



Preparing to purchase a home



Rates and terms are subject to change without notice. This is not a firm offer of credit, or pre-approval. All applicants are assessed following a completed application. Home loans are provided by CU Members Mortgage a division of Colonial Savings, F.A. NMLS 401285.





FINDING YOUR HOME

Your Dream Home

Evaluating your needs

What are your dreams

Weighing your options





Benefits of homeownership



- Pride of ownership
- Flexibility
- Community stability
- Many consider it a good investment

A home loan is the first step to buying a home.



QUALIFYING FOR A MORTGAGE



Qualifying for a Home Loan





HOW CREDIT PLAYS A PART

Your Credit Report



- ✓ Your credit history and score are the single most important factors in qualifying for a mortgage and getting the best interest rate available.
- ✓ Credit scores range from 300 to 850.
- ✓ Minimum credit scores vary by product and lender but currently 620 is considered our minimum requirement to qualify for a mortgage.
- ✓ A credit score of 740 or higher may result in a lower mortgage interest rate.

Your Payment History



- This factor is weighed as the most important factor in calculating your credit score.
- Negative marks, such as late payments, result in deduction of points for your score.
- What negatives make the biggest impact?
- A history with little or no negative marks, results in a higher credit score.



How much you owe

The second most important factor in calculating your credit score.



This is why closing a credit card with available balance actually lowers your score.



How long have you had credit

The third most important factor
in calculating your credit score.



Age of your
oldest credit
account.

Average age of all
your credit
accounts.



Your last application for credit

Listed as the fourth factor in calculating your credit score.



✓ “Shopping around” does NOT affect your credit.

✓ Requesting your credit score and a detailed report from the credit agencies does NOT affect your score.



The types of credit you use

The last of the five factors used to calculate your credit score.



Major credit cards are better than department store credit cards.



How do I get my credit report

www.annualcreditreport.com
877-322-8228

- You can request a score for a fee when you order your report. Your report itself is free from reporting agencies.
- When you apply for a home loan, a credit report is ordered as part of application and a small fee is charged.





