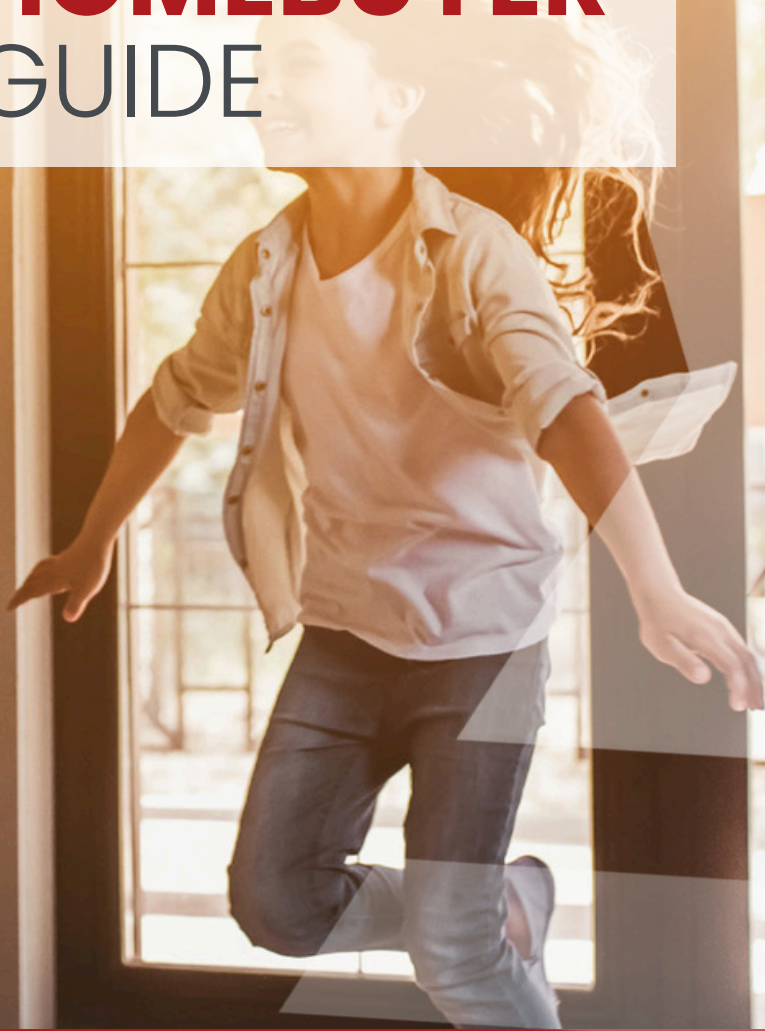


# HOMEBUYER GUIDE



# TEXAS

## LENDING PARTNERS

*a Division of American Pacific Mortgage Corporation NMLS #1850*





Buying a home is often the biggest—and most important—investment in your life. That’s why choosing the best mortgage option for your unique situation is important to ensure your money is working to your advantage, now and in the future.

Texas Lending Partners takes pride in our ability to find a unique mortgage solution with terms that fit your needs. We are committed to keeping you informed throughout the mortgage journey and ensuring you have a smooth mortgage experience.

***THE COMPLETE GUIDE TO HOME BUYING*** is a handy reference to provide you with clear, easy-to-understand explanations of the terms, process and procedures you’ll encounter during your home purchase journey. Keep this guide with you as you search for your new home, obtain the perfect mortgage and move into your new home.

Don’t hesitate to reach out to your Loan Officer if you have any questions or need assistance. Helping you on this exciting journey is our top priority!



# TABLE OF CONTENTS

TLP Team .....	4
Loan Process Outline .....	5
About Our Company.....	6
Your Home Buying Team .....	7
The Six Steps To Homeownership .....	8
Homebuyer Mortgage Checklist.....	9
Step 1: Down Payment & Credit Scores .....	10
Step 2: Apply for Pre-Approval .....	12
Commonly Requested Documents.....	13
Do's & Don'ts.....	15
Variety of Loans.....	16
Step 3: Hire an Agent & Find a Home .....	17
Home Tour Checklist.....	20
Step 4: Move Through the Loan Process .....	22
Step 5: Close on Your Loan .....	26
Step 6: Understand Monthly Mortgage Payments .....	28
Moving Day.....	30
Enjoy your New home .....	31
Maintenance Tips.....	32
Frequently Asked Questions .....	36
Glossary .....	39
Testimonials .....	41
Notes .....	42



# MEET THE TEAM



**RICK A. CHISM**  
NMLS #329402  
BRANCH MANAGER  
210.630.1550

**SHERI C. WALLS**  
NMLS #1805299  
BRANCH MANAGER  
210.365.6950



**MIKE PUENTE**  
NMLS #378624  
SR. LOAN ORIGINATOR  
210.573.3224

**TIFFANIE PRADO-RAMIREZ**  
NMLS #1544837  
SR. LOAN ORIGINATOR  
210.488.8294



**PAUL FUGETT**  
NMLS# 212992  
SR. LOAN ORIGINATOR  
210.260.5124

**JULIA MILLER**  
MARKETING DIRECTOR  
512.525.3435







# HOME PURCHASE Loan Process

FOLLOW THESE TIPS TO GET TO YOUR HOME LOAN FUNDED ON TIME

## PRE-QUALIFICATION

YOU WILL BE ASKED FOR PERMISSION TO RUN CREDIT AND REQUESTED TO PROVIDE INCOME AND ASSET DOCUMENTATION. YOU WILL ALSO BE REQUESTED TO SIGN AN E-CONSENT FORM.

## FIND A HOME

PROVIDE THE PURCHASE PROPERTY ADDRESS TO YOUR LOAN ADVISOR TO FINALIZE YOUR LOAN APPLICATION.

## INITIAL LOAN DISCLOSURES

SIGN AND RETURN YOUR INITIAL DISCLOSURES AS QUICKLY AS POSSIBLE TO PREVENT CLOSING DELAYS.

## PROCESSING

CONTACT YOUR INSURANCE AGENT TO SET UP YOUR HOMEOWNERS INSURANCE AND PROVIDE INFORMATION TO YOUR LOAN ADVISOR.

## APPRAISAL & INSPECTIONS

PROVIDED CREDIT AUTHORIZATION TO ORDER A HOME APPRAISAL AS NEEDED.

TAKE A COFFEE BREAK  
WE'RE TAKING CARE OF  
THE REST!



## SIGNING CLOSING FUNDING

REVIEW AND SIGN ALL LOAN DOCUMENTS ACCORDING TO THE TITLE COMPANY INSTRUCTIONS.

## LOAN DOCUMENTS

AFTER THE LOAN HAS RECEIVED FINAL LOAN APPROVAL, WE WILL PREPARE THE LOAN DOCUMENTS AND SEND THEM TO ESCROW.

## FINAL APPROVAL & INITIAL CLOSING DISCLOSURE (CD)

WHEN YOU RECEIVE THE CLOSING DISCLOSURE, IT IS CRITICAL TO HAVE ALL BORROWERS ON THE LOAN SIGN AND RETURN AS QUICKLY AS POSSIBLE.

## UNDERWRITING IF ADDITIONAL

DOCUMENTATION IS REQUESTED, PROVIDE IT RIGHT AWAY TO PREVENT CLOSING DELAYS.

