

your guide to buying a home

HOME

**DOWN PAYMENT
CLOSING COSTS
KEYS** ... understanding your budget

Which loan is right for you?

CONDO
is it a good investment?

Put power in your
POCKET!

Appraisal Prep!
knowledge is power!



We are so excited to be a part of your home-buying experience!

The Broadway Team

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The Mortgage Process

From pre-approvals
to the closing table!

The first step of the home buying process is to understand how much you qualify for by meeting with a local lender and getting a pre-approval letter. It's important to interview & even apply with a few lenders to find one that will be the best fit and give you the best terms. A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter until you know you're ready to buy. In the next section, I outline several questions to ask your lender to ensure they provide a full picture into the terms and conditions of your loan. Understanding the ins-and-outs of the loan they offer is critical to ensuring long-term success in your new home!



THE MORTGAGE

process



1. GET PRE-APPROVED

- Meet with a lender
- Prepare your credit
- Set a budget



2. MEET WITH YOUR AGENT

- Discuss budget
- Research area neighborhoods
- Set wants & needs
- Agent sets up a search



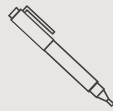
3. FIND YOUR HOME

- Tour homes
- Adjust criteria if necessary



4. MAKE AN OFFER

- Work with your realtor to set up the best offer
- Negotiations may occur



5. OFFER SIGNED

- All negotiations are finished
- Both parties have signed contract



6. INSPECTIONS

- Professional inspects the property
- Discovers any issues that may need to be worked into the purchase agreement
- Negotiate repairs



7. APPRAISAL

- Professional ensures the property is worth the loan and purchase price you agreed to pay



8. SUBMIT FINAL DOCS.

- Your processor may reach out to collect documents being requested by Underwriting. Make sure to turn everything in quickly!



9. WIRING MONEY

Once your lender tells you you're cleared to close your title company will let you know how to get them the funds for closing.



10. CLOSING

- Final walk-through
- Sign closing documents
- Receive your keys

Your Lender Paperwork Timeline

01

Application (1003)

This is the initial interview where we gather your income, assets, employment, and credit information to get you pre-approved. It's the starting point that everything else is built from.

02

Initial Disclosures (intent to proceed)

Signing the Intent to Proceed is what lets the underwriter start going through your finances and credit to actually begin working your loan. This paperwork is an estimate until we get your homeowners insurance, title, taxes, and other fees correctly in place.

03

Appraisal

Once you're under contract, the appraisal gets ordered. This confirms the home is worth what you're paying for it and checks that it meets the property requirements for your loan type.

04

Condition Request

Your underwriter will ask our team to collect documentation to support what's on your application — pay stubs, bank statements, letters of explanation, and so on. This back-and-forth is normal; it's how your file gets verified, not a sign something's wrong.

05

Closing Disclosures

By law, you must receive this at least three business days before closing. These numbers are closer to being finalized, but once your loan is official cleared to closed and finalized with the title company there are still some numbers that can change.

06

Closing Package

You'll sign the final loan documents — most importantly the Note (your promise to repay the loan) and the Deed of Trust/Mortgage (which gives the lender a legal interest in the property until it's paid off).

Understanding your mortgage options can feel overwhelming because there isn't a one-size-fits-all loan. From Conventional, FHA, VA, and USDA loans to Jumbo, Non-QM, and specialized financing programs, each option has its own qualifications, down payment requirements, interest rates, monthly payment structure, and long-term financial impact. The right loan isn't always the one with the lowest interest rate—it's the one that best aligns with your financial goals, budget, and future plans.

That's where having an experienced mortgage professional makes all the difference. Instead of expecting you to navigate the options on your own, we'll take the time to understand your unique situation, explain the advantages and trade-offs of each program in plain language, and provide personalized recommendations. Our goal is to equip you with the knowledge and guidance you need to make a confident, informed decision—so you choose the loan that's right for you, not just the one that's available.

02

Your Loan Options





Mortgage 101

There are several types of home loans, but these are the ones most first-time buyers explore:

1. FHA Loan

Backed by the Federal Housing Administration, this loan is popular among first-time buyers because it allows for a low down payment — just 3.5% of the purchase price. It's a great option if your credit score isn't perfect or if you have limited savings.

