

Welcome
to
MAC

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DEAL PROCESSING 101

How to Effectively Package and Present to Lenders



You have....

- Met with your client(s) and obtained the necessary information to process the mortgage application
- Successfully entered the required info into Boss 5.1

Now what do you do...

It is time to prepare and package the deal for submission to a lender for approval...



Which package would you open first?

Welcome
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Packaging Your Deal



- One of the most important parts of the submission process is the packaging of the deal. The more information provided, the less holes, less questions from the lender and quicker the response from the lender. Any supporting documents should also be sent to the lender (underwriter) once deal is submitted. Double check all information before submission and ensure income entered is correct, all debts are accounted for and all ratios are inline.
- **Data Integrity:** Ensure accuracy of information submitted. The more information provided the less questions the underwriter has to ask. The easier, quicker it is for the underwriter/lender to decision.

■■■■■ TIP

Stories Sell, Facts Tell



PACKAGE AS AN ACRONYM



P – Presentation

- As with all people, places and things, first impressions are lasting. Make sure to leave a positive lasting impression of your file and yourself

A – Accuracy

- Ensure the information that you provide in your submission to the lender pertaining to the file is accurate and detailed

C – Clarity

- Ensure your notes are clear so that there is no misunderstanding between yourself and the lender regarding what the purpose of the deal (i.e. refinance/purchase/ETO) and the overall client details/background

K – Knowledge

- Know your products, specifically what you are requesting from the lender. Know your clients. Know their expectations, their objectives and objections. Know their history, their background, their sensitivities in the event the lender has questions, you are able to provide answers quickly aiding in the overall underwriting process.

A – Attachments

- Include supporting documents when submitting your files to the lender (i.e. income, down payment, mortgage statements, etc.)

G – Generosity

- Be generous with the information that you give. Provide the lender with as much detail as possible in your submission in order to patch any holes or answer any questions an underwriter may have

E – Enabling

- Ensure your package is presented well with accurate and clear information indicating your knowledge of the clients and the products requested with related attachments and generous information to ENABLE the lender to make an informed and expeditious decision regarding your file.



Packaging Your Deal...cont'd



- **A/B lenders:** provide all information in the submission notes. Notes should include:
 - Loan amount being requested
 - purpose of the transaction (purchase/refinance),
 - employment details (position/length of service/if BFS-nature of business)
 - type of product requested (if special/promotional product)
 - relationship b/w borrowers (if more than 1)
 - List and explain any credit issues
 - Highlight the strength of the deal
 - If purchase – source of down payment
 - If rate buy down requested
 - Your contact information



Deal Submission – Lender Notes



Example 1:

Submitting deal to you for refinance. Clients looking to do an equity take out. Both clients are working. Documents attached.

Any questions give me a call. Thank you,

Agent Smith

999-555-222



Deal Submission – Lender Notes



Example 2:

Purchase Closing: Feb. 25th, 2020

Please be advised that Conditions of Finance for this deal is Feb. 15th, 2020

Submitting deal for an owner-occupied purchase in Brantford, Ontario. Requesting your 5yr fixed at 3.19%. LTV is 85%, purchase price of \$450,000 with 15% Down payment of \$67,500. Ratios are at 35/41. GDS/TDS. Down payment is coming from savings, 3 months bank statements provided confirming 90-day history.

Applicant has a score of 695 with low credit utilization. Client had a collection with Rogers in 2015 that has been settled. The reason for this collection was because she was on maternity leave and fell behind on some of her debts due to the reduction in income. Since her return back to work, all debts have been paid as agreed.

Applicant has been employed at Brantford Hospital as a nurse for the past 10 years earning \$75K per year.

Purchase and sale agreement provided as well as Realtor MLS.

For any questions, Please contact Harry at 647-999-1111/ harry@submissionnote.com



Deal Submission – Lender Notes



Example 3:

Hi Lender/Underwriter

Purchase transaction that requires your review and consideration.
Applicants have purchased subject property for \$625K with \$148K downpayment via sale proceeds of current residence.
Scotia holds the mortgage on their current residence.

Applicants just listed their current residence and expect a minimum sale price of \$500K...based on a worse case scenario sale price of \$500K applicants expect to net \$173K after the existing mortgage and fees are deducted. With that said, \$25K from the sale proceeds will be held back in order to payoff the VW loan and pay back \$12K applicants borrowed from B1's parents for a portion of the \$25K deposit applied on the purchase. Hence, the downpayment amount of \$148K.

