

The Home Buying Process



WHAT TO EXPECT WHEN BUYING REAL ESTATE

Obtaining a Mortgage

Before you begin your home search in earnest, we recommend that you become prequalified for a mortgage. Doing so will allow you to identify the level of properties that you can realistically consider, and move forward with confidence once you've found a home that you wish to buy.

Common loan programs include:

- Adjustable Rate
- 203K
- Balloon
- Buy Down
- Construction/Permanent
- Convertible
- First & Second Combination
- First-Time Buyer
- Fixed Rate
- Government: FHA, VA, State Housing Authority
- Jumbo
- Non-Conforming

The Mortgage Process

The following is an overview of the typical mortgage procedure:

- **Mortgage Analysis:** Your mortgage consultant will analyze your financing needs, match them to available programs, and then recommend the best options for you and your specific situation.
- **Application:** This is the procedure of applying and being approved for a mortgage, which should be done in advance of your home search.
- **Rate Lock:** At any time, based on the guidelines of a particular program, you may have the opportunity to lock in the interest rate, guaranteeing the rate at the time of closing.
- **Commitment Letter:** Once you have completed your mortgage application, it will be reviewed by one of an underwriter. Upon approval, a commitment letter will be issued detailing the terms of the approval.
- **Conditions:** At times, commitment letters are issued with conditions — factors that need to be addressed prior to closing.

- **Closing:** At a time and place convenient for all involved parties, a closing will be scheduled, at which time all paperwork is authorized and signed, and title to the property passes from seller to buyer.

Information Normally Required for a Mortgage Application

Current Housing Scenario

- Do you currently own a home, or rent?
- If you own, what is the unpaid mortgage balance?
- How much do you estimate your home to be worth?

Income Details

- Home address for the past two years
- Your gross monthly income (and your spouse's, if applicable)
- W-2's for the prior two years
- One month of current pay stubs
- Proof of pensions, retirement funds, disability income, and/or social security income
- Proof of income from rental properties
- Proof of investment income
- Proof of child support and/or alimony, paid or received
- If self-employed, 1040 tax returns for the prior two years, current Profit & Loss Statement

Credit History

- A list of all active creditor's names and addresses, types of accounts, account numbers, estimated balances, monthly payment amounts
- Overview of credit history, including any bankruptcies and/or foreclosures
- Banking Information
- A list of all active banking accounts, including institution names and addresses, types of accounts, account numbers, and current balances

Other Necessary Details

- A list of all other assets, including stocks, bonds, land, and personal property
- Cash value of life insurance policies to be used as down payment
- Copy of the sales contract for selling your current residence (if applicable)
- Social security number (and your spouses, if applicable)
- Veteran's Certificate of Eligibility: DD-214.

By preparing in advance, obtaining a mortgage becomes just one more step in the process, rather than a daunting task. Your mortgage consultant, along with your real estate sales associate, can help you understand what to expect and how to achieve a positive outcome.