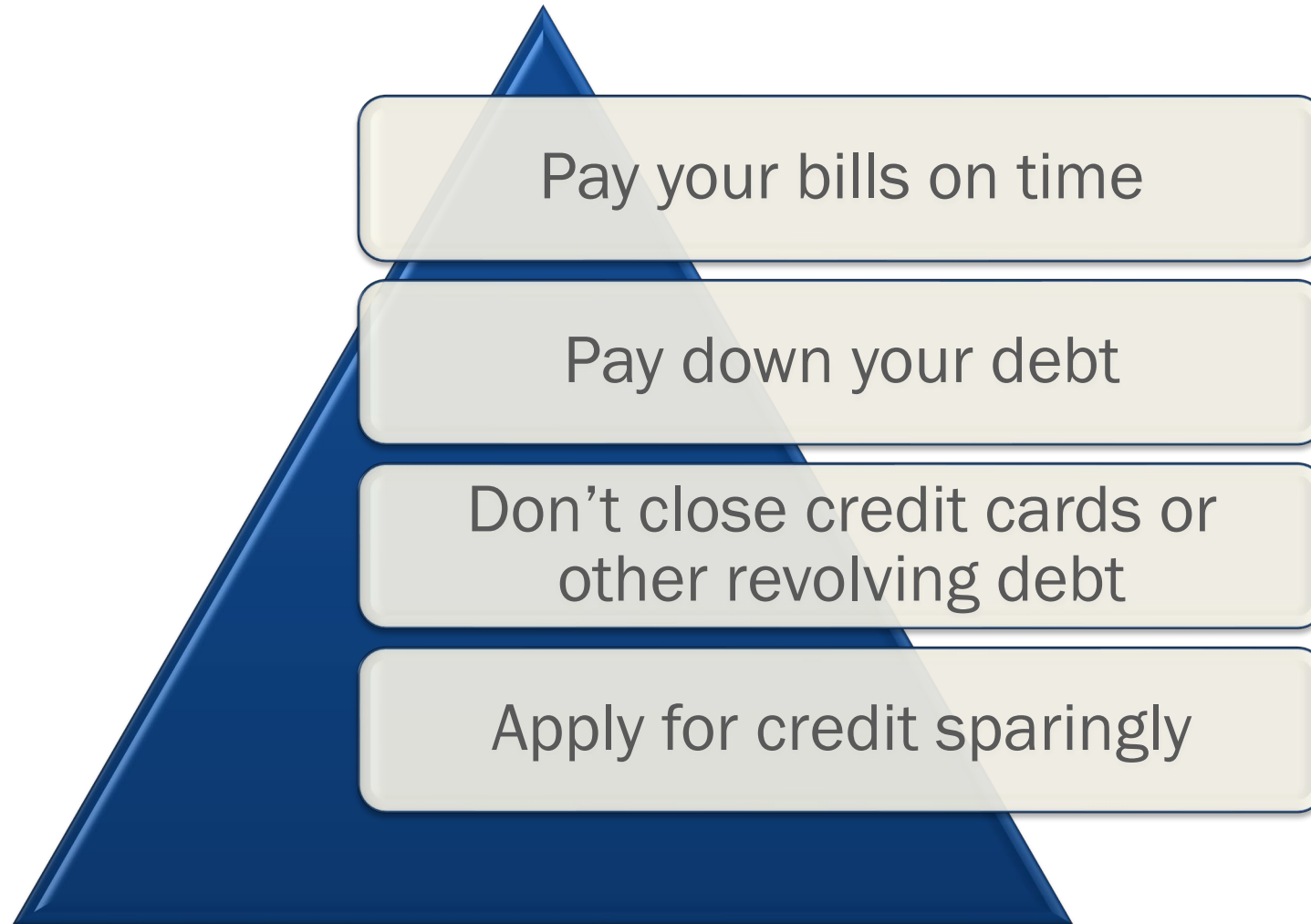
Reviewing your credit report

- 1 Confirm ID information is correct
- 2 Review credit accounts
- 3 Review the number of inquiries
- 4 Collections and public records





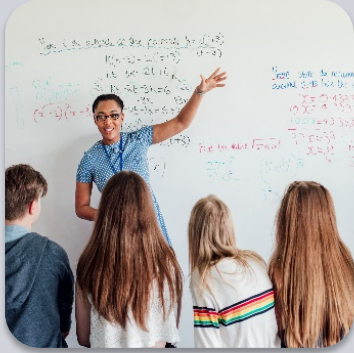
Improving your score the right way





BUDGET AND AFFORDABILITY

Source of Income



Job



Interest
Income



Rental
Income



Business
Income



Pension
Income



Employment

Lenders look for employment stability.

2-year history in similar line of work.

Your educational achievements are considered.

Employment gaps.

Lender will verify employment throughout the application process.

Self employment is harder to verify and requires additional information.



COLLATERAL

Available assets

Deposit
Accounts

Cash

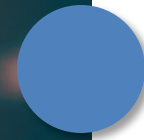
Gift from
relative

Borrowing
against an asset





Amount needed to close



Down payment



Closing costs



Pre-pays



DOWN PAYMENT



Why is down payment required

Your investment

The myth behind down payments

What's really required

Mortgage Insurance



Mortgage Insurance protects the lender if the home should go into foreclosure.

In most cases required with less than 20% down.

What's the difference between PMI, FHA and VA.

