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Mortgage guide

Your guide to mortgage readiness.



Mosi Gatling, SVP of Strategic Growth & Expansion at

New American Funding, is a distinguished leader and top-tier loan originator with over 20 years of experience. Having created a \$100,000,000 mortgage business and originated over 1,000 loans in the past three years, she consistently ranks in the top 1% of loan originators by the Scotsman Guide (2021-2023).

A HousingWire 2024 Woman of Influence, Mosi is committed to equitable homeownership and supports underrepresented communities through her roles with the National Association of Mortgage Bankers, the National Housing Conference, and the National Fair Housing Alliance. Her innovative, consultative approach ensures that every homebuyer has a clear pathway to achieving their homeownership goals.

ABOUT NEW AMERICAN FUNDING

As an organization and leader in the mortgage industry, we have led and will continue to lead with integrity. It is the foundation for everything we do. Our words are our actions. We inspire trust by saying what we mean and taking responsibility for our actions. We do the right thing, even when no one is watching. As NAF has grown and scaled over the years, we know that we are stronger united. We create a positive and included culture that fosters open, honest, and meaningful relationships. Diverse perspectives fuel our purpose, deepen our trust with clients and team members, and strengthen our culture. We know that our differences are our greatest strength and find ways for everyone to belong. We invest in each other, and we win and learn as a team.

hello!



**BEST MORTGAGE
LENDER**



**BEST REAL ESTATE
CUSTOMER SERVICE**

**MOSI "MO" GATLING
NMLS #375568**

SVP, STRATEGIC GROWTH & EXPANSION

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Meet the Team

TIMEKA CLARK | LOAN CONSULTANT NMLS #375568

Timeka Clark, a dedicated Loan Consultant at New American Funding in Las Vegas, brings extensive expertise to the realm of mortgages and home loans, driven by a profound passion for financial empowerment. With a commitment to providing personalized solutions and fostering a smooth homeownership journey, Timeka invites clients to trust her as their dedicated partner in achieving their dream of owning a home.

TIMEKA.CLARK@NAFINC.COM | 702-596-8597



CARLOS PAZ | LOAN CONSULTANT NMLS #1872839

Carlos Paz, a Las Vegas loan consultant fluent in both English and Spanish, brings extensive experience and a personal passion for homeownership to his role. As an integral part of New American Funding, Carlos leverages cutting-edge solutions to guide clients, particularly first-time homebuyers and the Hispanic community, through the process of purchasing a home while actively contributing to the well-being of the Las Vegas community.

CARLOS.PAZ@NAFINC.COM | 702-666-7421

LORI JEPSON | LOAN OFFICER ASSISTANT NMLS #363618

As part of the Gatling Group team, I assist the loan consultants with borrower communication and gathering documentation for home loan files. I maintain builder trackers with status of each loan file and communicate loan progress to our builder, escrow and lender teams. We work hard to get buyers into their homes! When buyers get pre-approved with us, they get a whole team working to help them realize their dream of home ownership.

LORI.JEPSON@NAFINC.COM | 725-238-0350



YOUR MORTGAGE ROADMAP



HOMEBUYING ASSESSMENT

01

A homebuying assessment is a personalized consultation designed to evaluate a buyer's readiness for homeownership.

We will discuss:

- Credit scores
- Income and debt-to-income ratio
- Savings and budgeting needs

After the assessment, you will walk away with:

- A tailored plan for improving financial readiness
- Steps for budgeting, saving for a down payment, or reducing debt
- A clear plan
- A defined pathway to achieve your goals

SUCCEED WITH PRE-APPROVAL

02

By getting pre-approval, you'll be able to:

- Narrow down your market
- Signal to sellers that you're serious about home buying
- Make offers on your prospects
- Negotiate
- Close smoothly with a faster loan process

THE HUNT

03

Working with your Real Estate agent, find the ideal home that best suits your pre-approval. Make your offer, and expect a counteroffer — your Real Estate agent will guide you through the negotiation process. Once a price is reached that both parties can agree on, a purchasing agreement will be signed.

APPLICATIONS & PROCESSING

04

You'll begin by filling out an application with your Lender about the home you've selected. They will create a file and request documentation. A home inspection will take place, followed by an appraisal to ensure the home is fit to sell. This is in the best interest of both the buyer and the Lender.

