What to Expect During the Neighborhood Finance Corporation Loan Process

Talk to a Loan Originator

Speak with a NFC loan originator about your plans, goals and current situation. The loan originator will explain the NFC Advantage Loans and guide you in the next steps.

There is a lot of useful information on the NFC website including a loan application and a NFC Application Checklist form to know what to include with the application. There is a **non-refundable $125 application fee** for pulling a credit report.

Home Purchase Process

Pre-qualification vs. Pre-approval

Pre-qualification is an estimate of how much house you can afford to assist you when you are looking to purchase a property. Pre-approval is a conditional commitment of mortgage funding if you already own the home or have signed a purchase agreement to purchase a home.

Offer to Purchase a Home

Once you are pre-qualified and have an offer accepted, provide NFC with a fully executed purchase agreement and set a time to meet with your loan originator. NFC will make sure that your purchase agreement has a realistic closing date (60 days from the day of accepted purchase contract).

Complete the Loan Application and Provide Documents to your Loan Officer

The amount of time it takes to close a NFC mortgage is dependent on how quickly the applicant can provide the required information to NFC.

Federal E-Sign Act Disclosure and Consent

Your loan process can be streamlined if NFC is able to email you documents. NFC must show that you can receive a secured email (you will need to login to read the email) and return the code sent to you in the PDF attached to the email. Please look for this email after you provide NFC with a complete application and return the code immediately.

Disclosure Package and Notice of Intent to Proceed with the Loan
Within 3 business days of NFC receiving your application, NFC will prepare a packet of disclosures including a Loan Estimate of Closing Costs, a Notice of Intent to Proceed form and other information about the financing for your loan. Look through the documents and return the requested information.

NFC Orders the City Inspection (not required on all refinance and home improvement loans) If you are purchasing a home you may want to order your own home inspection as well. The City Inspection will determine the renovation items that will be required by NFC as part of your loan approval. You may be able to include additional renovation.

Buyer Obtains Bids After NFC Reviews the City Inspection
This is an important step to make sure your loan closes on time. A renovation contract must be completed for each contractor. Delay in providing documents will delay the closing of your loan.

NFC Orders the Appraisal and Locks in the Interest Rate
NFC will collect a $425.00 non-refundable application fee to order the appraisal and other documents required for closing your loan.

Appraisal Complete and Loan to Underwriting
Once the proposed home improvement bids have been confirmed with you, the loan originator will order an appraisal.

Loan Closing Process
Prior to closing your loan you will receive a Closing Disclosure. If you receive this by secure mail you must confirm receipt for the closing to be scheduled.

Renovation Process
Please remember that *none of the renovation project can start before your loan has closed and funded* (i.e. you have signed the loan closing documents including the note and mortgage, and the mortgage has been recorded). The funds will be held in an account and paid directly to your contractor. You will have 6 months to complete the renovations. You will receive additional information on the renovation process at your loan closing.