



ARE YOU READY TO BUY A HOME?

The Financial Industry has undergone some major changes. As a result of these changes, the mortgage process you went through the last time around is no longer the same. Mortgage Center is here to help! Here are a few key factors to think about before beginning your journey to buying (or refinancing) a home.

GET EDUCATED.

A little mortgage know-how goes a long way towards ensuring you get an affordable mortgage. Get educated on the loan process and key factors that make a loan affordable. You'll want to know about loan types and the full range of line items that contribute to the total cost of securing the loan, including discount points, appraisals, and real estate agent commissions.



FIRST TIME HOME BUYER TIP:

When considering buying a home for the first time, keep in mind the additional purchases you will need to make in order to maintain your new home. Some of these purchases could include paint, new flooring, furniture, landscaping, outdoor lawn equipment, etc.

GET YOUR FINANCES IN ORDER.



There are minimum credit score requirements to qualify for a mortgage. If your credit score is low, take the time to improve it. If you find errors on your credit report, take the time to correct them. This may put your home buying plans on hold, but could result in lower costs and more affordable rates.

BANKRUPTCY, FORECLOSURE, & SHORT SALES...

According to Mortgage Center policies and guidelines, we generally require that 2 - 7 years have passed before you can qualify for a mortgage. In the case of a foreclosure the waiting period is 7 years. With a short sale, the 7 year wait may be reduced to a minimum of 2 years with a down payment of at least 20%. In the case of a bankruptcy, we require that 4 years have passed. In addition, in all cases you must have re-established an acceptable credit history with new loans or credit cards.



GreenPath Debt Solutions

Mortgage Center has partnered with GreenPath, Inc to offer you free access to financial education and counseling services. For more information call 888-893-2715 or visit www.greenpath.com.

ESTABLISH A BUDGET.

START SAVING NOW!

Having savings in reserve helps ensure you can afford the upfront costs of homeownership.

YOUR DEPOSIT & DOWN PAYMENT

3%



Sometimes called earnest money, a deposit shows the seller you're serious about buying a home. Deposits are typically 2% of the purchase price and will be applied towards the down payment if your offer is accepted (you will need to provide documentation for your earnest money deposit). Required down payments start at 3%. A larger down payment demonstrates your commitment to long-term homeownership and provides you with immediate equity in a new home.



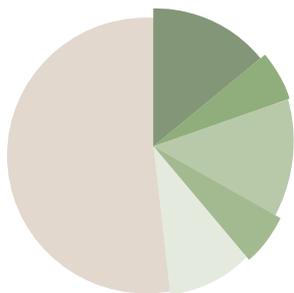
SETTLEMENT COSTS

3%

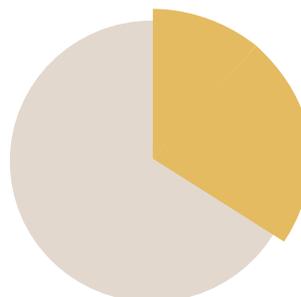


These costs include all fees required to execute the sale, including title insurance, appraisals, taxes/insurance, points, etc. Closing costs are 3% - 5% of the purchase price, on average.

Before you start searching for your home, make sure you know how much home you can afford. Lenders will evaluate all your debts and take into account your full financial situation when qualifying you for a mortgage. A key factor is how much income you bring in versus how much you will pay out each month.



All debt (including car payments, credit card payments, student loans, child support, your mortgage payment, etc.) **should not exceed 36% to 43% of your total monthly gross income.**



Your housing expense **should generally not exceed 28% to 33% of your total monthly gross income.**



It's always helpful to create a monthly budget, itemizing all your recurring expenses, including estimated maintenance costs, taxes, utility bills, and condo or homeowners' association dues. Download our budget worksheet to help you get started.

Your housing expense includes your mortgage payment (principal and interest), property taxes, PMI (private mortgage insurance), homeowners' association dues, and homeowners insurances.

GET PRE-QUALIFIED.

In today's competitive market, home buyers should get pre-qualified for a mortgage before they begin their house hunt.

To get pre-qualified you'll need to provide your lender with information about your job, assets, income, and debts and then determine how much financing you're qualified to receive. If you are pre-qualified, you will receive a letter from the lender. When you're ready to make an offer on a home, this pre-qualification letter will tell the seller you're a serious and qualified buyer. It will also give you an edge over competing buyers who are not pre-qualified.

Keep in mind, pre-qualification doesn't mean you have an approved loan. You'll still need to go through the underwriting process if your offer is accepted.



Preliminary documents you will need to complete your application package:

- ✓ Government issued photo ID (copy of front and back)
- ✓ Pay stubs, W2s
- ✓ Social security/pension award letter (if applicable)
- ✓ Financial statements for the last 60 days regarding all accounts listed in the application.

INFORMATION CHECKLIST:

- ✓ **Applicant Information**
Name, address, social security number and date of birth of all applicants.
- ✓ **Employment/Income Information**
Employer information, length of employment, gross income, or any other sources of income including pension, social security, etc.
- ✓ **Debts or Obligations**
Approximate balances and payments for mortgages, installment loans, credit cards, student loans, and child support.
- ✓ **Proof of Funds to Close & Evidence of Resources**
Approximate balance in savings, checking, investments, and retirement accounts, or gift funds.



READY TO APPLY?
CALL YOUR MORTGAGE CENTER LOAN OFFICER TODAY AT 888-562-6865.



For members. For life.



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