



**ON THE ROAD TO  
HOMEOWNERSHIP**



**the complete guide to**

# **FINANCING YOUR HOME**



# Dear Home Buyer



## Dear Home Buyer,

Buying a home for many people is the biggest – and most important – investment of their lives.

The process of choosing and obtaining the right mortgage for your unique situation is an important step in assuring that your money is working to your greatest advantage, now and into the future.

At Unifirst Mortgage, we take pride in our ability to work with you to find a practical mortgage solution with terms that meet your needs.

Our commitment to the mortgage industry means we keep informed of the latest developments in housing finance. You'll have all the best options available to you as we work together to finance your home.

We hope that you will partner with us for a home- financing experience that gives you a feeling of confidence and security, so you will get exactly what you need.

We are here to help!

Sincerely,

Your friends at Unifirst Mortgage



### Visit Our Locations

#### **Unifirst Mortgage Corporate Office**

217 Eisenhower Blvd.  
Johnstown, PA 15905877-  
545-0775 814-254-4332  
[U1mortgage.com](http://U1mortgage.com)

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# Table of Contents

Glossary of Terms ..... Page 4

Deciding on a Loan ..... Page 6

Fixed-Rate Mortgages..... Page 7

Adjustable-Rate Mortgages..... Page 8

First-Time Home Buyer Programs ..... Page 9

Other Loan Programs ..... Page 10

Payment Terms ..... Page 12

How the Process Works ..... Page 14

Loan Checklist ..... Page 15

Closing Time ..... Page 18

Enjoy Your New Home..... Page 19

Moving In..... Page 20

Notes..... Page 22

Important Phone Numbers ..... Page 23

*We have your best interest at heart.*



# Glossary of Terms

**Adjustable-rate mortgage (ARM):** A mortgage in which the interest rate is adjusted periodically based on a pre-selected index. Also sometimes known as a variable-rate mortgage.

**Amortization:** Loan payment by equal installments of principal and interest, calculated to pay off the debt at the end of a fixed period.

**Annual percentage rate (APR):** The interest rate reflecting the cost of a mortgage as a yearly rate. It allows home buyers to compare different types of mortgages based on the annual cost for each loan.

**Appraisal:** A document giving an estimate of a property's fair market value; generally required by a lender before loan approval.

**Assessment:** A local tax levied against a property for a specific purpose, such as a sewer or street lights.

**Balloon (payment) mortgage:** Usually a short-term, fixed-rate loan which involves small payments for a certain period of time; after that time period elapses, the balance is due or is refinanced by the borrower.

**Borrower (mortgagor):** A person approved to receive a loan, who is then obliged to repay it and any additional fees according to the loan terms.

**Cap:** A consumer safeguard on an adjustable-rate mortgage that limits how much a monthly payment or interest rate can increase or decrease.

**Certificate of eligibility:** Document given to qualified veterans entitling them to Veteran's Administration guaranteed loans. Obtained by sending DD-214 (Separation Paper) to the local VA office, with VA form 1880 (request for Certificate of Eligibility).

**Certificate of reasonable value (CRV):** Appraisal issued by the Veteran's Administration showing a property's current market value.

**Closing:** The meeting between the buyer, seller, and lender, or their agents, where the property and funds legally change hands.

**Commitment:** Agreement, often in writing, between a lender and a borrower, to loan money at a future date subject to the completion of paper work or compliance with stated conditions.

**Construction loan:** Short-term, interim loan to pay for the construction of buildings or homes. Usually written to provide periodic disbursements to the builder as progress is made.

**Contract sale or deed:** Contract between buyer and seller of real estate to convey title after certain conditions have been met.

**Conventional loan:** A private sector loan; one that is not guaranteed or insured by the U.S. government.

**Credit report:** Documents an individual's credit history, listing all past and present debts, and the timeliness of their repayment.

**Debt-to-income ratio:** The ratio, expressed as a percentage, which results when a borrower's monthly payment obligation on long-term debt is divided by their gross monthly income.

**Deed of trust:** In many states, a document used instead of a mortgage to secure the payment of a note.

**Default:** Failure to make the monthly payments on a mortgage.

**Delinquency:** Failure to make payments on time. This can lead to foreclosure.

**Down payment:** The portion of a home's purchase price paid in cash and not part of the mortgage loan.

**Earnest money:** Money given by a buyer to a seller as part of the purchase price to bind a transaction or assure payment.

