

# FIRST-TIME HOMEBUYER GUIDE

MAKE YOUR DREAM OF HOMEOWNERSHIP  
A REALITY WITH HOMEBRIDGE



**Homebridge**<sup>®</sup>





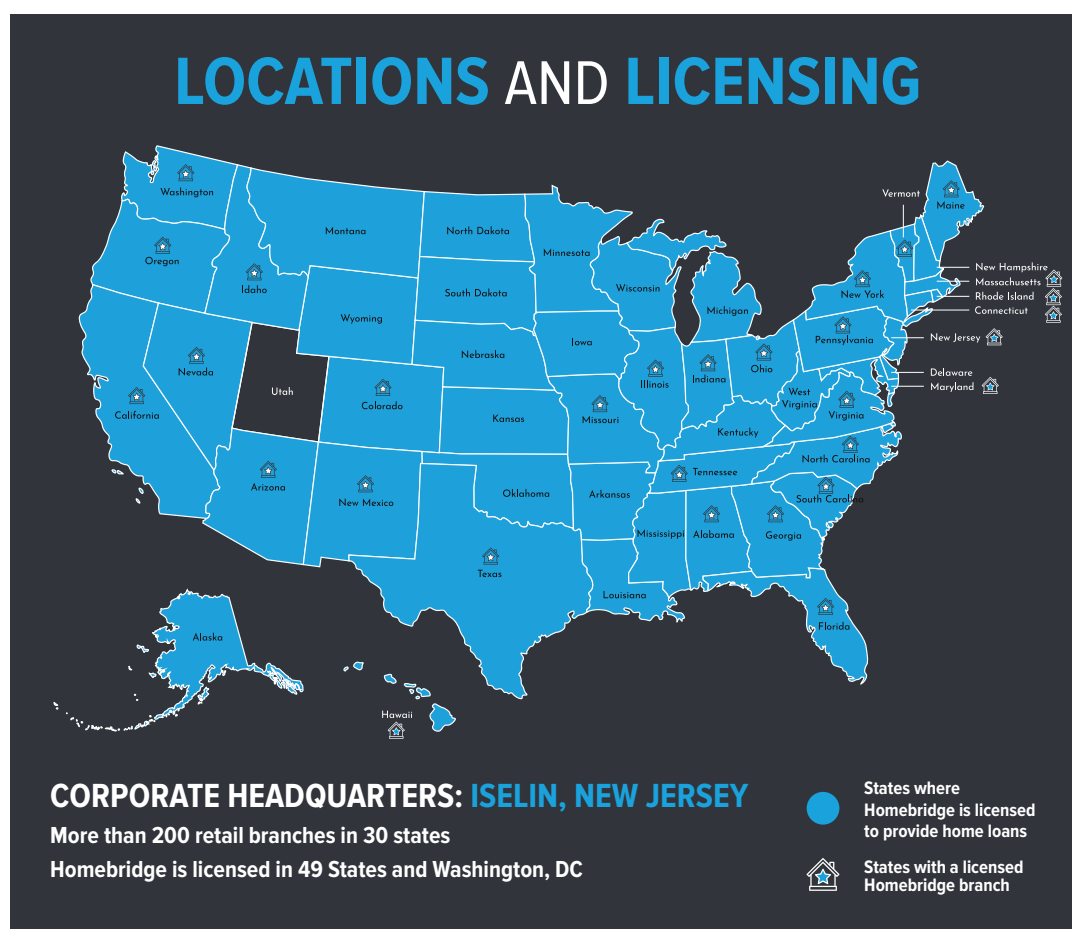
## **BUYING YOUR FIRST HOME IS EXCITING**

You're thinking about buying your first home. Congratulations! Homeownership is one of the most exciting milestones in one's life. This brochure was designed to keep it that way by explaining the mortgage lending process, guiding you through what can seem overwhelming and helping to ensure a smooth journey to homeownership.

