



MATTHEW A. ALBANO  
REALTOR

# GUIDE TO HOMEOWNERSHIP

EVERYTHING YOU NEED TO KNOW  
ABOUT BUYING A HOME.

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# A SOUND DECISION



DECIDING HOW YOU'LL NAVIGATE YOUR JOURNEY TO HOMEOWNERSHIP IS EQUALLY CRITICAL TO THE AGENT YOU WORK WITH.

AS SOMEONE WHO'S BEEN IN YOUR SPOT BEFORE, I'M FAMILIAR WITH WHAT'S CYCLING THROUGH YOUR MIND, AND AS A REAL ESTATE AGENT, I'VE MASTERED THE INS AND OUTS OF THE BUYING PROCESS. WHEN YOU WORK WITH ME, YOU'LL BENEFIT FROM MY EXPERIENCE, AND TOGETHER WE'LL WORK TOWARD MAKING SOUND, SMART DECISIONS FOR YOUR FUTURE.

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# BUILD YOUR PREFERENCE PROFILE

## THE BASICS

HAVE YOU CONSIDERED WHO MY  
MAIN CONTACT WILL BE?

WHAT TIMELINE WOULD YOU LIKE TO  
STRIVE FOR?

HAVE YOU LOOKED INTO GETTING  
PRE-APPROVED FOR A HOME LOAN?

HAVE YOU THOUGHT ABOUT THE  
PRICE RANGE YOU'D BE  
COMFORTABLE WITH?

IF I FOUND A HOME TODAY THAT  
CHECKED ALL OF YOUR BOXES,  
COULD YOU SEE YOURSELF MAKING A  
MOVE SOONER RATHER THAN LATER?

THE WHAT, THE WHEN,  
THE HOW - LET'S TALK  
ABOUT THE BEST WAY  
TO GET IN TOUCH.

WHAT IS YOUR FAVORITE  
WAY TO RECEIVE  
INFORMATION OR UPDATES?

SELECT ALL THAT  
APPLY

EMAIL

CALL

TEXT

WHAT IS THE BEST TIME  
TO REACH YOU?

SELECT ALL THAT  
APPLY

MORNING

NOON

AFTERNOON

EVENING

ANYTIME

AS UPDATES ARISE, HOW  
OFTEN DO YOU PREFER TO  
BE NOTIFIED?

