

A man and a woman are sitting at a desk, smiling and looking at a loan officer who is leaning over the desk. The man is holding a pen and looking at a document. The woman is smiling and looking at the loan officer. The loan officer is wearing a grey suit and is looking at the man and woman. The background is a bright office with large windows.

## BUILDER LOAN OFFICER TRAINING MANUAL

A step-by-step training guide on the loan process.

*Experience excellence and simplicity.*



**COLTEN  
MORTGAGE**

THE BUILDER'S CHOICE



COLTEN  
MORTGAGE

## OUR MISSION

To provide a seamless and superior level of service for our builders, and every home buyer using Colten Mortgage for financing. To do our very best to make sure every home buyer feels important, that they are in good hands, and that they absolutely never feel like a number. To give ourselves the opportunity to retain every home buyer as a "**Colten Client**," as well as **earn** one or more referrals from those clients.

## COLTEN MORTGAGE CORE VALUES

RESOURCEFUL

PRIDE

COMMITMENT

INTEGRITY

HUMAN TOUCH

INITIATIVE

COMMUNICATION



## How do we achieve this?

By providing a thorough, friendly and positive experience for each home buyer. By giving each home buyer the comfort of consistent communication. By being a Builder Loan Officer and a Mortgage Company that prides itself on delivering an unmatched home buying experience.

### The Colten Process

#### 1) Building Rapport

The Builder Loan Officer is the first person representing Colten Mortgage and interacting with the new home buyer. This first contact is your opportunity to learn about the home buyer(s) and what's most important to them when it comes to the financing of their home. It's also the first opportunity to instill confidence and make them feel comfortable in using Colten Mortgage.

The new home buyer, who just went under contract, has a million things racing through their heads. From the floor plan and home site they chose to what kind of tile to choose for the Master Shower. A successful Builder Loan Officer engages each home buyer not just on their finances, but also on their home. It's personal, and while very exciting can also be very emotional. This is our first opportunity to let them know they are not just a number to us. They are important to us and we want to make them happy!

Additionally, many of these new home buyers have either already obtained a Pre-qualification with an outside lender or are being driven to use an outside lender by a friend, family member or Realtor. This is our first opportunity to impress the new home buyer, earn their trust and their business.



## The Colten Process

### 2) Educating the New Home Buyer

It is our responsibility to ensure that each new home buyer understands the many benefits of a Builder's "Preferred Lender" for financing. Some of these benefits include:

- A thorough review of their application to obtain conditional loan approval within 30 days of an executed contract, in keeping with the Builder's Purchase Agreement requirements.
- Consistent communication with home buyer throughout the construction of their new home, answering any and all mortgage questions they may have.
- Communication between Builder and Colten Mortgage is seamless, attending scheduled meetings and being in contact with Homes Sales and Closing Coordinators regularly. We know the stage of their home at the same time or before they do.
- A team of extremely experienced and talented individuals all working together to fund their home right on time.
- Colten Mortgage provides "In-House Underwriting" which gives us an edge over outside lenders.
- Each home buyer receives an incentive to use Colten Mortgage for financing their new home.
- Colten works diligently to provide the most competitive rates and Loan Programs.



## The Colten Process

### 3) Setting Proper Expectations

Every home buyer should have a clear understanding of what to expect from Colten from contract to close. Setting excellent expectations ahead of time goes a long way in avoiding misunderstandings for the home buyer, Builder, and Colten Mortgage. Here are some examples of expectations we want to set for our home buyers:

- Giving the new home buyer a very clear picture of everything we will need from them to get pre-approval completed and conditionally approved within the allotted time of the Builder's Purchase Agreement.
- Letting the home buyer know that the Loan Officer will be in contact with them on weekly basis until we have conditional approval.
- Advising home buyer needs to check with Loan Officer before making large purchases, paying debts, opening or closing lines of credit or other financial accounts.
- Giving notice to home buyer to expect the Loan Officer will be in touch with them throughout the building process.
- Making initial introduction to any other Colten team member that will be contacting the home buyer(s) and their Realtor.
- Informing the home buyer to contact their Builder Sales Associate for construction updates and closing estimates.
- Explaining options for locking in their interest rate, and that rates do fluctuate.
- Painting a picture of what the last 30-45 days will look like from a loan perspective. Pulling credit, re-disclosing documents, deadlines, etc.
- Letting the home buyer know when they can expect to receive final closing documents.
- Describing what to expect on closing day.