**Equal Credit Opportunity Act (ECOA):** A federal law requiring lenders to make credit equally available without discrimination by race, color, religion, national origin, age, sex, marital status, or income from public assistance programs.

**Equity:** An owner's financial interest in a property, calculated by subtracting the amount still owed on the mortgage from the fair market value of the property.

**Escrow:** An account held by the lender into which the home buyer pays money for tax or insurance payments.

**FHA:** The Federal Housing Administration provides mortgage insurance to lenders to cover most losses when a borrower defaults. This encourages lenders to make loans to borrowers who might not qualify for conventional mortgages.

**FHA loan:** Loan insured by the FHA, open to all qualified home purchasers. While there are limits, they are generous enough to handle moderately priced homes almost anywhere in the country.



# Glossary of Terms

**FHA mortgage insurance:** A policy paid at closing to insure the loan with FHA.

**Fixed-rate mortgage:** Mortgage with payments that remain the same throughout the life of the loan because the interest rate and other terms are fixed.

**Foreclosure:** A legal process in which mortgaged property is sold to pay the loan of the defaulting borrower.

**Hazard insurance:** Form of insurance in which the insurance company protects the insured from specified losses, such as fire or windstorm.

**Lien:** A legal claim against property that must be resolved before the property is sold.

**Loan-to-value (LTV) ratio:** A percentage calculated by dividing the amount borrowed by the sales price or appraised value of the home to be purchased.

**Lock-in:** Guarantees a specific interest rate if the loan is closed within a specific time.

**Market value:** The highest price that a buyer would pay and the lowest price a seller would accept on a property.

**Mortgage insurance:** A policy that protects lenders against some or most of the losses that can occur when a borrower defaults on a mortgage loan; usually required with a down payment of less than 20%.

**Mortgage modification:** An option that allows a borrower to refinance, and/or extend the term of the mortgage loan, and thus reduce the monthly payments.

**Origination fee:** Fee charged by a lender to prepare loan documents, make credit checks, inspect, and sometimes appraise a property; usually a percentage of the loan's amount.

**Points:** Prepaid interest charged at closing by the lender. Each point equals 1% of the loan (e.g., 2 points on a \$100,000 mortgage would be \$2,000).

**Prepayment:** Permits the borrower to make payments in advance of their due date, thus saving money on interest.

**Prepayment penalty:** Charges for the early repayment of debt.

**Principal:** The borrowed amount, less interest or additional fees.

**Private mortgage insurance (PMI):** Insurance paid by the borrower. This may be required by the lender when the down payment is less than 20%.

**Realtor:** A real estate agent or broker affiliated with the National Association of Realtors, and its local and state associations.

**Recording fees:** Money paid to the lender for recording a home sale with the local authorities, thereby making it part of the public records.

**Refinancing:** Paying off one loan by obtaining another. Refinancing is generally done to secure better loan terms (like a lower interest rate).

**RESPA:** Real Estate Settlement Procedures Act allows consumers to review information on known or estimated settlement costs, once after application and once prior to or at a closing. The law requires lenders to furnish the information after application only.

**Second mortgage:** A mortgage made subsequent to another mortgage and subordinate to the first mortgage.

**Survey:** A measurement of land, prepared by a registered land surveyor, showing the location of the land with reference to known points, its dimensions, and the location and dimensions of any buildings.

**Title:** A document that gives evidence of an individual's ownership of property.

**Title insurance:** A policy, usually issued by a title insurance company, which insures a home buyer against errors in the title search. The cost of the policy is usually a function of the value of the property, and is often borne by the purchaser and/or seller.

**Title search:** A check of public records to be sure that the seller is the recognized owner of the real estate, and that there are no unsettled liens or other claims against the property.

**Truth-in-lending:** A federal law requiring disclosure of the annual percentage rate charged to home buyers, shortly after they apply for the loan.

**VA loan:** A long-term, low- or no-down payment loan to veterans guaranteed by the Department of Veterans Affairs.

**Verification of employment (VOE):** A document signed by the borrower's employer verifying his/her position and salary.

