



# YOUR PATH TO HOMEOWNERSHIP.



HOMEBUYER'S GUIDE





## AVOID THE PITFALLS IN YOUR HOME BUYING JOURNEY

**BAD CREDIT** – Did you know you could buy with NO CREDIT or POOR CREDIT HISTORY?

**NO DOWN PAYMENT** – Many consumers qualify for \$0 MONEY DOWN. Give us a call to see if you qualify.

**DON'T MAKE ENOUGH MONEY** – A combined annual income of \$60,000 could make you a homeowner.

**NOBODY TO TRUST OR ASK** – Please call to meet with us.

**HOME PRICES TOO HIGH** – In the last year, the average homeowner gained \$92,000 in equity.

**FROM 08/2016 TO 08/2022** – The average home appreciated from \$432,345 to \$636,000 – an annual gain of almost \$34,000 per year.

## HOW TO USE YOUR FICO TO CHART YOUR COURSE.

FICO is an acronym for the Fair Isaac Corporation. A primary function of FICO is to provide lenders with credit scores that help indicate a borrower's credit risk. Though the precise formula for scoring has not been made public, it is based on length of credit history, types of credit usage, new credit, existing credit debts, and payment history.

There may be loan options for borrowers with flawed credit histories or lower-than-ideal FICO scores. However, if your credit history is not in great shape, working to repair it—before attempting to finance a mortgage—may be strategic. Ultimately, consulting with a mortgage expert will give you the best idea of your options in light of your FICO score.



# KNOW YOUR OPTIONS BEFORE STARTING.

Speaking with a professional is the best way to determine which loan is the best fit for you and your family. This section outlines only a few of the most common loan options available.



## CONVENTIONAL

With a fixed rate mortgage your interest rate stays the same throughout the course of the loan's maturity. Your total payment toward interest and principal will not change from month to month.

- Min Credit Score 620
- As little as 3%-5% down



## FHA

FHA loans may offer significant benefits to qualified borrowers. The flexible guidelines allow relaxed credit score requirements and the possibility for a borrower to qualify quickly following a bankruptcy. The standard FHA purchase loan requires only a 3.5% down payment, and in many cases the down payment may be gifted.

- Min Credit Score 500 – With 10% down
- Min Credit Score 580 – With 3.5% down



## VA LOANS

The VA Loan program is designed to assist the brave servicemen and servicewomen of the U.S. Armed Forces. Military Veterans and their spouses may benefit from the special terms of these loans, such as relaxed credit score requirements and 100% financing.

- Min Credit Score of 1
- \$0 Down Payment may be available



## USDA LOANS

The U.S. Department of Agriculture's Guaranteed Rural Housing Program is designed to help low or moderate income families acquire home loans within designated rural areas. 100% financing is available for eligible USDA loan applicants.

- Min Credit Score 580
- \$0 Down Payment may be available



## ADJUSTABLE RATE MORTGAGES

Adjustable rate mortgages offer variable interest rates that may change over time according to benchmarks set prior to closing. As a result, your monthly payment may change over time.

