

PRE-APPROVAL VS. GET COMMITTED®

Guide



Everything You Need to Know About Achieving
Sound Financing

 Compass Mortgage

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Introduction

At Compass Mortgage, our goal is help you realize your dreams of homeownership and to assist you in the long-term management of your mortgage so that you can get the most out of your home. We are committed to providing you with an exceptional level of service that exceeds your expectations.

Our "Pre-approval vs. Get Committed® Guide" will break down the differences between these two options and clearly illustrate the power of "getting committed". We are dedicated to providing a winning home buying experience, and our Get Committed program is part of that!



WHO IS COMPASS?

Compass is a mortgage banker, not a mortgage broker. This subtle but important distinction gives us a greater level of control over the loan process and allows us to provide a higher level of service to our clients because we control the process from beginning to end, and we use our own funds to fund the loan.

We do underwriting in house which, in most cases, gives us the ability to approve the loans we originate. Because of this, we can quickly turn around a loan which might make the difference between getting the house you want or losing it to another buyer.

Mortgages are our only business, and our passion is to help our clients make informed decisions regarding their home financing. Our experienced staff is always here to answer questions you might have!



Dan Graham
Chairman & CEO
Compass Mortgage

PRE-APPROVAL VS. GET *Committed*®

Buying a home is a big financial responsibility, and your eligibility to receive a loan is affected by your income, credit score, and in some cases, the property in question. The real estate market is highly competitive, so it's wise to make sure your finances are in order before making an offer on a home.

Your first step should be to meet with a loan officer! A pre-approval, or even more credible, a loan commitment with our Get Committed Program, gives you leverage in multiple-offer situations because it's a better-than-cash offer and provides peace of mind through a winning home buying experience.



WHAT IS A PRE-APPROVAL?

A pre-approval is commonly confused with Get Committed. Knowing the difference between the two will help you avoid surprises as you begin the loan process.

In order to be approved for a loan, a lender must verify certain aspects of your finances and the home you are purchasing. When obtaining a pre-approval, the lender will:

1. **Pull your credit report and score** from all three major credit agencies, Experian, Equinox and TransUnion. Your median score will be used to represent your creditworthiness throughout the application process.
2. **Compile a loan application** with information regarding your income, employment history, assets etc.
3. **Analyze the information** given and determine eligibility.
4. **Issue a pre-approval** if it's determined that you are eligible. Which states your qualification is subject to is dependent on certain items like sufficient assets, as well as the purchase contract and appraisal of the property you wish to purchase.

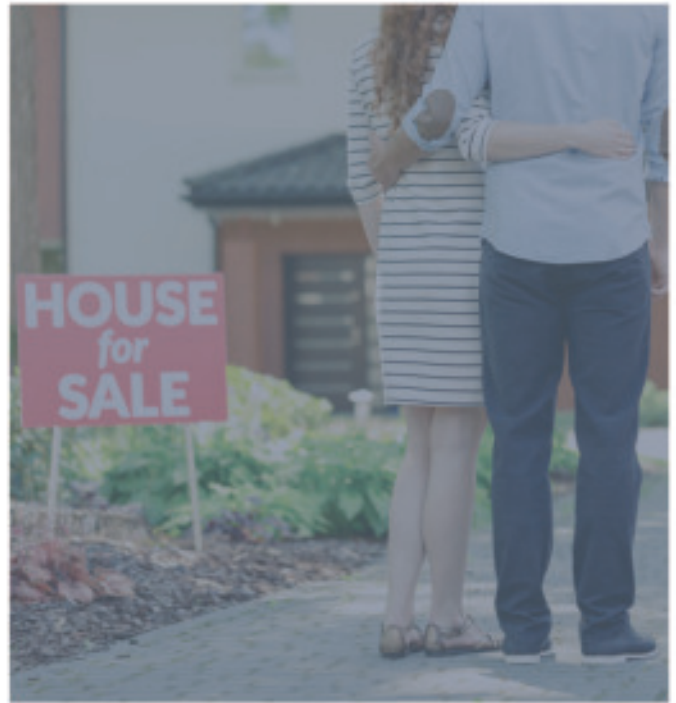
A pre-approval means that you, as the borrower, have met *basic* criteria for obtaining a mortgage.

WHAT IS THE GET *Committed*® PROGRAM?

Our Get Committed Program takes pre-approval a big step further. To verify the financial information discussed with your loan officer during pre-qualification, you will be asked to provide various documents including tax returns, W-2s, pay stubs, bank statements, and source of funds for your down payment and closing costs.

Your loan officer will then submit the application, along with the necessary documents, to an underwriter. Once the underwriter has reviewed and fully analyzed your credit package, Compass Mortgage can issue a Get Committed loan commitment.

This provides information about the mortgage terms Compass has agreed to provide for your purchase transaction. A Get Committed Loan Commitment means that you are fully approved, subject to an appraisal before finding a home.



Why is this so important? A client who participates in our Get Committed Program can beat out other bids on a property because they have this completed. This better-than-cash offer stands out to a seller, and they'll take your offer over the others that come in. This allows you to get into the home you want because you've risen above the competition.

THE BENEFITS OF A GET COMMITTED LOAN COMMITMENT

Shopping for a home with a pre-approval is good, but the best option is to Get Committed! Getting Committed allows you to:



PRESENT A "BETTER-THAN-CASH" OFFER!

In a multiple offer situation, this shows that you are a serious buyer, ready to purchase the property, and have the capability to quickly complete the transaction.



HAVE PEACE OF MIND

You already have a reliable commitment from your lender for your purchase. The homebuying process will be smooth sailing. The hard work is done, and you just need to find a property you love.



ACT QUICKLY

Having your loan ready to go, prior to finding a home, will allow you to expedite the loan process.

THE LOAN PROCESS *Flow* CHART

PRE-APPROVALS

Meet with a lender for pre-approval

Turn in W-2's, bank statements, etc.

Start looking for a potential home



Make and negotiate a purchase agreement

Turn in your necessary documentation to your lender

Tax returns, photocopy of ID, etc.

Loan application is completed and turned in



Appraisal is ordered

Receive clear-to-close loan approval



Closing!

GET COMMITTED®

Meet with a lender

Provide supporting documents

Loan application is completed and turned in



Get Committed is granted
Pending home purchase

Start looking for a potential home

Appraisal is ordered



Receive clear-to-close loan approval
After underwriter approves appraisal

Closing!



MEET YOUR *Homebuying* TEAM



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