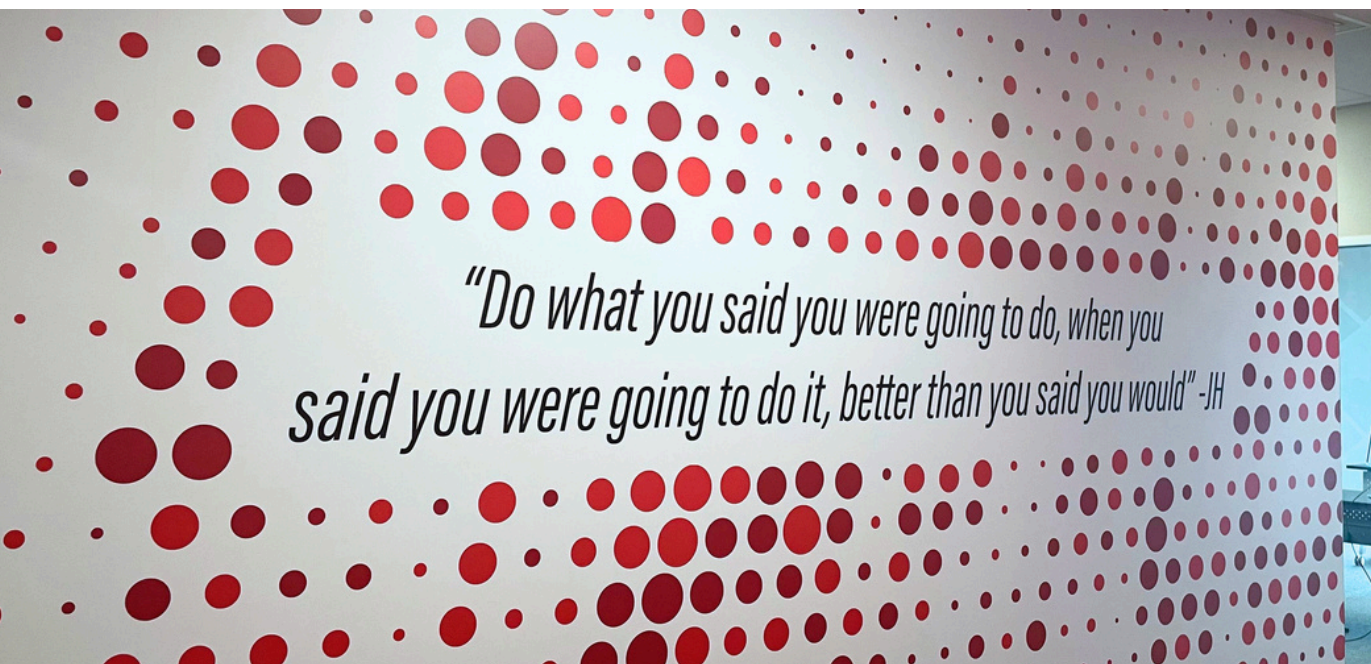
# FINISH





# ABOUT OUR COMPANY

Our **MISSION** is to provide lifetime mortgage services for every stage of growth; First Time Home Buyers to those Building their Dream Home, Investing and Retiring. Consulting with you to make strategic mortgage decisions, based on your financial portfolio, future plans and goals.





# YOUR HOME BUYING TEAM



## LOAN OFFICER

Handles your financing. Call if you have a question about rate, term, program type, approval, credit, or funds-to-close.

Name \_\_\_\_\_

Company \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_



## LOAN OFFICER ASSISTANT

Helps with any paperwork needed to complete the transaction. Call if you have a question about the loan submission, requested paperwork, or if you can't reach your Loan Officer.

Name \_\_\_\_\_

Company \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_



## REAL ESTATE AGENT

Takes care of the sales contract, inspections, disclosures and negotiations. Call when you have a question about the property itself or escrow.

Name \_\_\_\_\_

Company \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_



## AGENT TRANSACTION COORDINATOR

Supports the real estate agent with moving the transaction along. Usually manages the paperwork.

Name \_\_\_\_\_

Company \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_



## SETTLEMENT AGENT OR CLOSING ATTORNEY

Oversees the fund disbursements, Title search, clearing of Title, final documents and recording. Call if you have a question about your closing appointment, funds-to-close or Title problems.

Name \_\_\_\_\_

Company \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_



## HOME INSPECTOR

Home inspections help you identify any major issues with a home before closing. This isn't required for your loan but is strongly suggested.

Name \_\_\_\_\_

Company \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_

# THE SIX STEPS TO HOMEOWNERSHIP

There are several steps that will occur throughout your new home purchase process. This guide will help you fully understand the journey for a successful mortgage:

1



**DETERMINE  
DOWN PAYMENT &  
CREDIT SCORES**

2



**APPLY FOR PRE-  
APPROVAL WITH  
YOUR LOAN OFFICER**

3



**FIND AN  
AGENT & HOME**

4



**MOVE THROUGH THE  
LOAN PROCESS**

5



**CLOSE ON YOUR  
LOAN**

6



**UNDERSTAND  
MONTHLY MORTGAGE  
PAYMENTS**



## Your Action Items:

- Meet with a Loan Officer to discuss your goals and budget
- Complete application and upload required documents to receive loan approval
- Communicate with your real estate agent about expectations and preferences
- Be ready and accessible with information, signatures and requirements to close transaction



# HOMEBUYER MORTGAGE CHECKLIST

Buying your first home is an exhilarating time. Here's a checklist of ways you can get prepared for your new adventure.

## CREDIT

Current Score: \_\_\_\_\_

Need to improve score? Y N

Goal Score: \_\_\_\_\_

Debt to pay down: \_\_\_\_\_

## BUDGET

Maximum Home Price: \_\_\_\_\_

Comfortable home price: \_\_\_\_\_

Maximum monthly payment: \_\_\_\_\_

Comfortable monthly payment: \_\_\_\_\_

## DOWN PAYMENT

Amount saved now: \_\_\_\_\_

Savings goal: \_\_\_\_\_

Time until met: \_\_\_\_\_

## FINANCING

- Meet with Loan Officer
- Pre-approval letter in hand? Y N
- Determine where you have flexibility
- Gather important documents
- Tax returns/W-2's
- Pay stubs
- Bank statements

## HOME WISH LIST

- Location
- Size Bedrooms/Bathrooms
- Lot size
- Must haves

## MEET WITH REAL ESTATE AGENT

- Begin house hunting
- Narrow down choices
- Pick your home
- Make an offer

## CLOSING

- Home inspection
- Appraisal
- Closing conditions
- Arrange for homeowners insurance
- Sign final paperwork
- Pick up keys!



# FIGURE OUT DOWN PAYMENT & CREDIT SCORES

Buying a home requires some upfront cash, including your down payment and closing costs. Financial experts typically recommend a down payment as low as 20% of the purchase price. However, you can **PURCHASE A HOME WITH A DOWN PAYMENT AS LOW AS 0-3%** of the purchase price.

## WHAT IS A DOWN PAYMENT?

A down payment is the amount of cash put toward the purchase of a home. A minimum down payment generally ranges from 3% up to 20% of the home's purchase price, though there are loan programs with zero down payment requirements.

### FOR THESE PROGRAMS YOU CAN GET DOWN PAYMENTS AS LOW AS:

Conventional Loan: **3%-20%**

Down Payment Assistance/ State Housing: **0-3.5%**

FHA Loan: **3.5%**

Jumbo Loan: **10%-20%**

Specialty Products: **5%-20%**

USDA Loan: **0%**

VA Loan: **0%**

## How much do you need to save?

A conversation with your Loan Officer can help determine how much of a down payment you need based on several factors, including:

### PURCHASE PRICE

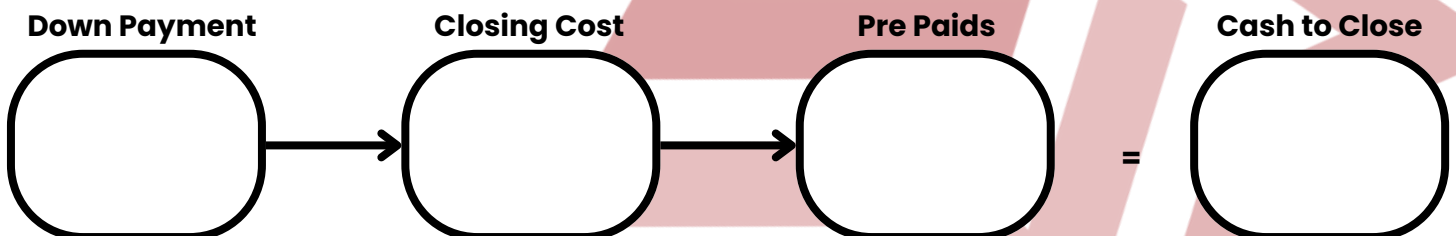
A more expensive home may require a higher down payment.

### MONTHLY PAYMENT

More money down means smaller monthly payments.

### INTEREST RATE

A larger down payment could generate a lower rate.





## WHAT'S YOUR CREDIT SCORE?

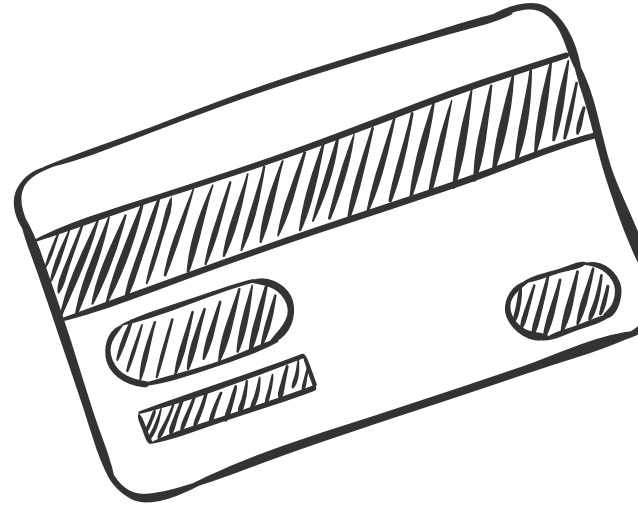
While you're working on saving for your down payment, keep an eye on your credit score. Your credit score is a number that indicates how much of a credit risk you pose when you borrow money. It also helps determine your interest rate. Typically, the higher your score, the lower your rate.

### THERE ARE THREE DIFFERENT CREDIT SCORES AGENCIES

**EQUIFAX** (*BEACON*), **EXPERIAN** (*FICO Risk Model*), and **TRANS UNION** (*FICO Risk Score, Classic*).

Often, when you're shopping for a mortgage, you may look for the best rate from multiple lenders. Each lender may pull your credit report, which is typically bad for your score. However, credit reporting agencies distinguish a single loan search from a search for many new credit lines by the length of time the inquiries occur.

