



# BUYING A HOUSE YOUR MORTGAGE 101



**NORTHPOINT**  
MORTGAGE

[www.TryNorthpoint.com](http://www.TryNorthpoint.com)



# Understanding The Home Buying Process

When you're looking to buy a house, it's easy to become overwhelmed with the entire process. We want to make the experience of buying a home as simple as possible without being fully automated and impersonal. With so much of your hard-earned money on the line, now is the best time to get assistance from a reputable Licensed Mortgage Loan Originator and be certain that you're in capable hands.



If you haven't yet met with a Northpoint Licensed Mortgage Loan Originator, we'd be pleased to put you in touch with someone in your area who can assist. <https://www.trynorthpoint.com/buyahome> or call: **888-310-7707**





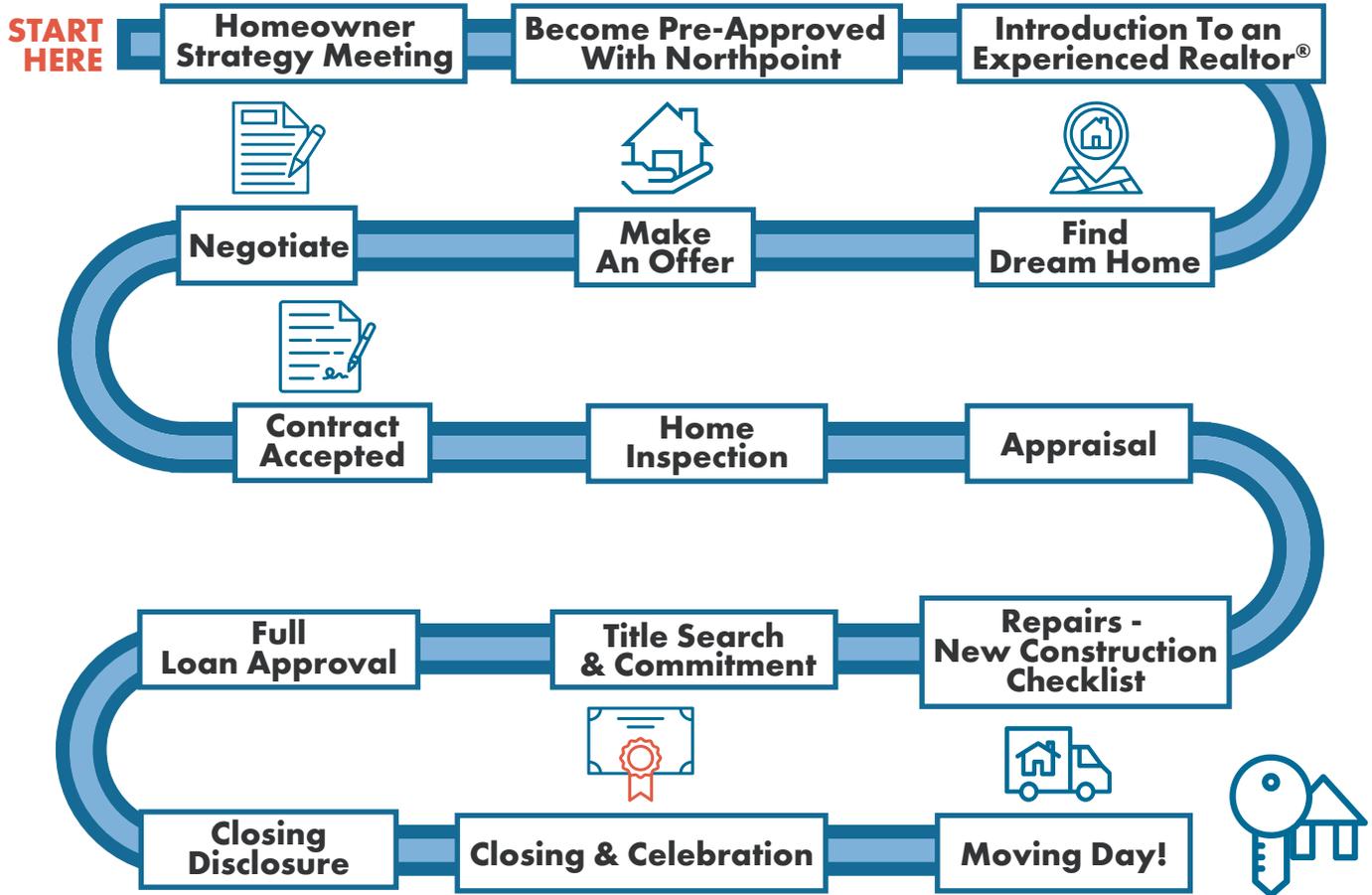
# Path To Homeownership

Buying a home is a significant transaction and it's not something you do every day. This guide will lead you through the typical stages of the process, from beginning to end.