ASAP

IN A FEW HOURS

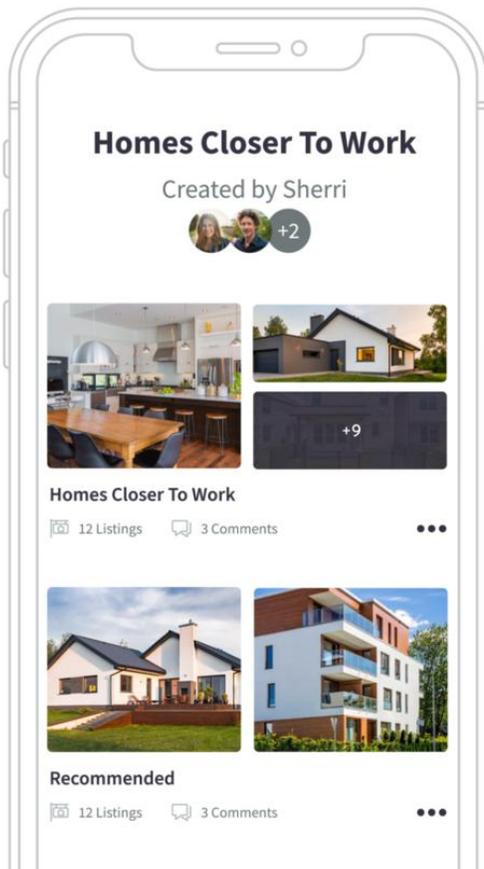
THAT DAY

EVERY FEW DAYS

# CLIENT DELIGHTS. AGENT INSIGHTS.

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# YOUR HOME WISH LIST



## TO BEGIN

- WHO WILL BE LIVING IN THIS HOME? LET'S LIST ADULTS, CHILDREN, AND PETS THAT WILL INHABIT THE SPACE.
- WHAT ARE THE NON-NEGOTIABLES FOR YOUR HOME?
- IF YOU HAD TO NAME YOUR TOP FIVE NON-NEGOTIABLES, WHAT WOULD THEY BE?
- BEYOND YOUR TOP FIVE NEEDS, WHAT IS SOMETHING YOU REALLY WANT?
- DO YOU HAVE A PREFERENCE FOR THE YEAR THE HOUSE WAS BUILT?
- DO YOU WANT A HOUSE IN MOVE-IN CONDITION OR ARE YOU WILLING TO DO SOME WORK ON IT?
- WHEN PEOPLE VISIT YOUR HOME, WHAT DO YOU WANT IT TO SAY ABOUT YOU?
- ARE THERE ANY SPECIFIC FEATURES THAT WOULD MAKE YOUR NEXT HOUSE FEEL INSTANTLY LIKE HOME?
- WILL YOU REQUIRE ACCESSIBILITY OPTIONS?

YOUR PREFERENCES

# YOUR HOME WISH LIST



## EXTERIOR

WHAT TYPE OF HOME ARE YOU LOOKING FOR (E.G., SINGLE-FAMILY, CONDO, TOWN HOUSE, ETC.)?

APPROXIMATELY WHAT SQUARE FOOTAGE WOULD ADEQUATELY COVER YOUR LIVING SPACE?

HOW MANY STORIES DO YOU PREFER?

WHAT LOT SIZE ARE YOU LOOKING FOR?

WHAT ARCHITECTURAL STYLES ARE YOU DRAWN TO?

WHAT TYPE OF EXTERIOR SIDING APPEALS TO YOU?

DO YOU WANT A PORCH, DECK, OR BOTH?

WHAT ARE YOU LOOKING FOR IN TERMS OF A GARAGE [E.G., ATTACHED, CARPORT, ETC.]?

WHAT TYPE OF DRIVEWAY OR VEHICLE ENTRANCE/EXIT WILL YOU REQUIRE?

DO YOU WANT A SWIMMING POOL OR A HOT TUB?

ARE YOU LOOKING FOR ANY STRUCTURES SUCH AS A GREENHOUSE OR SHED?

DO YOU NEED SPECIAL OUTDOOR ARRANGEMENTS FOR PETS? [E.G., A DOG RUN, FENCED-IN YARD, ETC.]

WHAT OTHER EXTERIOR FEATURES ARE IMPORTANT TO YOU?

# YOUR HOME WISH LIST



## INTERIOR

WHAT STYLE DO YOU ENVISION FOR THE INTERIOR OF YOUR HOME? (E.G., FORMAL, CASUAL, COZY, TRADITIONAL, MINIMALIST, MODERN, ETC.)?

WHAT KIND OF FLOOR PLAN DO YOU PREFER (E.G., OPEN VS. WALLS OR DIVIDED LIVING SPACES)?

IN GENERAL, WHAT ARE YOUR PREFERENCES FOR THE INTERIOR?

## BATHROOMS

HOW MANY BATHROOMS DO YOU NEED?

WHAT ARE YOUR NEEDS FOR EACH OF THE BATHROOMS?

WILL ANY BATHROOM NEED TO SERVE A SPECIFIC PURPOSE (POWDER ROOM, SWIMMING POOL ACCESS, FIT FOR SMALL CHILDREN, ACCESSIBILITY SPECIFICATIONS)?

## BEDROOMS

HOW MANY BEDROOMS DO YOU NEED?

HOW WILL EACH OF THOSE ROOMS BE USED?

WHAT ARE YOUR PREFERENCES FOR THE OWNER'S SUITE?