Applicants wish to port their existing mortgage on current residence which currently has a balance owing of approx. \$289K.

Applicants are looking to be approved under the STEP and structured as follows: component #1 - port of the existing mortgage of approx. \$289K
component #2 - will be the shortfall of \$188K in a 3yr fixed rate of 2.99% with a 25 yr am period.

Applicants credit rating and history are strong and well managed...only true debt obligation is the VW loan which as mentioned above will be paid out via sale proceeds from current residence.

B1 works for a family business and is an employee...he holds no ownership rights. 2 yrs T4s/NOAs on file to confirm/support income disclosed.

B2 is a permanent FT employee with Extendicare and earns \$65K per year however she is currently on maternity leave and does not return to work until July. As such - I have used 60% of her gross annual earnings for DSR purposes. A letter will be obtained from her employer to confirm her return date and salary.

TDS is out of line due to having to use 60% of B2's income and I have still included the VW loan in the DSR even though it will be paid shortly after the closing of current residence.

Good LTV and overall a strong deal with the exception the TDS is a bit high so looking for an exception given the fact we are using 60% of income for B2 and still included the VW loan although it will be paid

Please contact me at agent@mortgagealliance.com or via phone at (416) 123-4567 if you have any questions. Thank you.



MB Boss x Q107 Toronto x +

← → ↻ 🏠 🔒 https://5.mortgageboss.ca/#/main/deal/lender_submit?id=4228707 ☆ ⚙️ 📦 Not syncing ⋮

MB Mortgage BOSS \$ DEALS 👤 CONTACTS 📊 REPORTS 📄 EXPENSES + DEAL + CONTACT 🔍 Search 🔍 ? KYLE ERICKSON ▾

👤 Add Applicant/ Applicant Pair 📄 Copy Application 🔄 Record 📄 Assign 🖨️ Print ➦ Sharing 👤 Co-Broker Deal

01-0000-02077144 - Joe Test - Deal Progress 11% Last Opened Deals ▾

Lender Submit

| | | | |
|--------------------------|------------|----------------------|-----------------------------|
| Main Applicant: | Joe Test | Application Type: | Approval ▾ |
| Application Status: | | Application Purpose: | Purchase |
| Application Status Date: | 09/11/2020 | Total Loan Amount: | \$525,000.00 |
| Closing Date: | 09/15/2020 | Purchase Price: | \$700,000.00 / \$700,000.00 |

Applicants

| | Name | Date of Birth | Phone Number | Email | Primary Applicant |
|-------------------------------------|------------|---------------|--------------|--------------------|----------------------------------|
| <input checked="" type="checkbox"/> | Joe Test | 08/31/1975 | 4169224321 | joetest@mail.com | <input checked="" type="radio"/> |
| <input checked="" type="checkbox"/> | Sally Test | 08/31/1975 | 4162294321 | sallytest@mail.com | <input type="radio"/> |

Applications

| | Mortgage Type | Loan Amount | Rate | Line of Business |
|----------------------------------|----------------|--------------|--------|------------------|
| <input checked="" type="radio"/> | Mortgage No. 1 | \$525,000.00 | 2.09 % | A |

Submission

Summary

Application Details ▾

Credit Bureau

Participants

Forms

SafeDocs

Attachments

Lender Submit

Lender Response

Accounting ▾

Leads

Notes ▾

Services ▾

01-0000-02077144 - Joe Test - Deal Progress 11%

Lender Submit

Submission

| | | | |
|---------------|----------------------------|--------------------|------------|
| Loan Amount: | \$525,000.00 | Submission Method: | Electronic |
| Lender Type: | Financial Institution | Lender: | Select |
| Lender Notes: | Deal notes for lender..... | | |

Insert Consent Text Validate Submit

Submission History

| Date/Time | Lender | Lender Deal Status | Submission Progress | Mortgage Insurance Status | Type | Loan Amount |
|---|--------|--------------------|---------------------|---------------------------|------|-------------|
| There is no submission history for this application | | | | | | |

TIPS

- Very important part of deal submission...provides an opportunity to tell the deal/borrowers story...more detail the better in the eyes of a lender.
- If an applicant has damaged credit this is where you explain why; unique income stream and so on
- Any odd or not normal particulars of the deal are explained in your submission notes...whether it has to do with the borrower(s); property, etc.