APPROVAL & CLOSING

05

Once you submit your completed application, it will be reviewed by a mortgage specialist called an underwriter. They will look at the completed application and supporting documents and determine if your application is fit for approval. Basically, if they trust you'll be able to pay back a mortgage within the agreed upon period of time. If they approve your application, you're ready to proceed with the closing of the sale!

PRE-QUALIFIED VS. PRE-APPROVED: WHAT'S THE DIFFERENCE?

Pre-Qualified

A pre-qualification is an initial estimate about how much home you can afford, based on your verbal description of your financial situation. It's a great starting point for your home search and helps narrow down your options to homes within a certain price range.

Pre-Approval

A pre-approval is a more in-depth review. It involves documenting your credit, income, assets, and debt to determine your mortgage readiness and the amount you can afford. This step provides a clearer picture of your buying power and is preferred by real estate agents.

Documents Needed to Get Pre-Approved

To get you pre-approved, we need several documents that support your income, savings, down payment, and loan readiness. Here are some of the documents you may be asked to provide:



W-2's & Federal Tax Returns (past 2 years)



Bank Statements (last 2 months)



Pay Stubs (last 30 days)



**Divorce Decrees/
Separation Agreements
(if applicable)**



Loan Payment Information



Other Credit Concerns

Depending on your circumstances, you may also need to document additional information (e.g., child support, resident status, etc.).

Getting Qualified

As a prospective buyer, it's important to understand the process of qualifying for a mortgage. The four main elements of qualification are: your gross annual income, down payment, assets and liabilities, and finally, your credit history.



01. GROSS ANNUAL INCOME

Typically, most lenders want to see a steady stream of income and stable job history for a minimum of 2 years. Don't worry, if you're self employed, you can still qualify! The restrictions are a bit tougher, and lenders will want to see 3 years of steady income. Applying jointly? You and your partner will need to provide your combined gross annual income.

02. ASSETS AND LIABILITIES

Lenders will have to measure your current debts and compare them to the new debt. They consider how your income compares to the payments on your mortgage and housing cost, as well as the other debts you may currently hold. These include car loans, student loans, and other lines of credit. The lower your rates of service debt are, the easier it becomes to qualify for a mortgage.

03. DOWN PAYMENT SIZE

Lenders will take into consideration the total sum of the down payment you're willing to offer. The larger the down payment, the easier it becomes to qualify. It all comes down to the level of risk; the less they lend you, the less risky it is for them.

04. CREDIT SCORE

The final element of qualification is your credit score. A mortgage loan represents a lot of money, and your lenders are going to want to trust you to pay them back. Before applying for a mortgage, you should obtain a copy of your most recent credit score. Your credit score represents your track record of paying back debts — the higher the better. If you have a history of paying your bills in full and on time, you'll have an easier time qualifying. However, if you are often late and short, you may have a difficult time getting a good interest rate, or worse, not qualify for a mortgage at all.



What We Look At

We're committed to making sure you can comfortably afford your new home. To do this, we consider several key factors:

Credit History and Score

A higher score typically secures a better mortgage rate. We also evaluate the length of your credit history, payment consistency, credit utilization, and any new credit applications.

Income

Your employment duration and gross monthly earnings help us determine the mortgage payment you can manage.

Debt-to-Income Ratio (DTI)

This is the portion of your monthly income allocated to debt payments, including your potential mortgage, car payments, and credit cards. A lower DTI shows you don't overextend yourself.

Employment History

The stability and duration of your current job reflect your ability to maintain a steady income.

Savings and Assets

Your liquid savings and investments show your financial reserves and capacity to handle unexpected expenses.

Down Payment

The initial amount you'll pay towards the property affects your loan-to-value ratio (LTV) and may influence your eligibility and interest rate.