## Which is the Best Loan for You?

# We Can Help You Decide.

Now that you have an understanding of some basic mortgage terms and phrases, we can start giving you some practical information about several of the types of loans for which you may qualify.

Please note that although most of these types of loans are available in most areas, some may not be offered in the area where you are buying a home.

There are many types of mortgage programs available. The right type of loan for you depends upon several factors:

- Your current financial situation
- How you expect your finances to change
- How long you intend to keep your home
- How comfortable you are with the possibility that your mortgage payment may rise in the future

When considering loan programs, the first decision is usually whether you prefer a fixed-rate mortgage or an adjustable-rate mortgage (commonly referred to as an ARM). For example, a 5-year ARM will have a lower initial payment than a 30-year fixed-rate mortgage, but the interest rate and payments can increase over time.



The best way to find the “right” answer is to discuss your finances, your plans, your financial prospects, and your preferences with your Unifirst Mortgage Professional.

# We



## You Can Always Count (Ahead) With a Fixed-Rate Mortgage.

A fixed-rate mortgage is the standard against which most other mortgage products are measured. Fixed-rate mortgages feature a fixed interest rate for the life of your loan (known as the term), so your monthly payments (principal plus interest) will always be the same. When choosing a fixed-rate mortgage, most home buyers choose a 30-year or 15-year term, though 10- and 20-year terms are also available. If you have a 30-year mortgage, the interest rate you pay will be locked in for all 30 years. At the end of the 30th year, if payments have been made on time, the loan will be paid off in full.

**Fixed-rate loans are the most advantageous when rates are low and you plan to stay in your home for an extended period of time.** Most fixed-rate loans permit you to pay the loan balance off before the end of the term with no prepayment penalty. You may also add extra dollars to your scheduled monthly payments enabling you to pay off your loan earlier. The length of the term of your fixed-rate mortgage affects both the monthly payment on the mortgage and the number of years needed to pay the loan in full. **As a rule of thumb, the longer the term, the lower the payment.**

**30-year fixed-rate:** A 30-year fixed-rate mortgage provides the borrower with a fixed rate for the entire 30-year term of the loan. With this loan, the borrower will pay the loan in full if he or she makes the required principal and interest payment for 30 years. The primary benefit of a 30-year fixed-rate versus other fixed-rate loans is that the payment is the smallest since the term is the longest.

**20-year fixed-rate:** You can shorten your mortgage term by 10 years and usually get a lower interest rate with the 20-year mortgage. Another advantage with the shorter term, besides paying your loan off sooner, is that you'll also build more equity in your home sooner than you will with a 30-year loan. Your monthly payments will be higher, however, compared to a 30-year fixed-rate mortgage.

**15-year fixed-rate:** This loan term has the same benefits as the 20-year term (i.e., quicker pay-off, faster equity build-up, lower interest rate), but you will also have a higher monthly payment.

# Can Help!

# What's an ARM, and Why Would You Want One?

Adjustable-rate mortgages (also called ARMs) have a unique interest-rate feature that allows changes or adjustments to the interest rate over the life of the loan. An ARM may be attractive to you if you desire a slightly lower interest rate during the initial stages of owning your home. If you expect that your income will rise in the future, or if you are not planning to stay in the same home for long, an ARM may be right for you.

How often your interest rate adjusts is determined by the term of the loan. You may choose a 6-month, 1-year, 2-year, 3-year, 5-year, or a 7-year ARM term, or even some other term. There is usually an initial period of time during which the rate won't change. This might be anywhere from six months to several years. For example :

- A 3-year ARM would mean the initial interest rate would stay the same for the first three years and then would adjust each year beginning with the fourth year.
- A 7-year ARM would mean the initial interest rate would stay the same for the first seven years and then would adjust each year beginning with the eighth year.

In addition, most ARM loans have annual and lifetime "caps." A cap is the maximum amount by which a payment or a rate can increase. For example, the interest rate on an ARM loan with 2% **annual** caps cannot increase by more than 2% per **year**. An ARM loan with a 6% **lifetime** cap can **never have a rate higher than 6%** over the starting rate, and so on.

Most adjustable-rate loans can be refinanced easily if the rate on the loan rises. That fact can offset some of the interest rate risks associated with an ARM. Ask your Mortgage Professional for more details.