2. Conventional Loan

These loans aren't backed by the government, but they often offer competitive interest rates and flexibility. First-time buyers may qualify for a conventional loan with as little as 3% down, but a stronger credit profile is usually required.

3. VA Loan

Available to eligible veterans, active-duty service members, and some military spouses, VA loans require no down payment and don't include mortgage insurance.

4. USDA Loan

Designed for rural or suburban homebuyers who meet certain income requirements, USDA loans also offer zero down payment options.

How a Lender Helps You Choose the Right Loan

Every buyer's financial picture is different. A good lender takes the time to look at:

- Your credit score
- Income and job stability
- Debts and monthly obligations
- Down payment funds
- Long-term goals

From there, they'll help you compare loan types and determine what fits best — not just for now, but for your future, too. Your loan shouldn't just get you into a home, it should help you stay there comfortably.

Important Things to Know:

VA, USDA, FHA & Conventional Loans

FHA Loan

- Mortgage Insurance: Upfront MIP of 1.75% of the loan amount, plus an annual MIP of about 0.55% on average (paid monthly). If you put down less than 10%, MIP lasts for the life of the loan. If you put down 10% or more, it drops off after 11 years.
- Max Seller Concessions: Up to 6% of the purchase price.
- Credit Score Requirements: 580+ for 3.5% down; 500–579 requires 10% down (many lenders set their own higher minimum, often 620+).
- Min Down Payment: 3.5%.
- Benefits: Low down payment, flexible credit and debt-to-income requirements, loan is assumable by a future buyer.
- Who Qualifies: Any qualified buyer purchasing a primary residence — **not limited to first-time buyers.**

VA Loan

- Mortgage Insurance: No monthly mortgage insurance. Instead, a one-time VA Funding Fee — 2.15% with no down payment on first use (3.3% on subsequent use), dropping to as low as 1.25% with 10%+ down. Can be financed into the loan. Veterans with a service-connected disability are exempt.
- Max Seller Concessions: Up to 4% of the home's value for true concessions (like debt payoff or funding fee credits) — separate from that, the seller can also pay normal closing costs and discount points without hitting the 4% cap.
- Credit Score Requirements: No VA-set minimum; most lenders require 580–620+.
- Min Down Payment: 0%.
- Benefits: No down payment required, no monthly mortgage insurance, competitive rates, limited allowable closing costs to the buyer, and the benefit can be reused for future home purchases.
- Who Qualifies: Active-duty service members, veterans, certain National Guard/Reserve members, and eligible surviving spouses, for a primary residence.

USDA Loan

- Mortgage Insurance: Upfront guarantee fee of 1%, plus an annual fee of 0.35% of the loan amount (paid monthly) — this lasts for the life of the loan.
- Max Seller Concessions: Up to 6% of the purchase price.
- Credit Score Requirements: Most lenders want 620–640+ for automated approval; manual underwriting is possible lower with strong compensating factors.
- Min Down Payment: 0%.
- Benefits: 0% down payment, lower ongoing mortgage insurance cost than FHA, competitive interest rates.
- Who Qualifies: Buyers purchasing in a USDA-eligible rural or suburban area, with household income at or below 115% of the area median income, for a primary residence.

Conventional Loan

- Mortgage Insurance (PMI): Ranges roughly 0.2%–1.5% annually based on credit score and LTV — the better your credit, the lower your PMI. Cancels automatically at 78% LTV, and can be requested for removal at 80% LTV with a good payment history.
- Max Seller Concessions: Tiered by loan-to-value — 3% if LTV is over 90%, 6% if LTV is 75–90%, 9% if LTV is 75% or less (investment properties are capped at 2% regardless of LTV).
- Credit Score Requirements: No minimum credit score requirements; 740+ typically needed for the best rate and lowest PMI.
- Min Down Payment: As low as 3% for qualifying first-time buyer programs; 5% is more typical.
- Benefits: PMI is removable once you build equity, works for primary homes, second homes, and investment properties, no funding/guarantee fee, no geographic or income restrictions.
- Who Qualifies: The broadest pool of buyers — qualification is based on credit, income, and debt-to-income ratio rather than military service, location, or income caps.

