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Central Soya Federal Credit Union

HOMEBUYING GUIDE

Unlock so much more than your new front door.

WHERE TO START?

SET DIRECTIONS FOR HOME SWEET HOME

Buying a home is an emotional journey. After all, you're not just buying a house; you're investing in family dinners, lazy Sunday mornings in bed and a yard built for a backyard barbecue on sunny summer afternoons. (Or at least, that's the idea.)

It's true that a home is where families are raised and memories are made, but the priceless joys of owning a home aren't really priceless at all. The last thing you want is to get in over your head with a mortgage payment you can't comfortably afford. However, you don't want to buy a home that doesn't comfortably suit your family's needs as well.

No pressure, right?

In all seriousness, buying a home doesn't have to be scary. But it should be approached with a level head, a clear list of priorities, realistic expectations and a whole lot of research.

Read on to discover everything you need to know about finding, buying and financing a place you'll love – with a payment you can afford.

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TIPS FOR HOUSE HUNTING

HONE IN ON YOUR DREAM HOME

Finding a home that meets your needs – at the right price, and in the right location – can be a bit like finding a needle in a haystack unless you have a large budget or are incredibly flexible in what you're looking for. Many home buyers look forward to the house-hunting process, and then become discouraged when they actually start touring houses.

Keep in mind that almost all home buyers end up having to compromise on something, so don't be disappointed if you can't seem to find your "perfect dream home." Try to think logically – rather than emotionally – about the house-hunting process, and factor some of our recommended guidelines into your decision.

LOCATION, LOCATION, LOCATION!

Almost anything about a house can be changed – except where it's located. That's why it's so important to take a home's location into consideration during your house hunt. You'll likely want a home that's within a reasonable distance of where you work, if possible. And do some research about the area's crime rates and schools, too. These are additional factors that can play a huge role in how happy you are with your purchase.

THINK ABOUT YOUR FUTURE NEEDS

Homeowners should generally plan to stay in their homes for at least four or five years to break even on closing costs and other fees. So if you have immediate plans to start a family, purchasing a one-bedroom downtown loft probably isn't your best option. Instead, consider how your family or lifestyle may change in the next few years, and strive to purchase a home that can accommodate your future needs.

IS IT A WANT OR A NEED?

Sure, you may want a kitchen with granite countertops and stainless steel appliances, but don't let that take precedence over your needs. Prioritize and try to figure out what you absolutely must have in a home, and what you can live without. Make a list and rank your needs so when you find a home you like, you can make a confident and informed decision about its ability to truly make you happy for the long haul.

FOCUS ON FUNCTION

When touring a home, it can be easy to get pulled in by the house's curb appeal or "cuteness" factor. But try to focus on how the home will function when living there. Is there an entryway closet to stash shoes, coats and other gear? Is there enough garage space to house your vehicles? Does the home have laundry facilities that are easily accessible? These are issues that you might not think about when doing a quick walk-through of a home, but the absence of such features can become a huge source of annoyance once you move in. (And don't make the mistake of thinking your love for a home's aesthetics will make up for its lack of function!)

KNOW YOUR LIFESTYLE – AND BUY ACCORDINGLY

You may think you want a five-bedroom home with an acre yard – but if you value a low-maintenance lifestyle, a condo or townhome could potentially be a better fit. And think about what's on the outside of the home, too. Do you enjoy being able to walk to restaurants and shops? Or are you hoping to escape the hustle and bustle of city life? Your home can greatly influence your lifestyle, so make sure it aligns with your everyday life.

CONSIDER LONG-TERM COSTS

Most buyers gauge a home's affordability based solely on its list price but, some houses come with more expenses than others – those extra costs can add up over time. If you purchase a condo, townhome, or a house in a neighborhood with a Homeowners Association (HOA) – be prepared for monthly fees. If you purchase a home that needs a significant amount of work, think about those costs, too. It's even a good idea to consider a home's size, as heating and cooling larger homes requires higher costs than smaller or more modestly-sized houses. Do the math and ensure you can afford the extra expenses that may come with the home before making an offer.

FACTOR RESALE VALUE INTO THE EQUATION

Few people make their first or second home their forever home, so it's a good idea to consider a home's resale value when making your decision. Location and school districts both play significant roles in a home's resale value – so even if you don't have kids, buying a home in a good school district may still be worth your while. Also, think twice before buying a unique, out-of-the-box home. Highly-customized properties usually don't appeal to the masses, so you might have a difficult time finding a buyer when it comes time to sell.