From the first strategy meeting through moving day, your Licensed Loan Officer will be available to assist you. Make use of this road map to keep track of your home-buying progress. We'll walk you through the major milestones and explain some mortgage jargon and procedures.



# Homebuyer's Journey





# Finding a Loan Program That Fits You!

We offer a wide range of loan types, including First Time Home Buyers Programs, FHA Loans, VA Loans, Conventional Loans, Jumbo Loans, and more. Take a look at some standard mortgage products with a couple of their highlights.

## First Time Home Buyers Program

State Housing Loans, some with downpayment assistance, can be great for those that qualify. Conventional programs also have special financing for moderate income earners. Programs can vary depending on the state, county and even area of the town you are buying in. Our licensed Loan Officers will help you find the program you qualify for that is right for your needs.

## **FHA Loans**

These loans are insured by the Federal Housing Administration (FHA) and allow for down payments as low as 3.5%. FHA loans are more lenient than Conventional loans if you have had a bankruptcy or credit blemishes. It is also one of the few options for a low downpayment multifamily purchase.

## **VA Loans**

Qualified veterans, service members and their spouses can obtain a Veterans Administration (VA) loan which offers financing with 0 down payment with no monthly mortgage insurance. VA Loans are a wonderful benefit to our Vets. Northpoint has in-house underwriting to help avoid unnecessary red-tape.

## **Conventional Loans**

Fannie Mae or Freddie Mac provide Conventional financing. These are the most common mortgages in the country and for good reason. With down payment requirements as low as 3%, standard underwriting guidelines, and fixed and adjustable rates, Conventional Loans will be a good match for most homebuyers. Fannie and Freddie now even offer special first time and moderate income programs like Home Possible and HomeReady.



## USDA/Rural Housing

This unique program provides financing with zero down payment. Income limits and location requirements apply, but you will want to see if this product is available for you. If you and the property qualify, it is a tough program to beat.

## Jumbo Loans

Jumbo loans have loan amounts higher than Fannie and Freddie limits. Today, Jumbo rates can be very low. Loan sizes can be as high as \$4,000,000. Yes, Northpoint also underwrites Jumbo loans in-house.

## Refinancing

Yes, Northpoint offers refinance mortgages as well!



With the variety of products available, talking to an NMLS Licensed Mortgage Loan Originator is a great way to know the options available to you in your area. Call **888-310-7707** or visit us online at: <https://www.trynorthpoint.com/buyahome>.



# How Do Interest Rates Factor In?

When it comes to buying a home, interest rates are a hot topic. Did you know that a variety of factors can influence interest rates on any given day? The following are the primary factors that can influence your rate:

**Price of Home and Loan Amount:** The amount you'll borrow versus the value of your property is your LTV, or loan-to value. LTV is a key factor in determining your interest rate.

**Credit:** Credit scores directly impact your mortgage interest rate. A difference of just 100 points could cost, or save, you thousands. Your Northpoint Loan Officer can run CreditXpert analyzer to help you improve your credit score, and lower your interest rate.

**Loan Program:** Loan programs will have different rates and a different impact to the rate based on LTV and Credit Score. Credit score will impact your rate more with Conventional Loans than Government loans like FHA and USDA.

**Loan Terms:** Fixed or Adjustable interest rates, 15 year or 30-year loans term, Interest Only or standard amortizing payments. All of these terms can impact the mortgage interest rate.

**And more:** Debt-to-Income Ratio, Occupancy, Purpose, Points, and more will impact your interest rate. Getting an accurate rate quote will require a discussion. Online ads alone will not give you an accurate quote. Taking the time to talk to a licensed mortgage professional will.



**QUICK TIP:** Don't only look at the interest rates. While interest rates may be consistent from loan to loan, fees might vary significantly. It's critical to understand how the Annual Percentage Rate (APR) is calculated so you can fully compare your loan options.

Simply explained, interest is the amount you are charged for borrowing money expressed as a percentage of the loan amount. An official Loan Estimate will show you the rate and all settlement costs for the loan. This is the accurate way to determine the true cost of your loan.



# Get Certified

Your next step is to get prequalified or preapproved. It pays to be strategic and set yourself up for success in this competitive real estate market.