Understanding Down Payment Assistance (DPA)

Down payment assistance programs can be an excellent tool for homebuyers who qualify, but it is important to understand that not all programs work the same way. While they can reduce the amount of cash needed to purchase a home, they often come with trade-offs that should be carefully evaluated before choosing this financing option.

Forgivable Down Payment Assistance

- A forgivable program typically does not have to be repaid if you meet the program's requirements.
- Most programs require you to live in the home as your primary residence for a specified period, often 5 to 10 years.
- If you sell the home, refinance, or move before the forgiveness period ends, you may be required to repay some or all of the assistance.
- Once the required occupancy period has been met, the remaining balance is generally forgiven

Non-Forgivable Down Payment Assistance

- A non-forgivable program is not free money.
- The assistance is usually structured as a second mortgage or a repayable loan.
- Repayment terms vary by program. Some require monthly payments, while others are deferred until you sell, refinance, or pay off your first mortgage.
- The amount received for your down payment is generally repaid according to the program guidelines.

Understanding the Trade-Offs

- Down payment assistance often allows buyers to purchase a home sooner by reducing the amount of cash needed at closing.
- Many programs provide assistance ranging from 3% to 5% of the purchase price, while some offer fixed dollar amounts depending on the program.
- In exchange for the assistance, borrowers may receive a higher interest rate than they would qualify for without down payment assistance.
- Over the life of a 30-year mortgage, even a small increase in the interest rate can result in tens of thousands of dollars in additional interest.
- The "best" option is not always the program with the largest assistance amount—it is the one that creates the strongest overall financial outcome for your situation.

Our Approach

- We will compare your down payment assistance options alongside traditional financing.
- We will explain the true cost of each option, including monthly payments, interest rates, repayment requirements, and long-term costs.
- Our goal is to help you determine whether using down payment assistance or investing your own funds results in the greatest financial benefit for your unique circumstances.

Why Work with a Mortgage Broker?

03

Unlike big banks or retail lenders, a mortgage broker works for you, not just one institution. Think of a broker as your personal shopper — but for home loans. Here's why brokers are often the better choice:

- More loan options: Brokers have access to dozens of lenders and programs, so you're more likely to find the best rate and terms for your unique situation.
- Customized advice: Brokers take the time to understand your goals and match you with the right lender, not just the one they work for.
- Faster, smoother process: Brokers know how to navigate underwriting and anticipate roadblocks before they happen.
- Potential cost savings: Brokers can often secure better rates and lower fees because of their wide lender network.

Average closing

12 Days

Options

100+ Lenders

Average Saving

\$10k +

Over the life of the loan





04 Your Money Matters

Financing a home is about more than simply getting approved for a mortgage. It is about creating a loan structure that supports your financial future. Factors like your down payment, credit profile, income, debt to income ratio, loan term, and interest rate all work together to determine your monthly payment and overall cost of homeownership.

Understanding how these pieces fit together can help you make informed decisions and avoid surprises throughout the process. A well structured financing plan is designed around your goals, whether you are purchasing your first home, upgrading to your dream home, refinancing, or investing in real estate. By reviewing your financial picture and discussing both your short and long term plans, we can help you understand your financing options, estimate your costs, and build a strategy that gives you confidence from application to closing. Our goal is to make the financing process clear, straightforward, and tailored to your unique needs.

Common Fees

1. Down Payment

A down payment is the amount of money you pay upfront when purchasing a home. This payment can range from 3% to 20% of the total cost of the home. The more money you put down, the lower your monthly mortgage payments will be. It's important to plan ahead and save up for your down payment to make your dream home a reality.

2. Closing Costs

These are the fees and expenses associated with finalizing your home purchase, such as appraisal fees, title insurance, and taxes. It's important to factor in these costs when budgeting for your home purchase because they can add up quickly.

3. Earnest Money

Earnest money is a deposit made by a buyer to show their commitment to purchasing a property. This money is typically held in an escrow account until closing and then applied towards the down payment or closing costs. It's a way for buyers to demonstrate they are serious about buying a property and can help strengthen their offer in a competitive market.

4. Home Inspection

A home inspection is a thorough examination of a property's condition. It includes the evaluation of the major systems, such as the roof, HVAC, plumbing, electrical, and more. The purpose of a home inspection is to identify any issues or potential problems that may affect the safety and livability of the property.

