including all schedules, for your business for the most recent two years

- Signed federal income tax returns
  - The summary pages are often insufficient to review all income sources; therefore all schedules and forms are required
  - State tax returns are not acceptable as proof of income because they do not contain the same information as the federal returns
  - If you did not file federal income tax returns for the most recent tax year, you must provide a copy of the signed extension request that you filed with the IRS

- In some cases, we may require you to provide a year-to-date profit-and-loss statement relating to your business income

**Divorce decree**

When you have income from alimony, separate maintenance, or child support that you wish to have us consider as part of your income, you must provide a complete copy of your divorce decree. With respect to child support, you will also need to provide us with the age of your children. This information enables us to determine the amount and duration of the income.

**Other income**

When you have income that comes from Social Security, disability, pension, or other benefit income, there are several documents that satisfy proof of income:

- The most recent benefits award letter as proof of government entitlements
- The most recent bank statement that confirms the receipt, amount, and source of your income
- An IRS form 1099 statement that is attached to your federal tax return

**Note:** If you do not receive a benefits award letter from the Social Security Administration each year, you can obtain a copy online at http://www.socialsecurity.gov/

**Trust income**

If you have income as a beneficiary of a trust, you must provide a copy of the complete trust agreement and federal income tax returns from the last two years to evidence report.

**Note:** If you do not have a copy of the trust agreement, we recommend that you contact your attorney to obtain a copy.

**Asset documentation**

Account statements for your bank, investment and retirement accounts should:

- Cover the most recent two months of activity, or activity for the most recent quarter for quarterly statements
- Show name of account holder, company’s name and address, account number, beginning and ending balance, and all deposit and withdrawal activity
- Include all pages, even if they are blank or do not include information relating to account activity
- Gift funds from a relative, fiancé, or domestic partner can be used for a portion of the down payment or closing costs when eligibility requirements are met
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- Include all pages, even if they are blank or do not include information relating to account activity

**Bank account deposit activity that is inconsistent with regular income deposits or other prior activity in your bank accounts. Any recent large deposits inconsistent with your account history must be explained.**

**Letters of explanation**

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

Letters of explanation may be required for the following situations:

- Employment history inconsistencies in your credit report, loan application, and/or income documentation information
- Employment history gaps
- Name variations on your credit report
- Negative information appearing on your credit report; please be sure to detail what caused it to occur
- 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 reflected on your bank statements
- Bank account deposit activity that is inconsistent with regular income deposits or other prior activity in your bank accounts. Any recent large deposits inconsistent with your account history must be explained. Additional supporting documentation may be required.
- Source of funds for recently opened asset accounts
**Mortgage Clauses**

**A Mortgage Clause is a property insurance provision granting special protection for a mortgagee (e.g., financial institution that has an interest in the property) named in the policy that, in effect, sets up a separate contract between the insurer and the mortgagee.**

The clause establishes that loss to mortgaged property is payable to the mortgagee named in the policy and promises advance written notice to the mortgagee of policy cancellation. It also grants continuing coverage for the benefit of the mortgagee in the event that the policy is voided by some act of the insured (e.g., arson).

The Mortgage Clause specifies the obligations of the mortgagee in continuing coverage. The mortgagee would be expected to notify the insurer of any changes in ownership, occupancy, or exposure; pay any due premium; and submit a signed, sworn statement of loss within the appropriate time frame. Without the protection of the mortgagee clause, financial institutions would be unlikely to loan the large amounts of money necessary to purchase homes.

*When you obtain your property insurance policy, you must ensure that it is named using our legal name of Santander Bank, N.A. and the appropriate address, listed to the right.*

