



Sorting Out the Professionals in the Home Buying Process

As consumers embark on the home buying process, it is important to understand the role of each professional that is a part of the experience. The non-profit Florida Association of Mortgage Brokers (FAMB) offers consumers information about several professionals they will likely work with during the largest financial transaction of their lives:

- **Loan Originator**-Whether consumers work with a mortgage broker or with their local bank, the loan originator's responsibility is to discuss loan program options, which should be based on the consumer's individual financial circumstances. The loan originator will take the initial application, review the consumer's credit history and collect personal information such as payroll or tax records, bank statements and the buyer's purchase contract. Loan originators working for a bank will offer programs specific to the bank. However, when working with a mortgage broker, the broker will review the programs of several lenders to determine which loan program will best suit the consumer's financial circumstances. The loan originator and/or the processor in their office will work with the consumer to complete all paperwork needed to arrange for the loan closing.
- **Processor**- A mortgage processor verifies the information provided on the application and assembles the documents and verifications needed by the lender or bank. The documents are then sent to the lender's loan underwriter and once approved a pre-approval letter is issued. This pre-approval letter generally requires that additional items be completed prior to closing. The processor secures the items and sends the completed loan file back to the lender for closing.
- **Appraiser**-Prior to releasing funds for a mortgage, the lender will hire a licensed appraiser to assess the value of the property. The actual loan amount provided will be based on the appraised value or the sales price of the home, whichever is lower.
- **Home Inspector**-Once a consumer decides on a home that he/she would like to purchase, many will retain the services of a professional home inspector, whose job is to look at the home from top to bottom and provide a written report of any defects that might require repair. At that point, it is up to the seller and buyer to determine how the issues will be addressed. A Wood Destroying Organism Report may be required by the lender in the event the county the property is located requires it. If it is not required, it may be a good idea for a homebuyer to have one to protect themselves from termites and other live wood eating organisms. Check with your originator for guidance.



- **Attorney**-Many consumers choose to hire an attorney to represent them at closing. The role of the attorney is to review all documents related to the loan, and if any changes are warranted, to consult with the other parties involved.
- **Real Estate Agent**-The role of the real estate agent is to work with homebuyers and home sellers throughout the process and guide them on appropriate sale price, negotiations and local area information.
- **Title Company**-The title company is responsible for insuring that no liens exist on a property. They will insure the loan for the lender and offer the new owner an owner's title policy. Owner's insurance protects the owners against any claims the previous owners might have to the property. The title company arranges for the closing and signing of all documents, handles the disbursement of all funds and records all documents that are required.

These are the most simplified of definitions and the professionals in each of the fields represented here will be able to give anyone asking a more detailed and specific explanation of their role in the home buying process. This is for your quick and easy reference.

The Florida Association of Mortgage Brokers is the oldest state trade mortgage association in the nation whose members strive to attain the highest degree of excellence and customer service available. FAMB members also subscribe to a strict code of ethics. For more information or to find a mortgage broker in your area, visit the consumer information page on the FAMB web site at www.famb.org.