**Loan Process**

**The Life-Cycle of A Loan**

The process of getting a loan for your horse property is something that almost every buyer will have to go through. The staff at Citadel Realty knows that this can be a stressful process especially if this is your first property deal, so we have broken down what you can expect during this time. A loan typically goes through three main phases during its life-cycle. The loan will have to be opened, then processed and underwritten, and then finally closed.

**Opening A Loan**

The first step to opening a loan is getting pre-qualified. When you meet with your lender they will gather all of the information about your income and debts. With this pertinent information the lender will determine how much house the borrower, that’s you, should be able to afford. When all of that is taken care of, you will then need to complete a mortgage application. Colorado Horse Property has also provided a Mortgage Reference Guide of all the things you will generally need to bring with you to fill out this application. At this time your loan officer will give you two things: A Good Faith Estimate (or GFE) and a Truth-In-Lending statement (or TIL) which itemizes the rates and associated costs for obtaining the loan. Finally, your lender will submit your application for automated underwriting to see if you can be pre-approved for the loan.

**Underwriting**

Before the underwriting of your loan, your lender will have to do a few things. First, they will order an appraisal and title insurance mail out requests for verifications. Then, your application is reviewed by a processor to validate your income and debts reported.

Now your loan is ready to be underwritten in which there are two stages. First you will probably encounter lender underwriting, in which the underwriter determines if the loan is acceptable or if more information is required. Then you will encounter mortgage insurance underwriting, if you have less than 20% of the loan amount for a down payment, in which case the loan is submitted to a private mortgage guaranty insurer. The insurer will provide extra insurance to the lender in case of default.

**Closing**

You have opened your loan and it has been accepted and underwritten. You are almost done! To close the loan, the lender will give a cashier's check, draft or wire of the money to the selling party in exchange for the title to the property. And that’s it!