Property Type

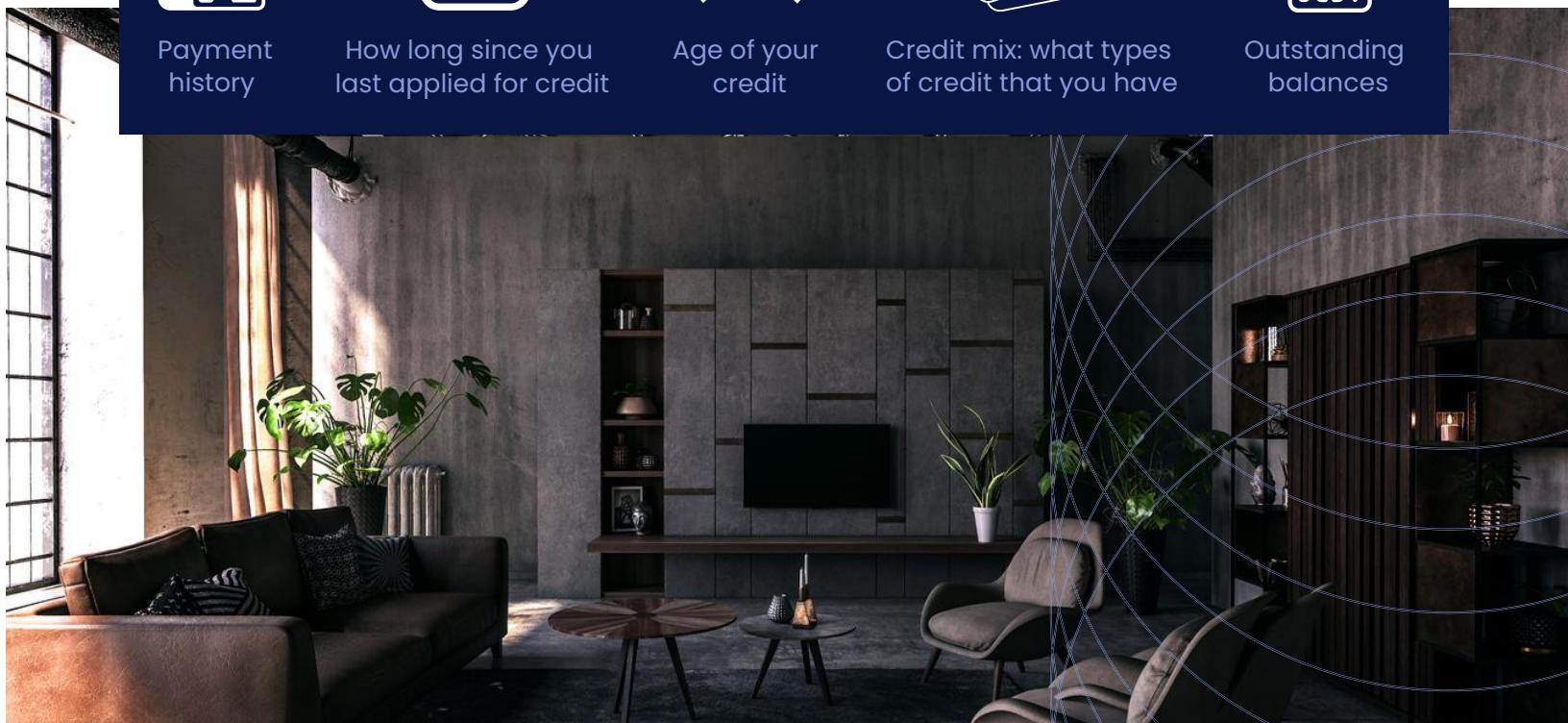
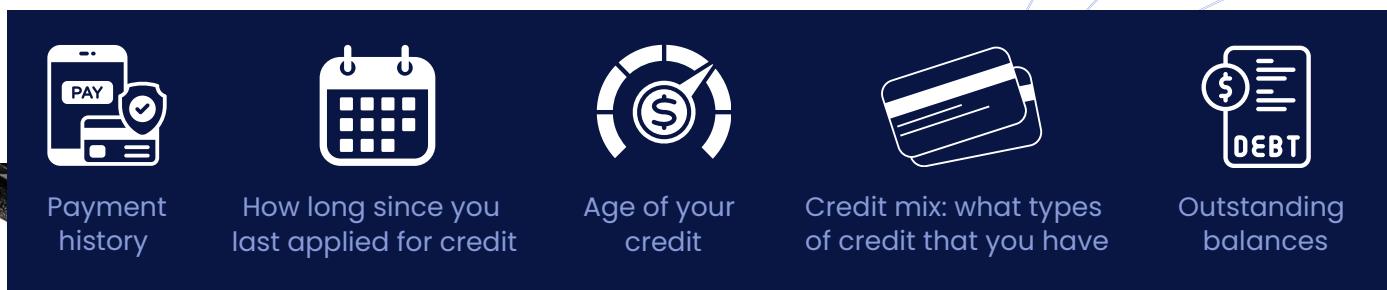
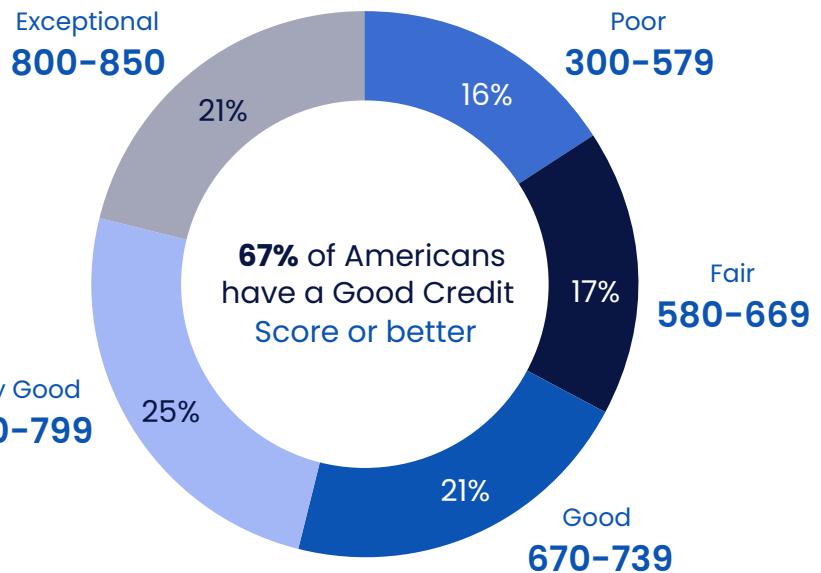
Different properties may have varying loan requirements, so the kind of home you're purchasing matters.

