HOMEBUYER'S BOOKLET

UMortgage®

NMLS 1457759

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YOUR MORTGAGE APPLICATION CHECKLIST

When you're out shopping, you always make sure to bring your wallet with you. The same applies when shopping for a home! A pre-approval letter should be the first step in your homebuying journey because it helps you better understand how much home you can afford based on your complete financial picture. Here are several benefits to getting a pre-approval right from the start:

1

Being pre-approved streamlines the buying process and allows you to narrow your home search to properties that are within the right price range.

2

A pre-approval letter shows the home seller that you can afford to buy their home. It tells them that you're a serious buyer who has a financing plan.

3

The document needed for your pre-approval will be required when you're later purchasing a home -- you'll have less to worry about when you start your app.

READY TO GET STARTED?

Here's what you will need to have handy during the pre-approval process:

2 YEARS OF TAX RETURNS

2 YEARS OF W-2s

1 MONTH OF PAY STUBS

1 FORM OF OFFICIAL GOVERNMENT ID

2 RECENT BANK STATEMENTS

STEPS TOWARDS FINANCING
YOUR NEW HOME

Ensuring you have a great experience is our priority. My team will work closely with you each step of the way to make the process is simple, transparent, and easy.

1
APPLICATION

Complete financial profile via simple online application or over the phone.

2
PRE-APPROVAL

Basic financial information provided to understand how much home the borrower can afford.

3
PROCESSING

Verification of all personal and financial documentation and appraisal ordered.

4
UNDERWRITING

A detailed review of all information and additional documentation requested if necessary.

5
APPROVAL

Final approval issued and closing documents are prepared.

6
CLOSING & FUNDING

Closing Disclosure (CD) and closing package sent to Settlement Agent. All documents reviewed and signed. Loan funds!

THE MORTGAGE PROCESS

PRE-APPROVAL	Homebuyer starts their loan application and begins to look at homes.
UNDER CONTRACT	Buyer has found the property they want, submitted an offer, and that offer has been accepted.
SUBMIT APPLICATION	Buyer's documents supporting application information have been received and the 6 TRID required elements have been collected from the applicant: Borrower Name, SS#, Loan Amount, Estimated Property Value, Monthly Income, and Subject Property Address
LOAN ESTIMATE	The Loan Estimate is sent within 3 days of receiving the 6 TRID required documents
LOAN DISCLOSURES	Once the borrower has received the Loan Estimate and indicates an Intent to Proceed, the loan disclosures package is assembled and sent out as indicated, either electronically or by mail
APPRAISALS ORDERED	An appraisal order is submitted to underwriting for review and initial approval
APPLICATION TO PROCESSING	Our processing team will verify that the application information submitted is accurate
UNDERWRITING	The loan file is submitted to underwriting for review and initial approval
HOMEOWNER'S INSURANCE	Borrower will need to start shopping for homeowner's insurance as this is a requirement for a home purchase
LOAN CONDITIONALLY APPROVED	The Underwriter has approved the loan following their initial review, but may need a few documents as approved conditions

THE MORTGAGE PROCESS

COMMITMENT ISSUED	All of the requested documents listed as "approval conditions" have been received and the loan is sent back to underwriting for final approval
CLOSING DISCLOSURE	The closing disclosure is sent, and the borrower receives this no later than three business days (including Saturday) prior to closing approval
FINAL LOAN APPROVAL	Final loan approval from the Underwriter is issued and loan docs are sent to the title company
SETTLEMENT	All loan documents are signed by the buyers and sellers
LOAN FUNDED	The loan is funded and recorded

LAST STEP?
MOVE INTO YOUR NEW HOME!

THE DO'S & DON'TS OF BUYING A HOME

DON'T

DON'T leave your current job.

DON'T make unnecessary checking or savings account transactions, such as withdrawals or deposits.

DON'T transfer balances from one account to another.

DON'T apply for new credit (even if you seem pre-approved), open a new credit card, take a cash advance on a credit card, or close any credit cards.

DON'T co-sign on any debt with a family member or anyone else.

DON'T have friends or family members pay for anything related to the purchase of a home. Gifts are only allowed under certain guidelines, which we can clarify if needed.

DO

DO keep your bank accounts in a positive balance.

DO pay all debts on time.

DO speak to your Loan Originator before paying disputed bills that have gone to collection agencies.

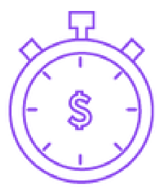
SHOPPING FOR
YOUR MORTGAGE

If you are shopping rates, you'll find that many mortgage lenders are quoting low rates to get your attention and your business. Keep in mind: the initial rate you are quoted may not be the rate you end up with.