## KITCHEN

WHAT ARE YOUR GENERAL PREFERENCES FOR THE KITCHEN?

WHAT FEATURES MUST YOUR KITCHEN HAVE (E.G., BREAKFAST NOOK, TYPES OF APPLIANCES, ETC.)?

WHAT FINISHES DO YOU LIKE (E.G., COUNTERTOPS, FLOORING, CUPBOARDS, SINK, APPLIANCES, ETC.)?

WILL YOUR KITCHEN NEED TO ACCOMMODATE ANYTHING WITH CUSTOM MEASUREMENTS (BEVERAGE COOLER, ISLAND, FARMHOUSE SINK, BUTCHER BLOCK COUNTERTOP)?

YOUR PREFERENCES

# YOUR HOME WISH LIST



## LIVING ROOM/FAMILY ROOM

WHAT ARE YOUR GENERAL PREFERENCES FOR YOUR LIVING AND FAMILY ROOM(S)?

WHAT SIZE ROOM(S) DO YOU HAVE IN MIND?

DO YOU PREFER YOUR LIVING AND FAMILY ROOM(S) TO BE SEPARATE AND INTENDED FOR

DIFFERENT PURPOSES?

DO YOU WANT A FIREPLACE?

WHAT OTHER LIVING AREAS ARE YOU LOOKING

FOR? (E.G., PLAYROOM FOR CHILDREN, STUDIO, MUD ROOM)

WHAT ELSE DO YOU SEE FOR LIVING AREAS?

## DINING ROOM

WOULD YOU LIKE THE DINING ROOM TO BE PART OF THE KITCHEN CONFIGURATION?

WHAT ABOUT THE LIVING ROOM - HOW SHOULD IT BE SITUATED WITH REGARD TO THE DINING ROOM?

WHAT SIZE DINING ROOM TABLE DO YOU HAVE?

IS THERE OTHER DINING ROOM FURNITURE I SHOULD TAKE INTO ACCOUNT?

# YOUR NEIGHBORHOOD PREFERENCE

WHAT NEIGHBORHOODS OR AREAS  
WOULD YOU ENJOY LIVING IN?

ARE THERE ANY SPECIFIC STREETS OR  
CHARACTERISTICS IN THESE  
NEIGHBORHOODS YOU'RE DRAWN TO?

IF APPLICABLE, WHAT SCHOOL  
DISTRICTS DO YOU PREFER?

WHERE DO YOU WORK?

WHERE ARE YOUR FAVORITE PLACES TO  
SHOP? WHAT OTHER CONVENIENCES  
WOULD YOU LIKE NEARBY?

WHAT DO YOU LIKE TO DO FOR FUN? ARE  
THERE ANY RECREATIONAL FACILITIES THAT  
YOU ENJOY?

ANY OTHER CONSIDERATIONS I SHOULD BE  
AWARE OF AS WE FIND YOUR IDEAL  
NEIGHBORHOOD?



YOUR PREFERENCES

# GETTING TO KNOW THE NEIGHBORHOOD



**YOUR NEIGHBORHOOD IS AN EXTENSION OF YOUR HOME. NEIGHBORS, SURROUNDINGS, AND ACCESS TO EVERYDAY THINGS CAN AND SHOULD FACTOR INTO YOUR DECISION.**

**BASED ON WHAT YOU'VE SHARED SO FAR, I PULLED REAL-TIME STATS AND INSIGHTS TO COMPARE A FEW AREAS. ONCE WE NARROW DOWN THE NEIGHBORHOODS YOU'RE MOST INTERESTED IN, I'LL SEND YOU INFORMATION ON HOMES THAT LOOK LIKE A GOOD FIT.**

