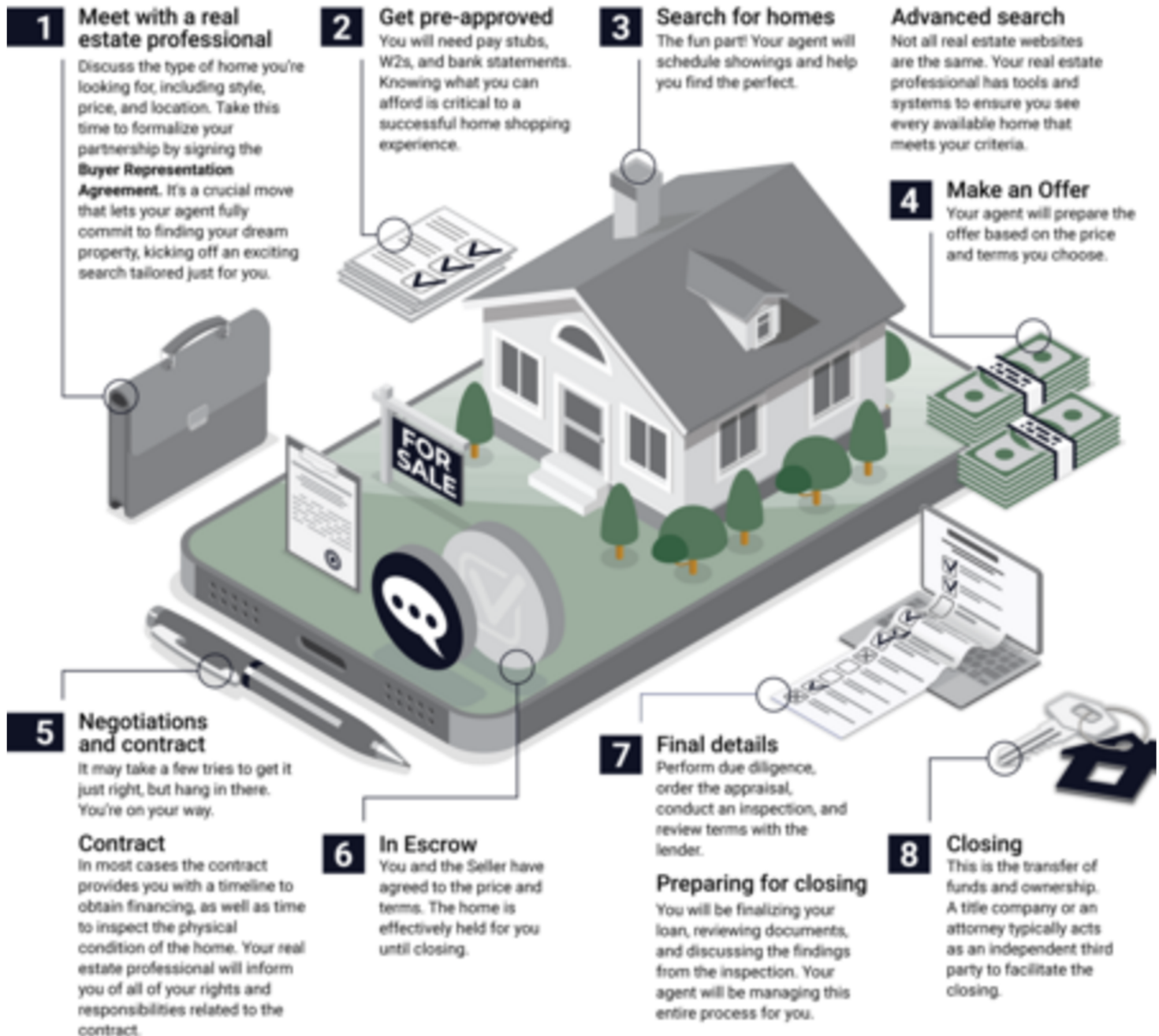




# Home Buyer's Roadmap



This is not intended to solicit a currently listed home. Information is deemed reliable, but not guaranteed.



# Buyer Preparation Guide

When exploring mortgage options, there are four main types to consider: FHA, USDA, VA, and Conventional loans.

**FHA loans** are backed by the Federal Housing Administration and are particularly popular among first-time homebuyers. They offer a low down payment, typically as low as 3.5%, and have easier credit qualifications. However, they require mortgage insurance premiums (MIP) for the life of the loan.

**USDA loans**, backed by the U.S. Department of Agriculture, are designed for buyers looking to purchase a home in rural or some suburban areas. These loans are ideal for individuals with low to moderate incomes and do not require a down payment. They also offer low interest rates but require the property to be in a USDA-approved area and include a small annual fee similar to mortgage insurance.

**VA loans**, backed by the U.S. Department of Veterans Affairs, are available to active-duty military members, veterans, and eligible surviving spouses. These loans require no down payment and no private mortgage insurance (PMI). They also come with competitive interest rates, limited closing costs, and have flexible credit requirements.

Finally, **Conventional loans** are not backed by any government agency and are suited for buyers with good to excellent credit, stable income, and a decent down payment. They offer various down payment options, typically ranging from 3% to 20%. If you can put down at least 20%, you can avoid mortgage insurance altogether. Conventional loans often provide lower interest rates compared to government-backed loans for those with strong credit, and they offer more flexibility in terms of loan terms and property types.

