

BUYING A HOUSE

DOESN'T HAVE TO BE HARD



A DIFFERENT KIND OF BUYING EXPERIENCE

A DIFFERENT KIND OF EASY

Buying a home and getting a mortgage can seem overwhelming. But that's all about to change. With Cornerstone by your side, you'll have all the guidance and support you want every step of the way. Plus, you've got this handy, easy-to-follow packet as your

road map to home. Yes, it really can be that simple. You'll find the steps of the process and important information about documents to close on your loan, along with a few extras that can make your mortgage experience as effortless as possible.

PULL UP A SEAT,
SIT BACK AND
RELAX

I'LL TAKE IT FROM HERE



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LET'S GET STARTED

TO HELP US BETTER SERVE YOU, PLEASE BE READY TO PROVIDE THE FOLLOWING DOCUMENTATION. YOU MAY BE ASKED FOR ADDITIONAL ITEMS DURING THE PROCESS.

BANK STATEMENTS

Showing most recent two-month history
- ALL PAGES

BROKERAGE STATEMENTS

Showing most recent two-month history
- ALL PAGES

RETIREMENT STATEMENTS

Showing most recent two-month history
- ALL PAGES

EMPLOYMENT PAY STUBS

From the last 30 days of all jobs held by
each applicant

W-2 FORMS

From the most recent two years for each
wage-earner applicant

**PERSONAL FEDERAL
INCOME TAX RETURNS
(1040s)**

From the most recent two years, with
all schedules, statements, and addenda
(completed and signed)

**MOST RECENT
MORTGAGE STATEMENT**

For any other properties owned by the
applicant

**COPY OF DRIVER'S LICENSE
FOR EACH APPLICANT**

**HOMEOWNERS
INSURANCE AGENT'S
CONTACT INFORMATION**

UPLOAD DOCUMENTS
WITH THE GREATEST
OF EASE!

Our free LoanFly® mortgage app helps you soar through the process. You can also access our secure Borrower Portal to upload documents and easily track your loan progress.



By furnishing any and/or all of the documentation, an applicant is in no way obligated to accept the terms and conditions of the mortgage offered, nor does the borrower have to provide these documents to receive a Loan Estimate.

LOAN CHECKLIST

7 HOMEBUYING STEPS

WHAT CAN YOU EXPECT FROM NOW UNTIL CLOSING DAY?

THESE STEPS GIVE YOU A BEHIND-THE-SCENES LOOK.

1. PREQUALIFY

- Do this first so you know how much home you can afford
- Prequalify at www.NilesTeam.com or in our LoanFly® app

2. MEET WITH RYAN

- Discuss programs, monthly payments, and interest rates
- Get a Letter of Loan Commitment to strengthen your purchase offer
- Put the finishing touches on your loan application

3. SHOP FOR YOUR DREAM HOME

- Work with a local realtor to find the right home in your prequalification range
- You can also search for homes in our HomeScout app using VIP code “Ryan”
- Let your loan officer know when the seller accepts your offer

4. DURING THE LOAN PROCESS:

- Sign and return initial loan documentation
- Submit an executed purchase contract to your loan officer to lock your rate
- Schedule an inspection to check the home for any major issues
- Your lender orders the appraisal and lets you know key contract dates
- Secure homeowners insurance coverage before your closing
- Promptly provide requested documentation

5. GET READY FOR FINAL APPROVAL

- The processor orders title commitment and preps your loan for underwriting
- The underwriter makes the final loan approval decision

6. REVIEW THE CLOSING DISCLOSURE (CD)

- Your CD includes your final loan terms and closing costs
- You get the CD at least 3 days before closing
- We confirm closing details: Where, when, who, and how much for your closing costs

7. CLOSE ON YOUR HOME

- Closing takes place at the title company or realtor’s office
- Bring a valid driver’s license for each borrower, plus a certified/cashier’s check if closing costs are due (payable to the escrow company)
- Sign documents, get the keys, and celebrate because you’re a homeowner!