# HOW BUYING A HOME WORKS

## 1. PARTNER WITH AN AGENT

- ABSORB THEIR LOCAL INSIGHT
- GET TO KNOW NEIGHBORHOOD INVENTORY LEVELS
- SEE WHAT'S ABOUT TO HIT THE MARKET
- GAIN ACCESS TO OFF-MARKET PROPERTIES
- REVIEW MARKET AVERAGES
- COMPLETE NEEDS ASSESSMENT

## 2. GET PRE-APPROVED FOR A LOAN

- UNDERSTAND WHAT YOU CAN AFFORD
- DETERMINE YOUR MONTHLY MORTGAGE PAYMENT
- UNDERSTAND YOUR DEBT RATIO
- PREPARE FOR ESCROW
- OBTAIN A PRE-APPROVAL LETTER

## 3. FIND YOUR NEW HOME

- COMPARE HOME AND NEIGHBORHOOD AVERAGES, THEN NARROW DOWN THE NEIGHBORHOODS YOU WANT TO LIVE IN
- FAVORITE HOMES AND SAVE THEM TO COLLECTIONS
- NIX HOMES THAT DON'T MEET THE MARK
- SCHEDULE HOME TOURS AND PLAN AN ITINERARY WITH YOUR AGENT
- DECIDE ON YOUR DREAM HOME

## 4. MAKE YOUR OFFER AND NEGOTIATE THE TERMS

- REVIEW CONTRACT TERMS AND TIME LIMIT FOR OFFER
- NEGOTIATE PURCHASE PRICE
- CHOOSE A TITLE COMPANY
- SHOP HOME INSURANCE OPTIONS
- PREPARE FOR DOWN PAYMENT, EARNEST MONEY
- CHOOSE A TARGET CLOSING DATE
- SIGN THE OFFER
- DELIVER ESCROW CHECK
- STAY IN CLOSE CONTACT WITH YOUR AGENT

# HOW BUYING A HOME WORKS

## 5. UNDER CONTRACT

- SECURE A HOME LOAN\*MORE DETAILS TO FOLLOW
- ACQUIRE HOME INSURANCE AND SEND PROOF TO YOUR LENDER. KELLER COVERED STREAMLINES FINDING THE BEST INSURANCE TO FIT YOUR NEEDS.
- REQUEST A LIST OF WHAT CONVEYS WITH THE PROPERTY
- SCHEDULE HOME INSPECTION AND NEGOTIATE REPAIRS
- ORDER AN APPRAISAL
- ACQUIRE A PROPERTY DISCLOSURE FROM THE SELLER
- NEUTRALIZE ANY CONTINGENC[RESPUT ANY CONTINGENCIES THAT MAY BE SPECIFIC TO YOUR AREA]
- CONDUCT A TITLE SEARCH
- CHOOSE YOUR TITLE COMPANY
- SCHEDULE YOUR CLOSING
- SOLIDIFY BOTH CONTRACT EFFECTIVE DATE AND ALLOWABLE MOVE-IN DATES
- CERTIFY FUNDS FOR CLOSING
- STAY IN CLOSE CONTACT WITH YOUR AGENT, LENDER, AND TITLE COMPANY

## 6. BEFORE YOU CLOSE

- TRANSFER FUNDS FOR CLOSING
- RESERVE A MOVING COMPANY AND SET A MOVING DATE
- CHANGE YOUR ADDRESS THROUGH USPS, YOUR BANK, AND OTHER INSTANCES
- SET UP YOUR UTILITIES TO BE ACTIVATED OR TRANSFERRED

- CONFIRM THAT ALL CONTINGENCIES ARE RESOLVED
- SCHEDULE THE FINAL PROPERTY WALK-THROUGH
- DESIGNATE A SAFE, DEDICATED SPACE TO SAVE YOUR FINAL PAPERWORK
- STAY IN CLOSE CONTACT WITH YOUR AGENT, LENDER, AND TITLE COMPANY