5. Appraisal

An appraisal is when a licensed professional assesses the value of your home. They'll take into account factors like location, condition, and recent sales in the area to determine an accurate market value. Whether you're buying or selling a home, having an appraisal can provide valuable insights.

Min. Down Payment

VA: 0
USDA: 0
Conventional: 3%
FHA: 3.5%

Closing costs are typically 2% – 5% of the loan amount.

A buyer will often pay an amount that falls within 1 & 2 percent of the purchase price of a home.

The average cost for a home inspection in Tennessee is between \$300 and \$550.

The average home appraisal cost is between \$500 – \$700

Negotiating

05

Put power in your pocket!

Knowing the power of asking for a lower purchase price v.s closing costs can put power in your pocket!

Option 1: Take \$10,000 Off the Price

New price: $\$400,000 - \$10,000 = \$390,000$

	Before	After
Down payment (3%)	\$12,000	\$11,700
Loan amount	\$388,000	\$378,300
Monthly payment (P&I)	\$2,581	\$2,517

Result: You save \$300 on your down payment and **\$65/month** on your mortgage payment.

Option 2: Take \$10,000 Toward Closing Costs

Price stays at **\$400,000**. Down payment and loan amount don't change. Instead, the \$10,000 is applied directly to what you owe at the closing table.

	Without the \$10K	With the \$10K credit
Down payment	\$12,000	\$12,000
Closing costs (~3%)	\$11,640	\$1,640
Total cash needed at closing	\$23,640	\$13,640

Result: You save **\$10,000 — today, dollar for dollar.**

Manufactured Homes 06

The Truth Behind the Home

Is a manufactured home going to save you money or cost you money?

The Pros

- Lower price per square foot than most site-built homes, making homeownership more accessible.
- Faster build time since the home is constructed in a factory, largely weather-proof from delays.
- Consistent quality control — every home built after June 1976 must meet federal HUD construction standards.
- Energy efficiency options are often built in, which can lower monthly utility costs.
- Real equity potential — since you own the land, your home is titled as real property and can build equity like any site-built home.

The Cons

- Financing can be more limited — not every lender offers manufactured home loans, and rates/terms vary more than with site-built homes.
- Resale can take longer, since the buyer pool is smaller than it is for site-built homes in the same area.
- Maintenance matters more — deferred upkeep tends to erode a manufactured home's value faster than it would a site-built home.
- Perception gap — some buyers, appraisers, and lenders still (unfairly) view manufactured homes as lower-value, which can affect appraisals and resale.

Unexpected Expenses to Budget For

- Site prep and foundation work to meet the permanent foundation requirements financing requires.
- Skirting and tie-downs, if not already included in your purchase.
- Moving and setup costs, if the home isn't already installed on-site.
- Converting the title from personal property to real property (required for mortgage financing) — this involves a fee and paperwork through your state.
- Utility hookups (well, septic, electrical) if the land is raw/undeveloped.
- Higher insurance premiums in some areas, since manufactured homes can carry more risk in the eyes of insurers.

Closing Costs

- Structural engineer / foundation certification — roughly \$300-\$700, required to certify the home meets permanent foundation standards.
- Title conversion fee, to convert the home from personal property to real property — typically \$100-\$500, varies by state.
- Specialized appraisal fee — manufactured home appraisals often run a bit higher than a standard appraisal due to the extra documentation involved.
- HUD Data Plate/label verification or replacement (if needed) — around \$50-\$100.
- Example: On a \$250,000 loan, standard closing costs might run \$6,000-\$10,000 — plus another \$500-\$1,300 for the manufactured-home-specific items above, depending on your state and situation.

A woman with long blonde hair is seen from the back, looking at a smartphone. The background is slightly blurred, showing what appears to be a brick wall.

Manufactured Homes

Rules to Keep in Mind

Why Your Equity Might Not Go As Far

Even when you own the land, a manufactured home doesn't always build equity at quite the same pace as a comparable site-built home. Nationally, manufactured home values have appreciated at rates close to site-built homes — but appraisers, lenders, and future buyers can still price them a bit more conservatively, and deferred maintenance erodes value faster on a manufactured home than a stick-built one. Bottom line: owning the land is what makes real equity possible at all, but don't assume dollar-for-dollar parity with a site-built home in the same neighborhood.