We want to ensure you don't overstretch your finances. Keeping other expenses low and prioritizing housing over other large purchases will help maximize your mortgage flexibility.

Credit Scores Impact on your Mortgage

Your mortgage rate is heavily influenced by your credit score, a three-digit number ranging from 300 to 850. Generated by credit bureaus like TransUnion, Equifax, and Experian, your score also impacts other forms of credit, such as car loans and insurance.

Credit scores are based on information collected from lenders, banks, and credit card companies, including your account activity, payment history, and obligations.



What Type of Mortgage is Best for Me?



NAF offers over 400 products to help you find the best mortgage for your needs, including NAF Cash, which allows borrowers to make an all-cash offer.

Considerations

How long do you see yourself living in the home?

How do you feel about your rate changing?

There's a trade-off between a lower rate and rate certainty over time. If you think you'll stay in your home for several years or prefer to have consistent monthly mortgage payments, a fixed-rate can be a great choice.

On the other hand, if you plan to move more often or are willing to manage variation in your monthly mortgage payments, a lower rate, an Adjustable-rate Mortgage (ARM) may be a good option.

Fixed Rate: The interest rate stays the same throughout the loan's life. The loan duration can range from 10 to 30 years.

ARM: The interest rate can change during the loan's term. Common ARMs are 5/6, 7/6, and 10/6.

- The first number is the number of years the mortgage stays at the interest rate when you funded.
- The second number is the frequency the mortgage will adjust thereafter.
- So, a 5/6 ARM means the first 5 years you'll have a fixed-rate and then it will adjust every 6 months thereafter.
- You can refinance to a fixed-rate mortgage if you decide you want more certainty in your monthly mortgage payments.

Ultimately, it's up to you – what you're comfortable with and what meets your needs! Talking through your unique situation with your loan officer is a great way to determine what's best for you!

Financing Options

Can't afford to buy a new home with cash in hand? Don't worry, you're not alone, and there are lots of options for financing.

CONVENTIONAL LOAN

This is considered a standard mortgage. With a 20% down payment, you will be able to access better interest rates and lower fees on your mortgage. The federal government does not issue or insure these types of mortgages.

FHA LOAN

An FHA loan is more accessible, with a minimum down payment as low as 3.5%! Sponsored by the Federal Housing Administration, this option is good if your credit score is too low to qualify for a conventional mortgage. Your interest rates may be higher, and you will be required to purchase insurance on this type of mortgage.

VA LOANS

A VA loan (also known as a Veteran's Loan) is a mortgage loan available to active and retired Military members. This type of loan is issued through a program established by the United States Department of Veterans Affairs rather than a bank. Many of these loans do not require a down payment, and may offer additional benefits.



Unique Mortgage Solutions

Self-Employed Program

If you are self-employed and have been in business at least two years, your personal or business bank statements may qualify you for New American's Self-Employed Bank Statement Mortgage.