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Required Loss Payee/Mortgage Clause</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td><strong>Santander Bank, N.A.,</strong> ISAOA ATIMA PO Box 628, Amelia, OH 45102</td>
</tr>
<tr>
<td>FHA</td>
<td><strong>Santander Bank, N.A.</strong> and the secretary of HUD, ISAOA ATIMA PO Box 628, Amelia, OH 45102</td>
</tr>
<tr>
<td>CHFA</td>
<td><strong>Connecticut Housing Finance Authority,</strong> ISAOA ATIMA c/o Santander Bank, N.A., ATIMA PO Box 628, Amelia, OH 45102</td>
</tr>
<tr>
<td>NH Housing</td>
<td><strong>Santander Bank N.A.</strong> and the New Hampshire Housing Finance Authority ISAOA ATIMA PO Box 628, Amelia, OH 45102</td>
</tr>
<tr>
<td>MHFA</td>
<td><strong>Massachusetts Housing Finance Agency,</strong> ISAOA ATIMA 1 Beacon Street, Boston, MA 02118</td>
</tr>
<tr>
<td>MHP</td>
<td><strong>Santander Bank, N.A.,</strong> ISAOA ATIMA PO Box 628, Amelia, OH 45102</td>
</tr>
<tr>
<td>MHP - Closing with a subsidy 3rd mortgagee</td>
<td><strong>MHP Funds Board,</strong> ISAOA ATIMA 160 Federal Street, 2nd Floor, Boston, MA 02110</td>
</tr>
<tr>
<td>PHFA</td>
<td><strong>Pennsylvania Housing Finance Agency, Its Successors and/or Assignees</strong> 211 North Front Street, PO Box 15057 Harrisburg, PA 17105 - 5057</td>
</tr>
<tr>
<td>RI Housing</td>
<td><strong>Rhode Island Housing,</strong> ISAOA ATIMA 44 Washington Street, Providence, RI 02903</td>
</tr>
<tr>
<td>SONYMA</td>
<td><strong>State of New York Mortgage Agency, c/o M &amp; T Bank</strong> PO Box 5738, Springfield, OH 45501</td>
</tr>
<tr>
<td>VA</td>
<td><strong>Santander Bank, N.A.</strong> and the Secretary of Veteran Affairs ISAOA ATIMA PO Box 628, Amelia, OH 45102</td>
</tr>
<tr>
<td>Closing with a HELOC 1st mortgagee</td>
<td><strong>Santander Bank, N.A.,</strong> ISAOA ATIMA PO Box 628, Amelia, OH 45102</td>
</tr>
<tr>
<td>Closing with a HELOC 2nd mortgagee</td>
<td><strong>Santander Bank, N.A.,</strong> PO Box 628, Amelia, OH 45102</td>
</tr>
<tr>
<td>MHP - Closing with North Suburban Consortium/ Malden Redevelopment as 3rd or 4th mortgagee</td>
<td><strong>Malden Redevelopment Authority, as Representative Member and Agent for the North Suburban Consortium</strong> 200 Pleasant Street, Malden, MA 02148</td>
</tr>
<tr>
<td>NJHMFA</td>
<td><strong>New Jersey Housing and Mortgage Finance Agency</strong> 637 South Clinton Avenue, P.O. Box 18550, Trenton, NJ 08650</td>
</tr>
<tr>
<td>MMP</td>
<td><strong>Santander Bank, and MD CDA</strong> and/or their Successors and Assignees CDA/Single Family Housing 100 Community Place, 4th Floor, Room 4.300 Crownsville, MD 21032-2023</td>
</tr>
</tbody>
</table>
### Servicing your loan

If you haven’t taken advantage of some of the automated services Santander offers, you have alternatives.

The “first pay” letter that is included in your closing documents will provide all of the contact information, including the complete amount and due date of the first payment.

### Making your mortgage payments

**Online:**
There are several ways to make your mortgage payments online. If you have an eligible Santander account, you can make your mortgage payments at no charge by using our BillPay service.

You can use each of these tools to schedule automatic recurring payments or make a one-time payment.

**Monthly statements:**
All residential mortgage loan customers receive a monthly statement that includes a tear-off portion that is to be used when making the monthly payment.

**Phone:**
To use our telephone bill payment service, please call 1-800-232-5200 with your residential mortgage and deposit account information in hand.