IT’S REALLY THAT EASY!

YOU’RE NOW THE PROUD OWNER OF A NEW HOME. AND YOU’VE MADE A FRIEND FOR LIFE: WE ARE ONLY A CALL AWAY TO ANSWER YOUR QUESTIONS ABOUT YOUR MORTGAGE.

WE KNOW EASY. WHAT WOULD YOUR LOAN OFFICER DO? HERE ARE 8 INSIDER HOME BUYING TIPS.

8 BUYING TIPS

1. BE SURE THAT YOUR EARNST MONEY CHECK COMES FROM FUNDS IN YOUR OWN CHECKING OR SAVINGS ACCOUNT AND ARE WRITTEN ON YOUR OWN PERSONAL CHECK.

Don't let anyone else pay the earnest money for you. If this could be an issue, please contact your loan officer immediately.

2. TALK TO YOUR LOAN OFFICER BEFORE ACCEPTING GIFT FUNDS FROM A FAMILY MEMBER TO HELP YOU BUY A HOME.

Our team can help you and the donor meet documentation requirements for the gift funds.

3. HAVE ALL SUPPORTING DOCUMENTS EASILY ACCESSIBLE.

These include: W-2s, tax returns, bank statements, pay stubs and assets.

4. DON'T CHANGE YOUR JOB OR YOUR PAY STRUCTURE DURING THE FINANCING PROCESS.

Employment or income changes during the process require re-verification and could delay your mortgage approval.

5. WAIT UNTIL AFTER YOUR HOME CLOSES TO OPEN ANY NEW ACCOUNTS OR CREDIT CARDS.

Loan officers are required to pull a refreshed credit report within five days of closing that will update your balances and report any new accounts since your credit was originally pulled. Your loan approval could be jeopardized if you have incurred new debt.

6. MAKE ALL PAYMENTS ON TIME.

Keep all of your accounts current to ensure no late payments appear on the refreshed credit report before closing.

7. DO NOT SHOP FOR, PURCHASE OR LEASE A CAR.

In general, do not make any large purchases during the home loan process.

8. REMEMBER THAT WE ARE HERE FOR YOU!

Call us if you have any questions along the way. We want to be your resource and to make your home-buying process as smooth as possible.



BUYING A HOME IS AN EXCITING TIME!

IT CAN ALSO BE CHALLENGING. A REALTOR CAN GIVE YOU THE SUPPORT YOU NEED SO YOU CAN ENJOY YOUR HOME BUYING EXPERIENCE.

Ready to find your dream home? We have worked with some of the most dedicated and experienced realtors in the market. Please let us know if you'd like a referral! Here are some of the many benefits of working with a realtor.

REAL GUIDANCE FROM A REAL PERSON

While there are tons of homebuyer resources out there, a good realtor can help you make sense of all that information. They can point out the pros and cons of homes you tour. They can also help you understand the buying process and exactly what to expect along the way.

MORE HOMES TO CHOOSE FROM

A realtor has access to the Multiple Listing Service (MLS), which offers thousands of the most up-to-date listings of available homes. You'll have more options to easily and quickly find the right home for you.

CLOSE WITH CONFIDENCE

An experienced realtor can negotiate on your behalf, prepare your purchase contract, and resolve issues that could affect your closing. With your permission, we can also send your realtor loan status updates to keep your closing on track.

NO COST TO YOU

Typically, the seller will pay the realtor who helps you buy a home.

WORK WITH A REALTOR

5 FIRST-TIME HOMEBUYER QUESTIONS



1. HOW MUCH CAN YOU AFFORD?

A good rule of thumb is to put 25 percent of your income toward your home payment. Spending a quarter of your income on your mortgage payment should safeguard you in the event of unexpected financial changes.

2. WHAT ARE YOUR COSTS IN ADDITION TO THE LOAN?

Talk with your lender about out-of-pocket expenses, like the down payment or closing costs. Also, consider the costs of improvements, taxes, homeowners association dues, utilities, and homeowners insurance.

