

WELLS
FARGO

HOME
MORTGAGE

Military Mortgage Express[®]

Homebuyer education workshop

Louis Candell

Home Mortgage Consultant – 800-987-6786

NMLSR ID 442652 – louis.candell@wellsfargo.com

Can Lend in all 50 States - Call to
review VA eligibility.

Together we'll go far



The benefits of homeownership

- A place of your own
- A chance to build equity
- Tax benefits¹
- A financial stepping stone

1. Consult your tax advisor.

Getting a handle on money management

- Step 1: Set realistic goals
- Step 2: Distinguish between needs and wants
- Step 3: Monitor your monthly expenses
- Step 4: Establish a saving pattern
- Step 5: Limit monthly debt to 15-20% of your income
- Step 6: Build an emergency reserve account

Managing your credit

- The importance of good credit
- Installment loans and credit cards
- Know your credit history
- Monitor your credit report

More about credit management

- Credit scoring
- Correcting reporting errors
- Clarifying credit report entries
- Establishing a credit history
- Addressing credit issues
- Know your rights

Credit management review

- Avoid making large purchases before buying a home
- Know how much you owe
- Avoid skipping bill payment in favor of other expenses
- Contact creditors immediately if you have a problem

Credit management review (continued)

- Correct inaccurate credit records
- Strive to improve a poor credit rating
- Work to maintain a good credit rating
- Establish a credit history if you haven't yet

Understanding your credit report

- I.D. section
- Credit history section
- Collection accounts section
- Courthouse records section
- Additional information section
- Inquiry section

What is a mortgage?

- Principal
- Interest
- Taxes
- Insurance
 - Hazard insurance (Homeowners Insurance)
 - Private mortgage insurance (PMI)

Qualifying for a mortgage

- Income
- Credit history
- Savings
- Property

More about qualifying ratios

- Debt-to-income ratios
- Front-end ratio
- Back-end ratio
- Prequalification

Shopping for a mortgage

- Choosing a lender
- Interest rates
- Annual Percentage Rate (APR)
- Points
- Origination charge
- Other fees

Mortgage product basics

- Government loans
 - Federal Housing Administration (FHA)
 - Veteran's Administration (VA)
 - State bond programs
- Conventional loans
- **Easy-to-Own**SM loans
- "Conforming" vs. "Jumbo" loans
- High balance loans
- **HomePath**[®] Mortgage²

Which of these is right for a first-time homebuyer?

2. HomePath[®] is a registered trademark of Fannie Mae.

Mortgage product basics

Why choose a VA loan?

- Available to qualified veterans, reservists, active-duty personnel, and their surviving spouses³
- Low down payment options for qualified borrowers
- Wide range of rate, term and cost options
- Flexible qualifying guidelines
- Use of gift funds for closing costs
- Seller may be required to pay a portion of closing costs

3. Surviving spouses of service members listed as missing in action (MIA) or died as a result of a service connected disability.

Financing choices

- Fixed rate mortgages
- Adjustable rate mortgages (ARMs)

Financing choices (continued)

- Renovation loans
- New construction loans
- Assumable mortgages for qualified buyers

Mortgage preapproval

- Request a **PriorityBuyer**[®] preapproval:⁴
 - Lets you know exactly how much home you can purchase
 - Affirms your purchasing power with sellers
 - Places you several steps ahead in the mortgage process
 - Is a smart move for serious homebuyers
4. A **PriorityBuyer**[®] preapproval is based on our preliminary review of credit information only and is not a commitment to lend. We will be able to offer a loan commitment upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal, and title report. Preapprovals are subject to change or cancellation if a requested loan no longer meets applicable regulatory requirements. Preapprovals are not available on all products. See a home mortgage consultant for details.

Mortgage application

- Personal data
- Income
- Assets
- Debts and obligations
- Credit references

Mortgage application (continued)

- Property information
- Verification forms
- Disclosures
- Fees
 - Lender fees
 - Closing agent fees
 - State/county fees
- Locking and floating
- Points

Choosing a real estate agent or builder

- Do some research first
- Ask relatives, friends and coworkers for references
- Interview prospective agents or builders in person

Searching for your home

- New or existing
- Location
- Size and special features
- Types of homes
- How to look

Searching for your home (continued)

- MLS listings, internet, newspaper
- HUD/VA homes
- Estate auctions
- Nonprofit housing agencies and foundations

Going to contract

- When your offer is accepted you reach a sales agreement
- A sales contract is drawn up by a real estate agent or attorney
- The contract is a legally binding document that protects both buyer and seller
- The contract may contain contingency clauses

Home inspection

- Consider hiring a professional, certified home inspector
- The inspector's report identifies defects or other problems, focusing particularly on the home's structure, construction and mechanical systems
- Try to be present at the inspection
- Make notes, ask questions and get repair estimates
- Ask about systems operation and home maintenance
- Check for insects, lead, radon, asbestos and soil contamination
- Some special inspection and home valuation processes may be required for VA loans

Pre-closing

- Obtain homeowners (hazard) insurance and flood insurance, if necessary
- Review your loan commitment with your lender
- Set a closing time and date
- Confirm that a property survey has been ordered
- Make preparations to move

Just prior to closing

- Conduct a final walk-through of your soon-to-be home
- Make sure all inspections and repairs in the purchase agreement are complete
- Get a certified or cashiers check from the bank for your closing costs
- Confirm your state specific signature requirements for closing and obtain power of attorney if necessary

Closing day

- Be familiar with the closing location
- Read and sign documents
- Ask any questions concerning these documents
- Your closing agent/settlement attorney will be given copies of the documents you need to sign

Military Mortgage Express®

- Available exclusively through Wells Fargo Home Mortgage
- Wells Fargo military certified home mortgage consultants who have been trained on the unique needs of military personnel

It's an honor to serve those
who serve our countrySM

Restrictions may apply. Wells Fargo Home Mortgage is a division of Wells Fargo Bank, N.A. ©2013
Wells Fargo Bank, N.A. All rights reserved. NMLSR ID 399801. AS987913 Expires 8/2013

