

# Buying a home?

You can do it, we'll show you how.



Stockton Mortgage NMLS: 8259

Equal Housing Lender | [nmlsconsumeraccess.org](http://nmlsconsumeraccess.org)

This is not a commitment to lend. Qualifications apply. See representative for details.

# 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 and your preferred lifestyle before jumping in to buying a home.

	Renting	Buying
Commitment	Renting may be best if you plan to move within a year or two.	Buying is ideal if you plan to stay long-term and set down roots.
Maintenance	Renters typically avoid repair and maintenance costs.	Homeowners are responsible for the maintenance and repair costs of their homes.
Finances	Rent can often be as much or more than a mortgage, depending on location.	Buying a home builds equity, which you can use for future purchases or cash out when selling.
Freedom	Renters can't freely renovate or upgrade (hope you like taupe).	Homeownership means the freedom to customize your space, and have as many pets as allowed.

**Not sure what you're looking for? Start with these questions to clarify your needs. If buying with a partner, align your priorities together.**

- Where do you want to live?
- What type of home fits your lifestyle?
- What's your budget?
- Will this home meet your long-term needs?





# Qualifying for a loan.

Lenders evaluate four key factors—The 4 C's of Lending—to determine eligibility:

- Credit – Your history of repayment
- Capacity – Your income and ability to repay
- Capital – The assets and savings you have
- Collateral – The property being financed

While excelling in all areas is ideal, most people fall somewhere in the middle. A lender's role is to assess these factors and determine the best path forward.







# What can you afford?

Buying a home is a big investment, but understanding the costs can make it less overwhelming. Use our home loan calculators to plan your budget and make homeownership a reality. Loan calculators help you estimate affordability, monthly mortgage payments, and the impact of a buydown, giving you a clearer picture of your home financing options.

Find our free loan calculators at [stockton.com/loan-calculator](https://stockton.com/loan-calculator)

# Your roadmap to homeownership.

**Buying a home is a journey,  
and we're here to guide you.  
Here's what to expect from start to  
finish.**

## Easy as 1, 2, 3.

Well almost. We need to do 4, 5, 6, and 7, too.  
But we are here with you for every step.

## Get pre-approved

**Talk with a mortgage loan originator to  
discuss your goals and finances. We'll  
determine how much you can borrow  
and issue a pre-approval.**

# 1

## Find a home and make an offer

**Once you find the right home, your  
realtor will submit an offer. If accepted,  
we'll move forward with  
financing.**

# 2

## Submit your loan application

**Lock in your loan, provide documentation,  
and work with your loan team  
to move toward approval and closing.**

# 3



## Processing and underwriting

**We verify income, order title and appraisal, and review your file. Our underwriters will assess everything and may request additional documents before granting final loan approval.**

4

## Appraisal and home inspection

**We order an appraisal to confirm the home's value. You may also choose to have an inspection to ensure everything is in working order.**

5

## Closing preparation

**You'll receive an Estimated Closing Disclosure (ECD) outlining expected costs. Once your loan is fully approved, a Final Closing Disclosure (CD) will confirm final costs and payment details.**

6

## Clear to close and signing day

**Hearing "clear to close" means underwriting has approved your loan. A closing is scheduled for you to sign the final documents and officially become a homeowner.**

7

# DO

- Get preapproved. It saves you from falling for a house you can't afford.
- Keep us in the loop on any job or money changes.
- Don't skip those rent or mortgage payments.
- Stash important docs like W2s, tax returns, and paystubs in a safe spot.



# DON'T

- Don't start hunting for houses without knowing what you can spend.
- Change jobs or make major purchases.
- Avoid making chunky deposits into your bank account, apart from your regular pay.
- Hold off on planning vacations while your loan is being processed.
- Steer clear of starting, paying off, maxing out, or closing credit card accounts.



# Most Popular Mortgage Products

	Standard Maximum	Minimum Down Payment Requirement	Mortgage Insurance	Residence Type
FHA	\$472,030* (will vary by county)	3.5%	Yes	Primary only
Conventional	\$726,200	3%	No, if putting 20% or more	Primary, second, or investment
VA	100% Appraised Value	0%	No	Primary only
USDA	100% Appraised Value	0%	Yes	Primary only

Credit, income and other qualifications may apply



A woman with long dark hair, wearing a white crop top and green shorts, stands in a kitchen. She is holding a dark mug and looking out a window with blinds. The kitchen has a white countertop and a range hood. A large blue triangle is in the bottom left corner of the page.

# Closing costs

Closing costs are fees paid to your lender and third parties involved in processing your home loan. These costs are clearly outlined in your Closing Disclosure (CD), which you'll receive three days before closing.