What is the distinction between prequalification and pre-approval? Isn't it all the same thing? No, the sort of approval you receive could make all the difference when you're ready to make an offer on a new property. It's crucial to understand the significance of the different types of approval.



<p><b>Good</b> Pre-Qualification</p> <p>★ ★</p>	<p><b>Better</b> Pre-Approved</p> <p>★ ★ ★</p>	<p><b>Best</b> Northpoint Homebuyer Certificate</p> <p>★ ★ ★ ★ ★</p>
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## Pre-Qualification *Good*

You can be “pre-qualified” by any loan officer. A pre-qualification is based on information you supply, not on income and asset verification. While it may appear to be the quickest and most convenient alternative, **you have not been approved for financing.** This is a major issue if you’ve spent weeks or even months looking for the perfect property, only to have it sold out from under you while you’re waiting for your loan to be approved.

## Standard Pre-Approval *Better*

Because you’ll need to submit financial documentation to your lender for assessment, this option takes a little longer than pre-qualification. A typical pre-approval can assist you in determining how much you can pay before you begin looking for a home, **but it does not imply that your file has been reviewed by a mortgage underwriter, resulting in a less dependable acceptance.**

## Northpoint Homebuyer Certificate *BEST*

You’ve submitted your financial documents to an underwriter for examination, and you’ve been conditionally accepted for financing on a new house, pending the approval of your selected property. You’ve already done a lot of the legwork, so once you’ve chosen the ideal house, the home buying process will be quick and easy. This ensures that when it comes time to sign on the dotted line, both you and the seller of the home you want to buy will be approved.

Going through this process ahead of time allows you to catch many of the snags early on and avoid problems at the last minute. **This is the finest option, especially when there is a lot of competition.**



# Home Shopping

Now that you've been pre-approved, you know how much you can spend on a new house within your budget. It's time to begin your search for your ideal home! Purchasing a property necessitates collaboration, and your real estate agent is an important member of that team. Your real estate agent will work hard to help you choose the right property, from establishing a wish list to researching properties.

Typically, you should choose a Realtor® who has been referred to you by a reliable source, is a skilled negotiator, and can advise you on the worth or future marketability of homes in various neighborhoods.

# The Home Loan Process in 5 Steps

Some aspects of the home loan procedure must be completed right away, while others must be completed after you have chosen a home.

## 1. PRE-APPROVAL

This is the first step in the loan application procedure. With upfront underwriting, you'll get a pre-approval. You'll save time in the long run because you won't need a property address for this stage of the procedure, and you'll be able to start looking for your dream home sooner.

## 2. APPLICATION

You'll fill out an application for a mortgage and talk about down payments, closing expenses, and interest rates.

## 3. PROCESSING

Appraisal, asset verification, income verification and title search are all performed during processing.

## 4. UNDERWRITING

Your loan is subjected to underwriting before being approved. The underwriter grants the clear to close once all conditions have been met.

## 5. CLOSING

Meeting with the settlement agent to sign the papers and become owner of your new home!

# The Loan Process' Do's and Don'ts

## DO

- Become pre-approved with Northpoint Mortgage.
- When your Licensed Mortgage Loan Originator requests information, it's important to respond within 24 hours.
- Make your home loan application as transparent as possible by including all sources of income.
- Tell us about all of your outstanding loans and debts, and wait until after funding to co-sign for any future loans.
- Any big financial transactions coming in or out of your bank accounts should be reported to your Licensed Mortgage Loan Originator.

## DON'T

- During the lending process, do not add any additional debt.
- Make sure you don't pay late.
- Any documents you give to underwriting should not be altered or annotated.
- Don't change jobs.
- Don't take out any new debt without talking to your Loan Officer.

# Closing and Beyond

The big day has arrived—closing day! You'll have to sign a lot of paperwork, and in the end, you'll have the keys to your new house.

We will be with you right to the closing table and beyond. If you have any questions after you close, we will be there for those too. Never hesitate to reach out to us. Our customers are customers for life.

At Northpoint Mortgage, we believe that no matter where you start, you can realize your dream of buying a house.

We've helped thousands of people buy a home and we've noticed something: the appropriate mortgage plan allows for bigger aspirations. Greater aspirations like financial independence and mental tranquility.

When you're ready, we'd love to assist you in achieving your goals of buying a home and obtaining a mortgage. Working with Northpoint is a choice that you won't regret.



# NORTHPOINT

M O R T G A G E

NMLS#1515



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