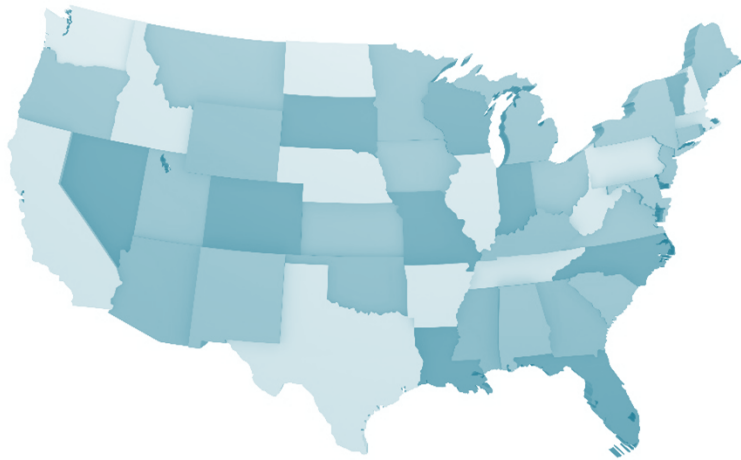


LOAN PROGRAMS



WIDE VARIETY OF LOAN PROGRAMS

Lending ability
in all 50 states!



Conventional

FHA

VA

Investment Properties

Jumbo

First Time Homebuyer

Second Homes



Conventional Loans

Can be fixed rate or adjustable.

May combine different programs.

Down payments as low as 3%.

May require mortgage insurance.





FHA loans



Available to all qualified buyers.

Subject to maximum loan limits.

FHA loans are insured by HUD. Contain Mortgage Insurance Premiums

Low down payment.

More flexible credit qualifying.



VA loans

Fixed rate; long term

No down payment

Mortgage insurance
through Department of
Veteran Affairs

Must have certificate of
eligibility

Funding fee in closing
costs

First-time homebuyer Opportunities



Fannie Mae 3%
down payment
(no income restrictions)

HomeReady
Mortgage
(income restrictions)

Home Possible
Mortgage
(income restrictions)



Jumbo loans

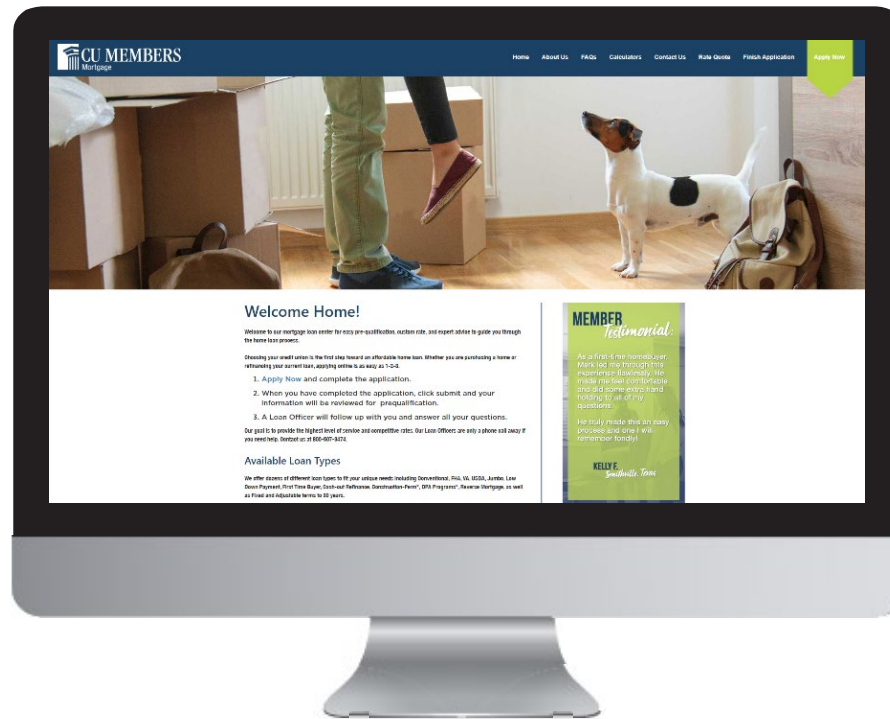
Loans over a certain threshold are called “Jumbo” loans

Higher interest rate

With a larger loan amount, Jumbo loans require more documentation and verification for approval.

