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Today's agenda

- **Getting ready to buy a home**
- **Buying your home**
- **Getting your mortgage**
- **Closing your home loan**
- **Being a successful homeowner**





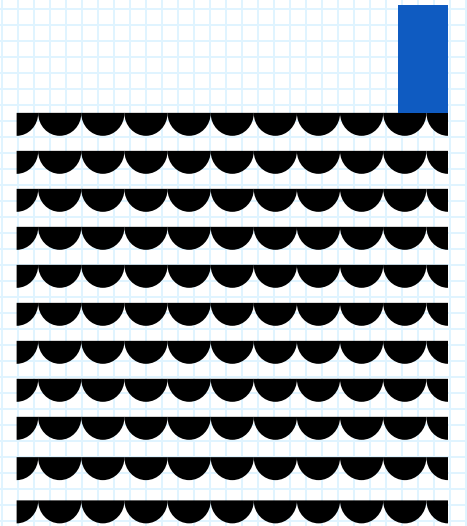
Chapter 1

Getting ready to buy a home

Credit

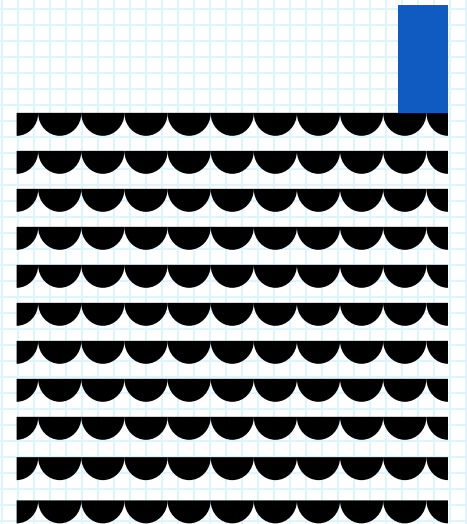
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- What is credit?
- How do you establish good credit?
- How to improve your credit
- Check your credit reports once a year



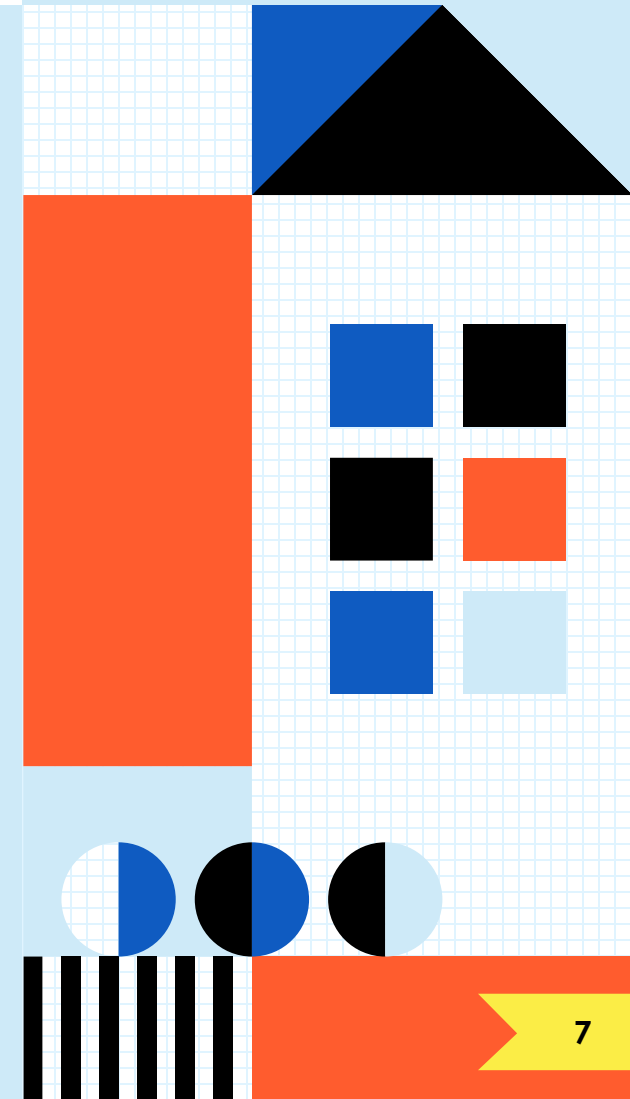
Saving and budgeting

- **Sticking to a budget doesn't have to hurt**
- **Identify your expenses**
- **Put it in writing**
- **Make simple, logical changes**



