



Buying a home?

You can do this.
We will show you how.

**No matter where you
are in the process, we
are here to help.**

We work with a variety of home buyers every day; we answer the big questions and alleviate the small worries.

**Let us do this for
you, just keep
reading!**

Is Homeownership right for you?

Deciding if you are ready to own a home is a decision that only you can make—like deciding to get a new puppy, it can be exciting but if you aren't ready, you'll quickly realize it was the wrong decision. Take some time to think about your plans for the next few years and your preferred lifestyle before jumping in to buying a home.

	Renting	Buying
Commitment	Renting may be a better option if you aren't planning to stay in one location for more than a year or two. Don't tie yourself down with a property... unless you want to rent it out when you move.	Buying may be a better option if you are planning to stay in the same area for a longer period; you know set some roots!
Maintenance	Renters are often not required to cover repair costs and have fewer maintenance costs.	Homeowners are responsible for the maintenance and repair costs of their homes.
Finances	A monthly rent payment can be comparable or sometimes higher than a mortgage payment, depending on the location.	Buying a home is an investment; allowing you to use the equity you have built up in the future for larger purchases or to cash out by selling the home.
Freedom	As a renter, you don't own the property so you won't have the freedom to make changes or upgrades as you would like... hope you like the color taupe!	When owning a home, you can improve your property as you see fit. Plus, you can have all the pets you want (that are legally allowed).

Qualifying for a Mortgage

There is not a one size fits all standard for determining if someone qualifies for a mortgage. When a lender, like us, is deciding to lend money to a person they look at four main criteria. Ideally, you would excel in each of these areas but for most of us, we fall somewhere in the middle and it is your lender's responsibility to consider each area and determine if you qualify.

The 4 C's of Lending

Credit - history in repayment

Capacity - income

Capital - amount of money they have

Collateral - the property itself

What can you afford?

Buying a home requires a good chunk of money. As uneasy as that might make you feel, keep this in mind; this is an investment in your future. Understanding the cost of buying your home is important and getting a grasp on your monthly expenses will make it a little less intimidating. We have home loan calculators to help you figure out what it will take to make your homeownership dream a reality.

Mortgage Calculator

This calculator will help estimate your monthly payment, so you know what to expect.

Budget Calculator

This calculator will help determine how far your money will go and how much house you can afford.

The Journey to Your New Home

When starting out on a journey, having a map can certainly help. That is why we want to show you what you can expect when getting a home loan. Look to see what milestones you will reach on your journey home. But not to worry, we will be with you from the first, “hello”, to the “congratulations” when your house officially becomes yours.

Talk to Us

Discuss your finances and future goals with your mortgage banker. He or she will pre-approve you for the amount they can lend you.

Start the Financing Process

Complete your loan application, lock in your loan amount, and submit all needed documentation so your mortgage lender can work towards approving and eventually closing your loan.

Find a Home & Make an Offer

Once you find the house that you can see yourself in and that works with your financing you and your Realtor will put together an official offer on the house.



Receive the Final Home Loan Approval

The underwriter may request a few more pieces of information from you in order to give the final approval on the loan. At this point the loan is cleared to close!

Get an Appraisal

Your mortgage banker will order an appraisal for you. An appraiser will assess the house and confirm its value, so you know you are getting a fair deal.

Get a Home Inspection

This part is up to you but its wise to have an expert check to make sure everything in the home is in working order.

Close on Your Home

A closing is scheduled for you to sign all the legal documents that allow you to take ownership of the house as well as the financing paperwork for your mortgage.



Who to Choose?

You have a lot of options when it comes to choosing your lender; online lenders like Rocket Mortgage, your local bank or credit union, and local mortgage banks, like us. So how do you choose? Let's compare what each has to offer.

	Stockton Mortgage	Online Lenders	Local Bank or Credit Union
Offers state sponsored programs to help home buyers like down payment assistance	●		
A variety of loan originators for you to choose from	●		
Accepts online application	●		
Offers a wide variety of loan programs	●	●	
A streamlined mortgage process	●	●	
Flexible	●		
Entire process done without face-to-face meetings		●	
Limited finance options available		●	●
All your financing done in one organization			●
Community Oriented	●		●
Face-to-face meetings with your mortgage banker	●		●
Understands your local market	●		●
Finances your home purchase	●	●	●



Closing Costs

Closing costs are fees paid directly to the lender and third parties working on your home loan. These fees will be clearly marked on your Closing Disclosure (CD),

Below are the closings costs in the same order you will find them on the CD. Examples of fees typically included are listed as well.