## The Colten Process

### 4) Communication

Effective, consistent and ongoing communication is vital for the success of Colten Mortgage, our Builder partners, and ultimately in creating a very “Happy Homeowner.” Each Builder Loan Officer is responsible for the initial contact to build rapport and to get the new home buyer pre-qualified or conditionally approved.

The number one complaint from home buyers when it comes to lenders, is slow response time. Home buyers can choose any lender they want, so it’s our goal to show them why they should choose Colten. Responding promptly and effectively can be the determining factor for the home buyer to choose us instead of an outside lender. Working thoroughly and quickly to get a new prospect pre-qualified will not only help clients decide to use Colten, but will also help them make a confident home purchase through the Builder.

After the new home buyer is under contract, the Builder Loan Officer is responsible for obtaining the necessary documents and information to submit to underwriting for conditional loan approval within that 30 day period.

The Builder Loan Officer is responsible for emailing the home buyers weekly, bi-weekly, or monthly during the construction of their new home. We don’t want to overwhelm home buyers with pointless weekly communication while they are waiting for the Builder to start their new home. However, maintaining consistent communication is key in letting the home buyer know that we are still there for them to address any questions or concerns. We want to make sure we are reaching out when we hit significant milestones such as the start of their home, framing has begun, and so on.

Once the home reaches Drywall Stage (typically 50-75 days from closing), our updates to the home buyer should be going out weekly, with the Builder Sales Associate cc’d on the emails. These are the critical times where most home buyers start to think about locking and shopping their rate, so making sure we have established a positive relationship with them is very important.

Once the home buyers receive a closing date, the Builder Loan Officer is responsible for introducing anyone from Colten Mortgage who will be contacting them for documents and information BEFORE they are contacted by those people.

The Builder Loan officer is the #1 point of contact for the home buyer.



## The Colten Process

### 5) Accountability

To truly be successful – we must always challenge ourselves to improve, embrace our mistakes when they happen, and learn from them moving forward. Honest feedback is the only way we can make sure we are delivering an exceptional client experience, and identify areas in which we need to improve.

Colten Mortgage will distribute two surveys throughout the home buyer's building experience. The first will be sent a few weeks before the closing dates go out. The second will go out after they close on the new home.

- 1) The first survey will be used to gauge where we stand with the home buyer(s) while still in the mortgage process. This will help us determine if we need to make any improvements in the process before we get to closing. It's also an opportunity to let the home buyer know that we are listening and want to give them the best mortgage experience possible.
- 2) The "post-close survey" will be used to ensure that we exceed expectations for each home buyer, and to make sure we earn a referral from them. If the performance does not reflect this, we want to know why. This information will be valuable to us as we can always use any negative or neutral feedback to be able to tweak our business model and improve our process.



## About the New Home Building Process

New Home Construction can be a very exciting and rewarding experience for many home buyers. It can also be frustrating, as many Builders deal with delays, trade shortages, and weather that impacts the progress of building a new home.

Understanding the stages of construction helps the Builder Loan Officer know where the home buyer is at during the building process.