Prequalifying for a mortgage

- **Helps you know what you can afford**
 - Purchase price of home
 - Monthly mortgage payment
 - How much you'll need for a down payment
- **Documents you may need to provide:**
 - Tax returns and W-2s
 - Employment history
 - Paycheck stubs
 - Statements from savings & checking accounts



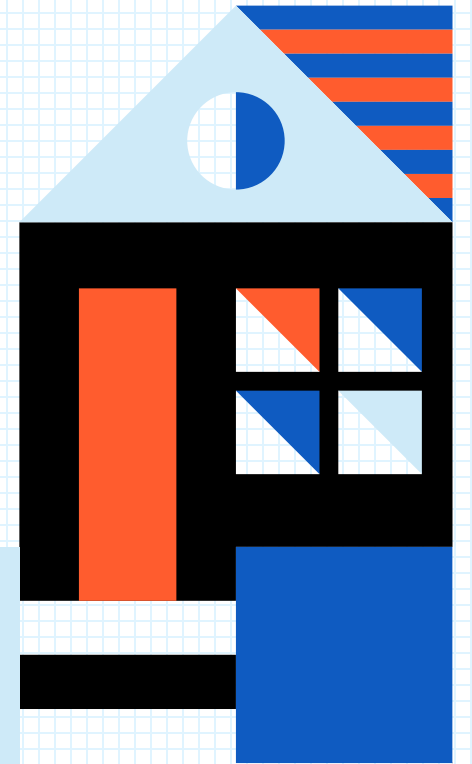


Chapter 2

Buying your home

What to look for in a home

- **Must-haves vs. nice-to-haves**
- **What to consider**
 - Location and neighborhood
 - Taxes
 - Age of home
 - Utilities
 - Condition & maintenance concerns
 - Size & space



Who helps you buy a home?

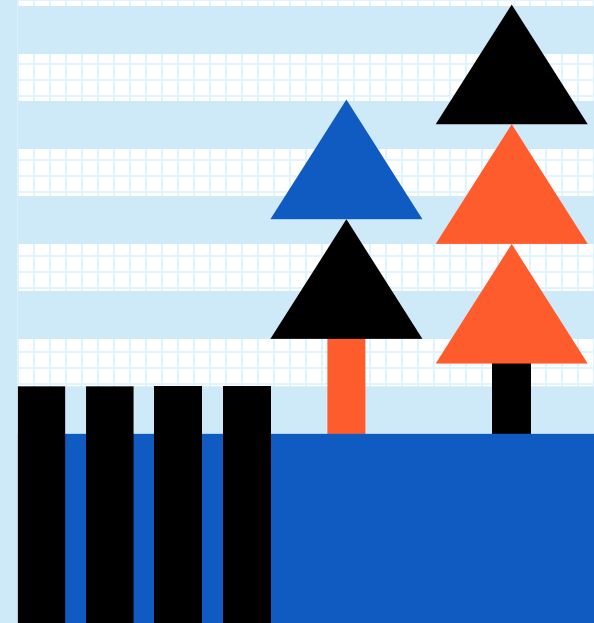
- **Real estate agent**
 - Buyer's agent vs. seller's agent
 - Be clear on your expectations and criteria
- **Loan officer**

Making an offer

- What influences the amount of your offer?
- Contingencies
- Counteroffers

Home inspections

- Takes about 2-3 hours
- Your offer should include a home inspection contingency
- Negotiating tool
- Seller's condition report
- Also helps you understand the home



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Expenses during the mortgage process