## About Homebridge

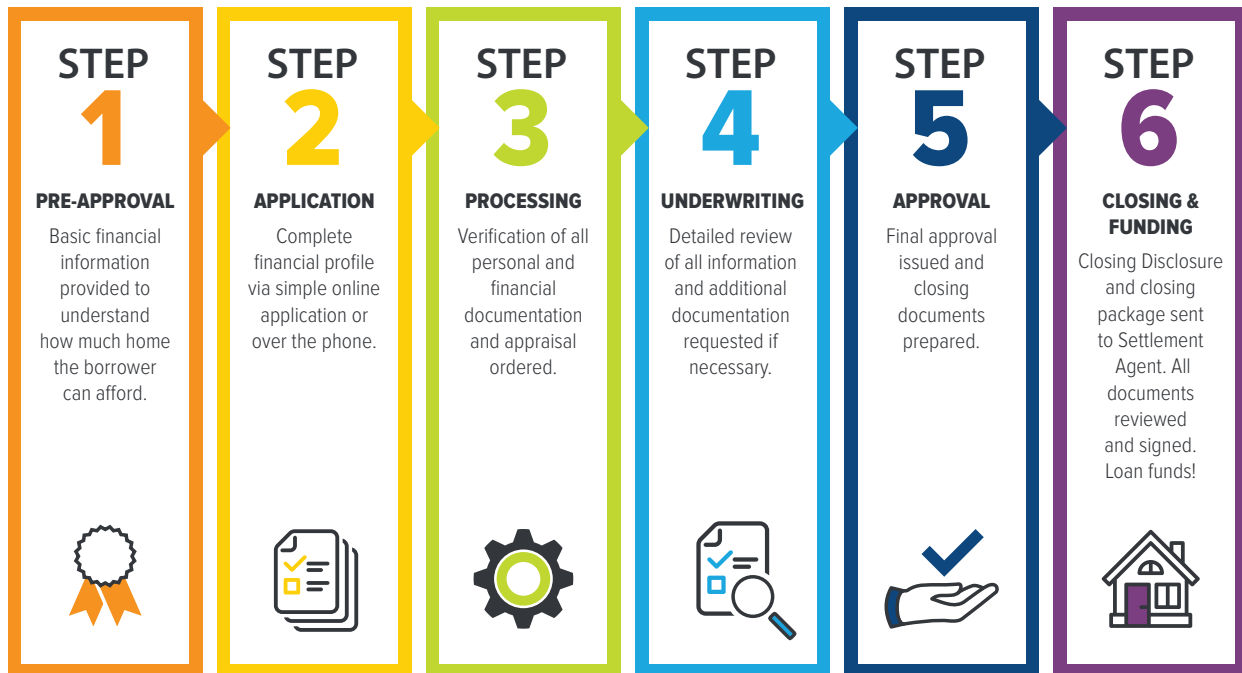
Our story is one of incredible growth and the trust we've earned from over 30 years of helping families obtain the home of their dreams. As one of the largest privately held, non-bank lenders, we originate loans in 49 states, and Washington D.C., with branches from coast to coast.

With more than 700 Mortgage Loan Originators around the country, and a growing national footprint, we're able to provide local expertise that helps homeowners thrive in their new communities. Everything we do is with you in mind. Our vision is to make the dream of homeownership a reality for every customer, every day.



# What to expect during the home loan process

Many enter the homebuying process unaware of the steps needed to bring them from thinking about purchasing, to holding the key to their dream home in their hand. Homebridge Mortgage Loan Originators are experienced in the process and will ensure that you remain informed through every step of it. Before you begin, this brief overview will give you an idea of what you can expect:







## A team to support your homebuying dream

The path to homeownership starts with you. But as you move closer to your goal, you'll need the assistance of dedicated professionals. Understanding these roles will make the homebuying process simpler and more rewarding:

**REAL ESTATE AGENT:** Helps you find your dream home and negotiates offer with Selling Agent on your behalf.

**MORTGAGE LOAN ORIGINATOR:** Homebridge will work with you to find the financing option that fits your mortgage needs.

**HOME INSPECTOR:** Inspects the property for necessary repairs that could affect the terms of the transaction.

**HOME APPRAISER:** Assesses the value of the home based on comparable home sales in the market.

**TITLE OFFICER:** Completes paperwork to transfer the title into your name.

**ESCROW OFFICER:** Oversees the transfer of funds for the transaction.

**INSURANCE AGENT:** Secures homeowner's insurance policy in your name for the property.

## Get pre-approved. Get greater buying power.

Getting pre-approved can be the most important part of homebuying. Though often overlooked, your pre-approval letter gives you the confidence to search for a home within your budget. That's because once you find a place you love, you will know that you can get a loan to support that purchase.

Being pre-approved also streamlines the homebuying process by offering peace of mind to a seller. They'll understand that you're serious about the purchase and already have the backing of a lender.

Talking to a Mortgage Loan Originator about getting pre-approved is always a good idea. Homebridge Mortgage Loan Originators have the added benefit of being part of your community. As a local lender their pre-approval can make your offer stronger.



# What you should know about your credit score

During the pre-approval process you'll notice that the subject of your credit score will often come up. This is because, like any large purchase where a loan is needed (such as a car), your history as a borrower is a significant factor. That history is summed up in your credit score. Understanding it and improving it may help enhance eligibility for the loan product you want and help get you into the home of your dreams.