3. HOW DO I DETERMINE THE RIGHT NEIGHBORHOOD?

Decide on the top priorities for you and your family. Do you want to be close to good schools? How far are you willing to move from your office? Make a list of your uncompromising needs before your home search so you can be objective when looking at multiple properties.

4. WILL THIS HOUSE FIT YOUR LONG-TERM GOALS?

Be sure your investment is something you can make the most out of. Mull over all possibilities of future plans. Do you plan to have kids? Are your children moving out soon? Is a job transfer in your future? Heavily weigh school districts when moving. It can be cheaper in the long-run to pay more for a house in a better school district than to buy a less expensive home and pay for private school.

5. ARE YOU TRULY PREPARED TO BE A HOMEOWNER?

Homeownership is one of the biggest joys, but it also comes with a lot of responsibility. Be prepared to spend money and time on your home. Understand everything that is involved and plan to adjust your spending habits accordingly. Also, be aware of your credit score and how it affects your ability to purchase the home that you want.

HERE ARE COMMON MORTGAGE TERMS THAT ARE USED THROUGHOUT THE HOME-FINANCING PROCESS

ANNUAL PERCENTAGE RATE (APR)

This is your annual cost of the loan represented as a percentage. APR allows homebuyers to compare different mortgage programs based on their annual cost.

CLOSING DISCLOSURE (CD)

This form is a statement of final loan terms and closing costs. You must receive this form from your lender at least 3 days before your closing. You can compare this document with your Loan Estimate.

DEBT-TO-INCOME RATIO (DTI)

Lenders use this ratio to determine if a borrower can afford their monthly mortgage payment. DTI is calculated by dividing the borrower's monthly debts by their pre-tax monthly income.

DOWN PAYMENT

This is the portion of the purchase price that the buyer pays.

DOWN PAYMENT ASSISTANCE (DPA)

Programs that offer qualified borrowers financial assistance with down payment or closing costs. Grant DPA programs typically don't have a first-time homebuyer or repayment requirement. Bond DPA programs are only available to first-time homebuyers and must be paid back.

FIXED-RATE MORTGAGE

With this type of mortgage, a borrower's interest rate stays "fixed" and will not change during the life of the loan.

LOAN ESTIMATE (LE)

A detailed estimate of the total costs, given to the borrower 3 days after the lender receives their application. The lender's origination fee, points, escrow, title insurance, appraisal fee, taxes, and other expenses should be included.

LOAN-TO-VALUE RATIO (LTV)

To calculate this ratio, the lender divides the mortgage amount by the purchase price or the appraised home value. LTV helps assess the lender's risk of the loan.

ORIGINATION FEE

This is the fee that a lender charges to prepare the documents related to a borrower's mortgage.

PRINCIPAL, INTEREST, TAXES AND INSURANCE (PITI)

The monthly mortgage payment expected from the borrower.

PRIVATE MORTGAGE INSURANCE (PMI)

The borrower is required to pay for PMI when LTV is over 80 percent.

RATE LOCK

This is a written commitment between you and the lender to hold a certain interest rate for a specified period of time.

TITLE

This is a document that states a real estate transaction took place and establishes the buyer as the legal and exclusive owner of the property.

TITLE INSURANCE

This type of insurance provides a real estate owner or lender with protection against any loss or damage they may experience if any claims against the title are made.

TRUTH IN LENDING ACT (TILA)

Legislation that covers credit transactions (mortgages, credit cards, student loans, auto loans, etc.) and requires creditors to provide clear and accurate costs/terms to the borrower to help them make informed financing choices.

LEARN THE LINGO

MARCH 15

**YOUR LOAN
CLOSED!**

APRIL

**NO MORTGAGE
PAYMENT DUE**

MAY 1

**1ST MORTGAGE
PAYMENT DUE**

WHAT HAPPENED TO APRIL?