The Year-Built Rule

To qualify for a mortgage, your manufactured home must have been built on or after June 15, 1976 — the date the federal HUD Code took effect. Anything built before that date is legally considered a "mobile home," not a manufactured home, and it's ineligible for FHA, VA, USDA, or conventional financing.

The USDA 20-Year Rule

USDA loans now allow existing (not just new) manufactured homes — but the home must have been manufactured within 20 years of your loan's closing date, and it must never have been installed on a different site before. It also has to meet HUD construction standards and be permanently converted to real property.

Adding a Deck, Porch, or Addition? Budget for an Engineer

Any structural addition to a manufactured home — a deck, porch, carport, or room addition — has to be reviewed by a licensed structural engineer (or your state/local inspecting authority) before it can be approved for financing. This isn't optional: if an addition isn't properly certified, it can hold up your closing or disqualify the home altogether. Build the cost of that engineer's report into your budget from the start, not as an afterthought.

What to Stay Away From

- Homes built before June 15, 1976 — these predate the HUD Code and are not eligible for FHA, VA, USDA, or conventional financing.
- Land you don't fully own (life estates, shared/unclear title, land still in probate) — this can stall or kill your ability to close.
- Unpermitted additions (rooms, decks, carports) that were never inspected or engineer-approved — these can stall or kill your loan approval.
- Singlewide homes, if you may need conventional financing down the road — many investors and lenders prefer or require multi-section (doublewide+) homes.

Condo

07

Warrantable & Non Warrantable

Live with convenience but understand what you're buying into!

The Pros

- Lower price point than a comparable single-family home in the same area.
- Less exterior maintenance — landscaping, roofing, and building upkeep are typically handled by the HOA.
- Amenities like pools, gyms, or security that would be costly to have on your own.
- Community and location, often putting you closer to city centers or walkable areas.

The Cons

- HOA dues are a permanent part of your monthly housing cost, on top of your mortgage payment.
- Special assessments — the HOA can bill owners extra, sometimes thousands of dollars, for major repairs or reserve shortfalls.
- You're financing more than your unit — lenders evaluate the whole building's finances, occupancy, and legal standing, not just your ability to pay.
- Rules and restrictions on things like renting, renovations, and pets are set by the HOA, not you.

Closing Cost Increase

Condos do typically run higher than a single-family home, usually by about \$500-\$3,000 more, because of extra HOA-related fees layered on top of the standard closing costs:

- Condo questionnaire fee (lender-required, ~\$150-\$300)
- HOA transfer/resale package fee (roughly \$100 up to a few hundred, occasionally more)
- Prorated HOA dues and sometimes a move-in or working capital fee

Warrantable vs. Non-Warrantable Condos

A warrantable condo meets Fannie Mae and Freddie Mac's guidelines for the building itself — things like adequate HOA reserves, no major litigation, limits on commercial space, and no single investor owning too large a share of the units. These are the easiest condos to finance with a standard conventional loan.

A **non-warrantable** condo is one that doesn't meet those guidelines — maybe the HOA is under-reserved, there's pending litigation, too many units are non-owner-occupied, or one entity owns a large chunk of the building. This doesn't mean you can't get financing. It means you likely won't qualify for a standard conventional loan, and instead need a lender who offers non-warrantable condo programs. Depending on the specific situation, we can often still finance these — it typically comes with a slightly different rate or down payment requirement, so talk to your loan officer before writing off a building you love.

Unexpected Expenses to Budget For

- Special assessments for roof replacement, structural repairs, or rebuilding reserve funds — these can arrive with little warning.
- HOA dues increases over time, which aren't fixed the way your mortgage payment is.
- Master insurance deductible pass-through, if damage occurs to shared/common areas.
- Condo questionnaire and project review fees, charged by the lender to evaluate the building during underwriting.

What to Stay Away From

- Buildings in active litigation, especially construction defect or structural lawsuits — these can make a condo unfinanceable until resolved.
- HOAs with low or no reserves, which raises the risk of a large special assessment landing on you.
- Buildings with a high investor-ownership concentration, which can affect both financing and how the building is maintained.
- Skipping the condo docs — always review the HOA's budget, reserve study, and meeting minutes before you fall in love with a unit.



