

MORTGAGE COSTS AND PAYMENTS

LOAN COSTS

- Tax Service Fees
- Flood Determination Fees
- Title Insurance
- Closing Fees
- Credit Report
- Appraisal
- Origination/Doc. Preparation Fees
- Recording Fees

MADE AT TIME OF OFFER

Earnest Money Deposit: A deposit made to a seller that represents a buyer's good faith to buy a home. The money gives the buyer extra time to get financing and conduct the title search, property appraisal and inspections before closing.

An EMD says you're committed as a buyer. If you back out of the deal for reasons that have nothing to do with the home inspection or the appraisal, the seller can keep your money. If everything is moving along smoothly, the EMD is applied to your loan closing costs or toward the down payment requirement.

DOWN PAYMENT

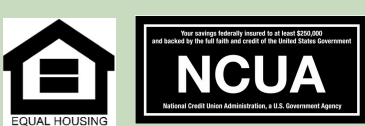
A home down payment is the part of the home's purchase price that the borrower pays for from their own financial sources. It is a benefit to the home buyer because it reduces down the overall monthly required payment to back the loan.

PAID AT CLOSING

- First-year home insurance premium
- Escrow deposit for future real estate taxes & home owner's insurance premiums

INSPECTION FEES

- Fees for the property inspections and surveys:
- Home inspections
 - Survey of the land (if needed)
 - Septic and well inspection



What's needed for mortgage pre-approval?

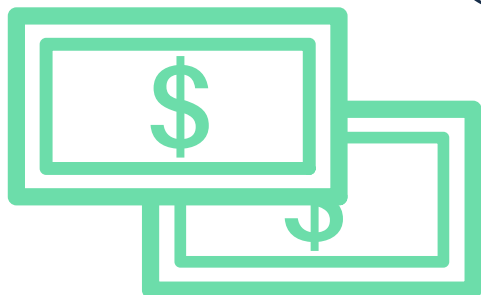
GOOD CREDIT



Good Credit Score

PROOF OF INCOME & EMPLOYMENT

W2s
Pay Stubs
Tax Return
Verification of Employment
from Employer



PROOF OF ASSETS



Financial Institution
Statements
Investment Statements

OTHER DOCUMENTATION



Driver's License
Social Security Number

THE Cs OF Credit

C HARACTER

Track record for repaying debts. Typically appears on borrower's credit report. Financial institutions, like credit unions, are more likely to lend to those who are reliable and keep commitments.

C APACITY

Ability to repay the loan. May be determined by job stability as well as amount of income compared to recurring debts.

C APITAL

Personal funds and resources invested. Minimizes changes of default and lenders are relieved from 100% of the risk.

C OLLATERAL

Hard assets used to secure loans (real estate, vehicles, etc.) Typically used as a backup source if the borrower is unable to pay the loan.