MAKE YOUR "DREAM HOME" A REALITY

NEIGHBORHOOD WISH LIST

To help you identify your ideal neighborhood when searching for a new home, we've put together some things to keep in mind. From highly rated schools to downtown nightlife, the "perfect" neighborhood is as unique as you!

COMMUTE TO WORK/SCHOOL

Make sure your commute is within your expectations so you can spend as much time as possible at your new home!

NEARBY PARKS & TRAILS

Map out your options for hiking, biking, dogwalking, or any outdoor activities you enjoy doing.

NEIGHBORHOOD AMENITIES

Proximity to local gyms, restaurants, markets, coffee shops, schools, etc. may all be up for consideration.

SCHOOL RATINGS

If it's important to you, look online for tools to check how the nearby school systems are rated.

LOCAL RESTRICTIONS

Ask your real estate agent or look online for any restrictions enforced by an Homeowners Association (HOA), the city, the county, etc.

COMMUNICATION PROVIDERS

The speed and reliability of available communication providers (internet, cell, etc.) in the area is something to keep in mind.

WALKABILITY SCORE

Websites such as walkscore.com can give you information on how walkable/bikeable an area is.

NEIGHBORHOOD PRIVACY

Do you prefer a gated community or being right in the heart of the action? Your privacy is great to keep in mind.

ASSOCIATION DUES

Does the price of ongoing dues justify the perks that come with it? Make sure to know these costs up front.

NEARBY GROCERY STORES

See where you'll be able to stock up your pantry or grab some fresh, local produce in the area.

HIGHWAY ACCESS

If you travel frequently, nearby highway access can have a major impact on your daily routine.

NEARBY HOSPITAL/PHARMACY

In an emergency, timing can make all the difference. Know your quickest route to a medical professional.

NEARBY RESTAURANTS/CAFES

For the meals you don't cook at home, check out which options there are for dining in, takeout, or delivery.

NEARBY ACTIVITIES

Concert venues, movie theaters, golf courses, and more can really impact how well an area fits your lifestyle.

NEIGHBORHOOD CULTURE

Do you want to be in a quiet, more laid back neighborhood or is an active downtown more your scene?

ZERO IN ON WHAT'S MOST IMPORTANT TO YOU

DEAL BREAKERS

Use this list to help organize what is most important to you (and where you have some flexibility).

IDEAL AREA _____

PRICE RANGE _____ **TO** _____

CONSTRUCTION & LAYOUT	RATE IMPORTANCE 1 - 5				
# of Stories _____	1	2	3	4	5
Age _____ to _____	1	2	3	4	5
Sq. Ft. _____ to _____	1	2	3	4	5
Style _____	1	2	3	4	5
Open Floor Plan	1	2	3	4	5
Large Foyer/Entryway	1	2	3	4	5
Extra Living Space	1	2	3	4	5
Formal Dining Room	1	2	3	4	5
Gourmet Kitchen	1	2	3	4	5
Kitchen Island	1	2	3	4	5
Eat-In Kitchen	1	2	3	4	5
Laundry Room	1	2	3	4	5
Master Suite	1	2	3	4	5
Office/Den	1	2	3	4	5
Sunroom	1	2	3	4	5
Finished Basement	1	2	3	4	5
Unfinished Basement	1	2	3	4	5

EXTERIOR	RATE IMPORTANCE 1 - 5				
Brick/Stone Exterior	1	2	3	4	5
Fenced Yard	1	2	3	4	5
Fire Pit/Grill	1	2	3	4	5
Front Porch	1	2	3	4	5
Garden Space	1	2	3	4	5
Preferred View	1	2	3	4	5
Patio/Deck	1	2	3	4	5
Pool	1	2	3	4	5
Shed	1	2	3	4	5
Updated Windows/Roof	1	2	3	4	5
Yard Size _____	1	2	3	4	5

ROOM COUNT	RATE IMPORTANCE 1 - 5				
# of Bedrooms _____	1	2	3	4	5
# of Bathrooms _____	1	2	3	4	5
# of Garage Stalls _____	1	2	3	4	5