## 7. CLOSING DAY: WHAT TO BRING

- CONNECT WITH YOUR LENDER TO WIRE DOWN PAYMENT FUNDS. YOU'LL NEED TO COVER THE COST OF CLOSING AND THE DOWN PAYMENT. BRING A PRINTED CONFIRMATION OF YOUR WIRE TRANSFER
- GOVERNMENT-ISSUED PHOTO ID(S)
- SOCIAL SECURITY NUMBERS
- HOME ADDRESSES FROM THE LAST 10 YEARS
- PROOF OF HOMEOWNER'S INSURANCE
- YOUR COPY OF THE CONTRACT
- YOUR CHECKBOOK

## 8. CLOSING DAY

- SIGN CLOSING DISCLOSURE, PROMISSORY NOTE, AND ALL OTHER DOCUMENTATION
- TITLE TRANSFER
- DEED DELIVERY
- SAVE YOUR PAPERWORK IN YOUR PRE-DESIGNATED SPOT
- GET YOUR KEYS - CONGRATS, IT'S ALL YOURS!

# FINANCING YOUR FUTURE HOME

## HOME LOANS AT A GLANCE

- GET PRE-APPROVED FOR YOUR LOAN
- APPLY FOR A MORTGAGE
- GET YOUR HOME APPRAISED
- YOUR LOAN GOES THROUGH UNDERWRITING
- YOU'RE CLEARED TO CLOSE!

## HAVE-ON-HAND

- A MONTH'S WORTH OF YOUR MOST RECENT PAY STUBS
- COPIES OF YOUR LAST TWO YEARS' FEDERAL TAX RETURNS AND W-2S
- THE NAMES AND ADDRESSES OF YOUR EMPLOYERS OVER THE LAST TWO YEARS, COMPILED INTO ONE LIST
- LAST THREE MONTHS OF BANK STATEMENTS
- A COPY OF YOUR REAL ESTATE AGREEMENT
- THE NAMES AND ADDRESSES OF YOUR LANDLORDS OVER THE PAST TWO YEARS
- DIVORCE/SEPARATION DECREE
- CHILD SUPPORT PAPERS
- BANKRUPTCY, DISCHARGE OF BANKRUPTCY PAPERS

CONGRATS!  
YOU'RE  
APPROVED  
FOR A LOAN!

FOLLOW THESE TIPS TO  
PROTECT YOUR LOAN.

### DO:

- ✓ NOTIFY YOUR LENDER OF ANY ADDRESS CHANGE, WHETHER IT'S YOUR HOME ADDRESS OR ANOTHER LISTED ON YOUR APPLICATION
- ✓ NOTIFY YOUR LENDER OF ANY SALARY OR WAGE CHANGES
- ✓ BE PREPARED TO PROVIDE PROOF OF SIGNIFICANT BANK DEPOSITS
- ✓ ACQUIRE HOMEOWNER'S INSURANCE IMMEDIATELY AFTER GOING UNDER CONTRACT
- ✓ KEEP ALL FORMS OF DEBT PAID AND IN CHECK

### DO NOT:

- ✗ MAKE LARGE PURCHASES USING EXISTING CREDIT WITHOUT FIRST TALKING TO YOUR LENDER
- ✗ APPLY FOR OR ACQUIRE ANY ADDITIONAL LINES OF CREDIT
- ✗ PAY OFF, TRANSFER, OR CLOSE CREDIT BALANCES UNLESS YOUR LENDER INSTRUCTS YOU TO DO SO
- ✗ CHANGE JOBS WITHOUT FIRST TALKING TO YOUR LENDER
- ✗ CO-SIGN FOR ANOTHER PERSON SEEKING TO OBTAIN A LINE OF CREDIT OR TO MAKE A PURCHASE
- ✗ PAY OFF COLLECTIONS BEFORE CONFERRING WITH YOUR LENDER