*It is Colten Mortgage Policy to never provide information on closing estimates or construction updates. Any questions from home buyers on those two topics must be referred back to the Builder Sales Associate.*





## Important Construction Milestones

- **Contract / Design Center / Low Volt:** After the home buyers sign the Purchase agreement they have a 30 day period to visit the design center to select Cabinets, Tile, Flooring, lighting, etc. After they meet with the Low Volt Company to select items such as Security and Entertainment systems. At this time The Builder Loan Officer is working to collect necessary documents and information to submit to Underwriting for Conditional Loan Approval.
- **Option Final:** After both low volt and design appointments have been completed, the Builder will schedule a final option appointment to select exterior colors and review any additional options that are within the construction cutoff period. The Builder will also collect any required Option Deposit at this time and a new Option Addendum will be generated with the home buyer's final purchase price.
- **Excavation:** This is the start of the home where the hole is dug out in preparation for the foundation walls to be poured. Around this time The Sales Associate will be reaching out to the home buyer to set up a "**Pre-Construction Meeting**" to meet the Construction Superintendent, go over the home buyer's plot plan, and go into some details about the structural options for the home.
- **Foundation:** The foundation walls are poured and typically take a few days to properly cure. Then a damp proofing is applied to waterproof the foundation.
- **Framing:** A lumber pack is dropped off, and framers begin to build the walls of the home.



## Important Construction Milestones

- **Rough Mechanicals:** HVAC, Plumbing, Electric & Low Volt are installed. Around this time the Builder will set up a "Pre-Drywall Walk" or "Frame Walk" of the new home. The home buyer will meet the Superintendent at the home for a thorough walk-through of the home and to go over electrical options.
- **Insulation:** After many inspections regarding the Mechanicals in the home, the insulation is installed.
- **Drywall:** Now that the insulation is installed, the Builder will move on to the internal walls. The Builder will install drywall throughout the interior of the house. Other common names for drywall include sheetrock, gypsum boards, wallboards or plaster boards. The Builder will also seal and putty seams between boards and sand the walls smooth. The walls will also be primed with an initial layer of paint. Around this time the Builder will send out the Closing Dates for the home buyer and the Builder Loan Officer will begin sending out the **Weekly Update Checklist** (every Friday until the close of the home).
- **Cabinets:** After drywall is installed, the first thing to go into the new home are their Cabinets. This is very exciting for the home buyer. Now they really get to see their home coming together.
- **Tile, Trim, Interior Paint:** Typically a home is about 25-35 days from completion at this point.



## Important Construction Milestones

- **New Home Orientation:** Typically about 5-7 days prior to closing, the Construction Superintendent will meet the home buyer at the new home for this walk-through. During this meeting they will conduct a comprehensive tour of their home, demonstrate the home's features, instruct them on the proper operation, care and maintenance of systems, and explain the Warranty program. If any items require adjustment, they will be noted and scheduled for service prior to closing.
- **Closing Walk:** Before the home buyer(s) go to Title to sign for the home, they will do a final walk-through of the home with the Construction Superintendent to ensure the home is ready to close.

*These are all milestones to use as opportunities to reach out to the home buyer with a simple update on the construction of their home. It is also a good idea to provide loan or market updates during these milestones. We want each home buyer to know we are with them every step of the way, and always available to them.*



## The Builder Communication Process

**Builder Lender Log:** An editable lender log is available online with each home buyer listed. The Builder Loan Officer will make every attempt to add the latest update in real time, but will make sure the latest update is added by end of business day, every Friday.

**Pipeline Review Meeting:** The Builder Loan Officers and Processors will meet with the Builder LOA to go over every Builder file and discuss the latest updates, what is outstanding and what is next. Any file with an update needed will be considered “outstanding,” and an update will be required by the next business day.

**Colten-Builder Pipeline Meeting:** Processors and the Builder LOA meet with the Builder’s Closing Department to provide the latest update on each file, discuss upcoming closings, and see where we may need Builder Sales assistance on getting documents back from a home buyer.

**Builder Sales Meetings:** The Builder Loan Officer will occasionally attend Sales Meetings to provide a brief update on the Market and help educate the Sales Associates on running basic monthly mortgage payment estimations for home buyers.