Each of these mortgage options has its own set of benefits and requirements, so it's important to choose the one that best fits your financial situation and home-buying goals.

## Key Considerations

### FHA Loan

Lower Down Payment

Credit Flexibility

Mortgage Insurance

### USDA Loan

Rural Property

Income Limits

No Down Payment

### VA Loan

Military Service

No Down Payment

No PMI (Private Mortgage Insurance)

### Conventional Loan

Credit Score

Higher Down Payment

No Government Backing



# Buyer Preparation Guide

Preparing to buy a home is exciting, but being ready is key. Consider your financial situation—down payment, closing costs, and mortgage pre-approval—along with what matters most in a home and neighborhood. Think about your lifestyle, community priorities, and specific needs like school zones or proximity to work. With this preparation, I'll be able to help you find a home that fits both your current needs and future plans.

## Financial Preparedness

### Down Payment

This typically ranges from **3.5% to 20% of the home's purchase price**.

Do you have enough for a down payment? If not, consider the following:

- Savings Plan: Start a dedicated savings plan to build up the required amount.
- Gifts: Explore the possibility of receiving gift funds from family or friends.
- Grants and Assistance Programs: Research state or federal programs that offer down payment assistance.
- Loan Options: Consider loan programs with lower down payment requirements, such as FHA loans.

### Closing Costs

Estimate and budget for closing costs, which typically range from **2% to 5% of the home's purchase price**. Do you have enough saved? If not, consider the following:

- Negotiate Seller Contributions: Ask the seller to cover some or all of the closing costs as part of the offer.
- Roll into Loan: Check if your lender allows you to roll closing costs into your mortgage.
- Assistance Programs: Look into local programs that offer help with closing costs.
- Lender Credits: Consider higher interest rates in exchange for lender credits towards closing costs, if this fits your financial strategy.

### Mortgage Pre-Approval

Secure pre-approval to understand your budget.

### Home Insurance

Research and budget for homeowner's insurance.

### Property Taxes

Look into the property tax rates and assess how they might change with future development in the area.

## Local Considerations

HOA Fees

Neighborhood Restrictions

Natural Disasters

Air and Water Quality

Noise

School Districts

Zoning Laws

Crime Rate

Commute

Future Development Plans

High Property Taxes

Limited Growth Potential

Environmental Hazards

Access to Healthcare

Proximity to Amenities



# Loan Preparation Checklist

If you're applying for a home loan, your mortgage lender will want to examine your financial life in depth to ensure that you meet all of their underwriting guidelines and can afford your new mortgage payment. Throughout the approval process, you can expect to be asked for documents that substantiate different aspects of your income, work status, and expenses.

## Income & Assets

For all borrowers on the application, you'll need to collect:

- ☐ Recent pay stubs
- ☐ W-2 forms from the past two years
- ☐ If self-employed:
  - ☐ Year-to-date profit and loss statement
  - ☐ Documents to show unpaid accounts receivable
- ☐ 1099 forms from past two years
- ☐ Bank statements for all your checking and savings accounts
- ☐ Statements for all investment accounts:
  - ☐ 401(k)s    ☐ CDs
  - ☐ IRAs    ☐ Brokerage accounts
- ☐ Accumulated cash value from life insurance, if applicable
- ☐ Down payment gift letters, if applicable
- ☐ Alimony and child support, if applicable
- ☐ If you have income from a rental property:
  - ☐ Documentation of rental income
  - ☐ Copy of lease
  - ☐ Property appraisal report

## Spending, Expenses and Debts

For all borrowers on the application, you'll need to collect:

- ☐ The company name, account number and type, unpaid balance and monthly payment for all liabilities, which include:
  - ☐ Credit cards    ☐ Auto loans
  - ☐ Student loans    ☐ Medical bills
  - ☐ Personal loans
- ☐ Any paperwork that documents monthly child support or alimony you provide
- ☐ Proof of monthly job-related expenses, if applicable



# Loan Preparation Checklist

When applying for a mortgage or refinancing, you'll need to gather key documents. For any additional properties, provide the address, value, status, occupancy purpose, and monthly expenses. All borrowers must supply copies of their driver's license, Social Security card, rental history, and any relevant immigration paperwork. If you have an existing mortgage, include details about the lender, loan type, monthly payments, and unpaid balance. This documentation helps streamline the application process.

## Miscellaneous Documentation

For all borrowers on the application, you'll need to collect:

- ☐ Copy of your driver's license
- ☐ Copy of your Social Security card
- ☐ Rental history, including contact information for previous landlords
- ☐ Immigration paperwork, if applicable

If you own another property, you'll need to provide the:

- ☐ Address
- ☐ Property value
- ☐ Status of property
- ☐ Intended occupancy (the purpose of the property, such as a second home, rental property or investment property)
- ☐ Monthly expenses related to property

If you own a property with an outstanding mortgage, you'll also need to provide the:

- ☐ Lender name and account number
- ☐ Type of loan
- ☐ Monthly payment amount
- ☐ Unpaid balance on the loan
- ☐ Credit limit, if applicable