Prior to close

- Earnest money
- Home inspection
- Application fee
- Appraisal fee

At closing

- Closing costs
- 1 year of homeowners insurance
- Escrow



Chapter 3

Getting your mortgage



Your monthly mortgage payment

Principal

The portion of the payment that is used to reduce the loan balance

Interest

The portion of the payment used to pay interest that is due

Taxes

Usually one-twelfth of the annual property tax bill

Insurance

Usually one-twelfth of the annual mortgage and homeowners insurance bills

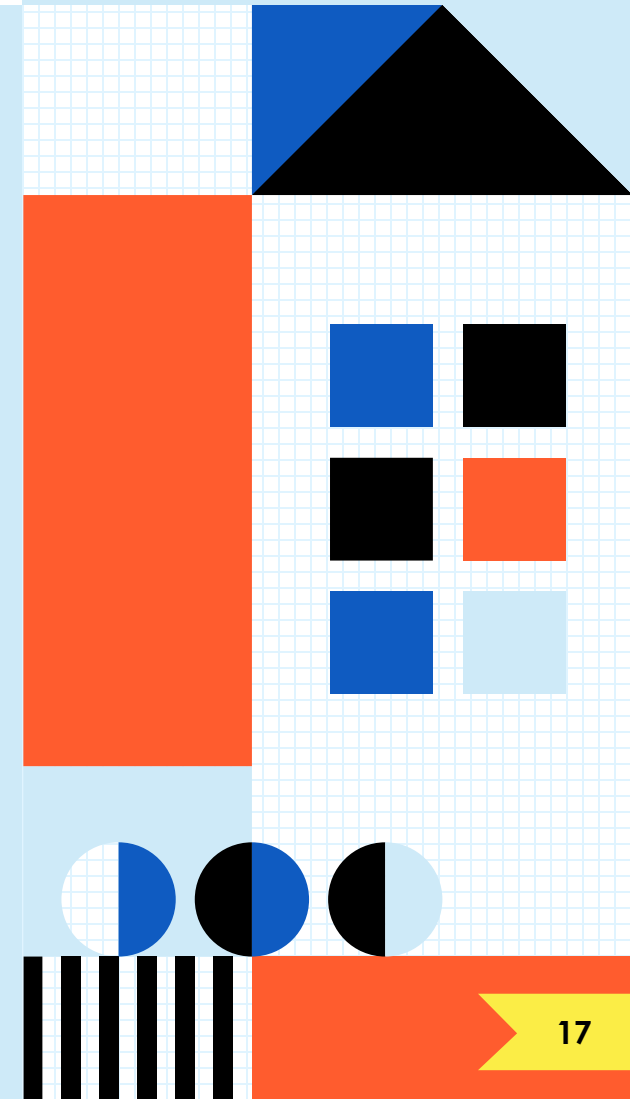
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Types of mortgages and home loans

- **Fixed-rate**
 - Most popular type
- **Nonfixed-rate**
 - Also known as adjustable-rate mortgages (ARMs)
 - Make sure you fully understand the term

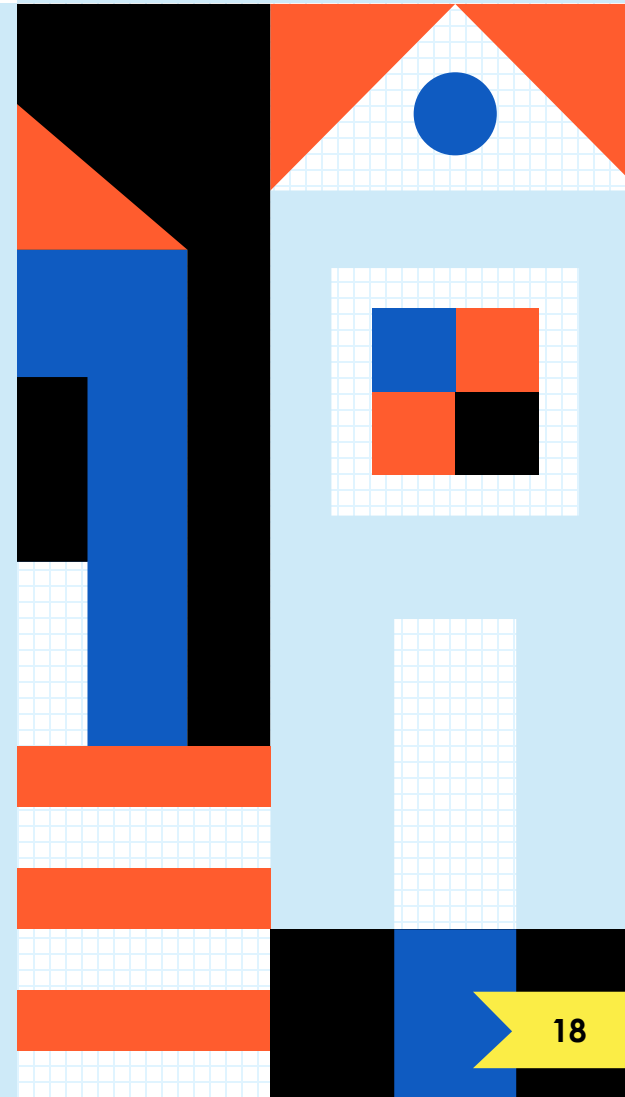
Down payment options

- Initial investment in your home
- Minimum usually 3-5%
- If you put less than 20% down, loan options include:
 - VA (Veterans Administration)
 - FHA (Federal Housing Administration)
 - Conventional with private mortgage insurance (PMI)