# YOUR TRUSTED PARTNER



FROM THE DAY YOU PARTNER WITH ME, AND EVEN PAST THE DAY YOU STEP FOOT IN YOUR NEW HOME, CONSIDER ME YOUR DEDICATED REAL ESTATE ADVISER. WHATEVER YOU NEED, I HAVE THE RESOURCES AND EXPERTISE TO GUIDE YOUR DECISIONS. THROUGHOUT YOUR TRANSACTION, YOU CAN COME TO ME FOR BOTH THE LITTLE THINGS AND THE IMPORTANT STEPS, LIKE COMPREHENSIVE HOME INSURANCE AND COMPETITIVE FINANCING – I HAVE THE INSIDE EDGE ON BOTH. AFTER YOUR PURCHASE, ASK ME TO RECOMMEND FULLY-VETTED SERVICE SPECIALISTS OR ABOUT HOW YOU CAN CARE FOR YOUR HOME. FURTHER DOWN THE ROAD, SHOULD YOU EVER WANT TO SELL, I'LL BE YOUR TRUSTED POINT PERSON. YOU'LL ALWAYS HAVE MY NUMBER, AND I'LL ALWAYS BE READY TO SPRING INTO ACTION; JUST SAY THE WORD!

# A PROMISE TO YOU



TO CONSISTENTLY AND CLEARLY COMMUNICATE WITH YOU IN THE MANNER AND FREQUENCY THAT YOU PREFER

TO TREAT YOU AND YOUR FAMILY WITH STRAIGHTFORWARDNESS, INTEGRITY, AND RESPECT AT ALL TIMES

TO ANSWER YOUR QUESTIONS, EASE YOUR CONCERNS, REDUCE YOUR STRESS, AND EXPERTLY HANDLE THE ENTIRE REAL ESTATE TRANSACTION

TO HOLD MYSELF ACCOUNTABLE TO FINDING THE PERFECT HOME FOR YOU - AFTER ALL, THAT IS WHAT MY BUSINESS IS BUILT ON

TO SERVE THE COMMUNITY AS A LEADER IN THE REAL ESTATE INDUSTRY AND AS A FRIEND AND NEIGHBOR

TO ALWAYS DO THE RIGHT THING, EVEN IF IT ISN'T WHAT IS EASIEST

TO TAKE CARE OF YOUR NEEDS AT THE HIGHEST LEVEL THROUGH UNPARALLELED PROFESSIONALISM AND ATTENTION TO DETAIL. NO REQUEST IS TOO SMALL

TO SERVE AS A TRUSTED LOCAL EXPERT AND ADVISER BY YOUR SIDE

# THE BOTTOM LINE



REAL ESTATE IS COMPLICATED.

THAT'S WHERE I COME IN.

AT THE CLOSING TABLE, MY GOAL IS FOR YOU TO FEEL THAT THE PURCHASE OF YOUR HOME EXCEEDED ALL OF YOUR EXPECTATIONS, SO THROUGHOUT OUR INTERACTIONS – FROM SEARCH TO CLOSE – I'LL WORK HARD TO ACHIEVE THAT GOAL.

WHEN YOU CHOOSE ME AS YOUR PARTNER, YOU ARE NOT JUST GETTING A TRUSTED, RESPECTED AGENT – YOU ARE GETTING A LOCAL EXPERT WHO IS PASSIONATE ABOUT SERVING OUR COMMUNITY AND THOSE WHO CALL IT HOME.

LET'S GET STARTED.

# COMMONLY USED TERMS

## **ANNUAL HOUSEHOLD INCOME**

COLLECTIVE INCOME FROM EVERYONE IN YOUR HOUSEHOLD BEFORE TAXES OR OTHER DEDUCTIONS ARE TAKEN, INVESTMENT INCOME OR DIVIDENDS, SOCIAL SECURITY BENEFITS, ALIMONY, AND RETIREMENT FUND WITHDRAWALS.