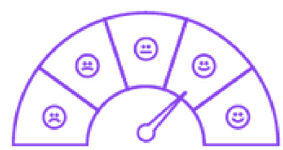
An advertised rate or a telephone quote is often the lowest possible rate available, assuming the client has extremely high credit scores and will pay upfront fees or "points" to acquire that low rate. This perfect world scenario is not very helpful because everyone's situation is different.

There's a lot more for you to consider than simply the rate. Below are a few factors that determine the rate and program you can obtain.

CURRENT FINANCIAL SITUATION

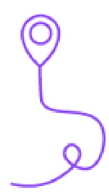


LENGTH OF LOAN DESIRED



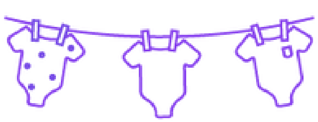
CREDIT HISTORY & FICO® SCORE

MORTGAGE INSURANCE

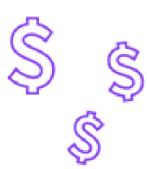


PERSONAL GOALS

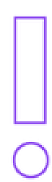
TYPE OF HOME DESIRED



POSSIBLE FUTURE CHANGES



DOWN PAYMENT AMOUNT



NUMBER OF POINTS TO BE MADE, IF ANY

SHOPPING FOR YOUR MORTGAGE

UNDERSTANDING POINTS

A "point" is considered pre-paid interest; it's a fee equal to 1% of the loan amount. For example, if you pay one point for a $150,000 loan, the cost for points will be $1,500. If you pay two points, your total cost for points will be $3,000.

The more points you pay, the lower your rate will be. You can lower the interest rate if you have the funds to pay at closing. With this in mind, you need to consider points when comparing interest rates.

OTHER FEES

You also should investigate other fees that may be involved, such as origination fees, application fees, closing costs, and any other fees associated with the loan. Additionally, find out the Annual Percentage Rate (APR) for your loan.

The APR is higher than the interest rate because it is the total finance charge on the loan amount, spread out over the length of the loan.

RATE SHOPPING

If you want to shop rates, you must call all the lenders on the same day, because rates typically change daily. Ask each lender for the same type of loan, the same term, the same points, and the same lock-in period.

The lock-in period refers to the amount of time between when you lock your rate and when you close on a home. This is important, as a shorter lock-in scenario (10, 15, or 30 days to closing) typically earns a lower rate than a longer lock-in date (45, 60, or more days to closing). Even if you are shopping and don't know the closing date yet, make sure the quoted lock-in period is the same.

LOAN ESTIMATE

A Loan Estimate is a written breakdown of the rate and fees associated with the loan rate you have been quoted, and will give you a clear estimate of how much you may need to bring to the closing table.

SHOPPING FOR YOUR MORTGAGE

QUESTIONS TO ASK

With this knowledge, you will be able to ask educated questions to potential lenders and show them that you are a savvy homebuyer. More importantly, you will have an in-depth understanding of the figures potential lenders present to you.

Here are some general guidelines for getting the most information while you shop:

HOW LONG IS THE QUOTED RATE GOOD FOR?

WHEN CAN YOU LOCK IN UPON APPLICATION OR APPROVAL?

HOW MANY POINTS ARE INVOLVED?

IS THERE AN ORIGINATION FEE, AND IF SO, HOW MUCH?

WHAT ARE THE CLOSING COSTS?

WHAT IS THE APR ON THIS LOAN?

COULD I PLEASE HAVE A LOAN ESTIMATE?

Of course, any quote is only as good as the lender who gave it to you. It's vitally important to find a trustworthy and dependable loan originator. Be wary of a rate that seems too good to be true — it usually is!

STEPS TOWARDS FINANCING
YOUR NEW HOME

Once you receive your Loan Estimate, if you decide to proceed with your application with our team, we will need a number of documents to process your application.

- Employment paystubs from the last 30 days
- Tax documents (W2 form & 1040's) from the past 2 years
- If self-employed, 2 years of Business and Personal tax returns (all pages)
- All bank statements from the last 2 months (all pages)
- All retirement saving statements (IRA/401K) if being used for the transaction
- Current photo ID
- Signed Intent To Proceed form
- Appraisal fee

Already have a house under contract? Please also bring:

- Copy of the Purchase & Sales Agreement
- Copy of earnest money deposit check (front and back)
- Copy of the legal description of the property (deed)

Along the way, you may need to provide the lender with updated financial information. So, we may ask you to continue to send some documents again, such as your most recent bank statements and paystubs. Don't worry — we didn't lose the originals, we're just keeping your profile fresh.

