



Kristen Coulter

REALTOR®

Guiding You Forward with Clarity and Confidence.

MORTGAGE
Guide

THE MORTGAGE PROCESS

The very first step of the home buying process is to get a pre-approval letter from a lender stating how much you are pre-approved for. A pre-approval letter is typically only valid for 30-90 days as long as no major financial changes have occurred in your life.

QUESTIONS TO ASK POTENTIAL LENDERS

- 1 What type of loan do you recommend for me and why? There are multiple types of mortgage loans, and you should know which one is best for you and how it works. The lender can help break this all down in easy terms for you to understand, and will be here alongside us in the journey to help answer any questions that come up that pertain to the home loan.
- 2 Will my down payment vary based on the loan I choose? If you're tight on cash or don't want to be cash poor, let your lender know. Loans vary in their down payment requirements, and no two scenarios are the same. The lender is there to put the puzzle pieces together, and come up with a plan that will work for you and your financial scenario so it is best to be completely transparent with them from the beginning.
- 3 What is the interest rate and the annual percentage rate (APR)? Everyone talks about the interest rate, but the APR is just as important. It combines the interest rate with the fees a lender charges to originate your loan. It is the full cost of financing a home.
- 4 Can I lock in the interest rate? If so, for how long? If you think rates will be moving up, ask if you can lock it in for a set period of time. Some lenders have extended rate lock options.
- 5 What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? Can I take a higher interest rate and use a lender credit to help cover my closing costs? Closing costs usually run 3-5% of your loan value so you need to know how they'll be covered. Sometimes we can also negotiate the seller to help cover a portion of your closing costs, depending on the market conditions.

MORTGAGE LENDER Referrals



Kimberly Zagora

Home Plate Lender NMLS# 144138
704.239.8818 phone
kzagora@homeplatelender.com
www.homeplatelender.com



Tony Garshnick

Atlantic Bay Mortgage NMLS# 85018
704.778.6205 phone
tonyg@atlanticbay.com
www.atlanticbay.com/tonyg



Derek Ketchie

Mecklenburg Mortgage NMLS ID # 102657
704.516.2809 phone
derek@mecklenburgmortgage.com
mecklenburgmortgage.com/

Lender referrals are provided as a convenience only and do not constitute an endorsement or guarantee of services.

MORTGAGE LOAN OPTIONS

There are many different types of loans. When you speak to your mortgage lender, they will help decide which one is the best fit for your situation. Each loan product has different minimum credit scores required, as well as variable down payment options.



FHA LOAN

An FHA home loan is a government-backed mortgage program that can make it easier for people to become homeowners. FHA mortgage loans are insured by the Federal Housing Administration (FHA), which is part of the U.S. Department of Housing and Urban Development (HUD).



VA LOAN

A VA loan is a mortgage that's guaranteed by the U.S. Department of Veterans Affairs (VA). This guarantee helps qualified Veterans, Active-Duty Military, and others more favorable terms on obtaining a home loan. Up to 100% financing is available with no mortgage insurance.



USDA LOAN

The USDA provides loan opportunities for affordable homeownership in rural areas, and allows low to moderate income households to get up to 100% financing for their primary residence. These loans are a great choice for new households, people with credit challenges, and first-time homebuyers (although not a requirement).



CONVENTIONAL

A conventional loan is not secured by a government entity, however they can be guaranteed by both Fannie Mae and Freddie Mac. Conventional loans meet the Federal Housing Finance Agency's (FHFA) conforming loan limits and could be a good fit if you have great credit and can afford a 20% down payment.

MORTGAGE LOAN GUIDELINES

FHA LOAN	VA LOAN	USDA LOAN
MINIMUM DOWN PAYMENT: 3.5%*	MINIMUM DOWN PAYMENT: 0%*	MINIMUM DOWN PAYMENT: 0%*
BACKED BY: US FEDERAL HOUSING ADMINISTRATION	BACKED BY: US DEPARTMENT OF VETERAN AFFAIRS	BACKED BY: US DEPARTMENT OF AGRICULTURE
BEST FOR: HOMEBUYERS WITH LIMITED CREDIT ACCES, AND FIRST TIME HOMEBUYERS	BEST FOR: US MILITARY SERVICE MEMBERS, VETERANS AND THEIR SPOUSES	BEST FOR: HOMEBUYERS LOOKING TO PURCHASE PROPERTY IN AN ELIGIBLE RURAL AREA. COSMOPOLITAN AREAS DO NOT QUALIFY FOR THIS LOAN TYPE.