**AVOID LOWERING YOUR SCORE BY COMPLETING YOUR RATE SHOPPING WITHIN A SHORT PERIOD OF TIME, SUCH AS 14 DAYS.**



## HOW FICO® SCORES ARE CALCULATED

# 35%

### PAYMENT HISTORY

- Has credit been paid on time in the past?
- Overall 'good picture' outweighs a few late payments.
- Public records & collection items can have a big negative impact.



# 20%

### IN USE AND NEW CREDIT IN USE:

- Usually not a key factor; more important with shorter credit histories.
- A mix of different types of credit accounts can help scores.

### NEW CREDIT

- Opening several accounts in a short period of time represents greater risk.
- Inquiries have a small impact on scores; many types of inquiries are ignored.
- FICO scores allow for 'rate shopping.'

# 30%

### AMOUNT OWED

- Owing money doesn't necessarily mean high risk.
- Close to 'maxed out' on available credit could be a sign of being overextended.
- The number of accounts with balances matters.
- Low usage of revolving debt often benefits credit score vs. no usage.

# 15%

### LENGTH OF CREDIT

- Longer credit history is generally beneficial.
- Age of oldest, newest & average accounts are considered. How long have specific accounts been established and used?

# APPLY FOR PRE-APPROVAL WITH YOUR LOAN OFFICER

Before you begin looking for your dream home, it's important to know which homes are within your monthly mortgage payment price range. This will help you avoid falling in love with homes you cannot afford and ensure your home fits into your future financial plans.

## OTHER ADVANTAGES TO PRE-APPROVAL

- Save time, energy and frustration as you move through the home buying process.
- Determine how much you can afford based on your debt, income and credit.
- Estimate how much money you will need for closing costs and a down payment.
- Add validity and strength to offers you make. Sellers are more likely to accept an offer from you if you are pre-approved because it shows you are serious about buying a home and have already taken steps toward obtaining a mortgage.

## TO BECOME PRE-APPROVED, CALL YOUR LOAN OFFICER

The tips below will help ensure you provide accurate information that results in a simple loan approval:

### MAKE SURE YOUR FINANCIAL DOCUMENTS ARE READY.

You are not required to submit any documents right away, but having the supporting financial documents readily available can help speed up the loan approval process. A Loan Processor will gather and review documents from you as necessary.





## PRE-QUALIFICATION REQUIRED INFORMATION

- COMPLETE MORTGAGE APPLICATION
- CREDIT INFORMATION PULLED
- COPY OF YOUR DRIVERS LICENSE
- 2 YEARS OF EMPLOYMENT HISTORY
- 2 YEARS OF RESIDENTIAL/RENTAL HISTORY

## TYPICAL DOCUMENTS NEEDED

- W-2/1099 FORMS FOR THE PAST TWO YEARS
- MOST RECENT BANK STATEMENTS (60 days)
- RETIREMENT/INVESTMENT ACCOUNT STATEMENTS (60 days)
- COPY OF YOUR DRIVERS LICENSE
- PAYSTUBS (30 Days)
- TAX RETURNS (1040) (2 years & most recent)

*Self Employed:*

- PROFIT AND LOSS STATEMENTS ( Year to Date)
- 2 YEARS BUSINESS AND PERSONAL RETURN

# COMMONLY REQUESTED DOCUMENTS

## W2 FORMS FOR THE LAST TWO YEARS

(current and/or past employer(s))

## CURRENT PAYSTUBS COVERING A

**FULL 30-DAY PERIOD** (review to ensure they include a year-to-date history)

## BANK STATEMENTS FOR ALL ACCOUNTS FROM THE LAST TWO MONTHS, INCLUDING ALL PAGES,

**EVEN IF THEY'RE BLANK** (we cannot use online bank print outs or screenshots)

## 401K AND/OR RETIREMENT STATEMENTS

(your most current statements, all pages)

## INSURANCE DECLARATION PAGE, INCLUDING HOMEOWNERS INSURANCE AGENT NAME AND PHONE NUMBER

## COPY OF MORTGAGE STATEMENT(S) FOR ALL PROPERTIES OWNED

(most current statements, all pages)

## SELF EMPLOYED (P&L 4TD)

### PERSONAL TAX RETURNS FOR THE LAST TWO YEARS

(including all pages and all schedules, with your signature at the bottom of Page 2 of each return )

### CORPORATE TAX RETURNS FOR THE PAST TWO YEARS (if you're self-employed)

(including all pages, schedules and K-1s)

### COPY OF DRIVERS LICENSE

(a picture from your smartphone is fine)

### LEASE AGREEMENTS FOR ALL INVESTMENT PROPERTIES

## TYPICAL ADDITIONAL DOCUMENTS

### COPY OF PERMANENT RESIDENT ALIEN CARD(S) (if you're not a U.S. citizen)

### DIVORCE DECREE

### CHILD SUPPORT ORDER

### BANKRUPTCY PAPERS AND DISCHARGE NOTICE

## RETIRED BORROWERS

### SOCIAL SECURITY AWARD LETTER

### PENSION AWARD LETTER

### 1099 DOCUMENTS FOR THE LAST TWO YEARS

## VA LOANS

### CERTIFICATE OF ELIGIBILITY

(We can order on your behalf)

## OTHER

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Please submit all documents and forms via encrypted email, my secure online portal, or via my mobile app as soon as possible.

**ANY MISSING ITEMS COULD DELAY THE PROCESS**



# DO'S & DON'TS

## **Do Stay Current on Existing Accounts**

*Like your mortgage and car payments, one 30-day late notice will cost you.*

## **Do Keep All Documents**

*Keep all documentation on any deposits made into your account. Keep copies of earnest money deposits.*

## **Do Continue to Use Your Credit as Normal**

*Red flags are raised easily with the credit scoring system. If it appears that you are changing your pattern, it will raise a red flag and your score will go down.*

## **Do Keep Your Originals**

*Please send us updated pay stubs and bank statements if our current copies are over 30 days old prior to closing.*

## **Do Provide Documentation for the Sale of Your Current Home**

*We will need a copy of your sales contract and closing statement (aka HUD-1 settlement statement/Closing Disclosure) and documentation of your proceeds.*

## **Don't Apply for New Credit of Any Kind**

*If you do, that company will pull your credit report and this can have an adverse effect on your credit score. Likewise, don't establish new lines of credit for furniture, appliances, computers, etc.*

## **Don't Pay Off Collections of Charge Offs**

*Unless you are specifically asked to in order to secure your new loan. Generally, paying off old collections causes a drop in your credit score.*

## **Don't Close Credit Card Accounts**

*If you close accounts, it can affect your ratio of debt to available credit, which has a substantial impact on your credit score.*

## **Don't Make Any Adjustments or Transfers in Your Assets**

*Don't change investments, close accounts, open new accounts or substantially change your asset picture without contacting us first.*

## **Don't Make Large Unexplainable Deposits into Bank Accounts**

*Any non-payroll deposits will need to be explained and documented for underwriting. Cash deposits cannot be used.*



# A WIDE VARIETY OF LOANS

There are many loan types available. Talking to your Loan Officer is the best way to determine the right type of loan for your specific needs. The major types are:

## FHA LOANS

The **FEDERAL HOUSING ADMINISTRATION (FHA)**, which is part of the **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**, administers various mortgage loan programs. FHA loans have lower down payment requirements and less stringent requirements than conventional loans. These loans require 3.5% down and have higher DTI limits and lower barrier credit scores.

## CONVENTIONAL CONFORMING LOANS

Conventional loans may be conforming and non-conforming. Conforming loans have terms and conditions that follow the guidelines set forth by **FANNIE MAE** and **FREDDIE MAC**. These two stockholder-owned corporations purchase mortgage loans complying with the guidelines from mortgage lending institutions, then package the mortgages into securities and sell the securities to investors. By doing so, Fannie and Freddie provide a continuous flow of affordable funds for home financing that result in the availability of mortgage credit for buyers.

Fannie and Freddie guidelines establish the maximum loan amount, borrower credit and income requirements, down payment and suitable properties. These government-sponsored entities also announce new loan limits every year. These loans require 3% for first time homebuyers and 3% previous home owner.

## VA LOANS

VA loans are guaranteed by the **U.S. DEPARTMENT OF VETERANS AFFAIRS**. The guarantee allows veterans, service persons, and their surviving spouses, to obtain home loans with favorable terms, usually without a down payment. The U.S. Department of Veterans Affairs does not make loans—it guarantees loans made by lenders. VA determines your eligibility and, if you qualify, VA will issue you a **CERTIFICATE OF ELIGIBILITY (COE)** to be used in applying for a VA loan. These loans offer 0% down based on entitlement eligibility.

## JUMBO LOANS

Loans above the maximum loan amount established by Fannie Mae and Freddie Mac are known as “jumbo” loans. Because jumbo loans are bought and sold on a much smaller scale, they often have a little higher interest rate than conforming loans, however, the spread between the two varies with the economy.