Sometimes, things change. Lenders just want to be sure that they understand your financial situation today, not 6 weeks ago. Providing updated bank statements and employment records ensures that they have the most recent information to make their final decision about your loan.

MORTGAGE
MYTHS

When looking to purchase a new home, there is so much information about the process that it's hard to know what to believe. That's why it's so important to separate fact from fiction when it comes to the homebuying process.

Here are the top-3 mortgage misconceptions and the facts about them that you may encounter as you consider financing a new home.

1 CREDIT SCORES

MYTH: Poor credit scores stay with you forever.

Actually, credit scores change each month.* A late payment in the previous month can seriously affect your score, but if you make all subsequent payments on time, each month your score will improve. There are many factors that affect your credit score, something your loan originator can discuss further with you.

2 MORTGAGE COSTS

MYTH: Lenders get you with "upfront" fees.

Most reputable lenders will provide you with a no-cost pre-approval while you're shopping for your home. Typically, acceptable upfront fees include Property Appraisal and Credit Report. The only money we collect upfront is to cover necessary third-party costs, and if you paid more than the actual cost of the services, the difference is credited back to you on the settlement sheet.

3 HOUSING AFFORDABILITY

MYTH: You need 20% down payment to buy a home..

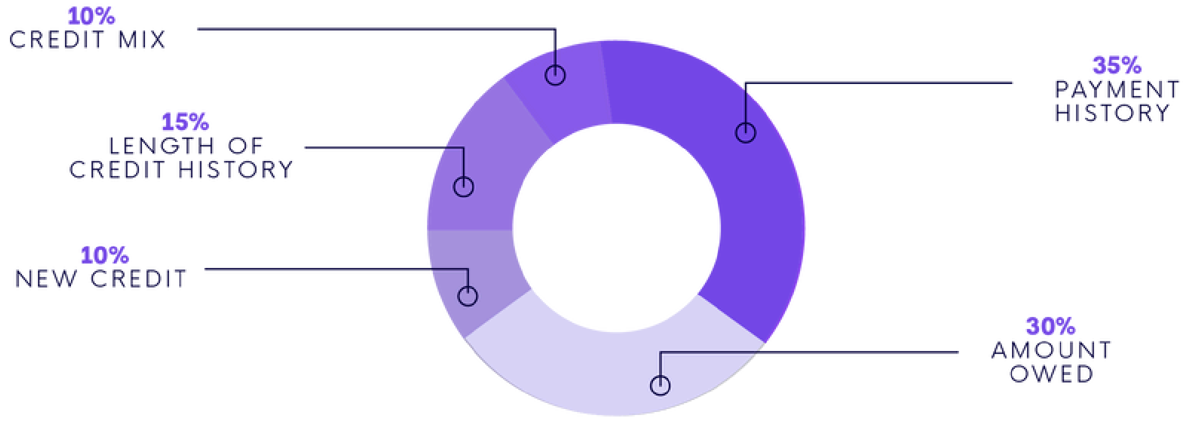
Several loan products allow you to purchase a home with only a 3.5% down payment — or no down payment at all! Agencies that offer such loans include the Federal Housing Administration (FHA), the Department of Veteran Affairs (VA), and the United States Department of Agriculture (USDA). Many state housing agencies allow borrowers to receive cash assistance for down payments as well. Please note that most mortgage lenders will require additional mortgage insurance if the downpayment is less than 20%.

*https://www.nerdwallet.com/article/finance/credit-score-change

BREAKING IT DOWN:
THE CREDIT SCORE

Your credit score is one of the most important factors in qualifying for a loan. Let's take a look at what goes into your score so that you can make better choices when improving it.

FACTORS THAT AFFECT YOUR FICO CREDIT SCORE:*



When looking at your current credit score, it's important to remember that it is not the only factor determining if you can finance a home. Ensuring you're set up for the homebuying process if my first priority, and you can trust me to provide the information you need to prepare for the home loan process.

CREDIT TIPS TO PREPARE YOU FOR A HOME PURCHASE

1 GET YOUR HANDS ON YOUR CREDIT REPORT

You need to be aware that a problem exists before you can solve it; serious issues, or sometimes minor ones, can take months to repair.