FHA Flip Rule

08

Old home looking brand new?

Before you fall head over heels, there's an important rule you need to know!

What It Is

FHA has a rule to stop homes from being "flipped" too fast. If the seller has owned the home for less than 90 days, FHA won't insure your loan — **period**. If they've owned it **91-180 days** and are selling it for double (or more) what they paid, your lender has to get a **second appraisal** just to make sure the price is fair.

How to Know If It Applies

Ask your agent or lender to check how long the current seller has owned the home. This is a quick, easy lookup, they just check the county record for when the seller's deed was recorded. It's worth checking anytime a home looks freshly flipped or recently changed hands.

When Can You Make an Offer?

Anytime! But here's the catch: if the seller has owned the home less than 90 days, you can't sign a contract yet — not because of when you'd close, but because of when you sign. So if you love a home that's inside that window, just have your agent time the paperwork for after day 90.

A Few Other Things to Know

- Some homes are exempt from this rule, like new construction, inherited homes, foreclosures sold by HUD/Fannie Mae/Freddie Mac, and homes in disaster areas.
- This rule is specific to FHA loans — it works differently (or not at all) with conventional, VA, or USDA loans.
- It's there to protect you — it keeps you from overpaying for a home that was just flipped for a quick profit.
- Best move: check the seller's timeline before you fall in love with the house.

Appraisals

09

Different loans have different requirements, it's important to know what the appraiser is going to be looking for!

VA Appraisals

- Home must be safe, sanitary, and structurally sound (the VA's core standard)
- Roof needs at least 3 years of remaining life
- Foundation free of excessive settling, leakage, or movement
- Electrical system safe and adequate — no exposed wiring or overloaded circuits
- Continuous supply of safe water (private wells require a water test)
- Working plumbing and proper sewage disposal (septic must be properly sized)
- Year-round access via a usable road
- Proper grading/drainage away from the foundation
- Free of active termites, wood-destroying insects, or dry rot
- Cosmetic issues (paint, carpet, dated finishes) generally don't matter unless they're a safety hazard

USDA Appraisals

- Home must be in a USDA-eligible rural area
- Must be "modest, decent, safe, and sanitary"
- No income-producing structures on the property (barns, silos, agricultural buildings)
- Safe, working utilities — water, power, gas, wastewater disposal
- Water quality test required for private wells (checks bacteria, nitrates, contaminants)
- Septic systems must be functional and appropriately sized
- No structural or foundation damage
- Roof must have adequate remaining life
- No pest damage or active infestation

FHA Appraisals

- Follows the "3 S's": Safety, Security, Soundness
- No exposed electrical wiring or missing safety features (handrails required on stairs with 3+ steps)
- No lead-based paint hazards
- Working locks, doors, and windows
- Roof needs at least 2 years of remaining life
- Foundation must be stable and able to support normal loads
- Adequate heating system
- Proper plumbing with hot/cold water and correct drainage
- Adequate electrical capacity and grounding
- Appraisal is valid for 180 days

Conventional Appraisals

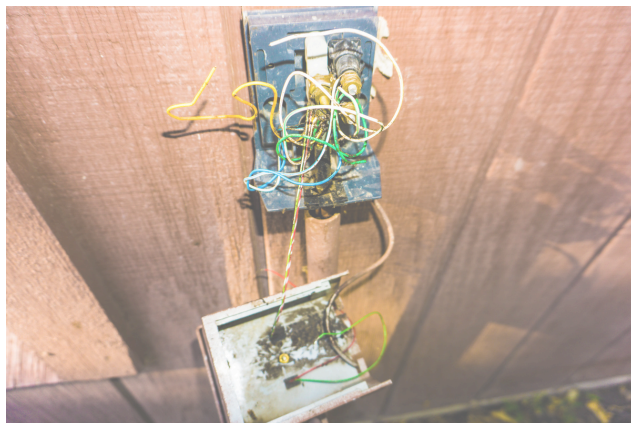
- Focused primarily on market value, condition, and marketability
- Appraiser assigns a condition rating (C1-C6) — a C6 rating is not eligible for financing
- Appraiser also assigns a construction quality rating
- Checks whether the site and improvements fit the surrounding neighborhood
- Flags anything causing "market resistance" — outdated systems, unusual design, deferred maintenance
- Generally the most flexible of the four — no formal MPR-style checklist like FHA/VA/USDA, but the home still has to be safe and sound enough to be marketable

Appraisals

What are they looking for?