THE LOAN PROCESS

Online Application



- You can apply online at your credit union's website.
- Easy online application available 24/7 wherever you choose in less than 15 minutes.
- Becomes your portal to receive and send communication to our team, review documentation or tasks and follow the status of your loan.



Consult with a Loan Officer



Your loan officer is there to hold your hand throughout the loan process.

- ✓ Documentation requirements
- ✓ Calculate your budget and affordability
- ✓ Answer questions about products and rate
- ✓ Tell you about the next steps

Processing the loan

- You will may be asked to provide income and asset documentation.
- You may be asked to pay for an appraisal.
- Lender will do a title search on the property.
- Your loan application will go to an underwriter for final approval.



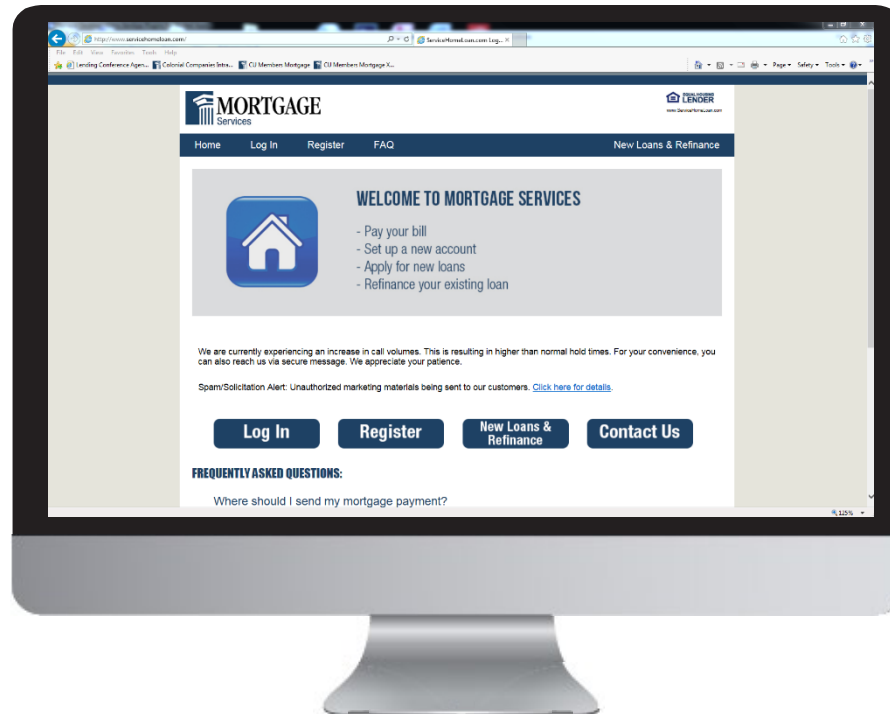
Closing the Loan



A closing disclosure will be provided at least 3 days before settlement. It allows you to review costs, fees, and transaction details.

You'll be advised on what you need to bring to closing.

After Closing



Retained Servicing

- No solicitation for other products.
- Nearly all of the loans we close are Servicing Retained!

Online Servicing Portal

- www.servicehomeloan.com
- Make payments online.
- Access account information once their loan closes.



**YOUR
HOMEBUYING
TEAM**



Your Homebuying Team



Loan Officer



Real Estate Agent



Appraiser



Home Inspector



Settlement Agent/
Title Company



HOW TO GET STARTED



Get started today...

Apply for a home loan

If possible, consent to electronic delivery (e-consent) of documents.