## STATE AND LOCAL HOUSING PROGRAMS

Many states, counties and cities provide low to moderate housing finance programs, down payment assistance programs or programs tailored specifically to first-time buyers. These programs are typically more lenient on the qualification guidelines and often designed with lower upfront fees. Loan assistance programs are also frequently offered at the local or state levels. These include a **MORTGAGE CREDIT CERTIFICATE (MCC)**, which allows you a tax credit for part of your interest payment. Most of these programs feature fixed-rate mortgages and interest rates lower than the current market.

# FIND AN AGENT & HOME



ASK YOUR FAMILY, FRIENDS, CO-WORKERS OR YOUR LOAN OFFICER FOR SOME REFERRALS.

## YOUR REAL ESTATE PROFESSIONAL

You want to find an Agent you are comfortable around. They'll be your advocate during this process, so it's important you work with someone you trust.

With access to the MLS, your Real Estate Agent will know which homes are available in your preferred area, help you search for properties and provide details on things like: 'comps' or comparable homes that have recently sold, how long a house has been on the market, or if any of the major systems that require updates. Other things your Real Estate Agent will do include:

- Help you refine your wants and needs for the home.
- Protect your rights with an understanding of all laws and regulations involved with your home purchase.
- Respect your opinions and decisions and make sure you're comfortable with all the decisions you make.
- Help avoid pitfalls, resolving any problems that could impact your transaction closing successfully and on time.
- Negotiate for you by presenting your offer to the seller.
- This, combined with your pre-approval letter, increases your chances of having your contract accepted.
- Refer you to a home inspector and explain the ins and outs of the inspection and how it could be used during negotiations.
- Set a closing date that works for you and the seller.

# WANTS VS. NEEDS

Once you have a budget, create a list of what you need versus what you want in a home. This might change as you start looking at homes—and your agent might help you narrow things down—but it will at least help you begin your search. Some of these factors may include:

- ☆ **LOCATION/ NEIGHBORHOOD** (Do you want an HOA? Your commute time to work, school, services, etc.)
- ☆ Consider the **LAYOUT AND STYLE** of a home (open concept, 2 story, etc.)
- ☆ Home **FEATURES** (energy efficiency, granite counter tops)
- ☆ **SIZE** of the property and anything you would like in the yard (fence, space for garden, trees, lawn care)
- ☆ Think about **PRIVACY** in both home and yard.
- ☆ Whether the property needs **IMPROVEMENTS** (and costs associated)
- ☆ Understanding the **ZONING REGULATION**, the housing market, additional costs
- ☆ The **FUTURE** (will you want a yard for a dog or room for your family to expand)

If you can't decide if something is a want or need start by placing it on the "want" side first. You can always move it over later. Also, don't forget to do this exercise with everyone who will be living in the home. These wants and need can reduce the number of homes you are shown.

## WANTS

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## NEEDS

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# FINDING THE RIGHT HOME

Once you find a home and your offer is accepted, you move through negotiations. During this process you will likely get an inspection and home appraisal. The **HOME INSPECTION** is optional, but is generally recommended, so you can find out if there are any underlying issues with the home before you buy. The **HOME APPRAISAL**, ordered by your Loan Officer, is needed to complete your loan. It lets the mortgage company know if the home's market value matches the offer price. The loan amount can only go up to the appraisal value, so if the offer was higher than the appraisal, you will either need to renegotiate with the seller (*if possible*) or make up the difference out of pocket.

	HOME INSPECTION	HOME APPRAISAL
PROPERTY CONDITION	Determines the condition of the home and its systems in great detail. <b>NOT REQUIRED</b> but can be ordered by you, as the buyer.	Determines fair-market value and general physical condition of property. <b>REQUIRED</b> during loan process.
COST	Costs vary depending on complexity of inspection and size of home.	Costs vary depending on size and occupancy of property.
ORDERING REPORT	Ordered by you and your agent once your offer is accepted; you may choose an inspector.	Typically ordered by your Loan Officer once your signed initial disclosures have been received; the appraiser will be randomly assigned.
REPORT DELIVERY	Generally delivered to you within 24 hours from inspection completion.	Timing can vary, but will be delivered to you as soon as it is completed.







# HOME TOUR CHECKLIST

ADDRESS: \_\_\_\_\_ ASKING PRICE: \_\_\_\_\_

NEIGHBORHOOD: \_\_\_\_\_ # OF BEDROOMS: \_\_\_\_\_ # OF BATHROOMS: \_\_\_\_\_

YEAR BUILT: \_\_\_\_\_ ANNUAL TAXES: \_\_\_\_\_ HOA FEE: \_\_\_\_\_ SQ FT: \_\_\_\_\_ WALK SCORE: \_\_\_\_\_ COMMUTE TIME: \_\_\_\_\_

SCHOOL DISTRICT: \_\_\_\_\_ MUST HAVE FEATURES: \_\_\_\_\_

NAME: \_\_\_\_\_

RATING: 1 2 3 4 5 6 7 8 9 10

## EXTERIOR AMENITIES

	GREAT	FAIR	POOR	NONE
View/Yard/Landscaping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lawn (front)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yard (back)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Irrigation/Sprinkler	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
House type	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exterior siding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Deck	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Patio	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Porch	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Garage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Windows/Doors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roof	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fencing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## HOME SYSTEMS

Electrical	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Air Conditioning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Security	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Intercom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## COMMUNITY

Neighborhood	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Schools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shopping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Proximity to Airport	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public Transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
House Value relative to area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## FEATURES

	GREAT	FAIR	POOR	NONE
Home Warranty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy Saving Features	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## INTERIOR

Walls/Trim/Ceiling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Windows	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flooring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stairs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Storage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Living Room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Den	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dining Room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Primary Bedroom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bedroom 2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bedroom 3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bedroom 4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Primary Bathroom	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bathroom 2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bathroom 3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Half Bathrooms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kitchen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cabinets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Countertops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dishwasher	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flooring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oven/Stove	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Microwave	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Light Fixtures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Backsplash	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pantry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Island	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Basement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Garage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Questions:

When are offers due? \_\_\_\_\_

Why are the owners selling? \_\_\_\_\_

Is the house selling as is? \_\_\_\_\_

# NOTES



A series of horizontal lines for writing notes, starting with a thick grey bar at the top and followed by many thin grey lines.

# MOVE THROUGH THE LOAN PROCESS

By this point you have likely already submitted your application and receive a Loan Estimate. Below is an overview of the whole loan process. It can seem overwhelming at first—especially if this is your first home, but don't worry, your Loan Officer will walk you through each step.

## THE LOAN PROCESS



### APPLICATION SUBMITTED

The key to a smooth loan process is a thorough and honest initial application interview. Your Loan Officer will ask for information and documentation needed for loan approval. Your Loan Officer will order the initial credit report and input all application information into the company loan origination system. They will go over options and answer any questions you might have



### LOAN ESTIMATE

Your Loan Officer is required to give you a Loan Estimate within three days of completing an application. An application consists of a Loan Officer receiving, at a minimum, the borrower's name(s), estimated value of the property, property address, Social Security number, income and loan amount.



### INTENT TO PROCEED

Once you have received and reviewed the initial Loan Estimate, you must communicate your "intent to proceed" with the loan application. If you don't provide your intent to proceed within 10 days of receiving the Loan Estimate, the terms of that Loan Estimate are subject to change.



### APPRAISAL & VERIFICATIONS

Once the supporting documentation collected during the initial application interview is reviewed and the appraisal is received, the loan processor can request any additional required verifications or information (*if any is needed*).



### LOAN SUBMISSION

Your Loan Processor will submit the loan package to the Underwriter for conditional approval after everything is received and reviewed.





### **LOAN CONDITIONAL APPROVAL**

Loan approval generally takes between one and 15 days, depending on the complexity of the loan application. All parties are notified of the approval, in addition to any loan conditions that must be received before the loan can close.



### **CONDITION COLLECTION & REVIEW**

Your Loan Officer will ask you for any other needed items required for final loan approval. Once everything is received, they are submitted back to the Underwriter for final review and approval.



### **CLOSING DISCLOSURE**

Your Loan Officer will finalize all fees once they've received a clear-to-close approval and prepare a closing disclosure. The closing disclosure will state the final closing funds required to complete the transaction. You will need to return a signed copy of the closing disclosure no less than three days prior to closing.



### **DOCUMENTS ARE DRAWN**

After the three-day waiting period the closing loan documents can be drawn and signed. Your settlement agent will coordinate the signing of loan documents and work with both buyers and sellers to complete the transaction.



### **FUNDING**

Once all parties have signed the loan documents, they are returned to the Loan Officer for review of the package. If all forms have been properly executed, the funds are transferred by wire.



### **RECORDING**

When the settlement company receives funds, they record the deed of trust at the County Recorder's Office. All proceeds are distributed to the involved parties and escrow is officially closed. You get the keys to your home!

# UNDERWRITING YOUR LOAN

When your loan package is submitted for approval, an Underwriter will review the following information to determine loan approval:

## CREDIT

It is important that credit has been established with a good payment history. Outstanding collection accounts, judgments or liens must be paid through escrow. The credit report will also list a credit score—a mathematical calculation of your overall credit rating.