UTILITIES & APPLIANCES	RATE IMPORTANCE 1 - 5				
All Appliances Included	1	2	3	4	5
Built-In Microwave	1	2	3	4	5
Central Air	1	2	3	4	5
Forced Air / Radiant Heat	1	2	3	4	5
Energy Efficient	1	2	3	4	5
Fireplace	1	2	3	4	5
Gas / Electric	1	2	3	4	5
Garbage Disposal	1	2	3	4	5
Security System	1	2	3	4	5
Upgraded Appliances	1	2	3	4	5
Water Softener	1	2	3	4	5
Whole House Generator	1	2	3	4	5

AMENITIES	RATE IMPORTANCE 1 - 5				
Garden/Jet Tub	1	2	3	4	5
Double Sinks	1	2	3	4	5
Pantry	1	2	3	4	5
Surround Sound	1	2	3	4	5
Updated Fixtures/Hardware	1	2	3	4	5
Walk-In Closet	1	2	3	4	5
Spa	1	2	3	4	5
Workshop	1	2	3	4	5

OTHER	RATE IMPORTANCE 1 - 5				
_____	1	2	3	4	5
_____	1	2	3	4	5

LOAN OPTIONS

FREDDIE MAC HOME POSSIBLE®

Freddie Mac Home Possible® offers low down payment options and flexible sources of funds to meet the home financing needs of borrowers.

JUMBO

A Jumbo loan allows for the purchase of a luxury home or investment property with a loan amount that exceeds the limits of conventional financing.

FANNIE MAE HOMEREADY®

Fannie Mae HomeReady® is designed to meet the needs of low-to-moderate income borrowers, providing flexibility in credit guidelines for those with limited cash resources.

USDA/RURAL DEVELOPMENT

USDA/Rural Development (RD) loans make owning a home more affordable for those looking to buy or refinance in eligible rural and suburban areas.

SUPER CONFORMING

Super Conforming mortgages are available to borrowers looking to purchase or refinance a home in a high-cost area.

PROGRAM BENEFITS

There are pros and cons of each loan program depending on your unique needs. Below are just a few benefits that you can discuss with your mortgage professional to find the right program for you!

- Flexible down payment options and credit score requirements
- Lower Upfront Monthly Payments
- Consistent Loan Payments
- Financing an investment property or luxury home
- Financing in a rural area
- Down Payment Assistance
- Government Programs

MORTGAGES ARE NOT "ONE SIZE FITS ALL"

We offer a wide range of purchase and refinance loan programs. With flexible down payment options and credit requirements, our mortgage consultants will work with you from application to closing for all your home financing needs!

ADJUSTABLE RATE MORTGAGE

Adjustable Rate Mortgages (ARMs) can save borrowers money on their loan in the short term, with a variety of payment options in the future. This product is perfect for those who aren't planning on staying in their home for a long time.

FEDERAL HOUSING ADMINISTRATION

Federal Housing Administration (FHA) loans offer a low down payment requirement and flexible qualifying standards to help make owning your dream home a reality!

CONSTRUCTION

We can help borrowers build their dream home with our construction-to-permanent financing option! Streamline the construction financing process with one approval, one closing and one set of closing costs.

FIXED RATE MORTGAGE

Conventional Fixed Rate mortgages offer consistent payments and protection against higher interest rates; ideal for borrowers who prefer reliable monthly payments for the life of the loan.

THE MORTGAGE

PROCESS

WHAT TO EXPECT FROM APPLICATION TO CLOSING

APPLICATION PROCESS

You can apply for a mortgage online at your convenience www.centralsoyafcu.org. Once you have selected one of our experienced mortgage professionals based on desired property location and begin the application process, you'll be asked for the following:

1. **PERSONAL INFORMATION**
   - Personal information is required to get the ball rolling and to allow authorization to obtain your credit report.
2. **PROPERTY INFORMATION**
   - Provide details about the property or home you are looking to purchase or refinance through **Central Soya FCU.**
3. **LOAN SELECTION**
   - Select a loan program based on your unique needs, as well as your responses to the previous sections.
4. **INCOME, ASSET AND EXPENSE INFORMATION**
   - Provide information about your employment history and any other income sources (social security, retirement, etc.)
   - Provide information about your credit history, current assets, deposit accounts, current home (if applicable) and any other non-real estate assets.
5. **MISCELLANEOUS INFORMATION**
   - Provide personal history, background information, ownership interest and anything else you'd like to tell us about your application.
6. **SUBMIT YOUR APPLICATION**
   - You are on your way to homeownership!