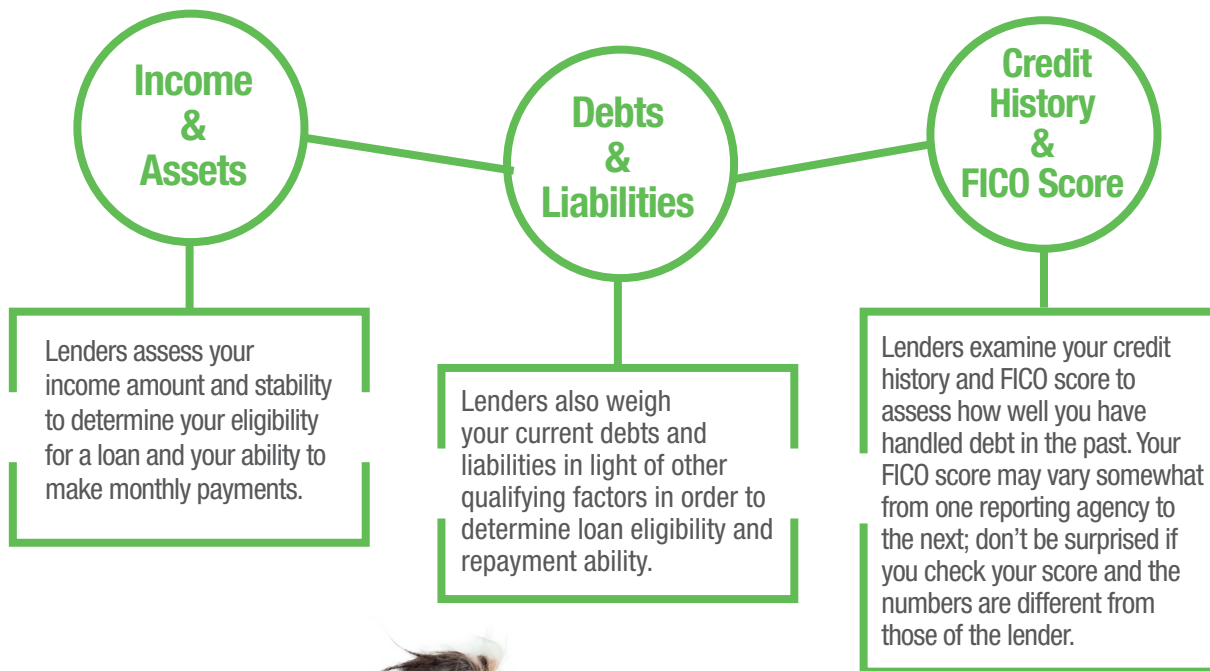
# GET THE LOAN FIRST: PRE-APPROVAL

## Why Obtain Pre-Approval?

Common sense dictates that we should know what we can afford before we start shopping, and the homebuying process is no different. For this reason, it is wise to get pre-approved for a loan before house-hunting. Even if you think you know how much you can afford or the loan amount you will qualify for, solid numbers from a mortgage expert ensure a smoother process.

**House-hunting is exciting but can result in disappointment if buyers set their hearts on a property that is out of financial reach. Pre-approval gives you more clout in the eyes of realtors and sellers.**

There is no cost or commitment for pre-approval. Pre-approval is a straightforward process. Lenders base their determinations on a number of factors, including:



**NOTE: Pre-approval is a necessary and valuable first step; however, you will complete a more detailed application later in the process to become fully qualified for a loan.**



# HOW MUCH DO YOU QUALIFY FOR?

**TOTAL MONTHLY INCOME X .45 = TOTAL MONTHLY DEBT ALLOWED**

**TOTAL MONTHLY DEBT ALLOWED - MONTHLY LIABILITIES = TOTAL MORTGAGE PAYMENT ALLOWED**

**Liabilities include: car loan payments student loan payments, credit card payments, other loans, judgements and child support**

You can also use our free mortgage calculator on our website, [www.mortgagesolutions.net](http://www.mortgagesolutions.net)

This free, zero-commitment tool can provide an idea of mortgage payments, but work with one of our experts to get actual numbers.

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## HOW MUCH CASH DO I NEED?

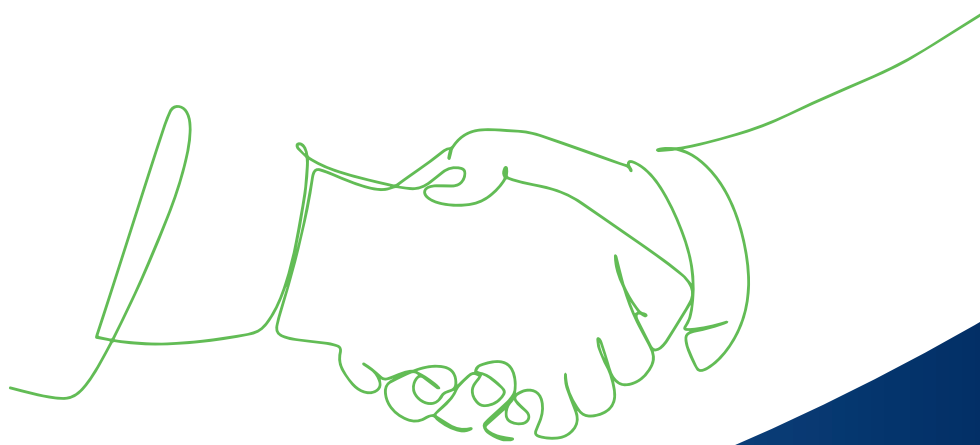
Although some mortgage options require zero money down, most require cash on hand for the down payment, closing costs, and mortgage/lender fees.

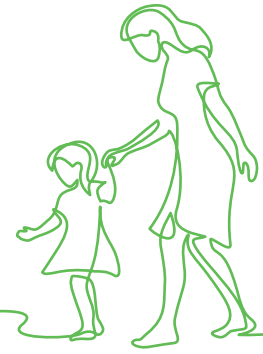
### Down Payment

Any money you put toward your down payment will reduce the principal amount of the loan, therefore lowering your monthly payments and possibly your interest rates. You may be required to make a down payment that equals a specific percentage of your home's purchase price. The percentage required may be dictated in part by factors—such as FICO score, income, assets, debts, and the type of loan you seek. And as a general rule of thumb, mortgages obtained with less than 20% down will require the purchase of PMI, or Private Mortgage Insurance. PMI, which serves as a safeguard for lenders, will be figured into your monthly payments.

