



3riversfcu.org/mortgages | 260.399.8249

# STEPS TO PURCHASING A HOME **QUICK GUIDE**

Buying a home is one of the most exciting events in your life. It's also likely the most expensive purchase you will ever make. These steps will help guide you in the process of buying a new home.

## **GET READY TO BE A HOMEOWNER**

1. Save enough money for a down payment – typically 3-20% of the purchase price.
2. You will need steady employment and income to support the monthly payments.
3. Make sure your credit score ([www.myfico.com](http://www.myfico.com)) is in good shape and your credit histories ([www.annualcreditreport.com](http://www.annualcreditreport.com)) are accurate.
4. Use our financial calculators to estimate monthly payments.
5. Factor in the other costs of owning a home (heating, cooling, yard maintenance, repairs, improvements, homeowners' association fees, taxes, and insurance).
6. Consider speaking with a housing counselor ([www.consumerfinance.gov/find-a-housing-counselor](http://www.consumerfinance.gov/find-a-housing-counselor)).

## **DETERMINE WHAT YOU CAN AFFORD**

1. Calculate your monthly expenses (car, credit cards, student loans, insurance, food, entertainment, etc.)
2. Obtain a written pre-approval amount from 3Rivers. Remember that just because you're approved for a certain amount, that doesn't mean you have to spend that much. Only you know what your budget can handle.
3. Review the Good Faith Estimate and Truth in Lending Disclosures to understand the costs of obtaining the loan.

## **SHOPPING FOR A HOUSE**

1. Interview several licensed real estate agents and ask how they will help you search and how they charge their fees. Make sure they are working for you and not the seller ([www.mibor.com](http://www.mibor.com)).
2. Make a list of the amenities and features you are looking for in a home.
3. Research homes in your preferred neighborhood and school system that are also near your workplace and other places you visit frequently ([www.zillow.com](http://www.zillow.com)).
4. Look at a variety of homes and visit your favorites several times. Observe the neighborhood at different times of day. Speak with the neighbors if possible.
5. Once you choose a home, hire a home inspector and accompany them on a home inspection. You can adjust the offer to request repairs or credit toward repairs.
6. When you're ready to make an offer, your real estate agent will negotiate the closing costs, repairs, agent fees, and move-in date with the seller on your behalf.

## **THE LOAN PROCESS**

1. Sign the purchase agreement and submit the necessary paperwork to your 3Rivers loan officer.
2. The mortgage processor will complete the appraisal, title work, etc., and notify you when the loan is approved.
3. After the loan is approved, you can request a HUD-1A, which breaks down the sales price, loan amounts, costs/fees, and down payment.
4. Obtain a cashier's check for the amount of the closing.



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## THE CLOSING

1. Prepare to sign many forms!
2. Make sure you understand and are comfortable with everything you are signing. If not, ask questions.
3. Confirm when payments will start, how much they will be, if they will include taxes and insurance, whether you will receive statements or a payment book, and where you will send payments.
4. Ask the closing agent how to file a Homestead Exemption, which reduces your annual real estate taxes.
5. Congratulations! You are the now the owner of a new home!

## MOVING IN

1. Before you move in, have all the locks changed.
2. Change the batteries in the smoke detectors.
3. Inform your insurance agent that you have moved. Ask if any discounts are available for having multiple policies.
4. Change your mailing address with the U.S. Post Office.
5. Welcome home!

## ARE YOU READY?

You are now armed with the tools you need to have a successful home buying experience. 3Rivers looks forward to helping you with this process.

## MORTGAGE APPLICATION CHECKLIST

### W-2 Wage Earners

- Most recent, one month's pay stubs.
- Last 2 years' W-2s (for all jobs).
- Last 2 years' tax returns.
- Residence addresses – Past 2 years
- Names and addresses of each employer – past 2 years
- Proof of other income (Social Security, Disability, Pensions)
- Last 2 months bank statements for all checking and savings accounts
- Addresses of other real estate owned (currently)
- Most recent quarterly statements on all investment accounts (IRA, 401K)
- Divorce Decree and Property Settlement (signed) if applicable
- Bankruptcy Papers and proof of discharge if applicable

### Self Employed

- Personal and Business Returns – previous 2 years, complete with ALL supporting schedules & SIGNED!
- Year-To-Date Profit and Loss (P/L) Statements
- Current Balance Sheet (most recent quarter end)

### Purchases *(in addition the information requested above)*

- Signed copy of the Offer to Purchase and any counter offers
- Copy of the listing data sheet

### Refinances *(in addition the information requested above)*

- Copy of land survey for Ohio properties (exceptions will be handled on a case by case basis and dependent on product type selected)
- Copy of Homeowners (Hazard) Insurance Policy and/or agent's name and phone number

Additional information could be necessary to make a loan decision. Anything less than the above described data will result in slowing the approval and closing process. Should you have any questions, or need clarification, on any of the above information feel free to contact your Loan Officer.

## CONTACT US

### Mortgage Origination Department

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