### Other common service requests:

<table>
<thead>
<tr>
<th>You want to</th>
<th>Send a written request via Fax</th>
<th>Specific Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtain a payoff quote</td>
<td>888.433.8779</td>
<td>Santander Bank, N.A. 10-6438-ES4 601 Penn Street Reading, PA 19601 Attn: Pay-off Team</td>
</tr>
<tr>
<td>Send a tax bill</td>
<td>817.826.0999</td>
<td>Be sure to include your loan number</td>
</tr>
<tr>
<td>Send my insurance bill</td>
<td>513.388.5189</td>
<td>Be sure to include your loan number</td>
</tr>
<tr>
<td>Escrow Inquiries</td>
<td>888.534.3190</td>
<td>Santander Bank, N.A. 10-6438-ES4 601 Penn Street Reading, PA 19601 Provide a detailed explanation of the inquiry</td>
</tr>
<tr>
<td>Update my mailing address</td>
<td>855.864.9161</td>
<td>Santander Bank, N.A. 10-6438-ES4 601 Penn Street Reading, PA 19601 Attn: Address Change</td>
</tr>
<tr>
<td>Update my name from a marriage/divorce</td>
<td>855.864.9161</td>
<td>Santander Bank, N.A. 10-6438-ES4 601 Penn Street Reading, PA 19601 You must fax or mail a copy of your Marriage License/Divorce Decree</td>
</tr>
<tr>
<td>Notification of my husband/wife/co-borrower being deceased</td>
<td>855.864.9161</td>
<td>Santander Bank, N.A. 10-6438-ES4 601 Penn Street Reading, PA 19601 You must mail or fax a copy of the death certificate.</td>
</tr>
</tbody>
</table>

### Call our Customer Contact Center to speak to a Mortgage Representative

**1.877.729.4801**
Mon. - Fri. : 8 a.m. - 7 p.m. EST

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**Additional Notes**

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**Note:** See the Frequently Asked Questions section on page 58 for additional information.

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Fax and Mail tips

It's critical that you submit the necessary documents in a timely manner to avoid disruptions in the processing of your application.

Make sure to provide all pages of your documentation. If there is anything on a page, even just a page number, include it in your submission. In addition, do not alter any documents — for example, using correction fluid or marker to cover information. If sending a screenshot or printing from an online source (e.g., online bank statements), be sure the Web address is visible.

Faxing

Follow the guidelines below to help ensure that documents come through clearly.

Fax Documents to

- We recommend that you use the home loan cover sheet located on page 37
- If you lose your original cover sheet, create a cover sheet with the following information:
  - your name
  - application number
  - property address associated with the loan
- When making copies, we would prefer that you include only one document type per page (e.g., do not place a pay stub and a bank statement on the same page)
- Ensure that your fax machine prints out a confirmation sheet indicating that your documents were submitted successfully

Emailing

Follow the guidelines below if you wish to provide information to us by email. Please use a secure email process to communicate any information to us that includes sensitive information, such as your Social Security or account numbers.

Email Documents to

- Always include the following information in the body of the email:
  - your name
  - application number
  - property address associated with the loan

Postal Mailing

Follow the guidelines below to ensure timely receipt of your mailed documents.

Mail Documents to

- Include the home loan cover sheet located on page 37
- Please note that all items mailed will not be returned, so be sure to make copies if necessary.

* We ask that you include a cover sheet each time you fax or mail documents to us to help minimize the risk of your information being lost or misdirected. Use copies of the cover sheet on the next page to ensure that all of your documents reach the intended party.
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.

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 1-800-232-5200.

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.

How can I get my 12-month history statement?
You can order a 12-month history through our automated system by calling 1-800-232-5200 or by emailing us at: MortServ@santander.us.

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.nationwidelicensingsystem.org
Adjustable Rate Mortgage (ARM)
A mortgage in which the interest rate changes during the life of the loan. Changes are governed by the movement of an index; the Treasury bill or Treasury securities rate, or London Inter-Bank Offered Rate (LIBOR); and the margin and caps of the particular ARM program.

Annual Percentage Rate (APR)
The actual interest rate, annualized, that a borrower pays when certain costs of financing are included.

Application Fee
A fee that covers the cost of processing the application and performing a credit check. Fees vary by loan type and the location of the property.

Appraisal
A professional estimate of a property’s market value.

Clear Title
A clear title is necessary in any real estate transaction. In order to obtain a clear title, it is usually necessary to have a title search performed by a title company, which may find various clouds on the title, such as an incomplete certificate of occupancy, outstanding building violations, claims by neighbors for pieces of the property, or an inaccurate survey. Once these objections have been resolved, the owner will have a clear and marketable title.

Closing
The meeting to finalize your financing by signing all documents and making the appropriate payments, including closing costs.