Overview: Things That Can Come Up on Any Appraisal

- Peeling or chipping paint (extra scrutiny on homes built before 1978 — lead paint concern)
- Missing handrails on stairways
- An older or worn roof — missing shingles, visible leaks, sagging
- Foundation cracks, settling, or signs of moisture intrusion
- Exposed, outdated, or unsafe wiring
- Broken or fogged windows, missing screens
- A non-functioning HVAC system or water heater
- Signs of active pest damage or wood rot
- Standing water, poor drainage, or bad grading near the foundation
- Unpermitted additions (decks, rooms, garages) not reflected in county records
- General safety hazards — broken steps, exposed wiring, unsecured pools
- Well or septic system issues (for properties not on city utilities)
- Incomplete renovations or missing fixtures (no stove, no working sink, etc.)





Gift Funds 10

Getting help from family? Here's how to do it the right way — and the easy way.

Who Can Gift Funds

- Parents, grandparents, siblings, and children
- Spouses and domestic partners
- Fiancé(e)s
- On some loans, a close friend with a documented relationship

What to Do

- Have the donor wire the funds directly to the title company, or have them cut a cashier's check made out to the title company — **not to you.**
- We will send a gift letter to get signed by your donor.
- Tell your loan officer about the gift before the money moves, so it's documented correctly from the start.

What NOT to Do

- Don't let the gift funds hit your personal bank account. A large, unexplained deposit creates extra paperwork — you'll have to source it, prove it's not a loan, and it can slow down or even hold up your closing.
- Don't accept the gift in cash.
- Don't have the money pass through multiple people or accounts before it gets to you — it needs a clean, traceable path from the donor to the title company.
- Don't treat it as a loan in disguise — if it has to be paid back, it's not a gift, and lying about that is mortgage fraud.

Bottom line: Skip your bank account entirely. Send it straight to title, and it'll be one less thing to explain at closing.

Wasn't Me!

11

What to Avoid During the Home Buying Process

From pre-approval to closing, it's important to keep your financial situation as stable as possible. Even small changes can affect your mortgage approval. Before making any major financial decisions, check with your loan officer.

- Don't open new credit. Avoid applying for credit cards, personal loans, or financing for furniture, appliances, or vehicles.
- Don't make large purchases. Significant purchases or cash withdrawals can affect your loan qualification and available funds for closing.
- Don't change jobs without speaking to your lender first. Changes in employment or income may impact your loan approval.
- Don't move large amounts of money between bank accounts without consulting your loan team, as additional documentation may be required.
- Continue paying all bills on time. Late payments can lower your credit score and affect your mortgage approval.
- Don't cosign for another loan or close existing credit accounts until after your home purchase is complete.

Stay in Communication

- Respond promptly to requests for documents or information.
- Let your loan team know immediately if anything changes regarding your employment, income, assets, credit, or financial situation.
- Asking questions before making a financial decision is always better than trying to fix a problem after it occurs.

When in doubt, call your loan officer first. A

quick conversation can help you avoid a decision that could delay—or even jeopardize—your home purchase.



Commonly Asked Questions

WHAT DOES "UNDER CONTRACT" MEAN?

Under contract means that all parties have agreed on terms, have signed the contract, and the signed contract has been delivered to both buyer and seller. Payment of the escrow deposit is expected but is not a requirement to make a binding contract.

WHAT IS EMD?

The earnest money deposit is money that is offered with an offer, or as soon as an offer is accepted, to show the seller that you are serious about moving forward with the purchase of the home. Because you forfeit this deposit if you back out of the purchase for any reason not allowed for in the contract, the larger the escrow deposit, the more seriously your offer is taken. This deposit is part of your downpayment, not in addition to.

DO I NEED AN INSPECTION?

I always recommend that you have a home inspection done. In the scheme of things, paying a few hundred dollars to have peace of mind that there are no hidden dangers or problems is well worth the money.