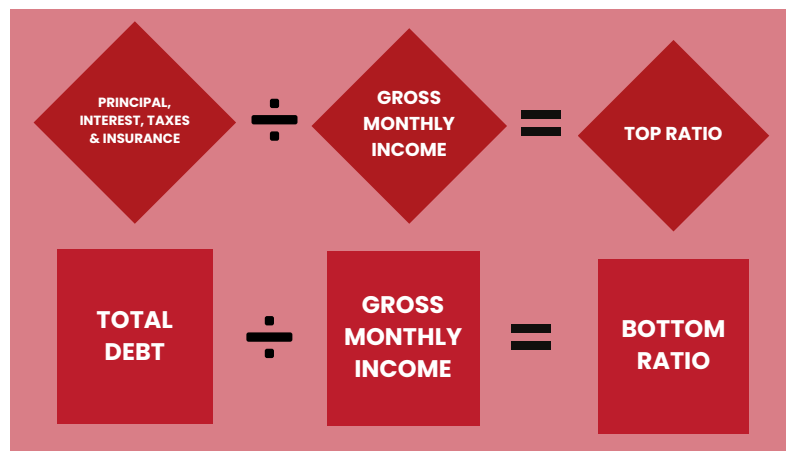
## JOB STABILITY

The borrower's employment and earnings history for the most recent 24 month period will be evaluated. Any changes of employment and income must be addressed, as well as any gaps in employment during this period. A satisfactory employment history is required.

## INCOME & DEBT RATIOS

You will need to calculate your gross monthly income (before taxes) to figure out your debt ratio. Bonuses, commissions, overtime, part-time or self-employment income should generally have a two-year history to be used in the income calculation. A debt ratio of 43% is generally acceptable for jumbo programs and 45% for conforming loan programs. FHA and VA programs typically accept higher debt ratios above 45%.

### CALCULATE YOUR DEBT RATIO



## DOWN PAYMENT, CLOSING COSTS & CASH RESERVES

To be considered “your money,” funds must have been verified as having been yours for two months. Bear in mind that many loans require more than 5% down. Talk to your Loan Officer for details on your specific loan.

## PROPERTY

The property being purchased is the security for the loan. The lender will require an appraisal by a certified fee appraiser to ensure there is sufficient collateral. The Underwriter will review the appraisal to verify the marketability, condition and value of your home. The lender will also review the title report and require title insurance on the property for your protection, as well as theirs.

# AVOID SURPRISE OR DELAY

Though it may seem like a simple process, there can be unnecessary delays or surprises. As the customer, there is a role for you to play in the loan approval process. The following tips are essential to get us to a flawless close.

**PROMPTLY PROVIDE REQUESTED DOCUMENTATION** to your Loan Officer and verify that all information is correct. There may be additional questions or documentation requested during the process and getting back to us as quickly as possible with keeping your loan moving.

**STOP SHOPPING!** We advise clients to avoid shopping and purchasing anything on credit—cars, furniture, appliances, clothing—until your mortgage has closed. You may have been told that a simple credit inquiry or credit charge does not affect your credit, but it could in today's credit-careful climate. Credit and debt are reviewed again just before closing and prior to funding. Any changes could possibly derail your mortgage process.

**PROTECT YOUR CASH RESERVES** so that your down payment, closing costs, and additional funds required are easily verified before closing. Keep your checking, savings, and other balances at the same, or higher, as when you applied for your loan. Also, do not deposit funds to your checking or savings unless they can be sourced and verified.

**AVOID A JOB CHANGE** to keep the loan process moving ahead. Changing jobs could negatively impact your loan approval and disrupt the loan process. Job and income stability are fundamental to loan approval, and employment will be verified on the day of closing. Talk to your Loan officer before making any changes.

**MAKE TIMELY PAYMENTS** on all your current obligations such as credit cards, mortgage and utility payments. Showing that you take your financial obligations seriously is important in the loan approval process.

**AVOID CHANGING LOAN PROGRAMS MID-PROCESS** Your Loan Officer will help you choose the right program based on your specific situation. If you know of anything that might disrupt your loan, talk to your Loan Officer. They can help you come up with a plan to help keep everything on track.



# CLOSE ON YOUR LOAN

Your closing date will be specified in the Purchase Agreement you sign with the seller. At the closing, you will make the financial commitment to homeownership and the legal transfer of property takes place.

At least three days prior to closing, you will receive the **CLOSING DISCLOSURE (CD)**, a five-page document listing final details about the mortgage, such as loan terms, projected monthly payments and total closing costs. You will also be notified of the amount of funds required at the loan closing. You will need to **SIGN AND RETURN THIS DOCUMENT AS QUICKLY AS POSSIBLE** to keep your closing proceeding as planned.

**BRING A LEGAL FORM OF IDENTIFICATION TO YOUR CLOSING**, such as a current driver's license, passport or ID card (*military or state*). We suggest checking the expiration dates of your IDs to confirm they're current.

## COLLECT YOUR FUNDS

All funds submitted at closing should be in the form of wires or cashier's checks. Any funds deposited to close escrow should be in the form of a wire to prevent any delays in closing. Cash is not acceptable for safety and security reasons. Your Loan Officer will give you more information about this process, but here are some other things to keep in mind. **Please call the title company prior to getting funded to ensure they will accept a cashiers check.**

**FOREIGN CHECKS.** The title company does not accept foreign checks into escrow. This includes foreign checks paid through a U.S. bank. All money coming from outside the United States must be sent via wire transfer.

**THIRD PARTY CHECKS.** The title company does not accept any third-party checks. These include any check drawn from a non-financial institution account or payable to a payee other than the title company and subsequently endorsed to them.



## TWO THINGS OCCUR AT THE CLOSING:

### 1

#### SIGN LEGAL DOCUMENTS

These documents fall into two categories:

- The agreement between you and the lender outlining the terms and conditions of the mortgage.
- The agreement between you and the seller to transfer ownership of the property.
- You may be asked to fill out an Identity Statement that enables the title company to distinguish you from others with similar names during their search of county records. It also provides basic information that will be useful for your Settlement Agent.

Once you understand all the documentation, you will sign the mortgage or deed of trust, as well as a mortgage note and any other paperwork required. Voice any questions or concerns you may have prior to closing. Remember, you can ask plenty of questions at your closing, so don't be shy!

### 2

#### PAY CLOSING COSTS & DOWN PAYMENT

There are numerous fees associated with obtaining a mortgage and transferring property ownership. Make sure you have a cashier's check or funds transferred by wire for the exact amount needed at closing to cover common closing costs, such as the following:

**PROPERTY TAXES:** Property taxes may be pro-rated based on the month you close and the state of the property.

**HOMEOWNER'S INSURANCE:** It's common to pay an entire year's worth of homeowner's insurance premiums at closing.

**PREPAID INTEREST:** This may vary from a full month's interest to a few days' interest depending on the date your mortgage loan closes.

**MORTGAGE INSURANCE (MI):** You may be required to pay a certain amount toward an escrow account for private mortgage insurance depending on the amount of your down payment.

**TITLE INSURANCE FEES:** These fees cover the buyer and lender title policies. Title insurance is an insurance policy that protects property owners and their lenders against losses related to the property's title or ownership. Title insurance minimizes the risk of acquiring property where a legal history is unknown to the purchaser. The title company may also charge fees associated with a title search, settlement/closing, recording, notary, document preparation or title examination.

**LOAN ORIGATION, PROCESSING & UNDERWRITING FEES:** These fees cover the cost of processing your mortgage loan.



# UNDERSTAND MONTHLY MORTGAGE PAYMENTS

**YOUR FIRST MORTGAGE PAYMENT TYPICALLY IS NOT DUE UNTIL THE SECOND MONTH AFTER YOUR CLOSING DATE.** Verify your first payment date with your Loan Officer.

## COMPONENTS OF A MORTGAGE PAYMENT

Primary factors determining your monthly mortgage payment are the size and term of the loan. 'Size' refers to the amount of money borrowed and 'term' is the period of time during which a loan must be paid back. There is an inverse relationship between the term of the loan and the size of the monthly payment: longer terms result in smaller monthly payments. For this reason, 30-year mortgages are the most popular.