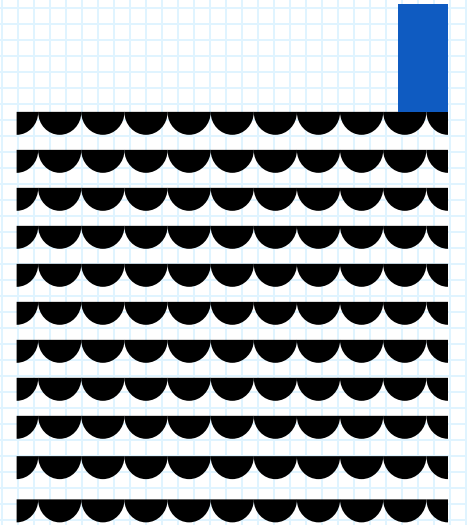
Private mortgage insurance

- **Not the same as homeowners insurance**
- **PMI can help you:**
 - Buy a home sooner
 - Increase your buying options
 - Reserve funds
- **PMI may be cancelled**



Homebuyer rights

- Fair Housing Act
- Predatory Mortgage Lending



Mortgage application

- **Documents you may need to provide:**
 - Tax returns and W-2s
 - Employment history
 - Paycheck stubs
 - Statements from savings & checking accounts

Mortgage application

- Documents lender provides to you:
 - Loan Estimate
 - Commitment Letter

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Processing and underwriting

- Loan is reviewed by processor
- Loan sent to underwriter for approval

At either stage, you might need to provide additional info.

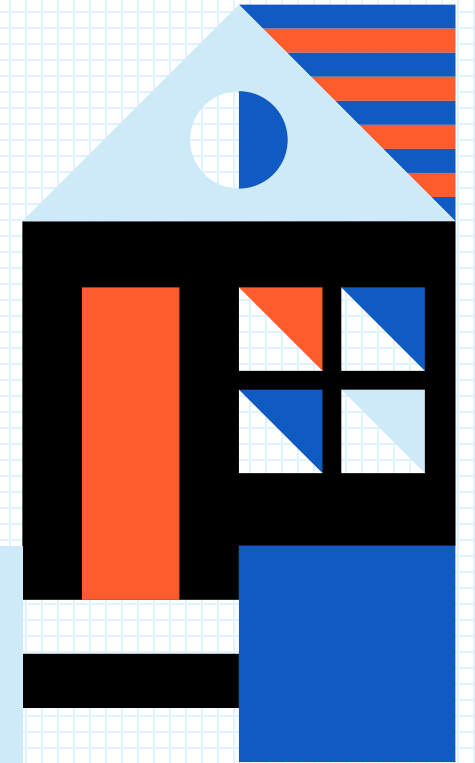


Chapter 4

Closing your home loan

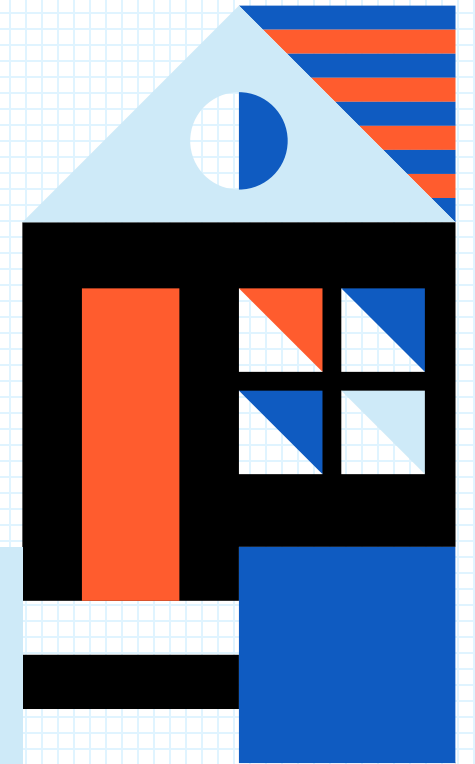
Preparing for closing

- **What to bring:**
 - Proof of homeowners insurance
 - Certified check for down payment and closing costs
- **Review your Closing Disclosure carefully**