Highlights:

- Adjustable and fixed rate mortgage options available
- Loan amounts up to \$4 million
- Purchase, refinance or cash out
- First-time homebuyer eligible
- Primary, second or investment home are eligible

NAF Cash

Buying in cash means convenience, certainty, and may mean cost savings too. With NAF Cash, an affiliated company of New American Funding, you can make a competitive, true cash offer that is not contingent on financing and close in little as seven days without having to sell your current home first.

Highlights:

- Buy first, sell later: You can buy your new home before selling your current home
- Sellers may be more likely to offer concessions to cash buyers
- Remove the stress and hassle of buying and selling a home
- Close on your new home faster

Uqual

If you aren't quite eligible to qualify for a mortgage with New American Funding, our trusted partner Uqual can help you get there! Uqual provides personalized roadmaps tailored to customer's individual needs to become loan ready.

Highlights:

- Optimizing credit scores
- Reducing debt
- Saving money for down payment
- 1:1 loan readiness coaching from a team of experts
- \$500 lender credit if you close on a home with New American Funding within two years of signing up with Uqual*



Breaking Down Costs

When buying a home, there's more to the process than just the down payment on your mortgage to consider. Here's a quick breakdown of what you can expect:

THE EARNEST-MONEY DEPOSIT (EMD)

This is the commitment to purchasing the property in question. Your deposit is often about 1-2% of the purchase price of the home, although the actual number is negotiated between both parties. When the market is more aggressive, the seller may ask for a higher percentage. The money is then held in escrow in good faith by the seller's broker. It is considered a credit towards the down payment and closing costs. This deposit is non-refundable though, so make sure you've done your due diligence before paying it!

THE DOWN PAYMENT

A down payment is the money you pay up immediately to secure your mortgage. This is a percentage of the total value of the mortgage, which can be as low as 3.5% of the total mortgage. As mentioned in Getting Qualified, the bigger the down payment the better – when your down payment is less than 20%, you may be required to purchase mortgage insurance, which is known as Private Mortgage Insurance.

CLOSING COSTS (Third-party contributions allowed)

As the buyer, you will be expected to pay 2-5% of the total property cost as part of closing. Generally speaking, it's safer to budget on the higher side: 3-5%. This is required by the mortgage, the transaction, and any payment the lender requires, such as titles and taxes. These fees are not considered part of the purchase price, and will be collected at the closing of the sale.

Additional fees you'll want to consider are the Land Transfer Tax, New Home Warranties, Legal Fees, Home Inspection, Appraisal, Insurance, Sales Tax, and Property Tax. These fees vary depending on where you're purchasing.

The Anatomy of a Mortgage Payment

It's important to know that when you make a mortgage payment, it's not simply a small percentage of the mortgage that goes completely back into what you owe. There are a number of other sources that payment goes towards every month.

PRINCIPAL AMOUNT

This is the amount borrowed to finance your mortgage. The faster this is paid down, the less you pay in interest.

INTEREST

This is the amount you're charged by your lender to borrow the mortgage.

PROPERTY TAX

You can opt in to include your property taxes in your mortgage payments. This is not always mandatory, but if you don't do it, you can expect bi-annual bills from your municipality to collect the taxes.

PRIVATE MORTGAGE INSURANCE (PMI)

If you can only afford 5-19.99% as a down payment, you will be required to pay for PMI until you accumulate enough equity that your mortgage is no longer considered high risk. This is typically 0.25-2% of your mortgage balance per year.

This probably seems like a lot, but it's all part of owning a home. The percentage of your payment that goes into the principal is small at first, but the more you pay down, the more equity you gain in your home.





Do's and Don'ts Before and During the Process

DO

Maintain Employment

- Stay in your current job to facilitate employment verification by your mortgage lender.

Keep Payments Current

- Ensure all your payments, including mortgage, car, credit cards, student loans, and other debts, are up to date.

Organize Documents

- Prepare essential documents such as pay stubs, W-2s, tax returns, bank and investment statements, and property deeds.

Document Gifts

- If any part of your down payment is gifted, document it and promptly consult your Loan Officer.

DON'T

Make Large Transactions

- Refrain from making large deposits, withdrawals, transfers, or financed purchases. If necessary, keep detailed records of these transactions. Prevent bank accounts from going negative.

Apply For New Credit

- Do not apply for new credit or share personal information that could lead to credit checks.

Close Paid-Off Credit Card Accounts

- Do not close paid-off credit card accounts, as it may affect your credit score.