Loan Costs

- **Origination Charges**
 - Origination, processing, or underwriting fee
- **Services Borrower Did Not Shop For**
 - Appraisal or credit report fee
- **Services Borrower Did Shop For**
 - Pest inspection and title fees

Other Costs

- **Taxes and Other Government Fees**
 - Recording and transfer tax fees
- **Prepays**
 - Homeowner's insurance premium (12 months) and prepaid interest
- **Initial Escrow Payment**
 - Homeowner's insurance and property taxes
- **Other**
 - HOA processing and home warranty fee

Want to learn more about how closing costs laid out in your CD? Check out a helpful tool created by the Consumer Financial Protection Bureau (CFPB).

*The fees listed are representative but not limited to what could be charged.

Who Can Pay For Closing Costs? Aside from the buyer, there are other parties who can help alleviate these fees.

Sellers: Buyers can ask sellers to help cover closing costs with seller concessions. The amount the seller can contribute is based on the loan type.

Gift Donors: Family members can gift money to be used toward the down payment or to assist with closing costs.



Calculating Cash to Close

Your CD is due three days before closing. If you want to have a general idea on what you may owe beforehand, here is a basic formula to use.

(Down Payment + Closing Costs) – Deposits & Credits = Total Cash to Close*

It's important to note these credits are deducted from the amount due:

- Earnest money
- Appraisal fee if paid upfront
- Seller concessions, if applicable

Want to see an example of a Cash to Close table on a CD? Check out the example provided by the CFPB.

*This is an estimate and general guide to go by.

Preparing to Buy a Home: A Conversation Guide

You and your partner may be talking about buying a house, but do you know what he or she is looking for? Does he or she know what you want? Get on the same page by going through these questions before house hunting!



Where do we want to live?

- Are there specific neighborhoods we want to live in?
- How far are we willing to look outside of those specific neighborhoods?
- Are there any neighborhoods that are not appealing?
- Is it important for the area to be walkable?
- Could you see yourself having concerns about the amount of traffic on our road?
- Would you like a social neighborhood? Is privacy from the neighbors important?



What kind of house are we looking for?

- Do we want a move-in-ready house?
- Are there any appliances that we can't live without?
- How much storage do we need?
- How much time are we willing to dedicate to cleaning the house and doing yard work?
- Does that fit with the size of the house we want?
- What are the top 3 things I want in a house/yard?



What can we afford?

- How much can we afford per month on housing?
- Will we need to factor in added costs, i.e. lawn care, trash service, higher utility costs?



What kind of house will work long term?

Considering our plans for the next five to ten years...

- ...How many bedrooms do we need?
- ...How many bathrooms do we need?
- ...Do we want to host parties at our house? If so, what kind of space do we need?
- ...Do we need to consider school districts? If so, which ones do we want to and/or live in?
- ...Do we need to make considerations for a pet like a fenced in back yard or a place to play?
- ...Are we willing to take on long term home renovations?
- ...Do we need to consider accessibility such as how many stairs or easy entrance?



Loan Documents Checklist

Personal Information:

- Color copy of driver's license
- Color copy of social security card

Income Information:

- Copies of most recent paycheck stubs detailing last 30 days
- Social security award letter (if applicable)
- Retirement pay documents
- Copies of bank statements detailing the last 60 days of activity
- Copy of most recent retirement account statement (if used for closing costs or cash reserves)
- Copies of all 1099 s and W-2s from the past 2 years (3 if using KHC or IN housing funding)
- Copies of all federal tax returns with all schedules for the previous 2 years

Residence Information:

- Any address(es) for the last two years
- Copy of previous year property tax bill and homeowner's insurance policy
- Agent name and contact information for homeowner's insurance company

Debt Information:

- Information on all outstanding loans and credit cards
- Names and account numbers of creditors
- All monthly payments and account balances

Other Information: (if applicable)

- Copy of divorce decree and property settlement agreement
- Child support documents
- Copy of bankruptcy and final discharge documents
- Judgment or lien releases



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