TECHNICALLY, YOU'RE NOT GETTING A FREE MONTH IN APRIL. YOUR MAY PAYMENT COVERS THE INTEREST IN APRIL. ANY INTEREST AMOUNT DUE FROM MARCH 15-31 WAS COVERED WITH YOUR PREPAYMENT AT CLOSING.

CLOSING COSTS

- Fees and payments for the real estate transaction that are due at closing
- Most common closing cost is the down payment
- Closing costs typically cover third-party services – generally, lenders don't have control over fees
- Standard items include title insurance, appraisal, credit report, flood certification, and escrow fees

PRE-PAID COSTS

- Costs related to the home itself, not to the real estate transaction
- Usually include property taxes, homeowners insurance, mortgage interest, and association fees
- May be required to pre-pay these costs even though they're not due until a later date
- May also have to pay for these costs for the full loan term or for however long you own the home

CASH TO CLOSE

- The entire amount you pay on the closing date to finalize the home purchase
- Any down payment plus all closing costs and prepaid items make up the cash to close
- Paid by a wire fund or with a cashier's check made out to the escrow company

OUR FOUR PILLARS

Smooth, on-time close while providing excellent customer service

Mortgage planning insight and guidance by integrating your lending needs with your financial goals

Provide competitive rates, terms and pricing

Being available to you year after year as your trusted resource



HOW MUCH HOME CAN YOU AFFORD?

THE ANSWER TO THAT QUESTION IS BASED ON A LOT OF FACTORS – FROM YOUR ANNUAL INCOME AND MONTHLY DEBTS TO DOWN PAYMENT AMOUNT AND MONTHLY MORTGAGE BASED ON YOUR UNIQUE FINANCIAL PROFILE.

ANNUAL INCOME

This is the combined annual income for you and your co-borrower (if applicable). Includes base salary, commissions, bonuses, overtime, tips, investment income, alimony, child support, and any other income sources before taxes.

DOWN PAYMENT

This is a portion of the home purchase price that you pay upfront. It's good to have some cash left over after making the down payment to cover any repairs or unexpected emergencies.

MONTHLY DEBT

This is the total monthly debt for you and your co-borrower. Includes minimum credit card payments, student loans, rent or other mortgage payment, alimony/child support payments, auto loans, and any other required periodic payments.

DEBT-TO-INCOME (DTI)

Lenders use this ratio to determine if you can afford a monthly mortgage payment. It's calculated by dividing your minimum monthly debt by your pre-tax income. Generally, a DTI of 20% or lower is considered excellent, meaning 20% (or less) of your income goes towards paying monthly debt.