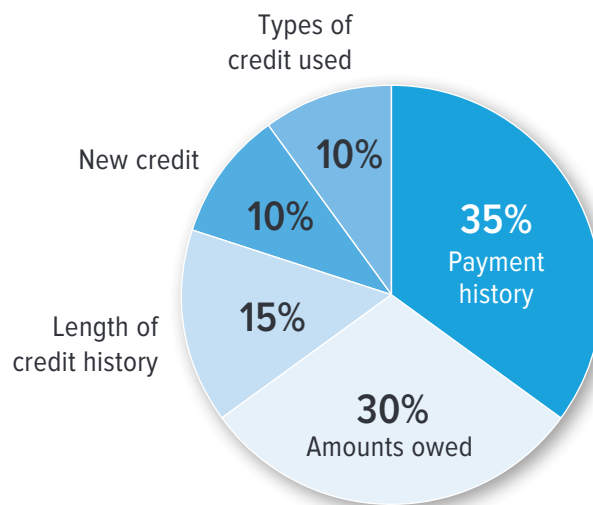
## WHAT IS A CREDIT SCORE?

A credit score is the result of a mathematical equation that evaluates the information on your credit report. Potential lenders review your credit report and this credit score, along with other factors, to determine your ability and likelihood to repay debt.

Credit scores are often called FICO scores because credit scores are based on a credit-scoring model developed by the Fair Isaac Corporation (FICO).

## WHAT MAKES UP A CREDIT SCORE?

A credit score generally ranges from 300 to 850, with a higher score reflecting a lower credit risk. According to Fair Isaac's myFICO.com website, FICO scores are calculated from many sources of information in your credit report and are "weighted" based on the following five categories:



**35% Payment history:** Were payments made on time?

**30% Amounts owed:** Is the balance owed close to the limit?

**15% Length of credit history:** How long have accounts been open?

**10% New credit:** How many new accounts have been opened?

**10% Types of credit used:** Mortgage, auto, consumer finance, revolving and installment loans.





## How to improve your credit score

A low credit score shouldn't deter you from purchasing a home. There are a variety of loan products that are available to individuals with a less-than-perfect credit score. In addition, improving your credit score is simply a matter of exercising credit responsibility over time. The following are some small tips that can make a big improvement on your number:

- **Make sure the information in your credit report is correct.** You are entitled to one free credit report annually from each of the three credit bureaus—Experian, TransUnion and Equifax. Visit [www.annualcreditreport.com](http://www.annualcreditreport.com) to obtain your free reports. Double check these reports for accuracy. This should include a review of the account-opened dates, account balances, account limit and last activity information. Make sure you act quickly to correct any erroneous information.
- **Pay down your high credit card and revolving account balances.** Lower your debts, but don't close your account. Do not apply for credit that you don't need, since excessive credit report inquiries can lower your credit score.
- **Avoid moving credit balances from one account to another.** Don't move balances just to take advantage of low introductory interest rates. The combination of inquiries and new accounts can negatively impact your score. (If you feel you must act to take advantage of an introductory rate, be sure to pay down the balance before the teaser rate ends and your rate goes up.)



# Homebridge loan options

## TRADITIONAL MORTGAGE LOAN PRODUCTS:

**Conventional** - A conventional mortgage refers to any housing loan that's not insured or guaranteed by the Federal Government. They offer competitive interest rates to those who qualify.

**FHA Loan** - A mortgage insured by the Federal Housing Administration. It assists those with less-than-perfect credit, or who have little money to put as a down payment, in getting a home.

**VA Loan** - Reserved for active duty military, eligible veterans and reserves or their surviving spouses, VA home mortgage loans are partially backed by the Veterans Administration.

**USDA Financing** - A United States Department of Agriculture (USDA) home loan is a zero-down payment\*, lower interest rate mortgage, for eligible rural and suburban properties.

**Jumbo and Super Jumbo** - Loan programs are also considered conventional loans but offer financing for loan amounts that are greater than the standard limits.

## NICHE MORTGAGE LOAN PRODUCTS:

**Construction to Perm** – If you're building your dream home, a construction-to-permanent loan can cover your lot, construction and mortgage financing all in one loan.

**Renovation Loans (FHA 203(k), FNMA HomeStyle®, and VA)** - These renovation loans remove the fear from buying a fixer upper. You can pay for the house, and needed improvements, all with one mortgage.