## A Balloon Mortgage Is Just What It Sounds Like.

Like an adjustable-rate mortgage, a balloon mortgage offers an initial interest rate that is lower than a fixed-rate mortgage. The rate stays low during the initial years of the loan and then quickly "swells" to a single, final balloon payment. The balloon payment pays off the entire balance.

The most common balloon loans are 5-year or 7-year balloons that offer low rates for either five or seven years before the balloon payment is due.

If you plan on either selling your home, paying it off, or refinancing it before the balloon payment is due, or if you are expecting a large lump sum of cash in the future, then this type of mortgage may make good financial sense.





## Need Another Mortgage Product?

Many home buyers simply don't have a down payment, haven't yet established a strong credit history, or are unable or unwilling to supply documentation for a "traditional" mortgage. To accommodate the needs of these mortgage borrowers, most Mortgage Professionals offer mortgage alternatives that have proven attractive and affordable for home buyers over the years. Some of these are described below.

### 100% Mortgages

These are often ideal for first-time buyers and buyers who have not saved a large down payment. A no-money-down mortgage is designed to offer home ownership opportunities to individuals with good credit, but who lack the ability or desire to make a down payment. A no-money-down loan may be available to purchase an existing or new construction home. While you may not be required to make a down payment, you may have to pay some closing costs associated with the transaction. Your Mortgage Professional can provide you with more information.

### 103% Mortgages

Another variation of a no-money-down loan is a 103% mortgage. A 103% mortgage permits you to borrow up to 103% of the purchase price of your home. The additional 3% can help you pay for closing costs or financed mortgage insurance premiums. This option is ideal for borrowers with solid credit histories who have the income to make regular mortgage payments, but lack the assets to make a down payment or pay closing costs.

### FHA (Federal Housing Administration) Loans

FHA loan programs help low- and moderate-income families become home owners by lowering some of the costs of their mortgage loans. FHA loans are also a good fit for borrowers with past credit problems or limited resources for a down payment. Underwriting guidelines are more lenient than with other loans, such as conventional loans.

The most popular FHA loan has a minimum cash investment requirement of 3%, but permits 100 percent of the money needed at closing to be a gift from a relative, nonprofit organization, or government agency. FHA also allows you to perform a "streamline" refinance when rates go down to lower your interest rate. This program is inexpensive and easy to execute. Ask your Mortgage Professional about the streamline refinance option available to FHA borrowers.

### VA (Veteran's Administration) Loans

For active-duty military, veterans, and reservists, VA loan programs offer low rates and low- or no-money-down options. The VA home loan program gives you the ability to buy with no out-of-pocket costs. As the VA program requires no mortgage insurance, monthly payments are frequently less than any other no-down-payment loans. The VA also offers a low-cost Interest Rate Reduction Loan (IRRRL) program allowing you to refinance and lower your mortgage payment inexpensively. Finally, the maximum VA loan amount varies, so check with your Mortgage Professional for up-to-date information .

Many Mortgages are for Very Specific Situations.

# Alternative Documentation Loans

Alternative documentation loans are available for certain borrowers who are unwilling or unable to document certain elements of a typical mortgage application. Some specific alternative documentation loans include the following:

- Stated Income Loan:** The borrower simply states his or her income for the loan file, but the income is not verified or documented.
- No Income Loan:** The borrower does not state or document any income for the loan file.
- Stated Asset Loan:** The borrower simply states his or her assets for the loan file, but the assets are not verified or documented.
- No Asset Loan:** The borrower does not state or document any assets for the loan file.

## A Combination of the Above

Certain loan programs allow for a combination of alternative documentation solutions such as:

- Stated Income/Stated Asset:** The borrower simply states his or her income and assets for the loan file, but neither the income nor the assets are documented.
- No Income/No Asset:** The borrower does not state or document his or her income or assets for the loan file.

There are a lot of options available. Ask your Unifirst Mortgage Professional for more details.





## Non-Prime Loans

Non-prime loans are loans made to borrowers who, for any reason, cannot qualify for a traditional loan. Reasons might include income irregularities, unstable employment history, past credit problems, or other negative factors. There are simply too many non-prime loans available to list here, but suffice it to say that loans exist for almost any situation. Just ask your Unifirst Mortgage Professional if you think a non-prime loan may be right for you.

