

Let us help you assess your readiness for home ownership – are you six months or two years away from buying a home. Our Mortgage Makeover will help you prepare financially for home ownership and provide you the guidelines to secure the best financing you are able to buy your first home.

Where do you stand in the home buying process?



On average the home buying process takes 45 days.

Step One **Step Five Step Seven** REVIEW YOUR FINANCES HOME INSPECTIONS \checkmark FINAL WALK THROUGH Begin by determining how much you Make sure final acceptance is predicated on Verify that all items you have can afford. Strengthen your credit. suitable home and radon inspections. contracted to buy are there, and items Analyze your current expenses vou have not contracted to buy have and budget. Do you have savings been removed and that the house has available for a down payment? not been damaged in the process. **Step Three** SHOP FOR YOUR HOME 🊒 Almost 80% of all home searches today begin on the Internet, but you should also find a good real estate agent to represent you in the search and negotiation process. 05 08 02 **Step Four** GET PRE-APPROVED **▼** SUBMIT AN OFFER 🔀 Pre-approval for a loan lets you know **CLOSING** Most importantly: make sure you have locked how much you can borrow based on down your financing before you submit an offer. Then, WELCOME HOME! your income and existing debt. It also look at comparable property when you make your bid. lets sellers know you are a serious What did other homes in the neighborhood start off as buyer and you can comfortably make ("asking price"), and what did they sell at? Also add

MORTGAGE COMMITMENT

The loan commitment shows that the lender agrees to provide a loan to you, provided certain conditions are met.

how much you can expect to pay in closing costs.

an offer knowing you won't have to

Step Two

rush to secure financing.

DURING THE HOME BUYING PROCESS do not open any new lines of credit without consulting with your mortgage lender.

Know Your Score

Why should you care about your credit score? Your credit score can be used by:

- lenders (in figuring out how much interest and/or closing costs you'll pay)
- insurance providers (to determine your rate)
- landlords (to assess your ability to pay your rent)
- employers (to aid in determining personal integrity and responsibility)

As you can see, your credit score affects several aspects of your life. The lower your score, the higher the likelihood you'll pay more for credit and other services, or be denied credit until your score improves.

Over 200 factors of a credit report may be taken into account when calculating a credit score. There are three major credit reporting bureaus—Equifax, Experian and TransUnion—that determine consumers' credit scores. Each model may weigh credit factors differently, therefore no scoring model is identical. Financial institutions choose the bureaus and scoring models they use. No matter which credit bureau or credit scoring model is used, the following credit ranges remain consistent:

RATING	CREDIT POINT RANGE
Excellent	781-850
Good	661-780
Fair	601-660
Unfavorable	501-600
Deficient	Below 500

Your Creat	Lacore	
Beginning Credit Score:		Date:
To IMPROVE YOUR S		
Score Check-Up:	Focus On:	Date:
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Score Check-Up:	Focus On:	Date:

Don't wait until a few weeks before you apply—start as soon as you can to help you have a clean credit record and boost your chances of getting approved for the best possible interest rate you can at that time. It also will make your mortgage payment so much easier to live with.

Know the factors that affect your credit score and take steps to improve it, if necessary.



Your Monthly Budget

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MONTHLY NET SPEND	DABLE INCOME	\$
EXPENSES HOUSING EXPENSES		MONTHLY PAYMENT
Rent or Mortgage:		\$
Utilities:		\$
Gas: \$	Water: \$	Energy: \$
Cable: Ś	Phone: \$	Internet: \$
	·	·
Insurance (set aside for	annual expenses)	\$
Repairs -		\$
Taxes		\$ \$
TOTAL		\$
CAR EXPENSES		
Loan Payment(s)		\$
Gas		\$ \$ \$
Insurance (set aside for	annual expenses)	\$
Maintenance/Repairs	(set aside for unexpected expenses)	\$
TOTAL		\$
DEBTS		
Other Loan	Total Balance:	\$
Other Loan	Total Balance:	\$
Other Loan	Total Balance:	\$
Credit Card Debt	Total Balance:	\$
Credit Card Debt	Total Balance:	\$
Student Loan Debt	Total Balance:	\$
TOTAL		\$
MICCELLANICOLIC		
MISCELLANEOUS Cell Phone		\$ \$ \$ \$ \$
	ings/Charitable	\$
Church Tithes & Offer	ings/Chantable	\$
Groceries Meals Out		\$
		\$
Childcare		
School Tuition/Supplie		\$
Medical Bills and CoPa		\$
Pet Supplies & Vet Exa		\$
Entertainment Video Rentals		\$
Club Dues (fitness, Homeowner's Assoc., etc.)		\$
Newspaper, Magazine	s, subscriptions	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Clothing		\$
Haircuts Cife		\$
Gifts		\$
Cash Othor	\$	
Other		\$
TOTAL		
MONTHLY EXPENSE T	OTALS	\$
HOUSING	\$	
CAR	\$ \$ \$ \$	
DEBTS	\$	
MISCELLANEOUS	\$	
TOTAL EXPENSES	\$	

Take steps NOW—before shopping for a mortgage—to get control of your other debt. Analyze your current expenses and budget and determine how much you can afford, based on your spending plan and in addition to your comfort level.

Identify spending leaks and your lifestyle. Keep track of extras that don't fall into your Monthly Budget in the chart below. Is there something you can cut out or cut back on?

	buok on.				
Loc	k for Le	aks			
	\$	\$			
7	\$	\$			
Week 1	\$	\$			
2	\$	\$			
	\$	\$			
	\$	\$			
8	\$	\$			
Week 2	\$	\$			
Ż	\$	\$			
	\$	\$			
	\$	\$			
က	\$	\$			
Week 3	\$	\$			
Ż	\$	\$			
	\$	\$			
	\$	\$			
4	\$	\$			
Week 4	\$	\$			
Ž	\$	\$			
	\$	\$			
	TOTAL LEAKS				



Saving for a Down Payment

When you're considering buying a home, the amount of your down payment plays an important role. A down payment is a percentage of your home's purchase price that you pay up front when you close your home loan. Not only will it affect how much you'll need to borrow, it can also influence:

- Whether your lender will require you to pay for private mortgage insurance (often referred to as "PMI"). This typically happens if you put down less than 20% of the home's purchase price.
- What type of loan is best suited to you, such as a fixed-rate or adjustable-rate mortgage.
- Your interest rate. Because your down payment represents your investment in the home, your lender will often offer you a lower rate if you can make a higher down payment.

So how much will you need? That depends on the purchase price of your home and your loan program. Different loan programs require different percentages, usually ranging from 3% to 20%.

Most people finance the majority of their home with a mortgage. Knowing how much you should save for a down payment can be challenging, but there can be several benefits to waiting until you have 20% or more.

- Reduced mortgage payments
- Lower interest rate
- No mortgage insurance fees

When you begin planning for the purchase of a home there are many possible sources for the funds you will need for a down payment. Typically the down payment will come from a source of cash savings, but there are other options available, such as borrowing from a retirement plan or down payment assistance programs. Use the graphic to the right for ideas to jump start your down payment savings and record your plan below.

Your Savings Plan

Date	Source	Amount Saved	Total
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		TOTAL	\$
	•		

GOAL \$