## **APR**

APR REFERS TO THE ANNUAL PERCENTAGE RATE, WHICH IS THE INTEREST RATE YOU'LL PAY EXPRESSED AS A YEARLY RATE AVERAGED OVER THE FULL TERM OF THE LOAN. APR INCLUDES LENDER FEES IN THE RATE, SO IT'S USUALLY HIGHER THAN YOUR MORTGAGE INTEREST RATE.

## **APPRAISAL**

A WRITTEN JUSTIFICATION OF THE PRICE PAID FOR A PROPERTY, PRIMARILY BASED ON AN ANALYSIS OF COMPARABLE SALES OF SIMILAR HOMES NEARBY.

## **APPRAISED VALUE**

AN OPINION OF A PROPERTY'S FAIR MARKET VALUE, BASED ON AN APPRAISER'S KNOWLEDGE, EXPERIENCE, AND ANALYSIS OF THE PROPERTY. SINCE AN APPRAISAL IS BASED PRIMARILY ON COMPARABLE SALES, AND THE MOST RECENT SALE IS THE ONE ON THE PROPERTY IN QUESTION, THE APPRAISAL USUALLY COMES OUT AT THE PURCHASE PRICE.

## **CLOSING COSTS**

GENERALLY 2 TO 6 PERCENT OF THE PURCHASE PRICE INCLUDE LENDER FEES, RECORDING FEES, TRANSFER TAXES, THIRD-PARTY FEES SUCH AS TITLE INSURANCE, AND PREPAIDS AND ESCROWS SUCH AS HOMEOWNER'S INSURANCE, PROPERTY TAXES, AND HOA FEES.

## **CLOSING DISCLOSURE**

A DOCUMENT THAT PROVIDES AN ITEMIZED LISTING OF THE FUNDS THAT WERE PAID OR DISBURSED AT CLOSING.

## **DEED**

THE LEGAL DOCUMENT CONVEYING TITLE TO A PROPERTY

## **DOWN PAYMENT**

A CASH PAYMENT OF A PERCENTAGE OF THE SALES PRICE OF THE HOME THAT BUYERS PAY AT CLOSING. DIFFERENT LENDERS AND LOAN PROGRAMS REQUIRE VARIOUS DOWN PAYMENT AMOUNTS SUCH AS 3 PERCENT, 5 PERCENT, OR 20 PERCENT OF THE PURCHASE PRICE.

## **EARNEST MONEY DEPOSIT**

ALSO KNOWN AS AN ESCROW DEPOSIT, EARNEST MONEY IS A DOLLAR AMOUNT BUYERS PUT INTO AN ESCROW ACCOUNT AFTER A SELLER ACCEPTS THEIR OFFER. BUYERS DO THIS TO SHOW THE SELLER THAT THEY'RE ENTERING A REAL ESTATE TRANSACTION IN GOOD FAITH.

## **ENCUMBRANCE**

ANYTHING THAT AFFECTS OR LIMITS THE FREE SIMPLE TITLE TO A PROPERTY, SUCH AS MORTGAGES, LEASES, EASEMENTS, OR RESTRICTIONS

## **EQUITY**

A HOMEOWNER'S FINANCIAL INTEREST IN A PROPERTY. EQUITY IS THE DIFFERENCE BETWEEN THE FAIR MARKET VALUE OF THE PROPERTY AND THE AMOUNT STILL OWED ON ITS MORTGAGE AND OTHER LIENS.

## **ESCROW**

PUTTING SOMETHING OF VALUE, LIKE A DEED OR MONEY, IN THE CUSTODY OF A NEUTRAL THIRD PARTY UNTIL CERTAIN CONDITIONS ARE MET.

## GLOSSARY

### HOMEOWNERS ASSOCIATION FEE (HOA)

A FEE REQUIRED WHEN YOU BUY A HOME LOCATED WITHIN A COMMUNITY WITH AN HOA THAT TYPICALLY PAYS FOR MAINTENANCE AND IMPROVEMENTS OF COMMON AREAS AND MAY INCLUDE THE USE OF AMENITIES.