## Piggyback Loans

Piggyback loans, or 80/10 or 80/15 loans, combine a first mortgage (usually 80% of the house value) with a “piggyback” second mortgage (usually 10% or 15% of the house value). Both loans are closed at the same time, so the closing costs on the second mortgage are minimal. By using a piggyback loan you may be able to avoid paying private mortgage insurance. Ask your Unifirst Mortgage Professional if a piggyback loan might be right for you.

## Construction to Permanent Loans

Allows homeowners the convenience of closing both their home construction loan and permanent mortgage loan at one time. The loan is essentially two loans in one: the first is an interest-only loan during the construction phase; the second is a modification to a typical fixed- or fixed-to-adjustable rate mortgage with a 10- to 30-year term upon project completion.

## Interest-Only Loans

Interest-only loans are great for first-time homebuyers or any buyers who want to keep their monthly payments lower than they would pay with a traditional 30-year fixed-rate mortgage. The terms are the same, however, the monthly payment covers only the interest portion of a traditional 30-year fixed-rate mortgage. No payment is made towards the principal of the loan. Ask your Unifirst Mortgage Professional if this option may be right for you.

(The availability of these may vary in your area. Ask your Mortgage Professional about which ones are available to you.)



# Where Do Your Payment Dollars Go Over the Years?

If you have ever wondered where your loan payment dollars go, relax, you are not alone. Loan repayment involves a somewhat confusing word: amortization. Amortization is simply a word to describe the fact that every month, a portion of your loan payment pays principal due on the loan and a portion pays interest due on the loan. At the beginning of a loan, a larger portion of the payment is applied to the interest on the loan. The proportion changes over the course of the loan, and toward the end of the loan period, a larger proportion is applied toward the principal.

The following is a typical 30-year fixed-rate amortization schedule. This example assumes a principal loan of \$200,000, at an interest rate of 7%, with payments to begin in January of any given year. The fixed monthly payment is \$1330.60 – this is equivalent to an annual distribution of funds, including interest and principal, of \$15,967.26.





# Typical 30-Year Fixed-Rate Amortization Schedule

Year	Annual Principal	Annual Interest	Total Annual Distribution	Balance at Year End
1	\$2031.62	\$13935.64	\$15967.26	\$197968.38
2	\$2178.49	\$13788.77	\$15967.26	\$195789.89
3	\$2335.97	\$13631.29	\$15967.26	\$193453.93
4	\$2504.84	\$13462.42	\$15967.26	\$190949.09
5	\$2685.91	\$13281.35	\$15967.26	\$188263.18
6	\$2880.08	\$13087.18	\$15967.26	\$185383.10
7	\$3088.28	\$12878.98	\$15967.26	\$182294.83
8	\$3311.53	\$12655.73	\$15967.26	\$178983.30
9	\$3550.92	\$12416.34	\$15967.26	\$175432.38
10	\$3807.61	\$12159.65	\$15967.26	\$171624.77
11	\$4082.87	\$11884.39	\$15967.26	\$167541.90
12	\$4378.02	\$11589.24	\$15967.26	\$163163.88
13	\$4694.51	\$11272.75	\$15967.26	\$158469.38
14	\$5033.87	\$10933.39	\$15967.26	\$153435.50
15	\$5397.77	\$10569.49	\$15967.26	\$148037.73
16	\$5787.98	\$10179.28	\$15967.26	\$142249.76
17	\$6206.39	\$9760.87	\$15967.26	\$136043.37
18	\$6655.05	\$9312.21	\$15967.26	\$129388.32
19	\$7136.14	\$8831.12	\$15967.26	\$122252.17
20	\$7652.02	\$8315.24	\$15967.26	\$114600.16
21	\$8205.18	\$7762.08	\$15967.26	\$106394.98
22	\$8798.33	\$7168.93	\$15967.26	\$97596.64
23	\$9434.97	\$6532.89	\$15967.26	\$88162.27
24	\$10116.38	\$5850.88	\$15967.26	\$78045.90
25	\$10847.69	\$5119.57	\$15967.26	\$67198.20
26	\$11631.87	\$4335.39	\$15967.26	\$55566.33
27	\$12472.74	\$3494.52	\$15967.26	\$43093.59
28	\$13374.40	\$2592.86	\$15967.26	\$29719.19
29	\$14341.23	\$1626.03	\$15967.26	\$15377.96
30	\$15377.96	\$589.30	\$15967.26	\$0.00

Interest Payments Are Decreasing Over Time

Principal Payments Are Increasing Over Time

Final Balance is Zero

## Your Final Summary:

- Monthly Payment: \$1330.60
- Average Interest Each Month: \$ 775.05
- Final Loan Balance: **Zero!**

So, while it may be slightly confusing, the good news is that you are paying more and more principal over time, and this means that you are also building more and more equity in your home every month.