2 FIX MISTAKES

When you spot errors or inaccuracies in your credit report, it's up to you to fix them. You can find step-by-step guides on how to file a claim on any of the credit bureau websites, or the report itself.

3 PAY YOUR BILLS ON TIME

It may sound obvious, but if you're looking to increase your credit score over time in a steady upward climb, never miss a payment.

4 PAY OVER THE BOTTOM LINE

Always make more than the minimum payments on your revolving credits each month. A history of minimum-only payments is not a positive indicator for anyone reviewing your credit report.

5 MAINTAIN LOW BALANCES

A great way to keep your score afloat is to avoid carrying a balance that is over 50% of your limit on each card, so pay those debts down below that halfway mark as soon as possible.

6 DON'T MOVE IT, LOSE IT

Pay off debt on your existing card, don't just move it to a new one. You'll pay off debt quicker (and you'll have less of it) if you just work hard to pay off what's on the card you already have.

7 BUYING A CAR CAN PUT A DENT IN YOUR CREDIT SCORE

Avoid any significant changes to your finances right before a home purchase. That means no big purchases on credit, like buying a car or charging an expensive vacation.

8 PLAN WAY AHEAD

Get ahead of the game by paying down your debt. Then you can lock up your credit cards until your credit score has been checked and you've been approved for your mortgage.

BREAKING DOWN A
TYPICAL MORTGAGE PAYMENT

Principal, Interest, Taxes, and Insurance are the basic components of a typical monthly mortgage payment. Based on your property, your monthly payments may also include a homeowners' association fee. Let's take a closer look at a typical monthly payment breakdown. In this example, we'll use a sales price of $253,750, with a downpayment of $50,750, with a 30-year loan of $203,000, and an interest rate of 4.625% (APR 4.729%).

TOTAL MONTHLY PAYMENT:	**$1,371.46**
PRINCIPAL: The principal is the amount that pays back and reduces the loan balance. As time passes, the amount you pay in principal each month will increase as the interest amount decreases. The number used here reflects the average principal payment in the first 12 months of the loan. INTEREST: Interest is the ongoing cost of borrowing money. As time passes, the amount you pay in interest each month will decrease while the principal amount increases. The number used here reflects the average interest payment in the first 12 months of the loan.	**$1,043.70**
TAXES: Real estate or property taxes are typically held in an escrow account. The estimate here is based on 1.25% of the property's sales price. Actual taxes may vary.	**$264.32**
INSURANCE: Homeowner's or hazard insurance payments are typically held in an escrow account. The estimate here is based on a default factor of $3 per $1,000 of the sales price. Actual insurance costs may vary. Some loans also have mortgage insurance. The value here assumes that the loan amount represents 80% of the sales price which does not require mortgage insurance.	**$63.44**
ASSOCIATION DUES: You may or may not need to pay these based on your unique scenario. Association dues generally pertain to Homeowners Association (HOA) fees and fund upkeep in your neighborhood for things like pools, clubhouses, private roads, etc. HOA fees are not included in your monthly payment. Homeowners are responsible for paying HOA fees directly to the Association.	**When applicable**

MORTGAGE TERMS
GLOSSARY

APR (ANNUAL PERCENTAGE RATE)	APR is the total cost of your loan (interest and fees) expressed as a single number
CONVENTIONAL LOANS	A conventional loan is the most popular financing program as it offers the most variety of options, allowing borrowers to choose the term length of the loan, the down payment size (which can help eliminate the possibility of having to purchase mortgage insurance, whether the loan will have a fixed or adjusted interest rate)
DTI (DEBT-TO-INCOME)	Your debt-to-income ratio is your total monthly recurring debt divided by gross monthly income, expressed as a percentage
FICO (FAIR ISAAC CORP. CREDIT SCORE)	The FICO score is the most popular credit score model in the country. It's a statistical calculation based on the information in your credit profile
LTV	A Loan Estimate is a written breakdown of the rate and fees associated with the loan rate you have been quoted, and will give you a clear estimate of how much you may need to bring to the closing table
PMI (PRIVATE MORTGAGE INSURANCE)	PMI allows you to finance a home with less than a 20% down payment. For an extra monthly cost to you, PMI provides default insurance to the lender
POINTS	Technically, points are considered pre-paid interest. Functionally, they buy a lower interest rate on your loan. One point equals 1% of the loan amount.
USDA	USDA loans are backed through the Rural Housing Division of the U.S. Dept. of Agriculture. They are available to millions of eligible primary home buyers with low-to-moderate incomes or scarce funds for down payments.

A PAGE FOR
NOTETAKING