QUICK MONTHLY BUDGET GUIDE

CURRENT RENT (OR ESTIMATED MONTHLY MORTGAGE) _____

UTILITIES _____

RENTERS/HOME INSURANCE _____

CAR LOAN _____

CAR INSURANCE _____

PHONE (CELL, HOME) _____

INTERNET _____

CABLE/DISH _____

CREDIT CARD(S) _____

STUDENT LOAN(S) _____

OTHER PERSONAL LOAN _____

GROCERY _____

GAS _____

OTHER _____

TOTAL MONTHLY DEBT: _____



KNOW YOUR SCORE

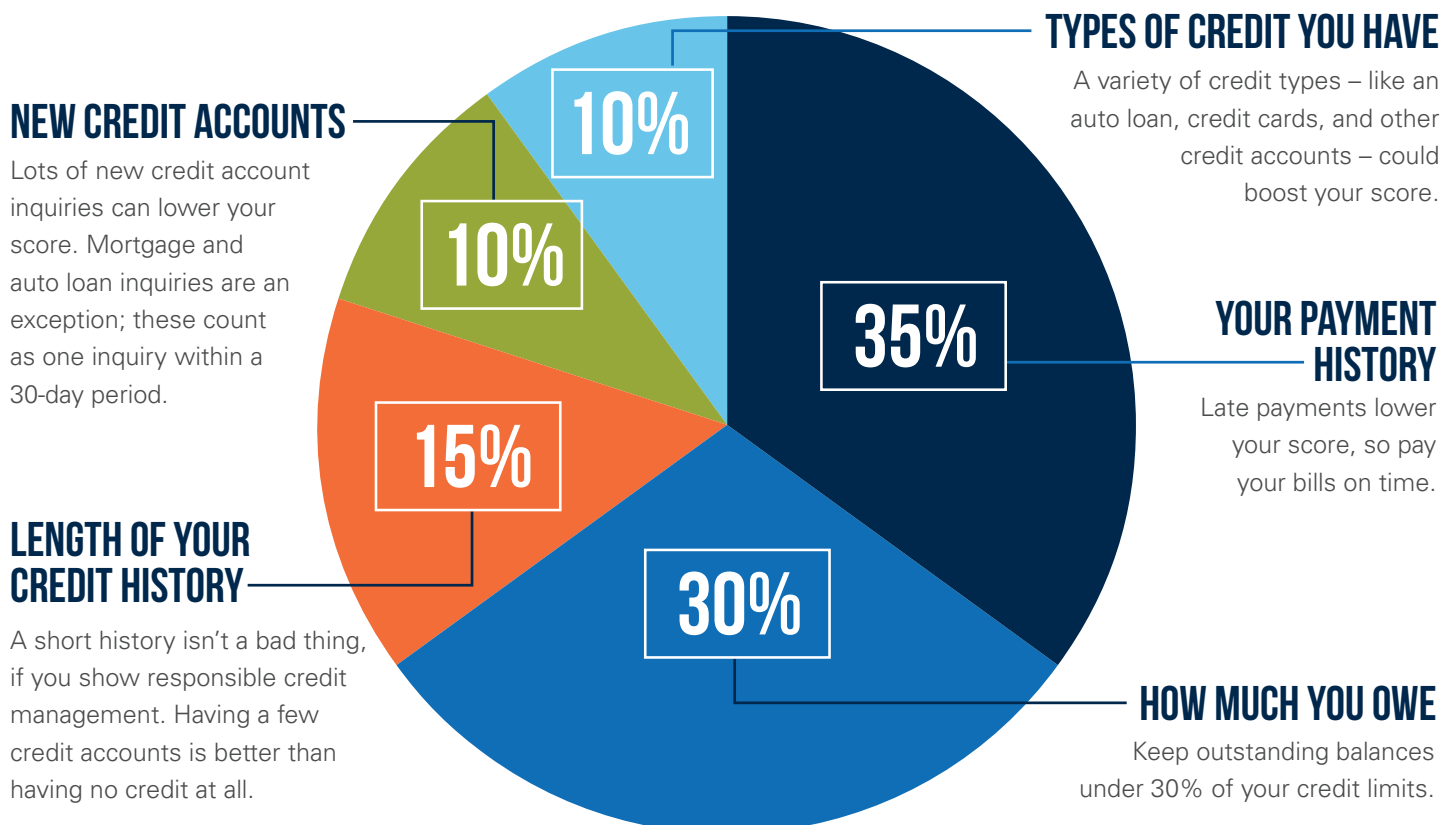
A CREDIT SCORE NOT ONLY INFLUENCES YOUR HOME-BUYING POTENTIAL, BUT IS ESSENTIAL FOR OBTAINING SEVERAL SERVICES AND BIG TICKET ITEMS. "90 OF THE TOP 100 LARGEST U.S. FINANCIAL INSTITUTIONS USE THE FICO SCORE TO MAKE CONSUMER CREDIT DECISIONS," ACCORDING TO MYFICO.COM.

YOUR FICO SCORE IS REVIEWED BY MOST OF THE FOLLOWING ENTITIES:

- Employers
- Landlords
- Cell phone companies
- Credit card companies
- Mortgage lenders
- Insurance companies
- Utility companies
- Cable companies

WHAT MAKES UP YOUR SCORE?

When you're applying for a mortgage, your credit score is a major factor in determining your interest rate and approval for the loan. Typically, the higher your credit score, the better your chances for approval and securing a lower rate. But, just how exactly is your score determined? Most companies use a FICO score that is comprised of five elements:



SO, WHAT'S A GOOD SCORE?

