

# Your Central Bank Homebuyer Guidebook





## 1. Get Prequalified

**First thing's first** – how much home can you actually afford? Before setting out to find the perfect home, you'll want to do your research to determine how much of a monthly payment you can actually afford, and the price range of which you are prequalified. You can do so [online](#) or stop by any location to speak with a loan specialist.

### Questions to consider:

- [How much home can I afford?](#)
- [What am I comfortable paying each month for a mortgage?](#)
- How much money do I have saved for a down payment?
- [What information does the loan specialist need from me?](#)
- What is the best loan program for my needs?

Our [Online Mortgage Center](#) is filled with tools and resources to help you get started with answering these questions.

### Once you're prequalified

- ✓ You know exactly what you can afford
- ✓ You have the negotiating power you need to let the seller know you are a committed buyer
- ✓ We're here to guide you every step of the way

### Credit Score Basics

Your credit score will be one of the first items a loan specialist reviews when it comes to getting a loan. It will help them determine if you qualify for a loan and what interest rate you can get. Generally, the higher the credit score, the lower the risk that your payments won't be paid as agreed upon in the loan.

### Your credit score is calculated on several factors:

1. Your payment history and timing
2. Your outstanding debts
3. Length of credit history
4. Any new credit and the number of inquiries that have been made about your credit history in the recent past (if you're getting ready to apply for a loan, it's best to not apply for any new credit cards)
5. Types of credit (i.e. credit cards, personal loans, home equity loans, etc.)

## The Home-Buying Process

- ➔ 1. Get Prequalified
2. Find Your Property
3. Make an Offer
4. Sign Your Contract and Pay Earnest Money
5. Inspections
6. Appraisal
7. Loan Approval
8. Repairs
9. Insurance
10. Closing





## 2. Find Your Property

Now that you're prequalified, you can begin shopping for a home in your price range.

### Tips to keep in mind:

- ✓ Determine if you'll be buying through a real estate agent or For Sale By Owner
- ✓ Discuss price or payment range affordability
- ✓ Weigh the facts important to you in choosing a neighborhood
- ✓ Consider influences that may affect the current or future value of the property
- ✓ Make comparisons on location, tax rates, schools, condition of property, monthly costs such as utilities and maintenance, etc.



## The Home-Buying Process

1. Get Prequalified
- ➔ 2. Find Your Property
3. Make an Offer
4. Sign Your Contract and Pay Earnest Money
5. Inspections
6. Appraisal
7. Loan Approval
8. Repairs
9. Insurance
10. Closing



### 3. Make an Offer

Once you find that home, it's time to make an offer. The decision to buy through a real estate agent or For Sale By Owner should be based on your comfort level. Both have their pros and con. Regardless of your decision, make sure your offer includes the following:

- ✓ How much you're willing to pay
- ✓ Which title company you would like to use for the purchase
- ✓ If and how any special characteristics of the sale will occur
- ✓ The expected time frame for an inspection and the company's name
- ✓ How any repairs will be handled
- ✓ When the sale of the property will happen (or at least an expected time frame)
- ✓ Any other details regarding how the sale will proceed

## The Home-Buying Process

1. Get Prequalified
2. Find Your Property
- 3. Make an Offer
4. Sign Your Contract and Pay Earnest Money
5. Inspections
6. Appraisal
7. Loan Approval
8. Repairs
9. Insurance
10. Closing





## 4. Sign Your Contract and Pay Earnest Money

When both seller(s) and buyer(s) have agreed on all terms of the offer and signed the contract form, it's a legally binding instrument. The contract is signed and dated by all parties. After all parties have signed the contract, the contract and earnest money is delivered to the chosen escrow company.



## The Home-Buying Process

1. Get Prequalified
2. Find Your Property
3. Make an Offer
- 4. Sign Your Contract and Pay Earnest Money
5. Inspections
6. Appraisal
7. Loan Approval
8. Repairs
9. Insurance
10. Closing



## 5. Inspections

Once the signed contract and earnest money are delivered, schedule the inspection of the property.

Plan to attend the inspection and always ask questions about the property.

The inspector will:

- ✓ Inspect the structure and systems of the property as specified by you
- ✓ Recommend appropriate repairs for the property before purchase
- ✓ Point out potential maintenance problems