Keep Down Payment In Cash

- Do not keep down payment in cash at home or overseas account.



Terminology Index

Understanding the lingo of mortgages is crucial in making sound financial decisions. Here's a list of terms that are important to know:

FIXED RATE MORTGAGE:

This is the most popular type of mortgage. Fixed rate means that your interest rate remains the same throughout the term of the loan. This provides stability to your monthly mortgage payments. If you have a set budget, this might be the best option for you.

ADJUSTABLE RATE MORTGAGE:

This means your interest rate will be flexible and subject to adjustments depending on your lender. It usually means you will have a lower rate to start with but risk increasing over time as the market changes. It's not arbitrary though – you will have a predetermined schedule for when these adjustments occur. This is usually a better option when Fixed Rate Mortgages are high.

ANNUAL PERCENTAGE RATE (APR)

This is the annual rate of your interest, rather than monthly. APR typically appears higher because it includes lender and mortgage broker fees. This rate is required by law to be disclosed by your lender.

DISCOUNT POINTS

This is referred to as "buying down the rate". It is the sum you can pay to your lender to decrease the interest rate on your mortgage. One point equals 1 percent of the total loan amount.

AMORTIZATION PERIOD

This is the term of your mortgage loan, or how many years it will take to pay your mortgage back in full with regular monthly payments. The most common term is 30 years, but 15–20 year terms may also be available to you depending on the size of your down payment. A shorter term would allow you to pay less in interest fees, but your mortgage payments would be higher overall.

MORTGAGE TERM

The number of years which the borrower is bound by the conditions of a contract. This may include the interest rate.

Your Next Steps

The first step toward homeownership is to get a homebuyer assessment. This personalized consultation will help you evaluate your financial readiness and create a clear plan to achieve your goals. With a homebuyer assessment, you'll understand what's needed to position yourself for success before applying for a mortgage.

Now is the time to get organized and put your financial plan in place. Choosing the right lender is essential, as they'll help you secure a mortgage that fits your needs. Look for terms and rates that are affordable and conditions you're comfortable with.

THINGS YOU SHOULD DO NOW:

- Schedule a homebuyer assessment to get organized and understand your next steps.
- Research lenders and compare terms, rates, and conditions.
- Ask questions, read reviews, and get referrals from trusted sources.
- Prepare your finances to streamline the mortgage application process.

When you do begin the process of applying for a mortgage, be sure to reply to any requests from your lender quickly! The most common reason for approval delays is missing or incomplete information. The best way to ensure your application is processed quickly is to be prepared and respond to all requests from your lender.



Now that you've mapped out your mortgage process, basics, you're ready to begin!

Testimonials



Mosi, Janna, Carlos, the rest of the team.. Thank you for your speedy help and support with getting me funded for my first home purchase! They are on top of things, always one step ahead of me and before I realized it, we closed.. if you need any kind mortgage help, Mosi at NAF is your lady!

- Nicholas N



We felt Mosi was as accessible as she could be while I'm sure having many people to attend to. She gave great advice and we didn't feel she was just pushing us to go with her and NAF, she was genuinely trying to help us as new prospective homeowners learning about this process.

- Reggie C H



Well, they were referred to me by somebody that I trust. When he passed me over to them, they were immediately on top of things.

Although, there were times when I felt like I didn't know what was happening next or that I haven't heard from them in a few days. I would shoot a text to Mosi and she was already one step ahead of me. I would 100% recommend Mosi and NAF to anyone looking to purchase a home. They amazed me with how quickly they move along. Great job guys!

- Nicholas J N



Mosi kept me informed every step of the way. We closed in less than 30 days.

- Shanta M P



I'm utterly blown away at how efficient and reliable the whole team was at New American Funding. Mosi Gatling was so relatable and kept everything very frank with me. Carlos Paz ensured me every step of the way. Even at times were I didn't reach out to him. He would always contact to me to let me know documents had been emailed and he was a phone call away if I needed any explanation.

- Wendy A

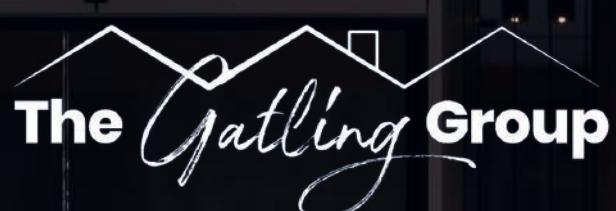


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