HOW MUCH ARE INSPECTIONS?

The cost of the home inspection depends on the size of the house and additional inspections requested, such as swimming pool, septic tank, termites, insurance four-point (HVAC, plumbing, roof, and electrical,) wind mitigation, and radon. An average home inspection, without additional inspections, is about \$350-\$600.

WHAT IF MY LOAN DOESN'T GET APPROVED?

If you have gone through the pre-approval process and have been forthcoming with all the information requested by your lender, it's unlikely you will be turned down. Make sure you do not change jobs, purchase big-ticket items on credit, take out a car or boat loan, or open any other new credit accounts while your mortgage is being processed. In most cases, your loan contingency will allow you to back out of the home if necessary.

WHEN CAN I START MOVING?

When you have the keys! When you are financing your purchase, it takes about 3-4 weeks for your loan to be processed. Once the lender gives the all-clear, closing is scheduled. You will sign your loan documents and both parties will sign documents transferring ownership to you. Unless other arrangements have been agreed upon by both parties, the sellers should have completely vacated the home when they sign the closing papers. You can have your belongings ready to move, and a moving company scheduled before you go to closing.

Commonly Asked Questions

WHY AM I GETTING ASKED FOR DOCUMENTATION AFTER I AM ALREADY APPROVED?

After underwriter approves it is completely normal for additional odds and ends to be requested for processing of your loan. Once items requested are reviewed by underwriting, they will sometimes require additional documentation based on what is submitted. Don't be alarmed rest assured this is part of the process.

WHY IS THE MORTGAGE COMPANY CALLING MY EMPLOYER?

The mortgage company can reach out to verbally verify employment through out the process. This is done to ensure your employment has not changed or been terminated. Within the last week of closing, the lender will need to verbally verify your employment

WHAT DOES THE LENDER NEED FROM ME TO GIVE ME A LOAN?

Usually, the lender will need 2 months of bank statements, last 2 pay stubs, last 2 years of w2's and a copy of your drivers license. The documents needed to get your pre-approved can change from person to person.

DO I NEED AN INSPECTION & HOW IS IT DIFFERENT THAN AN APPRAISAL?

An appraisal determines the property's value for the lender, while a home inspection evaluates its condition for the buyer. The inspection helps uncover any potential issues, allowing you to make an informed decision about your investment. While an appraisal is required by the lender, a home inspection is not mandatory but highly recommended for buyers.

WHAT HAPPENS IF THE APPRAISAL COMES IN LOWER THAN THE PURCHASE PRICE?

If the appraisal comes in lower than the purchase price, you and the seller may need to renegotiate the price, or you may need to cover the difference in cash.

WHAT HAPPENS AT CLOSING?

All buyers whose names appear on the property's title and/or mortgage documents must bring a government-issued photo ID. Mortgage closings are done by a title agency or a real estate closing attorney. As a buyer, you will have a lot more paperwork to sign than the seller. You may sign and/or initial more than 100 times. Even with all the signatures involved, fortunately, closing won't take all day. A typical closing last no mare than an hour.

WHEN SHOULD I GET PRE-APPROVED?

About 3-6 months out from when you'd like to move. If that has already passed, no worries! Pre-approvals only take about 2-3 days, you just want to have that pre-approval before you begin shopping.

Under Contract Checklist

Send Earnest Deposit

Earnest deposit amount: _____

Earnest deposit recipient: _____

Be very careful when wiring funds.

Never trust wiring instructions sent via email.

Schedule Inspections

The last day to renegotiate or cancel the contract due to issues revealed by the inspections is: _____

Pay for Appraisal

Your lender will contact you when it's time to pay for your appraisal.

Obtain Home Insurance

Contact insurance companies for quotes before the end of the inspection period.

Submit Documents to Underwriting

The quicker you submit documents to your lender the quicker we can close on your new home! These documents are to help show underwriting that you are truly qualified for your mortgage.

Important Dates

EXECUTED CONTRACT DATE

ESCROW DEPOSIT DUE

CD SIGNING DATE

INSPECTION PERIOD ENDS

ESTIMATED CLOSING DAY

HOME
ADDRESS

TITLE
COMPANY

HOMEOWNERS
INSURANCE

