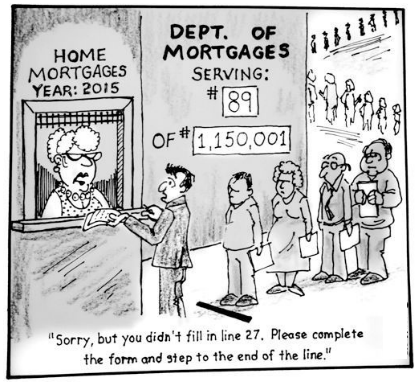
Counseling Fees



<u>Comprehensive Counseling Fee - $395.00</u>

The $395.00 fee includes counseling on everything that is normally required during a lender's standard loan processing of a home mortgage application. My consulting fee is comparable to a home appraisal fee but serves a more important purpose – it will evaluate dozens of issues to help you get a loan approval while an appraisal evaluates only one – the value of the home.

> Kelly Kellogg, a Winter Park, Florida-based appraiser and author of "ABCs of a CMA, Comparative Market Analysis," says a standard appraisal in her market costs between $450 and $550. By contrast, a more complex appraisal could cost between $1,200 and $1,400.   *Source: Bankrate.com*

The underwriting issues that will be covered in my service will include, but will not be limited to:

1. Evaluation of your credit report. We are not a licensed credit reporting agency so you will need to obtain your own 3-bureau report. That report should include the Equifax, Experian, and Trans Union reports and you can obtain them free by clicking the link below. You can obtain three individual reports or one "tri-merge" report.

   https://www.annualcreditreport.com/index.action

2. Evaluation of your employment and non-employment income. We will calculate your debt-to-income ratios based on the loan amount you are requesting.

3. Evaluation of your two most recent 1040's to spot any qualifying ancillary income as well as any negative issues that could be explained, but not picked up by a loan officer. Because of the significant differences in the way underwriters evaluate corporate tax returns, those will need to be evaluated by the lender you choose to process your new loan.

4. Assist in the preparation of our in-house information sheet and make pertinent corrections.

5. Upon completion of your our Client Information Sheet, I will review the content for entries that may create underwriting concerns and discuss them with the client.

6. After client has selected their lender and received their mandatory 3-day disclosures, i.e., the Loan Estimate, the Closing Disclosure, and others, I will review and explain them.

7. Recommend the interest rate and program information that clients should receive, in writing, from the loan officer up-front before agreeing to apply for their mortgage.

8. Review in detail the information that the loan officer should provide to applicant on a daily basis. These are the ones agreed to initially.

9. Review completed property appraisal.

10. Assist client in any underwriting requests during their lender's loan processing.

11. Letter Writing: It is very common for an underwriter to request an explanation on some loan issue but the borrower cannot figure out what to say. I am an expert in writing underwriting letters and although some problems can't be explained away, I'm your best shot. Loan officers are not allowed ethically to write explanations for borrowers and this is a common reason why loans are declined. The link below discusses common reasons for rejections.

    https://mymortgageinsider.com/underwriting-problems-stop-mortgage-approval/

12. Provide client with regular competitive interest rate and points information and assist in their decision which lenders to consider and when to lock their loan and for how long. Client to request copy of lock registration form.

13. Review final HUD, Deed of Trust, and other final pre-closing loan cost verifications.

14. Assist client in reviewing closing documents.

Credit Report and Employment Income DTI Evaluation Only - $195.00

If you would like to have a limited evaluation performed first, we can take care of you. After you obtain a copy of your "tri-merge" standard factual data credit report, you can send it to us and we will explain our findings to you in detail. You can use this $195.00 evaluation as a credit on your comprehensive counseling fee for 90 days. After 90 days, your credit report will expire anyway and all home mortgage lenders will require a fresh one. This is done to ensure that the borrower hasn't incurred new debt during that time which could affect their debt-to-income ratios.

Although Fannie Mae and Freddie Mac examiners scrutinize only 3-5% of the loans that they purchase for securitization purposes, when they do select one they pull a new credit report on it. If that report reflects significantly more debt than the original credit report, they have the right to demand that the originating lender repurchase it. If that happens, the borrower could get a very scary letter from that lender and they could demand that the unreported debt be paid off within 30 days or face a foreclosure. I've seen it happen and it is not a pretty picture.