A Note About Prepayment: Most loans allow you to prepay the principal on your loan, allowing you to save interest over the life of your loan. Talk to your Mortgage Professional and they can discuss the benefits of prepayment with you.

# Other Things To Know About Buying Your Home.

There will be several major events that occur as you purchase a home. Some are related to the home purchase, and some to the mortgage application. Below are some things you can expect.

## Apply for Prequalification or Preapproval

Prequalification or preapproval is an informal way to see how much you may be able to borrow.

You can be prequalified over the phone with no paperwork. You can simply call your lender, provide them with your income, your long-term debts, and how large a down payment you can afford. Getting a prequalified mortgage puts you in a good position to begin house hunting.

Your preapproval is a lender's actual commitment to lend you money for a home. It involves assembling your financial records, just as you would for an actual loan application, and going through a preliminary approval process. Preapproval gives you a definite idea of what you can afford and shows sellers that you are serious about buying.

Getting prequalified or preapproved provides you with more negotiating power with the seller, and gives you preference in the event that the seller receives multiple offers. In addition, many real estate agents will work with you only after you have been prequalified or preapproved for a mortgage.

## Find the Home You Want

When you're looking for a home, you're buying more than a house ... you're investing in a property that, if carefully selected, can appreciate in value considerably while you enjoy living in it. Before you buy, consider the home carefully and whether it suits your needs. Will it need changes, upgrades, or improvements, or is it perfect the way it is?

## Make an Offer

Before making an offer on a house, you should have a good idea of its market value. What are comparable properties selling for? How long has the house been on the market? Do major systems require updating? Paying for a home appraisal can be helpful, but in the end, the price you are willing to pay should be a realistic reflection of how much you want the house.

## Once Your Offer Has Been Approved, It Is Time to Apply for Your Loan!

Whether you are purchasing or refinancing a home, you will eventually need to formally apply for a loan. During the loan application, your Mortgage Professional will review your credit, income, and asset information, and begin the process of approving you for a loan. The loan application is the perfect time to ask lots and lots of questions, and get the information you need to ensure a smooth and satisfying mortgage experience.

# What Will Your Mortgage Professional Need From You?

To ensure that your mortgage application will be processed as quickly as possible, it's important to bring all the proper information to your loan application interview. Keep in mind that you may be required to pay an application fee, credit report fee, and the appraisal fee when you submit the mortgage application.

**Here are some of the documents you may be asked to bring:**

## **Income Information:**

- Paycheck stubs for the last 30 days
- W-2 forms and personal tax returns for the last 2 years
- Written verification of any other income sources

## **Residence Information:**

- Your address(es) for the last 2 years
- Landlord contact information

## **Debt Information:**

- For all outstanding loans and credit cards
- Creditor's name, your account number, monthly payment, and balance

## **Down Payment Information:**

Last three months' statements for the following:

- Bank accounts
- Investment accounts
- Asset accounts
- Retirement accounts

## **Information About the Property:**

- Purchase contract

## **If a Planned Unit Development, Condominium, or Co-op:**

- Name of development or project
- Phone number of homeowner's association
- Bylaws and recent financial statements

## **Other Information:**

- Bankruptcies, judgments, or liens against you
- Divorce or child support documentation

## **Additional Information Required:**

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Different mortgage products may have other requirements as well. Ask your Unifirst Mortgage Professional in advance of your meeting for all the documents necessary to make the application move forward swiftly.



## Other Things to Know About Buying Your Home *continued ...*

### Get a Good-Faith Estimate

A good-faith estimate is an estimate that lists all fees paid before closing, all closing costs, and any escrow costs you will encounter when purchasing a home. Unifirst will supply this after your loan application has been completed, so you can make accurate judgments when shopping for your loan.