## Loan Costs

- Processing and underwriting fees
- Appraisal and credit report fees
- Pest inspection and title fees

## Other Costs

- Taxes & Government Fees
- First year's homeowner's insurance and prepaid interest
- Property taxes and homeowner's insurance held in escrow
- Additional Fees – HOA processing or home warranty, if applicable

## Who can help cover closing costs?

- Sellers – Buyers can request seller concessions to cover a portion of closing costs, based on loan type.
- Gift Donors – Family members can contribute funds toward closing costs or a down payment.

How to calculate cash to close  
 $(\text{Down Payment} + \text{Closing Costs}) - \text{Deposits \& Credits} = \text{Cash to Close}$

## Credits that reduce your amount due include:

- Earnest money deposit
- Upfront appraisal fee (if paid in advance)
- Seller concessions (if applicable)

## Loan scenario

---

Purchase Price

---

Down Payment

---

Interest Rate

---

Annual Est. Insurance

---

Annual Est. Taxes HOA

---

Monthly Payment  
(Principal, interest, taxes, insurance, and HOA)

## Loan scenario

---

Purchase Price

---

Down Payment

---

Interest Rate

---

Annual Est. Insurance

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## Loan scenario

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Monthly Payment  
(Principal, interest, taxes, insurance, and HOA)



# The home hunt

In the next section, you can maintain a record of all the houses you come across, the exceptional and the less-than-perfect ones.

As you start the process of finding the house that you can make a home, there are a lot of things about your new home to take into consideration as you're looking. The checklist below will help to guide you through the many aspects of choosing a place that's right for you and help you note your favorite aspects of each house.

## My Wishlist

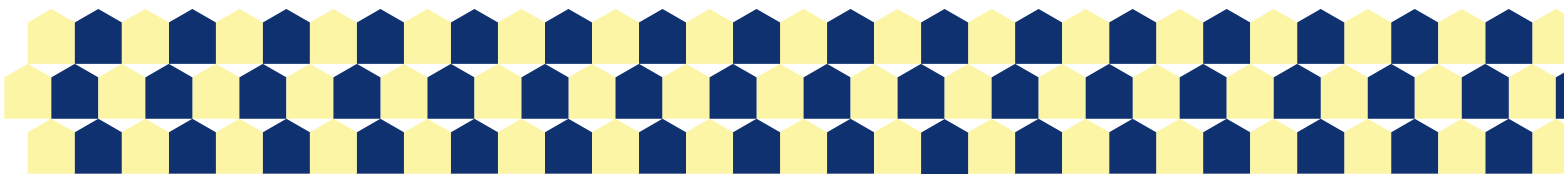
Minimum Bedrooms \_\_\_\_\_ Address 1 \_\_\_\_\_

Minimum Bathrooms \_\_\_\_\_ Address 2 \_\_\_\_\_

Minimum Sq. Footage \_\_\_\_\_ Address 3 \_\_\_\_\_

Req.	Structural	1	2	3
	Garage (number of doors)			
	Single Story			
	Multi-Story			
	Basement			
Heating and AC				
	Energy Efficient			
	Central Air			
	Fireplace			
	Wood Stove			
	Forced Air Heat			
Location				
	Waterfront			
	Views Quiet Street			
	Cul-de-Sac			
	Strong Schools			
	Walking Neighborhood			
	Downtown			

Req.	Structural	1	2	3
	Deck / Porch / Sunroom			
	Patio			
	Pool / Hot Tub			
	Fenced-in Yard			
	Shed			
	Gardens / Landscaping			
Interior				
	Open Floorplan			
	Hardwood Floors			
	Granite Countertops			
	Laundry Room			
	Finished Basement			
	ADA Accessible			
Other				
	1			
	2			
	3			



# Monthly budget

[illegible]

Total \_\_\_\_\_

[illegible][illegible][illegible]

Savings / Debt	Budget	Actual
( + ) Income total		
( - ) Bills total		
( - ) Debts total		
- Remaining		

# Savings tracker

Savings for \_\_\_\_\_

Amount needed \_\_\_\_\_

	Week 1	Week 2	Week 3	Week 4	Week 5	Total
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						



# Visit worksheets

Address \_\_\_\_\_

Price \_\_\_\_\_

HOA \_\_\_\_\_

Square footage \_\_\_\_\_

Bedrooms \_\_\_\_ Baths \_\_\_\_ Garage \_\_\_\_

Overall rating

Likes

---

---

---

---

Dislikes

---

---

---

---

Address \_\_\_\_\_

Price \_\_\_\_\_

HOA \_\_\_\_\_

Square footage \_\_\_\_\_

Bedrooms \_\_\_\_ Baths \_\_\_\_ Garage \_\_\_\_

Overall rating

Likes

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dislikes

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The hunt ends here.









