

MORTGAGE PLANNING PROCESS



The mortgage planning process is different than the typical "shopping for a mortgage" experience.

*The typical loan officer relationship is **not** about you:*

- Wasting your valuable time trying to save \$25/month by comparing rates, fees and closing costs among different lenders.
- Wasting your valuable time trying to baby-sit the mortgage company you've reluctantly chosen to work with.
- Being promised one thing and then getting something different.
- Being "sold" on one mortgage product over another.

The mortgage planning relationship is about you:

- Receiving valuable financial advice and guidance that can literally save you hundreds of thousands of dollars.
- Trusting a professional who is committed, qualified and equipped to deliver what they promise.
- Experiencing a "concierge" level of service when you are in the market to buy a home, refinance your mortgage or make cash flow changes to enhance your lifestyle.
- Implementing a defined financial plan of action in helping you achieve your life goals and dreams.
- Maintaining an ongoing high trust relationship with a team of financial advisors who can help you make necessary changes in your debt, cash flow and home equity planning strategies.

This is a relationship, not just a transaction. As such, it requires a defined system of accountability in order to work effectively. The Mortgage Planning Process consists of the following five steps:

1. Establish and define the client-planner relationship.

• Mortgage Planner Should:

- Ask you for information about your financial situation and your time frame for results and success.
- Gather all the necessary documents before giving you the advice you need.
- Clearly explain or document the services they will provide to you.
- Explain how they will be paid and by whom. Unless you are willing to pay a flat fee for mortgage and real estate equity advice, mortgage planners are typically compensated through a commission structure set up with the lenders they work with.

• You Should:

- Clearly explain how financial decisions are made in your household and include all the key decision makers in consultations with your mortgage planner.
- Be prepared to share personal and financial information with your mortgage planner in order for them to be able to advise you on how best to achieve your goals.

2. Analyze and evaluate your financial status.

- The mortgage planner should analyze your information to assess your current situation and determine what you must do to meet your goals. Depending on what services you have asked for, this could include analyzing your credit situation, real estate equity, debt situation and cash flow.



fast facts

- **Establish and define the client planner relationship**
- **Analyze and evaluate your financial status**
- **Develop and present mortgage planning recommendations and/or traditions**
- **Implement the mortgage planning preparations**
- **Monitor the mortgage planning recommendations through a quarterly or annual mortgage and equity management review**



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3. Develop and present mortgage planning recommendations and/or alternatives.

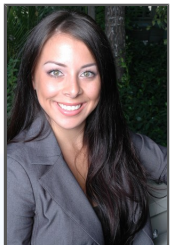
- The mortgage planner should offer mortgage planning recommendations that address your goals based on the information you provide. The mortgage planner should go over the recommendations with you to help you understand them so that you can make informed decisions. The mortgage planner should also listen to your concerns and revise the recommendations as appropriate.

4. Implementing the mortgage planning recommendations.

- You and the planner should agree on how the recommendations will be carried out. The mortgage planner may serve as your "coach," coordinating the whole process with you and other professionals such as CPAs, CFP[®] professionals, attorneys, Realtors, builders, insurance professionals and other qualified advisors.

5. Monitoring the mortgage planning recommendations through a quarterly or annual mortgage and equity management review.

- You and the mortgage planner should agree on how you will both monitor your progress toward achieving your goals. During this review, your mortgage planner can adjust their recommendations, if needed, as your life changes. Most often, this process involves periodic assessment of:
 - Your fluctuating cash flow needs.
 - Changing market interest rates and mortgage strategies.
 - Income and career alterations.
 - Family changes including:
 - Children's financial needs.
 - Caring for elderly parents.
 - How your real estate equity and investments are performing from both a cash-flow and "internal rate of return" perspective.



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