### Understanding Your Closing Costs and Escrows

There may be closing costs customary or unique to a certain locality, but closing costs and escrows are usually comprised of some general costs.

#### **General Closing Costs**

- Appraisal fees
- Credit Report fees
- Title Search/Title Insurance fees
- Loan Origination fees
- Recording fees
- Survey fees
- Loan Discount Points (where applicable)
- Investor fees
- Closing/Attorney/Escrow fees

#### **General Escrow Costs**

- Home Owners Insurance (you will need a paid receipt prior to closing)
- Property Taxes
- Interest Due (from the day of closing to the end of the month)
- Mortgage Insurance Premiums



## Provide Accurate Information

Your primary responsibility during the lending process is to supply honest and accurate information to your lender. This will ensure that your lender can offer you the best mortgage, with the best terms, for you and your family. Following are some helpful tips to ensure you are providing the most accurate information.

- Be sure to read and understand everything before you sign
- Refuse to sign any blank documents
- Do not buy property for someone else
- Do not overstate your income
- Do not overstate how long you have been employed
- Do not overstate your assets
- Accurately report your debts
- Do not change your income tax returns for any reason
- Tell the whole truth about gifts
- Do not list fake co-borrowers on your loan application
- Be truthful about your credit problems, past and present
- Be honest about your intention to occupy the house
- Do not provide false supporting documents

Now that you understand your responsibilities and are ready for the commitment, it's time to set your closing date.

## Set a Closing Date

Your closing date will be specified in the Purchase Agreement you sign with the seller, and this document spells out events that must take place before closing. The closing date should allow you enough time to apply for and obtain a mortgage, and should take into consideration such contingencies as property inspections, the title report review, or other complications which may involve legal assistance. Unifirst may require certain repairs to the home before agreeing to fund the loan. Consult with your Unifirst Mortgage Professional to determine a date that leaves adequate time for all the procedures that lead to a successful closing.

## We Know All of This Can Be Confusing ... But Remember Your Unifirst Mortgage Professional Is There to Help.

It's to your advantage to be exposed to some of the language and concepts of the home-buying process, before you begin seriously shopping for a home. But it's your Unifirst Mortgage Professional's goal to assist you all the way: to find the perfect loan for you, to make clear all the options open to you, to be available to answer your questions over the phone, and to attend your closing to help you understand the documents you'll be signing.

Unifirst Mortgage Professionals are experts at making your purchase of a new home an efficient and gratifying experience. They routinely seek out information on the latest developments in the mortgage industry, developments that can potentially provide you with a substantial savings when you take out your loan. Make certain that your Unifirst Mortgage Professional knows how to contact you daily throughout the home-buying process, and don't hesitate to phone them with your concerns and questions.



# It's Closing Time!

Closing is when you actually make the financial commitment to home ownership and where the legal transfer of property takes place.

Be prepared at closing to do basically two things:

## Sign Legal Documents

These documents fall into two categories: The agreement between you and the lender regarding the terms and conditions of the mortgage, and the agreement between you and the seller to transfer ownership of the property.

Once you understand all the documentation, you'll sign the mortgage or deed of trust, and a mortgage note, as well as other paperwork required by the lender. Ask your Unifirst Mortgage Professional in advance of closing about any questions or concerns that you may have. Remember, you can ask plenty of questions at your closing, if necessary.

## Pay Closing Costs and Escrows

There are numerous fees associated with obtaining a mortgage and transferring property ownership. Many of these have been described previously in this guide. Make sure you have a cashier's check for the exact amount ready at closing to present to Unifirst. Your Unifirst Mortgage Professional will provide this information to you prior to closing, so make sure you come prepared.

Finally, you've signed all the legal documents and have made the commitment.

*Congratulations, you are now a homeowner!*

# Enjoy Your New Home!

Home ownership is a large piece of the American Dream, and for good reason. Your home is far more than a place to live: It's your own piece of the world, a space which represents your investment in your future and in the future of the community where you live.

More than anything else you own, your home becomes an extension of your personality. As you live there, your home begins to reflect your lifestyle, your values, your imagination, and your pride.

