

UNDERSTANDING THE { MORTGAGE PROCESS }

Getting started on the homeownership journey

With inventory low and interest rates and home prices rising, today's homebuyers must be prepared to act quickly.

Here's what you can expect if homeownership is your goal in the near future:

1

Are you ready to buy?

You may be ready for homeownership if:

- You want to **live on your own**, away from parents or roommates.
- You expect to **stay in one place** for a few years.
- You're **tired of paying rent** with no financial benefit.
- You're ready to **start/grow a family**.
- You want to be **part of a community**.
- You want the ability to **make your own decisions**.

2

Financial expectations

One of the most important steps of buying a home is qualifying for a mortgage. Your Allen Tate Mortgage Consultant will review these topics in more detail.

- **Credit score** – Score determines which loan programs you qualify for and interest rate.
- **Down payment** – Loans available for as little as 0 percent down depending on loan type. Private mortgage insurance (PMI) may be required for loans with less than 20 percent down.
- **Closing costs and contingencies** – Estimate 2-5 percent of the purchase price. Includes loan origination fee, underwriting fee, credit report, escrows, title search, taxes, appraisal and inspections.
- **Pre-approval** – More comprehensive review of your financial health by a mortgage loan officer. Tells you the loan amount you can qualify for – before you start shopping.
- **Debt-to-income ratio** – Your DTI is your total monthly debt payments, divided by your gross monthly income, expressed as a percent. Generally loan officers are looking for a DTI at or below 45 percent.

3

The right home

What's on your home wish list? Start making some notes.

- **Needs, wants and extras**
- **Type of home desired** – Single family, condo, townhome
- **Location desired and commute** times to work, school or other activities
- **Timing** – The average home search takes 10 weeks.

4

Professional resources

Your Allen Tate Realtor® and Allen Tate Mortgage Consultant are your trusted partners on the journey to homeownership.

- **Expertise** – Your Realtor and Mortgage Consultant are advocates and experts who will walk you through the process, help you stay on course and negotiate an acceptable offer.
- **Local market knowledge** – While you can search for properties online, your Realtor has details about the market that can help you find the right home.
- **Save time and money** – Your Realtor will help coordinate appraisals and inspections and make sure you are getting what you expect and deserve when making an offer. Your Mortgage Consultant will keep the loan process moving forward to ensure a successful and timely closing.
- **Access to the widest variety of available properties** (not just those on the internet) – Your Realtor knows about homes coming on the market soon that might be right for you.
- **Honest, direct and accessible** – Your Realtor and Mortgage Consultant are here to serve you and will give you straightforward answers and advice to help you reach your real estate goals.

QUESTIONS?

Contact your Allen Tate Mortgage Consultant.