READY TO APPLY?

Scan the QR Code or go to mortgages.centralsoyafcu.org to get started!

STEP-BY-STEP MORTGAGE PROCESS

Getting a home loan doesn't have to be difficult! Our mortgage professionals will work with you throughout the mortgage process, answering your questions and offering advice every step of the way!

1. **GO ONLINE**
   - Complete your application
   - Gather the following documents: Pay stubs, bank statements, 2 years of tax returns
2. **CONTACT A REAL ESTATE AGENT**
   - Provide your real estate agent with a list of your wants/needs in a home, and your pre-approval letter
3. **FIND YOUR PERFECT HOME**
   - Looking online or using a real estate agent can be great resources.
4. **SIGN A PURCHASE AGREEMENT**
   - Once you've found the perfect home, you'll need to sign a purchase agreement so we can begin the mortgage financing process.
5. **LOAN ESTIMATE / EARLY DISCLOSURES RECEIVED**
   - Sign initial disclosures
   - Rate lock forms
   - Supply financial information
   - Pay for Appraisal
   - Remember, the quicker you send these items back, the sooner you can get to closing!
6. **LOAN FILE GOES TO UNDERWRITING**
   - Additional information may be requested from the Underwriter(s) working on your loan
7. **APPRAISAL ORDERED**
   - A licensed appraiser will setup an appointment to assess the home in-person, and provide an appraised value.
8. **APPRAISAL RECEIVED**
   - If the appraised value is at or above the purchase price, you can move forward with your loan!
   - If the appraised value is lower, you will need to discuss a new agreement (go back to step 4).
9. **UNDERWRITING CONDITIONS CLEARED**
   - You are now clear to close on your mortgage!
10. **SCHEDULE CLOSING**
    - Final closing disclosure will be sent out 3-5 business days prior to closing.
    - Obtain/supply a cashier's check for "Cash-to-Close" 1-2 days before closing date.
11. **CLOSING DAY!**
    - Don't forget to bring your driver's license.

REMEMBER: Every mortgage is unique. This step-by-step process is simply to serve as a general outline of what you can expect during the mortgage process. We make no guarantees in regards to timelines, required documentation, approval, etc.

YOUR PERSONAL APPLICATION INFORMATION

LOAN OFFICER INFORMATION

NAME _____

EMAIL ADDRESS _____

PHONE NUMBER _____

APPLICATION PORTAL INFORMATION

USERNAME (EMAIL) _____

PASSWORD _____

View or continue your mortgage application by clicking "Login" on the initial application screen.

GET ANSWERS TO YOUR QUESTIONS

HOME INSPECTION

Whether you're reviewing a home online, looking at a listing sheet while touring a potential home, or have already made an offer and are waiting on an inspection, **be sure to get answers to all of your questions before committing to buy the home!** Here are a few to get you started:

PROPERTY ADDRESS _____ **DATE OF VISIT** _____

QUESTION	ANSWER
How old are the roof and windows? How many years should they have left before they need to be replaced?	
Are there any signs of current or previous water damage?	
How old is the plumbing and wiring? Do they meet current codes? Will I be required to bring them up to code if I want to do any home remodeling?	
When was the last time the septic tank was pumped and the well checked (if the property has either)?	
Is there an electric garage door installed? Will my vehicles fit in the garage?	
What is the potential for resale with this home/ within this neighborhood?	
What did the house last sell for? What improvements have been completed since the house sold at that price?	
How long has the home been on the market this time? Have the current owners placed the home for sale previously?	
Are there any issues with the foundation or basement?	
Can I get a copy of the average utility costs?	
What are the annual property taxes?	
Are there any reported issues with the home? Are there any known repairs needed or suspected?	
Will this home require flood insurance or any additional considerations?	
What are the neighbors like? What are the pros and cons of this neighborhood?	
When do the sellers plan to move?	

If you see something that looks a little off or is confusing, ask about it! Your real estate agent is working for you and they want what's best for you. Be confident in your right to know everything you want and need to know about a home. Not only are you making a big investment, but you also want the house to feel like your home.