### PITI: THE COMPONENTS OF A MORTGAGE PAYMENT

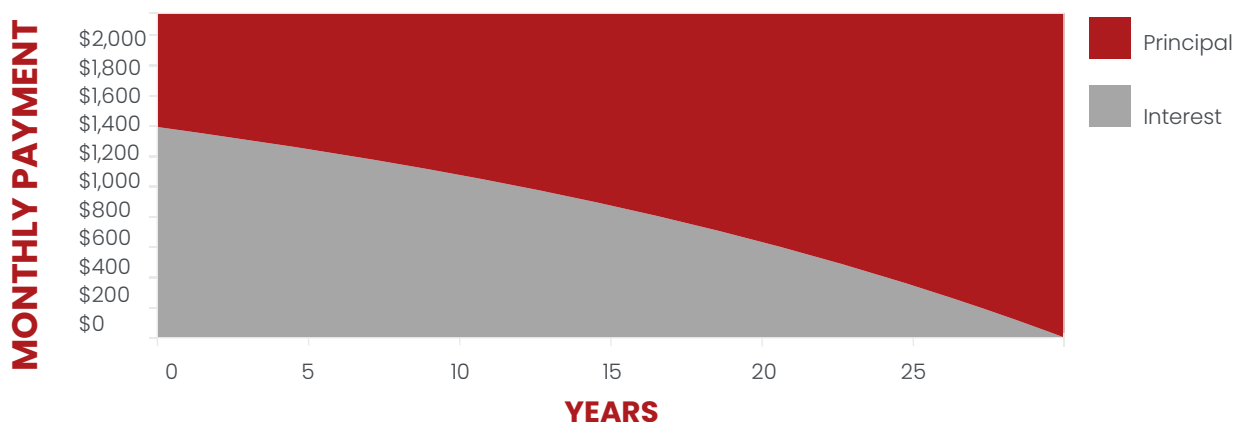
Once the size and term of the loan have been determined, there are four factors that play a role in the calculation of a mortgage payment. These include principal, interest, taxes and insurance (PITI).

#### PRINCIPAL

A portion of each mortgage payment is dedicated to repayment of the principal. Loans are structured so that the amount of principal returned to the borrower starts out small and increases with each mortgage payment. While the mortgage payments in the first years consist primarily of interest payments, the payments in the final years consist primarily of principal repayment. For a \$400,000 mortgage, for example, the principal is \$400,000.

#### INTEREST

Interest is the lender's reward for taking a risk and loaning money to a borrower. The interest rate on a mortgage has a direct impact on the size of a mortgage payment—higher interest rates mean higher mortgage payments. For most home buyers, higher interest rates reduce the amount of money they can borrow, while lower interest rates increase it. Say you have a 30-year, fixed-rate mortgage for \$400,000 with a 4% interest rate. Below is how your monthly payment is split between the principal and interest.



## TAXES

Property taxes are assessed by governmental agencies, which use them to fund various public services like school construction, police and fire department services. Taxes are calculated by the state government on a per-year basis, but individuals can pay these taxes as part of their monthly payments. The amount that is due in taxes is divided by the total number of monthly mortgage payments in a given year. The lender collects the payments and holds them in escrow until the taxes are due to be paid. **Don't forget to file your home owners exemption with the county as soon as possible.**

## INSURANCE

There are two types of insurance coverage that may be included in a mortgage payment. Like property taxes and insurance payments are made with each mortgage payment and held in escrow until the bill is due.

**PROPERTY INSURANCE** is helpful to both you and your mortgage company because it will help recoup money on the home and its contents if fire, theft or other disasters occur. We recommend you start shopping for homeowners/fire/flood insurance as soon as your offer is accepted. (It's a good idea to call your current insurer first). Know the age of your home when shopping for insurance. Contact your Loan Officer when you have made your decision.

**MORTGAGE INSURANCE (MI)**, which is mandatory for homeowners with a down payment of less than 20%. MI protects the lender if the borrower is unable to repay the loan. Because it minimizes the default risk on the loan, MI also enables lenders to sell the loan to investors, who can also have some assurance that their debt investment will be paid back. MI coverage may be dropped after a specific time or equity requirements are met. FHA loans require mortgage insurance for the life of the loan.

While principal, interest, taxes and insurance comprise a typical mortgage, some borrowers opt for mortgages that don't include taxes or insurance as part of the monthly payment. With this type of loan, borrowers have a lower monthly payment but must pay the taxes and insurance on their own.



### **MONEY-SAVING TIP:**

Most loans allow you to prepay the principal on your loan, thereby reducing interest costs over the life of the loan.





# LOOK FORWARD TO MOVING DAY

Organization is key to a low-stress, efficient move into your new home. Consider using this list, and adding any tasks that are specific to you to schedule details and contribute to an orderly moving day with few surprises prior to your closing.

## ONE MONTH BEFORE THE MOVE

- Get estimates from moving companies and make a reservation with your best choice.
- Purchase moving supplies, such as packing tape, bubble wrap, furniture pads and boxes.
- Submit a change-of-address form to the U.S. Postal Service.
- Contact bank and credit card companies to transfer accounts to your new address.
- Contact doctors and get referrals for physicians near your new home.
- Change property, auto and medical insurance policies to your new address.

## TWO WEEKS BEFORE THE MOVE

- Confirm with your Loan Officer that your closing is on schedule.
- Arrange to have utilities disconnected or changed to your new address.
- Begin packing household items that aren't used on a daily basis; thoroughly label boxes.
- Assemble all personal documents, licenses, certificates, records, etc., in a fireproof box.

## ONE WEEK BEFORE THE MOVE

- Confirm arrangements and dates with the moving company.
- Pack yard and garden tools and dispose of flammable items.
- Set aside a box of cleaning supplies to be the first box opened at your new home so you can clean right away.

## ONE OR TWO DAYS BEFORE THE MOVE

- Clean out the refrigerator and set aside food for meals and snacks on moving day.
- Finish packing your belongings and have the payment ready for movers.

## MOVING DAY

- Supervise movers and make sure their inventory is accurate.
- Complete a final walk-through to confirm nothing is left behind.
- Check thermostat; make sure doors are closed and locked; appliances are turned off; and keys are left with the new owners.

## ARRIVAL DAY

- Review moving list and truck to ensure nothing is damaged before you sign off on the cargo list.
- Check to ensure all utilities and locks are functioning well at your new house.
- Begin unpacking necessities like kitchenware and bathroom supplies.

# ENJOY YOUR NEW HOME

Homeownership is a large part of the American Dream. Your home is far more than a place to live. It's your own piece of the world—a space that represents an investment in your future. More than anything else you own, your home becomes an extension of your personality as it reflects your lifestyle, values, imagination and pride as you live there.

Stay in touch with your Loan Officer for future help and the continual financial benefits of homeownership.

These include:

- Annual mortgage checkup - ensuring your goals are met every year
- Discuss refinance opportunities
- Advice on tapping your equity
- Purchasing another property or helping your kids buy their first homes
- And other financial advice as desired





# Spring

## HOME MAINTENANCE TIPS

### 01 Interior



- ✓ Give your pipes a once-over, checking for leaks
- ✓ Schedule central heat and air checkup & servicing
- ✓ Check sump pump to make sure it's draining properly
- ✓ Check your fireplace, for its regular checkup

### 02 Exterior



- ✓ Inspect your home & roof for damage and cracks
- ✓ Check gutters for clogs or damage from winter
- ✓ Repaint or touch up with a fresh coat of paint
- ✓ Give the house a bath, washing all the winter away

### 03 Your Grounds



- ✓ Reseed your lawn, filling in patches before summer
- ✓ Spring cleanup, start raking up any leftover leaves
- ✓ Get you trees inspected by a certified arborist
- ✓ Mulch your flower beds to protect from drought

### 04 General



- ✓ Move furniture and spring clean your rooms
- ✓ Polish wood furniture, and dust light fixtures
- ✓ Inspect sink, shower, & bath caulking for damage
- ✓ Have a general clear out & put winter items away

TEST YOUR SMOKE & CARBON  
MONOXIDE DETECTORS

# Summer

## HOME MAINTENANCE TIPS

### 01 Interior

- ✓ Reverse your ceiling fans to counterclockwise
- ✓ Prepare your home before the harsh weather
- ✓ Clean your air-conditioning filters or window units
- ✓ Check for any visible signs of bugs or pests

### 02 Exterior

- ✓ Clean and apply sealant to wood fences
- ✓ Swap old, windows for more energy-efficient
- ✓ Check for any wasp nests and bee hives
- ✓ Power wash windows, siding and walkways

### 03 Your Grounds

- ✓ Tend to your grass, clean weeds and give it a trim
- ✓ Set up your sprinklers to maintain your flowers
- ✓ Keep your pool clean & algae growth under control
- ✓ Make any exterior repairs as summer is a great time

### 04 General

- ✓ Clean refrigerator & freezer coils & empty drip trays
- ✓ Replace faucet and showerhead washers if needed
- ✓ Inspect foundation for drainage problems
- ✓ Mend cracks and gaps in the driveway & walkway



TEST YOUR SMOKE & CARBON MONOXIDE DETECTORS



# Fall

## HOME MAINTENANCE TIPS

### 01 Interior



- ✓ Get your furnace and ductwork serviced
- ✓ Drain and winterize exterior plumbing
- ✓ Walk around and check windows & doors for drafts
- ✓ Schedule your annual checkup for your boiler

### 02 Exterior



- ✓ Clean your gutters of leaves before winter
- ✓ Touch up exterior siding and trim with paint
- ✓ Stock up on seasoned firewood ready for winter
- ✓ Clean, close and cover your pool

### 03 Your Grounds



- ✓ Fall is a great time to plant perennials
- ✓ Rake leaves and aerate the lawn
- ✓ Mend cracks & gaps in the driveway and walkway
- ✓ Store away any outdoor furniture to protect it