### Closing Costs and Mortgage/Lender Fees

At the time of closing, certain fees and closing costs should be expected. Costs and fees can be confusing, but your Mortgage Solutions Financial expert will explain any charges and answer all of your questions. Occasionally, lenders will omit certain fees or sellers will agree to cover portions of the costs. However, closing costs and fees typically range from 3%–5% of the total mortgage amount. Charges may include: general loan fees, insurance, taxes, title charges, government recording charges, and application fees.





# CHART A PATH TO HOMEBUYING SUCCESS WITH THESE FIVE EASY STEPS.



## Step 1: Get Prequalified

- Make an appointment with one of our loan experts.
- Gather your documents.
- Meet to review your documents and loan options.
- Obtain your Prequalification.



## Step 4: Navigate Your Purchase

- Meet with your loan officer and sign the loan application.
- Order an appraisal.
- Obtain homeowner's insurance.
- Review your title documents.
- Submit any remaining documents.
- Get the final approval.



## Step 2: Plan Your Move

- Review your monthly expenses and income.
- Make a list of areas you like and the corresponding home prices.
- Establish a timeline for your move.



## Step 5: Close on your New Home

- Wire your down payment to the title company.
- Attend closing.
- Transfer the utilities and forward your mail.
- Move in and live happily ever after.



## Step 3: Find a Home

- Meet with your Realtor.
- Look for homes in your price range.
- Make an offer.
- Deposit your earnest money.
- Hire a home inspector.

## THINGS NOT TO DO BEFORE BUYING A NEW HOME



- Change jobs.
- Use credit cards excessively (Keep your balance at 30% or less than the card's limit).
- Fall behind on any credit account or miss payments.
- Transfer large sums of money between accounts.
- Make any unusually large deposits over \$100.
- Let anyone pull your credit.
- Make a significant purchase.
- Co-sign on a loan.
- Change bank accounts.

# HOME LOAN APPLICATION CHECKLIST

Though additional information may be necessary, this checklist provides an overview of the verification documents lenders use to determine loan qualification. Ask a Mortgage Solutions Financial mortgage specialist for additional information.

## Income Information:

- Pay stubs for the last 30 days
- Names and addresses of all employers for the last two years
- W2 forms and Federal Income Tax Returns for the last two years
- Verification of other income, such as dividends, rental income, child support, alimony, or Social Security and disability payments

## Asset Information:

- Savings accounts
- Checking accounts
- 401(k) accounts
- IRA accounts
- Investment records

## Additional Documentation:

- Social Security number
- Names, phone numbers, and addresses of all involved parties

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## GETTING STARTED

### Mortgage Solutions Financial is here to help.

Over the course of nearly two decades, Mortgage Solutions Financial has helped over 100,000 families purchase the homes of their dreams and reach their financial goals. We are here to serve you and guide you through the financing process every step of the way. Our mortgage specialists are dedicated to answering your questions and finding the best options available for you and your family, seven days a week.

**Give us a call at (503) 999-9192 today, or scan the QR Code below to schedule a free, no-commitment consultation.**

### Complete your free loan application today.

**Mortgage Solutions Financial offers a free online loan application at [www.mortgagesolutions.net](http://www.mortgagesolutions.net).**

You can fill out the application at your own pace. You can even begin the application, save your work, and return at a later time to complete the forms.



# WHAT MORTGAGE SOLUTIONS FINANCIAL CUSTOMERS ARE SAYING ABOUT OUR TEAM.

**“The experience with Mortgage Solutions Financial was awesome and fast. Our loan officer kept us informed of the entire process and it happened just like he said it would.”**

MICHAEL N. - VA HOME LOAN - 5 STARS

**“My loan experience with Mortgage Solution Financial was amazing. I began this journey with little hope of actually purchasing a home, but from the beginning, my loan officer was supportive, helpful, and positive.”**

AMY N. - HOME LOAN - 5 STARS

**“The Mortgage Solutions Financial team made the whole process super easy and stress free. I recommend Mortgage Solutions Financial for all VA related loans. My loan officer took the time to answer any question for me. He was very knowledgeable in his job.”**

JALON R. - VA HOME LOAN - 5 STARS

**“Our loan officer was absolutely amazing and made our first-time homebuying experience so easy. We were first time homebuyers and he kept us updated on everything. He was so detail oriented and explains everything so well.”**

JASMINE Q. - FIRST TIME HOMEBUYER - 5 STARS

**“My experience with Courtland Martens was phenomenal. He answered every question I had and was very prompt. Mortgage Solutions Financial will definitely work hard for you.”**

ASHLEY B. - HOMEBUYER - 5 STARS



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