FICO scores range from 300 to 850, with higher numbers being better. A score of 700 is a good indicator of financial health, and most lenders prefer scores at or above that number, but it is not required.

WHAT'S THE NEXT STEP?

OBTAIN A CREDIT REPORT. This is a free service available to you each year, so take advantage.

Visit www.AnnualCreditReport.com and request your free copy from all three credit reporting companies.

- **EQUIFAX – WWW.EQUIFAX.COM**
- **EXPERIAN – WWW.EXPERIAN.COM**
- **TRANSUNION – WWW.TRANSUNION.COM**

Beware of other companies that charge fees for credit reports, because they are often not as accurate as the three mentioned above.

CHECK FOR MISTAKES

There is no charge for checking into existing errors, so make sure there are no inaccuracies listed on your report. It is your responsibility to notify the credit bureau of any mistakes, which should be cleared up within 30 days of the report date. If you need to boost your score, here are a few tips that could make a difference to your score. While these are general tips, be sure to check with your lender before paying off large accounts and moving your money around for closing costs and the down payment.

- **MANAGE YOUR CREDIT CARD** – Keep balances to less than 30 percent of your limit
- **CORRECT CREDIT LIMITS** – It's important for your credit card company(s) to report your correct limit to the major credit bureaus; your report could suffer if it shows you're over the reported limit, when the limit is actually higher
- **GET CREDIT WHERE CREDIT IS DUE** – Be sure your report shows all of your credit accounts, especially the healthy ones



ASK YOUR LENDER

- WHO GENERATES YOUR CLOSING DISCLOSURE?
YOUR CLOSING DEPARTMENT OR THE TITLE
COMPANY?
- WILL YOU BE DELIVERING THE CLOSING
DISCLOSURE ELECTRONICALLY OR BY MAIL?
- WHAT PERCENTAGE OF YOUR LOANS CLOSE
LATE (AFTER THE CONTRACT CLOSING DATE)?
- WHAT PERCENTAGE OF YOUR PREQUALIFIED
LOANS ARE DENIED DURING THE
UNDERWRITING PROCESS?
- DO YOUR PROCESSORS, UNDERWRITERS, AND
CLOSERS WORK IN YOUR OFFICE WITH YOU?
- DO YOU SEND YOUR CLIENTS WEEKLY
AUTOMATED EMAIL UPDATES, AS WELL AS
EMAIL UPDATES EACH TIME THEIR LOAN MOVES
FORWARD IN THE PROCESS?





10 HOMEOWNERSHIP FACTS



WHETHER YOU ARE BUYING A HOUSE FOR YOUR FAMILY, AN INVESTMENT PROPERTY FOR FUTURE RESALE, OR A SECOND HOME, THERE IS A LOT TO LEARN ABOUT HOMEOWNERSHIP.

To get the most out of your purchase, you need to have all the facts. Here's some great information to help you be a prepared and informed homeowner.

1. YOUR HOME'S EQUITY IS IMPORTANT.

If the value of your home is worth more than you owe, you can use this to leverage investment properties, or get cash for other expenses.

2. WHEN BUYING A HOME, BE SURE TO CONSIDER YOUR LONG-TERM PLANS.

While the cost of a home is a big factor, you should also think of your purchase as an investment. How can your home achieve your goals? Discuss your ultimate plans with your lender and how your mortgage could serve you down the road.

3. ACCORDING TO THE NATIONAL ASSOCIATION OF REALTORS, THE MEDIAN AGE OF FIRST-TIME HOMEBUYERS IS 31.

More young professionals are able to purchase homes for their families, and more affordable housing options like planned communities and townhomes have developed across the nation.

4. RISING RENTAL COSTS ARE A COMMON OCCURRENCE.

As leases are renewed, owners of rental properties will pass rising tax, insurance, utility, and maintenance costs on to their tenants. Like houses, rental units are equally susceptible to rising occupancy costs.