Closing Costs
Costs, in addition to the property price or loan payoff, that are payable in connection with the loan transaction. Closing costs often include: origination fees; discount points; attorney’s fees; costs for title insurance, survey and recording documents; and prepayments of real estate taxes and insurance premiums.

Collateral
Property pledged as security for a debt, such as real estate securing a mortgage.

Down Payment
The portion of the purchase price that the buyer pays and does not finance with a mortgage.

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

Fannie Mae (Federal National Mortgage Association)
A private, shareholder-owned corporation created by Congress to support the secondary mortgage market by purchasing and selling residential mortgages insured by the Federal Housing Administration (FHA) or guaranteed by the Veterans Administration (VA), as well as conventional home mortgages.

Fixed Rate Mortgage
A mortgage in which the interest rate does not change throughout the loan term.

Freddie Mac (Federal Home Loan Mortgage Corporation)
A stockholder-owned corporation chartered by Congress to increase the supply of funds that mortgage lenders can make available to homebuyers and multi-family investors.

Gift Letter
A letter or form verifying that part of the down payment is supplied by someone other than the borrower as a gift that does not have to be repaid.

Loan Estimate
A statement providing loan terms and a breakdown of the estimated closing costs.

HUD
The Department of Housing and Urban Development, a U.S. government agency, responsible for regulating mortgage closings and administration of federal housing and urban development programs.

Index
For an adjustable-rate loan, a measure of current market interest rates used to determine a new interest rate at the time of adjustment. If the index increases, the interest rate increases until an interest rate cap is reached. An index must be readily verifiable by the borrower and beyond the control of the lender.

Investor
A person who commits money or capital in order to gain a financial return.

Loan Processor
The person who reviews the documentation provided and lets you know if additional information is required in connection with your loan application.

Loan-To-Value Ratio
The ratio of a loan amount to the value or selling price of real property, usually expressed as a percentage.

Market Value
An estimate of the price a property would sell for within a reasonable period of time on the open market under normal conditions.

NMLS (Nationwide Mortgage Licensing System)
The NMLS is a centralized national repository for all fundamental information related to mortgage companies, their principals, and their loan officers. The purpose of the NMLS is to maintain a centralized mortgage industry database that can be accessed by mortgage regulatory agencies around the country. The NMLS hosts a website called NMLS Consumer Access, which is a fully searchable website that allows homebuyers and the general public to view information about companies and individuals in the mortgage industry database.

Power of Attorney
A written authorization to represent another person or act on another’s behalf in private affairs, business, or some other legal matters.

Private Mortgage Insurance (PMI)
Insurance written by an independent mortgage insurance company protecting the mortgage lender against loss if a borrower does not pay the loan.

Rate Lock
A written agreement that guarantees the borrower a specified interest rate as long as the loan is closed within a set period of time.

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

Servicer
The institution that collects loan payments and administers the loan after closing. This may or may not be the same company as the initial lender.

Underwriting
The process of reviewing a loan, including an evaluation of the property, a review of the applicant’s creditworthiness, and compliance with program guidelines.
Simple Facts about your Home Loan

Santander Bank, N.A. is providing you with this Simple Facts home loan summary, as a commitment to simplifying the home loan process. This summary is not a commitment to lend, but intended to be a clear and simple description of your key loan terms and costs, based upon the information we have at this time.

You should thoroughly review all of the loan documents and disclosures that are provided to you, especially the Loan Estimate. Final loan terms will be detailed in your closing documents.

Loan Number ____________________________

Property Address ________________________________

You are applying for a mortgage loan in the amount of $ ____________________________

Type of Loan ________________________________

Interest Rate _____________ %

APR _____________ %

Above rate is locked until _________ / _________ / _________

Details of Loan

Monthly Principal, interest, and mortgage insurance payment is estimated at $ ____________________________

Total includes an estimated initial monthly mortgage insurance premium of $ ____________________________

Estimated monthly escrow amount, including above mortgage insurance premium, property taxes, and hazard insurance, is $ ____________________________

If escrow amounts increase, your monthly payments will also increase

Initial monthly payment is estimated at $ ____________________________

Includes principal, interest, mortgage insurance, and escrow amounts.

Your term loan is $ ____________________________

There are no penalties or fees if you choose to pay down the loan principal or pay your loan off early.

Monthly payments are due on

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