### 04 General



- ✓ Fall is a good time to start any interior projects
- ✓ Tune up major home appliances before the holidays
- ✓ Inspect exterior door hardware & fix handles
- ✓ Check water heater for leaks

TEST YOUR SMOKE & CARBON  
MONOXIDE DETECTORS

# Winter

## HOME MAINTENANCE TIPS

### 01 Interior

- ✓ Check caulking and grout in all bathrooms
- ✓ Vacuum freezer coils and clean drip trays
- ✓ Clean drains in sinks, tubs, showers, & dishwashers
- ✓ Remove shower heads and clean sediment

### 02 Exterior

- ✓ Shut off & drain outdoor faucets before the cold
- ✓ Check all locks on your doors and windows
- ✓ Check for drafts around doors and windows
- ✓ Check gutters and roof for ice dams and icicles

### 03 Your Grounds

- ✓ Check that the lawn is not pooling up with water
- ✓ Inspect basement and attic for pests and leaks
- ✓ Inspect exterior for damage after any storms
- ✓ Check the house is graded to prevent flooding

### 04 General

- ✓ Run water and flush toilets in unused spaces
- ✓ Keep walkways and driveways clear of snow
- ✓ Test your electricity to the extent that you can
- ✓ Prepare a winter storm kit with wood, food & water



TEST YOUR SMOKE & CARBON MONOXIDE DETECTORS

Your  
LIFE. STORY. HOME.



# FREQUENTLY ASKED QUESTIONS

## **WHAT IS A LOAN ESTIMATE (LE)?**

The Loan Estimate is a form the lender is required to provide to the consumer within three business days of an application being received. It provides a precise breakdown of estimated closing costs.

A Loan Estimate replaces the Truth-in-Lending and Good Faith Estimate provided previously.

## **CAN MY PARENTS CO-SIGN FOR MY HOME LOAN?**

In the mortgage industry, we use co-borrowers more often than co-signers. This means your parents will go through a full application procedure and qualify alongside you. Each investor has a different policy on this practice. Consult with your Loan Officer to ensure you follow the correct guidelines.

## **WHAT ARE SOME QUALIFYING TIPS FOR A RELOCATING BUYER?**

The number one tip—do not pack your personal papers! Mortgage loans are very precise and require documentation furnished by the borrower. Keep your financial records with you until your loan closes. Be prepared by knowing the exact details of your relocation package. Here are a few essential questions to ask:

- Will your company buy your present home or issue an equity advance?
- If your home does not sell, will your company make the payments for you until it does sell?
- Will your company pay your closing costs on your purchase? If so, will they advance the funds or reimburse you after closing?
- It is important to keep copies of any advance checks you may receive, as well as all documentation on your move. It's much easier to keep extra unused paperwork than to try to find additional paperwork when you're trying to close.

## **HOW CAN I FIND OUT IF I AM ELIGIBLE FOR VA FINANCING? *We can pull for you!***

The easiest way is to request your Certificate of Eligibility from the **DEPARTMENT OF VETERANS AFFAIRS** (VA). When you are discharged, you receive a very important document called a DD-214. If you send a copy of this form, along with a request for determination of eligibility (form number 1880), to the VA you should receive an answer within a week or two.

## **IS IT LEGALLY MANDATORY TO HAVE A TAX AND INSURANCE IMPOUND ACCOUNT?**

It's not a law —just different investor rules. FHA, VA and other state housing programs require impound accounts for all loans they insure and guarantee. For all other loans, you may be eligible to waive the impound account, if desired—subject to review and approval.

### WHAT INFLUENCES MORTGAGE RATES?

Interest rates are derived from a complex formula driven by economic factors, the bond market and the Federal Reserve as well as investor and consumer demand. These factors all contribute to changes in interest rates. Although interest rates usually have long periods of decline or increase, there are many days when rates may fluctuate dramatically—just as the bond market can. These are often referred to as “hiccups.” Let your Loan Officer know if you would like to know more about the market.

### HOW OFTEN DO INTEREST RATES CHANGE?

Constantly. Interest rates change regularly with the fluctuation of the market, as described above. Once you lock or protect your rate, it will not increase as long as you close your loan before the rate expiration date.

### HOW IS THE RATE FOR MY LOAN DETERMINED?

Taking good care of your credit will reward you with a lower interest rate. The loan-to-value, as well as your credit score, and occupancy of the property will also be factors in the interest rate equation.



### WHAT ARE POINTS?

One point is equal to 1% of the loan amount. This amount, like the interest rate, can vary. You can “buy” the interest rate down to a lower rate by paying more points.

### WHAT IS A MORTGAGE LOAN BUY-DOWN?

Loans with buy-down plans require that a certain percentage is paid by the buyer or seller to reduce the interest rate over the initial portion of the loan term or for the whole term. Buy-downs can either be temporary or permanent.

### LOCK VS. FLOAT

By locking your rate, you have committed to a specific loan that guarantees the rate and fees that have been presented to you. Once the rate is locked, it will not change as long as you close on or before the rate lock expiration date.

Float means you are not guaranteed any rate—everything presented to you is an estimate. Your rate is subject to the fluctuations in the market until you decide to lock.



# MORE FREQUENTLY ASKED QUESTIONS

## **WHO WILL CALL ME TO SCHEDULE MY CLOSING APPOINTMENT?**

Your real estate agent will typically call you, though every once in a while your settlement agent will call you to make arrangements for your signing.

## **HOW MUCH TIME SHOULD I ALLOW FOR MY CLOSING APPOINTMENT?**

Please allow between 60 minutes and one hour for your signing appointment.

## **WHEN CAN YOU TELL ME THE AMOUNT OF FUNDS REQUIRED TO CLOSE?**

Upon receipt of loan documents and preparation of your escrow instructions, contact your Loan Officer so they can tell you the amount of funds you'll need to close escrow. Typically 1-3 days before closing.

## **WHAT WILL I NEED TO TAKE WITH ME TO CLOSING?**

You will need to bring a **valid** driver's license, state ID card or valid passport, along with your cashier's check, if a wire was not already sent. Please confirm with the title company whether a cashier's check or wire is required before withdrawing funds.

## **WHAT WILL WE GO OVER WHILE SIGNING MY CLOSING DOCUMENTS?**

They'll go over any and all loan documents drawn by the lender of your choice; escrow instructions with terms of sale, per your purchase contract; the Closing Disclosure; preliminary report; etc.

The settlement agent will explain any reports and inspections that may be required on the property. They will also provide you with a complete package of all documents you have signed that you can take home for further review. Should you have any questions after reviewing your package, don't hesitate to contact your escrow officer.

## **WHEN WILL I GET MY DEED SHOWING PROOF OF OWNERSHIP?**

The day escrow closes is the day the deed records with the county and you become the owner of your home. It could take six to 10 weeks from that date for the County Recorder to mail you the original signed and recorded deed. Keep copies of your signed loan documents and items received in the mail in a safe place.



# GLOSSARY OF TERMS

## **ADJUSTABLE-RATE MORTGAGE (ARM):**

A type of mortgage where the interest rate and payment change periodically, usually once or twice a year.

## **AMORTIZATION:**

When a loan is scheduled to be paid off, including interest and principal, by a series of regular installment payments. Loans are typically amortized over a 30-year period.

## **APPRAISAL:**

A formal written estimate of the current value of the home.

## **ANNUAL PERCENTAGE RATE (APR):**

The cost of your credit is expressed as a yearly rate. It takes into account interest, points and loan origination fees. The APR is disclosed as a requirement of the federal truth in lending statutes.

## **ASSESSED VALUE:**

The value a taxing authority places upon real or personal property for the purpose of calculating taxes.

## **ASSUMABILITY:**

The feature of a loan that may permit you to transfer your mortgage and its specified terms to the person(s) purchasing your home. Having an assumable loan could make it easier to sell your home since an assumption of a loan usually involves lower fees and/or qualifying standards for the new borrower than a new loan. (typically are conditions involved)

## **BUY-DOWN:**

Loans with buy-down plans require that a certain percentage is paid by the buyer or seller to reduce the interest rate over the initial portion of the loan term or for the whole term. Buy-downs can either be temporary or permanent.

## **CASH RESERVES:**

Cash reserves are liquid assets (i.e. cash or marketable securities) the applicant retains after making the down payment and paying closing costs.

## **CLEAR TITLE:**

Real property against which there are no liens or judgments.

**CLOSING:** The conclusion of a transaction. In real estate, closing includes the delivery of a deed, delivery of financial disclosures, the signing of notes and the disbursement of funds necessary to consummate the sale. Title is transferred.

## **CLOSING DISCLOSURE:**

Upon receiving a clear-to-close approval, the lender will contact the settlement agent to finalize all fees. The lender will prepare and disclose the closing disclosure seven business days prior to consummation. The borrower must be in receipt of the closing disclosure no less than three business days prior to consummation. The closing disclosure will state final closing funds required to complete the transaction.