**Builder Community Visits:** Occasionally, the Builder Loan Officer will accompany the Builder LOA in visiting the Sales Associates on-site or for lunch. This is a great opportunity to keep a friendly and cohesive partnership with the Builder’s Sales team.

### The Colten Mortgage Commitment

Colten Mortgage is fully committed to making sure every home buyer is contacted within 24-48 hours of a signed purchase agreement to “Build Rapport,” get a Pre-qualification Letter to the Builder, obtain the loan application and necessary documentation to submit to Underwriting for Conditional Loan Approval within 30 days of the signed Purchase Agreement.

If a home buyer is delaying this process, please communicate that to the Builder LOA at Colten Mortgage and the Builder Sales Associate right away.



## The Builder Loan Process

### 1) Pre-Qualification

If a new home buyer has not yet received a pre-qualification through Colten Mortgage before signing a new contract, the Builder Loan Officer has 3 days to contact the new home buyer and obtain a pre-approval per the Builder's Purchase agreement. It is also the Builder Loan Officer's responsibility to reach out to the home buyer on the day after the contract signing, to obtain the necessary information for their pre-approval letter.

- After completing the **Pre-Approval Letter**, please *email it to the Home Buyer(s), Realtor (if they have one), Builder Sales Associate, and BCC the Builder LOA at Colten.*
- We also want to use this opportunity to remind them we will need to get them conditionally approved over the next few weeks.
- This is also the time to fill out the **Risk Assessment Form** and *email it to processing@coltenmortgage.com, Builder LOA at Colten, Builder Sales Associate, Builder Closings Department, Builder VP of Sales & Marketing, and Builder VP of Operations.*

Here is the process to follow on grading each home buyer(s):

- a) Clean, no concerns, low ratios, good credit.
- b) Clean but ratios on the higher side of Program Guides. Buyer has minor action items to complete to get loan approval. We need to monitor income during construction.
- c) Work to be done, plan in place (details in loan issues) – buyer can get approved but only with a very STRICT action plan. Major action items to complete for loan approval.
- d) Work to be done including credit repair and/or income issues – probably should have waited to write contract.

**\* The Risk Assessment Form should also include any additional important information, such as if the home buyer currently has a home, but does not need to sell, etc.**



## The Builder Loan Process

### 2) Conditional Loan Approval

Per the Builder's Purchase Agreement, the home buyer(s) have 5 days to apply for full **Conditional Loan Approval** with Colten Mortgage, which we will need to provide to the Builder within 30 days of receiving the contract.

- An announcement should be made regarding this conditional loan approval in an email to the following:  
*the home buyer(s), Realtor (if they have one), Builder Sales Associate, and BCC the Builder LOA at Colten.*
- If the **Risk Assessment Form** needs to be updated now that we have additional information, then now would be the time to do it.

**Remember:** the Builder Loan Officer should always be the first to introduce another member of Colten Mortgage that will be contacting the home buyer(s) and their Realtor.

### 3) Updating the Home Buyer

After the Conditional Loan Approval is achieved and everyone has been notified, we want to make sure and keep in touch with the home buyer(s) throughout the process. An email from the Builder Loan Officer during certain construction milestones will be required to maintain proper communication.

- **Option Final:** After both low volt and design appointments have been completed, the Builder will schedule a final option appointment to select exterior colors and review any additional options that are within the construction cutoff period. The Builder will also collect any required Option Deposit at this time and a new Option Addendum will be generated with the home buyer's final purchase price.
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## The Builder Loan Process

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A simple email acknowledging these milestones can go a long way in building confidence in the home buyer using Colten Mortgage for their financing.

Once we have a Closing Date for the home buyer(s), weekly updates are required. The **Weekly Update Form** should be used for this and sent by end of business day every Friday, until the home buyer(s) closes on their home.