FIXED RATE LOAN	ADJUSTABLE RATE MORTGAGE (ARM)	JUMBO LOAN
MINIMUM DOWN PAYMENT: 3%*	MINIMUM DOWN PAYMENT: 3%*	MINIMUM DOWN PAYMENT: 10%*
BACKED BY: PRIVATE MORTGAGE LENDERS & INVESTORS	BACKED BY: PRIVATE MORTGAGE LENDERS & INVESTORS	BACKED BY: PRIVATE MORTGAGE LENDERS & INVESTORS
BEST FOR: HOMEBUYERS WITH STRONG CREDIT AND THE ABILITY TO MAKE A DOWN PAYMENT OF AT LEAST 3%. THIS IS THE MOST POPULAR LOAN OPTION FOR MOST HOMEBUYERS.	BEST FOR: HOMEBUYERS WITH STRONG CREDIT. THIS LOAN OPTION TYPICALLY OFFERS LOWER INITIAL INTEREST RATES, BUT YOUR RATE WILL FLUCTUATE WITH THE MARKET THROUGHOUT THE LIFE OF YOUR LOAN.	BEST FOR: HOMEBUYERS LOOKING TO PURCHASE A PROPERTY PRICED BEYOND CONFORMING LOAN LIMITS.

*Disclaimer: Information shown is for general educational purposes only and is subject to change. Consult a licensed mortgage lender for current loan terms and eligibility.

SELLER CONCESSION CHEAT SHEET

LOAN TYPE	PROPERTY TYPE	DOWN PAYMENT MINIMUM	MAXIMUM SELLER CONTRIBUTION	CONTRIBUTION TYPE
CONVENTIONAL	Primary Residence Second Home	Less than 10% Down Payment	3%	Closing costs, prepaid items, and discount
CONVENTIONAL	Primary Residence Second Home	10% to 24.99% Down Payment	6%	Closing costs, prepaid items, and discount
CONVENTIONAL	Primary Residence Second Home	25% or greater Down Payment	9%	Closing costs, prepaid items, and discount
CONVENTIONAL	Investment Property	15% Down Payment	2%	Closing costs, prepaid items, and discount
FHA	Primary Residence	3.5% or more Down Payment	6%	Closing costs, prepaid items, and discount
VA STANDARD	Primary Residence	0%	4%	Closing costs, prepaid items, and can include payoff credit card debts or judgements on behalf of the borrower (excludes the payment of buyers closing cost and bonafide discount points)* Commissions for any Realtor fees are not allowed
USDA	Primary Residence	0%	6%	Closing costs, prepaid items, and discount points (Can include debt pay off)
JUMBO	Primary Residence Second Home	20% to 25% Down Payment	0% to 6%	Closing costs, prepaid items, and discount
JUMBO	Investment Property	25% Down Payment	0% to 4%	Closing costs, prepaid items, and discount

*JUMBO MAXIMUM SELLER CONTRIBUTION WILL VARY DEPENDING ON SEVERAL UNIQUE FACTORS ON JUMBO LOAN CHOSEN

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DO'S & DONT'S OF THE LOAN PROCESS

Certain actions taken during the home loan process can directly affect your ability to purchase a home. These guidelines remain in place before, during, and after loan approval until the day your loan is funded and the transaction closes. In many cases, Lenders will reverify credit, income, and assets in the days or even hours before you sign your final loan documents.

MAKE SURE THAT YOU DO NOT:

- DO NOT buy a new vehicle.
- DO NOT get married or divorced.
- DO NOT change professions or start your own business.
- DO NOT change bank accounts.
- DO NOT co-sign a loan for ANYONE else
- DO NOT throw away documents.
- DO NOT get lazy with monthly bills and incur any late payments.
- DO NOT let anyone run your credit or apply for any credit cards or loans.
- DO NOT pay off any old debt collections unless instructed to do so by your Lender.
- DO NOT make any major purchases (furniture, cars, boats, those sorts of things)
- DO NOT make large cash deposits into your bank account other than your paycheck
- DO NOT spend your down payment or closing cost money.
- DO NOT plan a vacation during your loan process.

MAKE SURE THAT YOU DO:

- DO get pre-approved so you can make a strong offer.
- DO keep all accounts current, including mortgage, car loans, credit cards, etc.
- DO contact both your lender anytime a question may arise.
- DO return phone calls from your loan officer, settlement company, or anyone else involved in your transaction ASAP! Time is of the essence!
- DO continue to pay your rent or mortgage, loans and credit cards on time, even if the account is being paid off with your new loan.
- DO keep your current job and income, and contact your lender right away if either one changes.
- DO have important documents handy (especially your W-2s, tax returns, and pay stubs)