5. HOMEOWNERS WITH A STRONG SENTIMENTAL ATTACHMENT TO THEIR HOME OFTEN PRICE THEIR PROPERTY WITH UNREALISTIC EXPECTATIONS.

As you're house hunting, check neighborhood comparable sales to make sure you're getting a fair deal.

6. DON'T FORGET THAT MORTGAGE INTEREST AND PROPERTY TAXES ARE INCOME TAX DEDUCTIBLE.

Be sure to take advantage of this, as it can save you hundreds of dollars per year.

7. CAUTIOUSLY CONSIDER ALL HOME IMPROVEMENTS.

While many homeowners want to update their house to satisfy their personal taste, be careful not to over-improve, as it can be an expensive mistake. Improvements such as garages converted to extra rooms or space designed to accommodate one type of family could negatively affect your chances of selling.

8. WAITING ON THE MARKET TO CHANGE IS NOT ALWAYS A GOOD IDEA.

Some buyers may put off purchasing a home in the hopes that prices will go down. But the real estate market is unpredictable, so it's just as likely for prices to go up.

9. THERE'S NEVER A PERFECT TIME TO SELL A HOUSE.

Whether it's a "buyer's market" or a "seller's market," most people will be on both ends of the process. As a seller, you might get more for your home, but you are likely to have to pay more for the next home you purchase.



10. A GOOD REAL ESTATE AGENT CAN SELL HOMES QUICKLY, EASILY AND AT THE RIGHT PRICE.

While some people have been successful selling their home without a realtor, it is a large risk to take. A knowledgeable realtor can protect your interests during the process when it's time to sell your home.

MOVING CHECKLIST

ONE MONTH BEFORE MOVING:

- Collect everything not to be moved and save for a garage sale or charitable donation
- Select mover and arrange for exact form of payment at destination - Be sure to check moving company policy regarding broken or damaged items. Moving companies typically do not reimburse for breakage or damage to items in boxes they do not pack
- Start packing now, unless you have scheduled packing services
- Contact insurance agent to transfer/cancel insurance coverage on your old home
- Complete change of address form from post office
- Notify all magazines or other subscriptions of change of address
- Notify your doctor, dentist, veterinarian and pharmacy of your change of address
- Contact utility companies for refunds of deposit and schedule turn-off date
- Check freezer and plan use of food over next 2-3 weeks
- Pack all jewelry and other valuables in a safe place to prevent loss during move
- Find an electronics recycler in your neighborhood



ONE WEEK BEFORE MOVING:

- Confirm moving day details with the moving company
- Organize at least one room in the house for packers and movers to work freely
- Defrost freezer and refrigerator; place charcoal inside to prevent mildew
- Make arrangements for disconnecting appliances (ice maker, washing machine, dryer) from water and gas resources
- Cancel all newspapers, yard service, etc.
- Prune larger houseplants and re-pot those in clay pots into unbreakable plastic containers
- Schedule a cleaning service to clean both your old and new homes, or have cleaning supplies accessible upon arrival to your new house
- Consider hiring an exterminator for the new residence prior to moving in

MOVING DAY:

- Make sure phone service, gas, electricity and water are turned on. If you are moving into a pre-owned home, you can sometimes make arrangements to have the service transferred on loan closing day when you take actual possession
- Make arrangements for food for you (and the movers, if possible)
- Hire a sitter or send the kids and/or pets to a friend's house for the day
- Notify packers and/or driver about fragile items (ensure these are marked "fragile")
- Identify boxes with linens needed to make your beds at your new home and place them in a convenient location
- Make a final check of the entire house (closets, shelves, attic, garage, etc.)
- Get complete routing information and phone numbers from the driver





Not a commitment to lend. Borrower must meet qualification criteria. This information is meant to be a guide showing the financing process. Not all transactions may follow the illustration or steps listed due to the requirements and process specific to the type of home loan a borrower qualifies for. Equal Housing Opportunity.

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