***To know when these milestones are approaching or have been completed, please refer to the Builder's "Community Team Notes" that is sent out weekly by the Builder Sales Associate.***



## **Builder Loan Process Flow**

### **1) Initial Discussion with Client**

1. Build rapport and discuss Real Estate / Financial Intent
2. Ask the borrower when they are estimated to close (Dirt start, Spec Home, VIP)
3. Ask the borrower if they have in mind a product and why
4. Provide a brief explanation of how the Loan Flow Process works
5. Send initial welcome email and attach our builder flow material
6. Request and obtain Real Estate agent's name, phone, and email (this is to notify them of pre-qualification and to build on a relationship)

### **2) Application**

1. Depending on the borrower's preference, either direct the borrower to Coltenmortgage.com website to complete the basic Loan application or begin the application over the phone and take a complete application in Encompass
2. If borrower chooses to meet and wants to complete the application in person, decide to meet either at Colten Mortgage or the Builder's Community office

### **3) Application Completed**

1. Once you receive email notification that an application has been completed log into Encompass and review the application for completeness
2. Run Credit
3. Take appropriate notes to discuss all applicable details needed to fully complete the 1003/1008 (if not already completed during the initial call)





## Builder Loan Process Flow

### 4) Contact Borrower via Phone\*

1. Review all necessary questions to complete loan application completely
2. (Leave “Estimated Value” Out) this is the 6<sup>th</sup> piece of info to complete the loan for disclosure
3. Discuss basic loan products to structure loan according to their needs
4. If borrower requests multiple loan scenarios let them know you will build on and send over 2 different Loan Fee Sheets, Anti Steering Safe Harbor, or build a Mortgage Coach Total Cost Analysis (TCA) to provide for their review
5. Discuss Lock options (Typically 30-45 days before closing)
6. Builder Loan Officer must send e-consent email allowing them to create an account and have access to the portal to upload documents (mainly Income at this time)
7. Inform the borrower that you will need the following to have their loan submitted to processing, underwriting, and determine loan eligibility
  - 2 years of W2s
  - Last 30 days of pay stubs
  - If Self Employed – Last 2 years of Personal & Business Tax Returns (all schedules)
8. Continue to build rapport and discuss questions/concerns they may have
9. Inform the borrower that you or the Builder LOA at Colten will be reaching out to them via email and/or phone (based on their preference) throughout each Milestone, and staying in touch throughout the loan process



## Builder Loan Process Flow

### 5) Update the Application, Check for Accuracy, and Prep for Submission

In Encompass, the following forms will need to be filled out.

Under “Forms” tab > click “Show in Alpha Order and Show All” > Go to the following forms (listed below in most efficient order):

1. Borrower Summary / Transmittal Summary
2. 1003 Page 1
3. 1003 Page 2
4. 1003 Page 3
5. 2015 Itemization
6. Employment/ Residence History – Make sure 2 year history is listed
7. Mortgage – Ensure all properties are associated with mortgages reflecting on credit, and that the status is accurate
8. Rent – What are they currently paying
9. Review W2s and Pay Stubs to ensure debt ratio is acceptable
10. Ensure Assets are completed

### 6) Document Notes in Encompass (this is mandatory)

1. Provide detailed information in the Conversation Log for the Operations team. The Conversation Log can be found under “Tools” on the left-hand side of the screen.
2. Upload all applicable documents to the e-folder OR retrieve and download them to the e-folder.