## The Home-Buying Process

1. Get Prequalified
2. Find Your Property
3. Make an Offer
4. Sign Your Contract and Pay Earnest Money

### → 5. Inspections

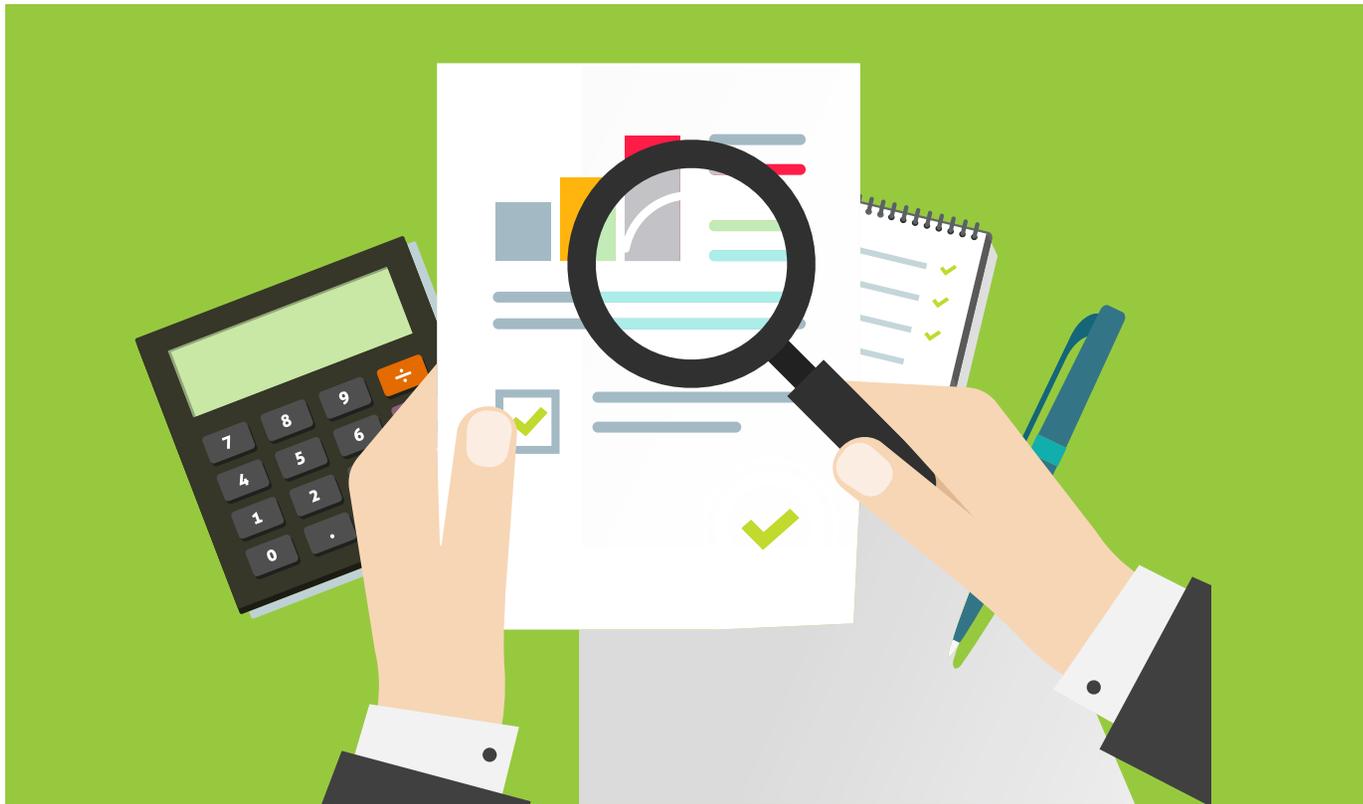
6. Appraisal
7. Loan Approval
8. Repairs
9. Insurance
10. Closing



## 6. Appraisal

We will order an appraisal for the property. The appraisal will establish the value of the property compared to other properties recently sold in the area.

***If you're not pleased with the inspection report and appraisal, you'll need to report any required repairs to the sellers at this time.***



## The Home-Buying Process

1. Get Prequalified
2. Find Your Property
3. Make an Offer
4. Sign Your Contract and Pay Earnest Money
5. Inspections
- 6. Appraisal
7. Loan Approval
8. Repairs
9. Insurance
10. Closing



## 7. Loan Approval

Here's a list of the documents we'll need once you've decided to proceed with the loan:

### Your First-Time Homebuyer Checklist

#### ✓ Employment Income Verification

- ❑ Last two years of W-2 statements and a consecutive 30 days of paystubs including year-to-date earnings
- ❑ Proof of additional income earnings, Social Security, Child Support, and Alimony, if you choose to have it considered for repaying the loan
- ❑ Last two years Personal Federal Income Tax Returns
- ❑ (If Self-Employed) Current and prior year Business Federal Tax Returns

#### ✓ Asset Verification

- ❑ Last three months of your checking, savings, and investment statements

#### ✓ Collateral

- ❑ Signed sales contract and any addendums on the purchase of the home
- ❑ Name and telephone number of insurance agent
- ❑ Title company or settlement name and contact info
- ❑ Copy of Earnest Money Check

#### ✓ Legal

- ❑ Copy of Photo ID and/or Permanent Resident Alien card – if applicable
- ❑ Copy of Revocable Trust - if applicable
- ❑ Copy of recorded Divorce Decree - if applicable

Additional information may be needed depending on your individual circumstances.