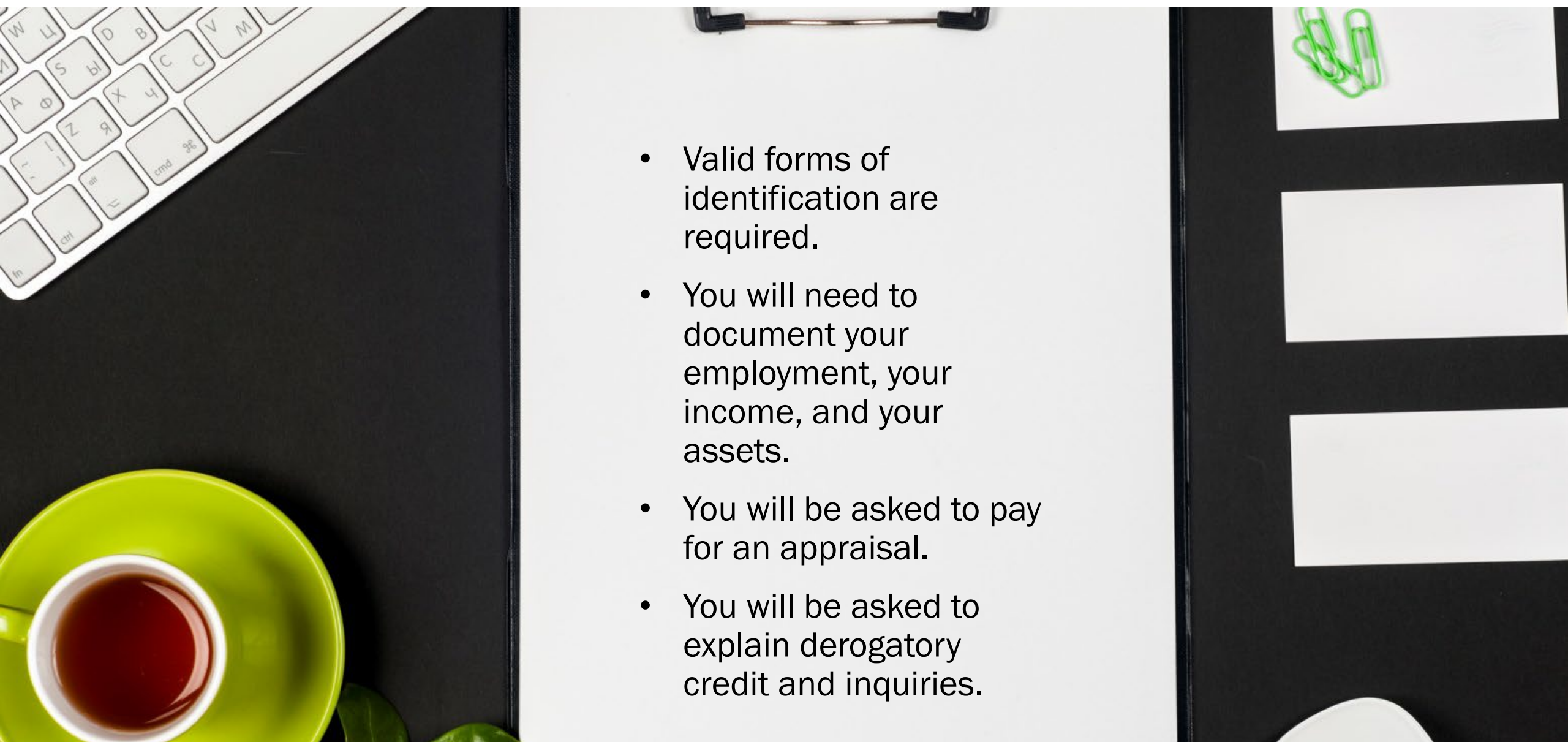
Keep your loan officer informed of anything that changes.

Ask questions.

Respond promptly to information or documentation request.



What to expect

- 
- Valid forms of identification are required.
 - You will need to document your employment, your income, and your assets.
 - You will be asked to pay for an appraisal.
 - You will be asked to explain derogatory credit and inquiries.



For more
information
contact your
WyHy mortgage
professional



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