### HOMEOWNER'S INSURANCE

INSURANCE THAT PROVIDES YOU WITH PROPERTY AND LIABILITY PROTECTION FOR YOUR PROPERTY AND FAMILY FROM DAMAGES FROM A NATURAL DISASTER OR ACCIDENT. LENDERS USUALLY REQUIRE BORROWERS TO BUY HOMEOWNER'S INSURANCE.

### HOME WARRANTY

A CONTRACT BETWEEN A HOMEOWNER AND A HOME WARRANTY COMPANY THAT PROVIDES FOR DISCOUNTED REPAIR AND REPLACEMENT SERVICE ON A HOME'S MAJOR COMPONENTS, SUCH AS THE FURNACE, AIR CONDITIONING, PLUMBING, AND ELECTRICAL SYSTEMS.

### LENDER FEES

PART OF THE CLOSING COSTS OF A HOME PURCHASE AND MAY INCLUDE AN APPLICATION FEE, ATTORNEY FEES, AND RECORDING FEES. THE LENDER'S UNDERWRITING OR ORIGINATION FEE IS USUALLY 1 PERCENT OF THE LOAN AMOUNT.

### LOAN TYPES

MORTGAGES HAVE DIFFERENT TERMS RANGING FROM 10 TO 30 YEARS AND ARE AVAILABLE WITH FIXED OR ADJUSTABLE INTEREST RATES. YOUR LENDER CAN DISCUSS DOWN PAYMENT, INSURANCE, CREDIT REQUIREMENTS, AND OTHER SPECIFICS OF VARIOUS LOAN TYPES.

### MONTHLY DEBT

THE MINIMUM PAYMENT ON CREDIT CARD DEBT; AUTO, STUDENT, AND PERSONAL LOAN PAYMENTS; AND ALIMONY OR CHILD SUPPORT. RENT OR MORTGAGE FOR A PROPERTY THAT YOU WILL PAY AFTER YOUR HOME PURCHASE MUST ALSO BE INCLUDED.

### MORTGAGE

A LOAN FROM A BANK, CREDIT UNION, OR OTHER FINANCIAL INSTITUTION THAT RELIES ON REAL ESTATE FOR COLLATERAL. THE BANK PROVIDES MONEY TO BUY THE PROPERTY, AND THE BORROWER AGREES TO MONTHLY PAYMENTS UNTIL THE LOAN IS FULLY REPAYED.

### MORTGAGE INSURANCE

INSURANCE THAT PROTECTS THE LENDER AND REPAYS PART OF THE LOAN IF THE BORROWER DEFAULTS AND THE LOAN CAN'T BE FULLY REPAYED BY A FORECLOSURE SALE. USUALLY REQUIRED ON LOANS WITH LESS THAN A 20 PERCENT DOWN PAYMENT.

### PROPERTY TAXES

TYPICALLY IMPOSED BY LOCAL GOVERNMENTS ON REAL PROPERTY INCLUDING RESIDENTIAL REAL ESTATE. THE TAX RATE CAN CHANGE ANNUALLY, AND THE ASSESSED VALUE OF YOUR PROPERTY IS USUALLY RECALCULATED ANNUALLY.

### PREPAIDS

PREPAIDS ARE EXPENSES PAID AT THE CLOSING FOR BILLS THAT ARE NOT TECHNICALLY DUE YET, SUCH AS PROPERTY TAXES, HOMEOWNER'S INSURANCE, MORTGAGE INSURANCE, AND HOA FEES.

### THIRD-PARTY FEES

ANY CLOSING COSTS CHARGED BY SOMEONE OTHER THAN YOUR LENDER, TYPICALLY INCLUDING FEES FOR AN APPRAISAL, A PROPERTY SURVEY, A TITLE SEARCH, OWNER'S AND LENDER'S TITLE INSURANCE, AND SOMETIMES AN ATTORNEY.