## Stay In Touch

During the time you own your home, it is a good idea to stay in touch with your Unifirst Mortgage Professional. In the future, your Unifirst Mortgage Professional will be able to help you as necessary with the continuing financial benefits of home ownership. They can help you with ...

- Refinancing your current mortgage to a lower rate
- Refinancing to a different loan
- Refinancing to take "cash out" for home improvements
- Buying your next home!

Your Unifirst Mortgage Professional is always there to help you in any way he or she can. Call your Mortgage Professional with your new ideas and questions. There's no one better qualified to help you achieve your future goals for the way you live.

On the following pages is a timeline of events to help you plan through your mortgage process. Congratulations, and happy home ownership!

# New Home



# Looking Forward to Moving Day.

Organization is the key to a low-stress, efficient move into your new household.

One of the best ways to do that is to use a countdown checklist. Everyone has different needs and priorities, so read this list carefully, then add tasks that are specific to your situation.

Use this list to schedule details in advance of your closing date that will contribute to an orderly moving day with as few surprises as possible.

## One month before the move:

- Get estimates from moving companies, make a reservation with your choice.
- Contact your bank, arrange transfer of accounts. Give new address to credit card companies.
- Submit change-of-address forms to the U.S. Postal Service. Change your address on magazine subscriptions.
- Contact your doctors. Get referrals for new physicians.
- Change your property, auto, and medical insurance policies.

## Two weeks before the move:

- Confirm with your Mortgage Professional that closing is on schedule.
- Hold a garage sale to get rid of the things you don't want to take.
- Arrange for disconnection and changeover of utilities.
- Begin packing things that aren't used on a daily basis. Label every box.
- Assemble all personal documents, licenses, certificates, records, etc., in a fireproof box.
- Inform friends and relatives of your new address.

## One week before the move:

- Make a list of all items you are going to move personally, including jewelry and other personal valuables.
- Confirm arrangements and dates with moving company.
- Pack yard and garden tools. Dispose of flammable items.
- Set aside a box of cleaning supplies.





### One to two days before the move:

- Finish all financial matters relating to the sale or lease of your home.
- Clean and defrost the refrigerator.
- Purchase traveler's checks, if needed.
- Finish packing all your belongings. Have payment ready for your movers.
- Set aside food for meals and snacks on moving day.

### Moving day:

- Confirm delivery address, directions, and delivery date with movers.
- Supervise movers and make sure their inventory is accurate.
- Check thermostat. Make sure doors are closed and locked, and appliances are turned off. Leave keys with new owners.
- Complete final walk-through to make sure nothing is left behind.
- Make sure your real estate agent knows how to contact you.

### Arrival day:

- Tell movers which items go in which rooms.
- Review bill of lading, and make sure nothing is damaged before you sign off on the move.
- Check all utilities and locks are functioning.
- Let family and friends know you have arrived safely.
- Begin unpacking necessities like kitchenware and bathroom supplies.
- Congratulate yourself on a job well done. Enjoy your new home.



# Important Phone Numbers

You'll be using the phone a lot on your journey to becoming a homeowner. Keep these phone numbers close at hand during the process. You aren't the only one who will be calling these numbers—one of your contacts may wish to speak with another. Being able to put them in touch quickly will help you keep every step as hassle-free as possible!

<b>UNIFIRST MORTGAGE CORPORATION</b>	<b>Contact</b>	<b>Phone Number</b>
Processor		
Real Estate Agent		
Title Company		
Building Inspector		
Closer		
House Inspector		
Moving Company		
Other		
Other		



**ON THE ROAD TO  
HOMEOWNERSHIP**



# We Are Here To Help!

Buying a new home is an experience in learning and living.

At Unifirst Mortgage, we are highly qualified to accompany you through the entire home-financing process. We will explain each step you will need to take, from the loan application to moving day.

This Complete Guide to Financing Your Home is a handy reference that provides you with clear, easy-to-understand explanations of the terms and procedures you will encounter. Keep it with you as you search for a home, arrange for the perfect mortgage, and make the final purchase. It will help you to know what questions you should be asking and what you should be doing next.

Don't hesitate to call Unifirst Mortgage with any questions you have or assistance you may need concerning the home buying process. Helping you finance and purchase your new home is our first priority.

**Happy house hunting!**



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