During closing

- **Closing officer will review and have you sign:**
 - Mortgage Note
 - Mortgage related documents
 - Closing Disclosure
- **Closing officer will go over costs and distribute checks**
- **You'll get your keys!**



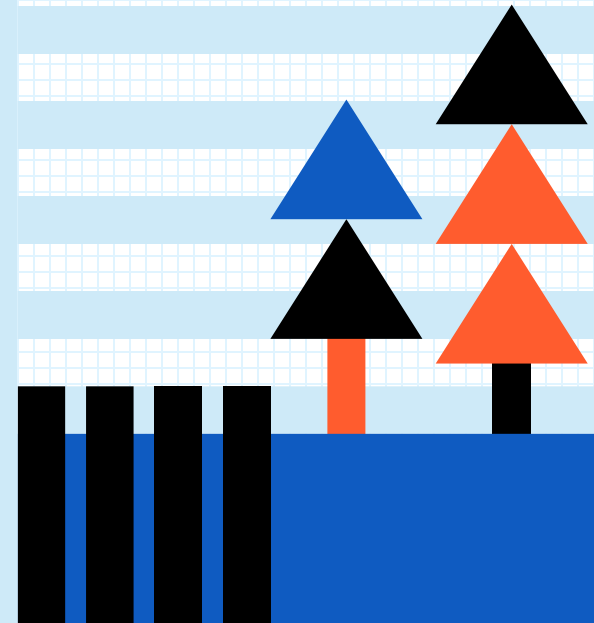


Chapter 5

Being a successful homeowner

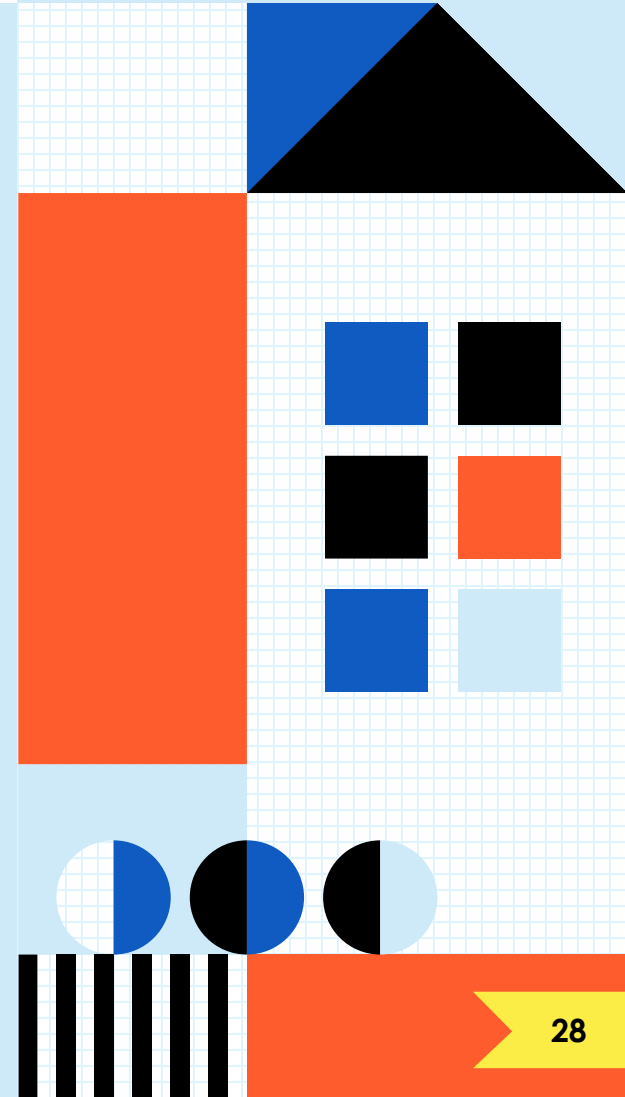
Maintaining your home

- **You're responsible for:**
 - Lawn and garden
 - Snow removal
 - Pest control
 - Routine maintenance
- **You may need to purchase:**
 - Outdoor equipment
 - Power tools
 - Appliances
 - Furniture, paint or window treatments



Financial responsibility

- Budget for more than your mortgage
- Expect the unexpected
- Establish a reserve



Enjoy your home!