THE INFORMATION WE'LL NEED

REQUIRED DOCUMENTS

So we may process your application quickly, please gather and provide copies of the items listed below. Additional documentation may be required for loan approval.

- ◯ Copy of Driver's License for each borrower
- ◯ Most recent pay stub showing year-to-date (at least 30 days) earnings
- ◯ W2's for last 2 years
- ◯ All pages of most recent Asset Statements covering 2 full months
- ◯ All pages of complete signed & dated Federal tax returns, including all schedules – 2 years
- ◯ Most recent 401K/Retirement Statement – all pages
- ◯ Purchase Agreement signed by all parties (for purchase transactions)
- ◯ Copy of last mortgage statement (for refinances)

OTHER

- ◯ _____
- ◯ _____
- ◯ _____
- ◯ _____
- ◯ _____
- ◯ _____
- ◯ _____
- ◯ _____

IF APPLICABLE

- ◯ Social Security income award letter
- ◯ Pension/retirement award letter
- ◯ Disability income award letter
- ◯ Completed Gift Letter signed and dated by gift source and all borrowers
- ◯ Divorce Decree – all pages
- ◯ Proof of child support
- ◯ Commissioned employee: 2 years of personal Federal tax returns and corresponding W2's

SELF EMPLOYED BORROWERS

- ◯ Most recent 2 years of business and personal Federal tax returns – all schedules
- ◯ Most recent Profit and Loss Statement (each business) signed by CPA
- ◯ Most recent 3 months of business bank accounts – all pages

DOs & DON'Ts OF THE LOAN PROCESS

THINGS YOU SHOULD DO WHEN BUYING A HOME

MEET WITH CU LOAN OFFICER EARLY IN THE PROCESS

- Get Pre-Qualified to explore your options and find the perfect home.
- Pay your bills on time!
- Make sure the Sales Price and Down Payment you had in mind match that of your Pre-Qualification.
- Inform your loan officer if ANYTHING changes in your situation, even if you don't think it's important.
- Immediately let your loan officer know if anything changes on your agreement to purchase.
- Check your email regularly and stay in touch!

ORGANIZE YOUR FINANCIAL DOCUMENTS*

- Current paystubs (30 days) and W-2's for the past two (2) years.
- If self-employed or you receive income outside of a W-2, be prepared to provide all schedules of the most recently filed Federal Tax Return.
- Bank statements – all pages. Cannot be just a screenshot; it must be an actual statement.
- Spousal and child support – fully executed agreements.
- Shop for your Homeowners Insurance, budget to pay for 1 year in advance.
- Hang on to every deposit slip, check stub, refund check, bank statement, receipt of payment, etc.

*In the mortgage lending process, financial documents have an expiration date. Don't be surprised if you have to present updated paystubs and bank statements. Any new or inconsistent information will have to be explained.

THINGS YOU SHOULD NOT DO WHEN BUYING A HOME

DO NOT APPLY FOR NEW CREDIT

- Do not buy new items on credit, such as furniture, appliances, new vehicles, etc. Do not co-sign for someone else or even transfer from one credit account to another.

DO NOT CHANGE JOBS

- Generally speaking, hold off on that dream job until after closing. Verbal verification of employment is the norm. If there is a change, notify your mortgage representative right away. Otherwise this could delay your closing.

DO NOT SELL ITEMS FOR CASH

- If you sell an item for cash, you will need a bill of sale, a copy of the check and an appraisal of the item sold. Let your mortgage representative know up front if this is your intention.

DO NOT MANIPULATE YOUR MONEY

- This includes transferring funds between accounts, changing financial institutions, making large deposits outside of your normal payroll deposit, and undocumented gift funds.
- Do not open or close any bank, investment, or retirement accounts.

DO NOT SCHEDULE MOVERS OR CONTRACTORS FOR CLOSING DAY

- While every attempt is made to close the transaction on the day agreed to in the real estate contract, increasing compliance rules can delay any transaction.

We understand that unplanned and unavoidable emergencies come up. If you think that there's a chance that something may impact your mortgage process, please notify your loan officer as quickly as possible to avoid any delays!

Central Soya
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READY TO APPLY?

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to get started!

RF

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EQUAL HOUSING OPPORTUNITY

NCUA

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