After all documents, letters, and verification items are assembled, your loan specialist will submit your loan file to an underwriter for final approval.

#### During this approval, one of three outcomes may occur:

- ✓ Approve your loan
- ✓ Approve your loan subject to further requirements
- ✓ Reject your loan

## The Home-Buying Process

1. Get Prequalified
2. Find Your Property
3. Make an Offer
4. Sign Your Contract and Pay Earnest Money
5. Inspections
6. Appraisal
- ➔ 7. Loan Approval
8. Repairs
9. Insurance
10. Closing

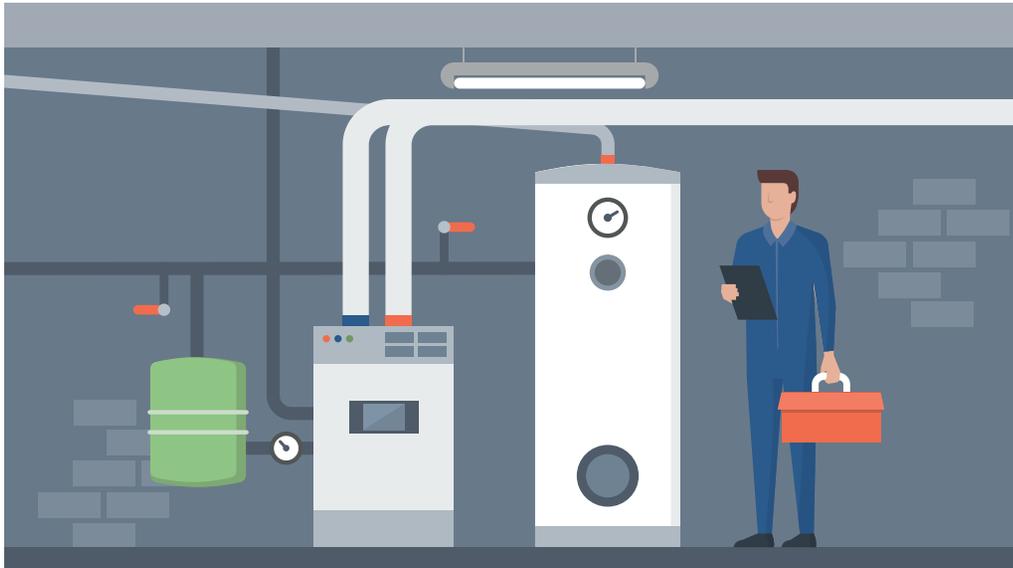




## 8. Repairs

After the final loan approval, it's time to ensure all repairs were completed per your written contract.

- ✓ Leaky facet
- ✓ Electrical repairs
- ✓ New roof
- ✓ Foundation issues
- ✓ Heating and air conditioning
- ✓ Water heater



## The Home-Buying Process

1. Get Prequalified
2. Find Your Property
3. Make an Offer
4. Sign Your Contract and Pay Earnest Money
5. Inspections
6. Appraisal
7. Loan Approval
- ➔ 8. Repairs
9. Insurance
10. Closing



## 9. Insurance

It's important to do your research and get your new home insured. Your insurance agency will need to provide proof of coverage to the escrow company for the closing.

### A few things to keep in mind when choosing an insurance company:

- ✓ Choose a reputable company that you know and trust
- ✓ Your dollar coverage should be for the loan amount or the estimated cost to replace, which may be higher or lower than the loan amount
- ✓ Shop around for a rate and coverage plan that works best for you



## The Home-Buying Process

1. Get Prequalified
2. Find Your Property
3. Make an Offer
4. Sign Your Contract and Pay Earnest Money
5. Inspections
6. Appraisal
7. Loan Approval
8. Repairs
- 9. Insurance
10. Closing



## 10. Closing

**It's here – your closing!** Your official closing will take place at one of two places – your bank or the escrow company. Double check with your real estate agent or loan specialist a few days before to make sure you know where you're going.

At least three days before closing you will receive a closing disclosure that will list any charges that have been prepaid and/or will be paid at closing. Those charges originate from any party involved in the sale, and all charges should be showing on the closing disclosure.

Both you and the sellers will sign all legal documents.

The escrow company will return loan documents to your loan specialist.

All monies are collected and disbursed by the title company as specified in the closing statement.

**[Visit our online Mortgage Center](#) or stop by any [Central Bank location](#) today!**



[www.centralbank.net/mortgage](http://www.centralbank.net/mortgage)



## The Home-Buying Process

1. Get Prequalified
2. Find Your Property
3. Make an Offer
4. Sign Your Contract and Pay Earnest Money
5. Inspections
6. Appraisal
7. Loan Approval
8. Repairs
9. Insurance

→ **10. Closing**