## **EQUAL CREDIT OPPORTUNITY ACT (ECOA):**

a federal law that requires lenders and other creditors to make credit available without discrimination based on race, color, religion, national origin, age, sex, marital status, receipt of income from public assistance programs or good-faith exercise of rights under the Consumer Credit Protection Act.

## **EQUITY:**

The difference between the fair-market value and the existing liens on the property, sometimes referred to as the owner's interest.

**SETTLEMENT AGENT:** A neutral third-party (also known as a Title or Escrow officer) appointed to act as custodian for documents and funds during the transfer from seller to buyer.

## **FEDERAL HOUSING ADMINISTRATION (FHA):**

U.S. agency that sets standards for underwriting mortgages and insures residential mortgage loans from private lenders. A division of the Department of Housing and Urban Development (HUD).

## **FIXED-RATE MORTGAGE:**

The type of loan where the interest rate will not change for the entire term of the loan.

## **FLOATING RATE:**

A loan rate that has not been "locked" or committed at a particular interest rate. The floating rate and any discount points are not guaranteed and will be based on the market price available for your loan product at the time your rate is locked.

## **GIFT LETTER:**

A letter certifying to the underwriter that funds in the applicant's account are truly a gift and need not be repaid.

## **HAZARD INSURANCE:**

A broad form of casualty insurance coverage for real estate that includes protection against loss from fire, certain natural causes, vandalism and malicious mischief.

## **HOMEOWNERS' ASSOCIATION:**

An organization of homeowners residing within a particular development whose major purpose is to maintain and provide community facilities and services for the common enjoyment of the residents.

## **IMPOUND ACCOUNT:**

A savings account for accumulating that portion of a borrower's monthly payments designated for future payment of taxes and/or insurance. Required by certain lenders or with certain types of financing.

## **INDEX:**

Used by lenders to calculate the interest adjustment of variable loans. Some indices are more volatile than others. This can affect adjustments in your interest rate and, subsequently, your monthly payments.

## **INTEREST RATE CAP:**

A safeguard built into variable rate loans to protect the consumer by limiting the movement in interest rates when adjusted.

## **JOINT TENANCY:**

Joint ownership by two or more persons with right of survivorship; all joint tenants have an equal ownership interest and equal rights to the property.

## **LIABILITIES:**

A general term referring to all types of debts and obligations. The applicant's liabilities include all installment loans, revolving charge accounts, real estate loans, stock pledges, alimony and all other debts or obligations of a continuing nature.

## **LIEN:**

A security claim on property until a debt is satisfied.

**LOAN ESTIMATE:** A form required to be provided by the lender to the consumer within three business days of receipt of an application that provides a precise breakdown of estimated closing costs.

## **LOAN-TO-VALUE (LTV):**

Ratio of the loan to the value of the home.

## **LOAN SERVICER:**

After the loan closes, the loan servicer collects payments. Lenders often release servicing to another organization, so a borrower may not necessarily send mortgage payments to the company that made the initial or original loan.

# GLOSSARY OF TERMS

**MARGIN:**

An amount expressed as a percentage that is added to the index to determine the interest on a variable-rate loan. Different lenders and loan programs may use different margins and indexes. The margin generally does not change once it is established in your loan documents.

**MARKET VALUE:**

The most probable price at which a property will sell in a competitive and open market.

**MORTGAGE INSURANCE:**

Insurance (whether government or private) protects a home loan lender against loss caused by a borrower's default. This insurance may cover a percentage of, or virtually all of, the home loan depending on the type of loan.

**NEGATIVE AMORTIZATION:**

A situation that may occur on variable-rate loans that have a payment cap feature. If your monthly payment is capped, your adjusted payment amount may, at times, be insufficient to pay the actual amount due. The unpaid deferred interest will then be added to your loan balance. This increase in your loan balance is known as negative amortization.

**NON-CONFORMING LOAN:**

A home loan with an amount that exceeds FNMA/FHLMC loan limits (also called a "jumbo" loan).

**NON-RECURRING CLOSING COSTS:**

One-time charges like title fees, points, appraisal fees, document/processing fees and initial PMI premium (may be a gift, paid by seller or borrowed).

**NOTE:**

A written promise by one party to pay a specified sum to a second party under conditions mutually agreed upon.

**PAYMENT ADJUSTMENT:**

For adjustable-rate loans, it is an increase or decrease in the required monthly principal and interest payment according to the terms outlined in the note.

**PAYMENT CAP:**

Payment change limitation. A cap on the amount an adjustable-rate loan can change on any payment date. With a payment cap there may be deferred interest (negative amortization). PITI Principal, interest, taxes and insurance.

**POINTS:**

A fee the consumer pays to an institution at the time of closing a mortgage transaction. 1 point is equal to one percentage point (1%) of the loan amount.

**PREPAID INTEREST:**

Interest paid before it is due. This payment is made at loan closing.

**PREPAYMENT PENALTY:**

A charge that a borrower may be required to pay during the years of a real estate loan if he or she pays it in full or pays large sums to reduce the unpaid balance.

**PRE-QUALIFICATION:**

Informal estimate of how much financing a potential borrower might expect to obtain. Will often include a counseling of loan types and review of creditworthiness.

**PRINCIPAL:**

The amount of debt, exclusive of accrued interest, remaining on a loan.

**MORTGAGE INSURANCE (MI):**

Insurance that guarantees payment of the loan balance not covered by sale of the property in the event of foreclosure to the lender. MI may be required on certain types of loans and will be included as part of your monthly payment.

**RATE LOCK:**

A written agreement guaranteeing the borrower a specified interest rate, provided the loan is closed within a set period of time.

**RECURRING CLOSING COSTS:**

Costs that will be paid again and again, i.e. taxes and insurance (can be a gift)

**RATION Z:**

Federal regulation by the Federal Reserve Board to carry out the purposes of the Truth-in-Lending Act.

**RESCISSION:**

The right of a consumer to cancel (at no cost) a credit transaction where the consumer's current primary residence is used as security for a debt. This right does not apply to a purchase transaction.

**RESERVES:**

The amount of savings, separate from the down payment, that a homebuyer sets aside in case of unforeseen events or emergencies.

**SECOND MORTGAGE:**

A loan secured by a mortgage that is lower in priority than a first mortgage. Commonly used to supplement a first mortgage loan or assumption at the time of purchase or as a way of raising cash for home improvements.

**TITLE INSURANCE:**

A required policy purchased by the buyer of a home ensuring that title will be held free of any liens other than that obtained by the buyer.

**UNDERWRITING:**

The analysis of the risk involved in making a real estate loan to determine whether the risk is acceptable to the lender. Underwriting involves the evaluation of the property as outlined in the appraisal report, assessment of the borrower's ability and their willingness to repay the loan.



# CLIENT TESTIMONIALS

“

*Rick and his amazing team Rachel and Gabby went above and beyond to close my loan for my personal deal. As a realtor I will continue to refer all my clients to them. When another lender couldn't close my loan they were able to close it in two weeks so I didn't lose my earnest money. I am beyond grateful for them.*

*-Betsy*

”

“

*Very professional, caring and knowledgeable about the lending process. Cares about his clients and makes the process smooth. Great Team!!*

*-Jennifer*

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“

*We met Texas Lending through our wonderful realtor Lisa Venegas. It was a pleasure working with Sheri Walls on getting our financing in order for the purchase of our home. Sheri took the time to explain how points work and gave us options so we felt we had a say in our total to closing costs versus interest rate, etc. She also explained the options, risks, and other key points we needed to be aware of. It took us longer than we anticipated to find the right home for us. When we finally found something we liked and our offer was accepted, Sheri did everything to get us to closing in 2 weeks! Appreciate her taking the time to walk us through our closing declaration step by step. Sheri was always available to talk via phone if we had questions and was also accessible via text. With prior lender/brokers it was a leave a voicemail hope to hear back before end of day, which was not the case here. We highly recommend this team and will definitely be using them again in the future! - Elizabeth*

”

“

*My wife and I started met Rick through a builder in Selma, TX but had to put a hold on our project for personal reasons. A few months later we reached back out to Rick and he jumped straight in to action on getting us set up to finance our construction loan. Throughout the construction loan process Rick and his team were always immediately available. On the few instances where they didn't answer, a text came shortly saying they'll reach back out ASAP and they always followed through.*

*As anyone with a home can relate, we needed to be able to trust that getting in to our home matters as much to those helping us get in to it as it does and Rick and team truly give that feel.*

*As always, new construction has its stressful moments but the team at TLP was always available to help answer questions with grace, patience and thoroughness. Rachel was amazing, her communication and prompt action was always impressive and comforting. Thank YOU, to Rick, Rachel and the entire team at TLP for all your help. - Alan*

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# Your

LIFE. STORY. HOME.



Our Website



© 2024 American Pacific Mortgage Corporation. For informational purposes only. No guarantee of accuracy is expressed or implied. Programs shown may not include all options or pricing structures. Rates, terms, programs and underwriting policies subject to change without notice. This is not an offer to extend credit or a commitment to lend. All loans subject to underwriting approval. Some products may not be available in all states and restrictions may apply. Equal Housing Opportunity.