**Elite and Elite Options\*\*** - For those who worry about past credit issues, the Homebridge Elite Options program may be a great choice. It allows for flexible documentation for self-employed borrowers\*\*\* and a shorter waiting period after foreclosure or Chapter 7 bankruptcy.

HomeStyle® is a registered trademark of Fannie Mae.

\*Primary residences only. Minimum FICO score requirements. Income and credit restrictions apply. Other restrictions may also apply.

\*\*Elite products are not available in the following states: AK, HI, ID, MA, MT, NH, NY, ND, SD, UT, VT, WV, WY.

\*\*\*Use of alternative documentation options may result in additional fees and/or higher rates. Rev 12.18.18 (0518-2388) LR 2018-298B

## Do's and Don'ts when buying a home

When it comes to reaching your home loan goals, there is a lot that you can do to ensure you're on the right track. Your Homebridge Mortgage Loan Originator is there to help with advice based on experience and knowledge of the mortgage industry's ins-and-outs. As you talk with them, discuss and keep in mind these tips for a successful home loan process:

### DON'T

- Don't leave your current job.
- Don't make unnecessary checking or savings account transactions, such as withdrawals or deposits.
- Don't transfer money between accounts, unless receiving complete documentation from your bank, itemizing all transfers.
- Don't take out cash advances on credit cards or apply for credit in any form, including credit for major purchases (such as a car or furniture), or apply for credit to consolidate or change existing credit.
- Don't co-sign on any debt with a family member or anyone else.
- Don't have friends or family members pay for anything related to the purchase of a home (appraisal, earnest money, down payment, etc.). Gifts are only allowed under certain guidelines. Homebridge can help clarify the types of gifts that are legally allowed.
- If you are a landlord, don't ask your tenant to move. If you are a renter, don't give your landlord notice that you are moving out.\*

### DO

- Keep your bank accounts in a positive balance.
- Pay all debts on time.
- Speak to your Mortgage Loan Originator before paying disputed bills that have gone to collection agencies.\*\*

\* Check with your Homebridge Mortgage Loan Originator (MLO) prior to making this change just to be sure it will not affect your loan eligibility.

\*\* Payment of these items can affect your credit score (negatively or positively) depending on your specific case. Please speak to your MLO for more information regarding your specific loan.

## Need help with your move?

Moving into your new home and getting settled in can be stressful. We've got you covered. As an added value you can take advantage of a money-saving and time-saving home services setup program, from Kandela.

Kandela takes the stress out of your move by providing you with a personal concierge who coordinates many of the tasks on your moving to-do list. That includes finding a moving company and setting up home services like phone, cable and internet. Your concierge will find the best price for services and even schedule all services to be turned on for a convenient and hassle-free experience.





# THE HOMEBRIDGE VISION: TO MAKE THE DREAM OF HOMEOWNERSHIP A REALITY FOR EVERY CUSTOMER, EVERY DAY.

**IF YOU'RE READY TO REACH FOR THAT DREAM OF  
HOMEOWNERSHIP, REACH OUT TO A HOMEBRIDGE  
MORTGAGE LOAN ORIGINATOR TODAY!**



Homebridge Financial Services, Inc.; Corporate NMLS ID #6521 ([www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)); 194 Wood Avenue South, 9th Floor, Iselin, NJ 08830; (866) 933-6342. AZ Mortgage Banker License #922458; Licensed by the Dept. of Financial Protection and Innovation under the CA Residential Mortgage Lending Act; GA Residential Mortgage Licensee #22495; MA Mortgage Lender/Broker License #MC6521; MO branch: 1116 Remington Plaza, Suite A, Raymore, MO 64083; Licensed by the NJ Dept. of Banking and Insurance; Licensed Mortgage Banker – NYS Dept. of Financial Services, 152 Madison Ave., 23rd Floor, New York, NY 10016; RI Licensed Lender, RI Licensed Loan Broker; TX branch: 15301 Dallas Parkway, #900, Addison, TX 75001; WA Consumer Loan Company License #CL-6521. This is not an offer for extension of credit or a commitment to lend. Loans are currently being closed and committed at the expressed rates, however these rates may change or may not be available at the time of your interest rate lock-in, commitment or closing. All loans must satisfy company underwriting guidelines. Interest rates and Annual Percentage Rates (APRs) are: based on recent market rates, for informational purposes only, subject to change without notice and may be subject to pricing add-ons related to property type, loan amount, loan-to-value ratio, credit score and other factors. Terms and conditions apply. Additional loan programs may be available. This is not an offer to enter into a rate lock agreement under MN law, or any other applicable law. Call for details. 11/2020 Rev. 02.04.21 (0317-0200) LR 2019-636