## By the numbers.

My new home is at \_\_\_\_\_

Purchase Price \_\_\_\_\_

Monthly Payment \_\_\_\_\_  
(Principal, interest, taxes, insurance, and HOA)

Important dates \_\_\_\_\_

Home inspection date \_\_\_\_\_

Appraisal date \_\_\_\_\_

Clear to close date \_\_\_\_\_

Final walkthrough date \_\_\_\_\_

Keys in hand date \_\_\_\_\_

Closing appointment \_\_\_\_\_

Closing date and time \_\_\_\_\_

Signing date, time, and location \_\_\_\_\_

Cash needed at closing \_\_\_\_\_

Things to bring \_\_\_\_\_



# The move.

## 2 months before moving

- Estimate costs – Get quotes from at least three movers or ask for recommendations.
- Declutter – Sell, donate, or toss items you don't need.
- Gather supplies – Plan how many boxes and packing materials you'll need.
- Check job relocation policies – If moving for work, review company benefits.
- Stay organized – Keep a moving notebook to track expenses and receipts for possible tax deductions.

## 30 days before moving

- Set up utilities – Schedule transfers or new service for cable, internet, and utilities.
- Pack non-essentials – Use up perishables and box up items you won't need before the move.
- Plan furniture placement – Decide where everything will go to make move-in easier.
- Update your address – Change it online at USPS and notify banks, doctors, schools, insurance, and subscriptions.

## 14 days before moving

- Clean as you pack – Tidy up closets, basements, and attics.
- Secure important documents – Keep passports, wills, and financial records in a safe place.
- Protect valuables – Pack heirlooms and irreplaceable items separately.
- Plan time off – Notify your employer if you need moving days.
- Confirm movers – Double-check your moving day details.

## Moving day prep

- Defrost & clean – Empty and clean appliances a day before.
- Final yard work – Mow the lawn if the home will be vacant.
- Payment ready – Arrange full payment for movers and consider a 10-15% tip.
- Verify movers – Check the truck's USDOT number matches your estimate.
- Label rooms – Mark doors in your new home to help movers unload efficiently.

## After closing to-dos

- Courthouse visit – Don't forget to apply for Homestead exemption, or brace for higher taxes and escrows.
- Fire dues – Check if your city charges fire dues. If yes, register and pay up.
- Utilities swap – Don't leave the utilities running at your old place. Time to cancel.





## People you need to know.

Garbage \_\_\_\_\_

Internet \_\_\_\_\_

Cable \_\_\_\_\_

Gas \_\_\_\_\_

Water \_\_\_\_\_

Electricity \_\_\_\_\_



## Words that are good to know.

### Adjustable-Rate Mortgage (ARM)

Mortgage loans under which the interest rate is fixed for a period of time and then adjusts annually as agreed to at the inception of the loan.

### Annual Percentage Rate (APR)

The total yearly cost of a mortgage including rate of interest paid. Includes the base interest rate, points, and any other add-on loan fees and costs. The APR is higher for the rate of interest than what the lender quotes for the mortgage, because most mortgages are not held for their full 15 or 30-year terms. The effective APR is higher than the quoted APR because points and loan fees are spread out over fewer years.

### Appraisal

A licensed appraiser's professional opinion of a property's fair market value based on an appraiser's knowledge, experience, and analysis of the property.

### Closing Costs

Expenses (over and above the price of the property) incurred by buyers and sellers in transferring ownership of a property. Also called "Settlement Costs."

### Conforming Loan

A loan for a 1-unit property up to and including \$453,100. Loan limits are higher for 2-, 3-, and 4-unit properties. (Alaska, Guam, Hawaii, and the U.S Virgin Islands are higher).

### Debt-to-Income (DTI)

Ratio of aggregate monthly debt to aggregate monthly income.

### Private Mortgage Insurance (PMI)

Insurance paid by borrowers to secure the lender against default, typically required when loan-to-value exceeds 80%.

### Qualifying Ratios

Two ratios determining mortgage eligibility. The front ratio compares monthly housing costs to income, while the back ratio includes housing costs plus other monthly debts.

### Transfer Tax

Tax due when property ownership changes hands, levied by state or local authorities.

### Underwriting

The lender's risk assessment process, evaluating the applicant's repayment ability, willingness, and property value.

We're honored to be part of your homeownership journey. We'll check in to ensure everything runs smoothly, but if you have questions, we're here.

Loved your experience? Referrals mean the world to us—we'd love to help your friends and family too.

Thank you for trusting us.

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