### 7) Send Pre-Approval letter to Borrowers, Realtors, Home Builder Sales Associate, and Builder LOA at Colten if the borrower can qualify for a loan

### 8) Complete the Risk Assessment Form and email to: [LAR@coltenmortgage.com](mailto:LAR@coltenmortgage.com)

### 9) Receive Fully Executed Contract from Builder (if you have not received the Contract, do not hold up submission of file to disclosure)

1. This will come through the [ACLO@coltenmortgage.com](mailto:ACLO@coltenmortgage.com) email that all Loan Officers have access to
2. Set a reminder to follow up with our processing team and/or Builder Closing Manager to ensure it is received no later than 30 days from application



## Builder Loan Process Flow

### 10) Send out welcome email introducing the Builder LOA at Colten and their contact info\*

#### Email Template Example:

*I would like to introduce you to my partner \_\_\_\_\_ (cc'd here). Moving forward, we will be reaching out to you throughout the process for any additional documentation needed to complete your loan. It is our commitment and dedication to provide you with an amazing lending experience, so please let us know if you need assistance or have any questions whatsoever. Congratulations on your new home! We look forward to working together.*

*Warm regards,  
[Email Signature]*

### 11) Send Notice to Disclose and submit to Processing

Once your loan file is complete and income docs are in the e-folder you are ready to submit your loan to the Disclosures Department.

#### Email Template Example:

*File is ready for Initial Disclosures.*

*Borrower(s) Name:*

*Title Only Name(s):*

*Condo?*

*Loan Amount: \$*

*Purchase Price: \$*

*Locked: Yes/No*

*Discount Fee: %*

*Lender Credit: \$*

*Seller Credit: \$*

*Estimated Closing Date:*

**\*Loan officer outreach to borrower and/or realtor**



## Builder Loan Process Flow

### 12) Reach out to the home buyer's Realtor (if there is one)\*

1. Reach out to the Realtor via Phone to give them updates and inform them of the current Loan Status. Also, that they will be receiving Milestone updates throughout the Loan process. Thank them for being a part of the transaction (build the relationship).
2. Add the Realtor to Mortgage Returns (CRM), and set them up to receive the **Monthly Market Perspective** (recurring email).

### 13) Disclosures have been sent; You will receive an email from the Disclosure Department informing you that disclosures were sent out to your borrower(s) and that you need to sign them as well\*

1. Log in and sign all disclosures
2. Phone your borrowers and inform them to check their email for the link to access and sign their disclosures
3. Disclosures team will track and contact you or your LOA if they are not signed within 48 hours, at which point you will need to follow up with the home buyer(s) again

### 14) Mortgage Returns CRM\*

1. Ensure that your borrower is now in the CRM (this is automatically generated the evening after the Application is completed).
2. Assign them to receive either the **Monthly Touch** or **Monthly Market Perspective** recurring email (mandatory).

### 15) Create follow-up phone call or personal email reminders

1. Set a monthly reminder to reach out via phone or email and check in with the home buyer(s).
2. Log discussion details and notes in Encompass, within the **Conversation Log section**.

### 16) Initial CD sent to borrower (you will be notified via email from the Closing Department)\*

1. Reach out to borrower, inform them that the initial CD has been sent to them and direct them to the portal to review and e-sign. The initial CD more than likely will NOT be 100% accurate, let them know this.

*\*Loan officer outreach to borrower and/or realtor*



## **Builder Loan Process Flow**

### **17) Final CD is balanced and sent (you will be notified via email from the Closing Department)**

1. After you have reviewed the Final CD, you must reply to the Closing Dept. informing them whether the CD is accurate or requires changes. The accuracy of the Final CD is the Loan Officer's responsibility.
2. Contact the borrower with final figures to review and inform them of closing date and time.

### **18) Post-Closing Follow-Up**

1. Mortgage Returns is set to assign the Post-Closing email campaign on all completed Loans, as well as Birthday emails
2. Double check 15 days after closing to ensure campaigns are being sent (set a calendar reminder for yourself)
3. Send email to Director of Partnerships confirming the Closing
4. Reach out to the Borrower and/or Realtor

*\*Loan officer outreach to borrower and/or realtor*

*"You've got to start with the customer experience and work back toward the technology - not the other way around."*

*-Steve Jobs*

WE BELIEVE IN EMPOWERING OUR EMPLOYEES TO MAKE AN IMPACT THROUGH EDUCATION AND TRAINING.



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