



THINKING ABOUT BUYING A HOME

Fabulous-
you're in the
right place

**Your
home
purchase
expert**



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MAXWELL
MORTGAGE TEAM



Agenda

- Rent vs. own
- Bonus to buying
- Assess & plan
- Mentally & emotionally
- Financially
- The homebuyer roadmap
- Q&A

A photograph of a person sitting on a light-colored couch. The person is wearing a white t-shirt and dark shorts. A large, semi-transparent yellow rectangle is overlaid on the image, covering most of the person and the couch. The text "Rent vs buy" is centered within this yellow area in a white, bold, sans-serif font.

Rent vs buy

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Bonus **to** buying

- Tax benefits
- Build equity/wealth
- Pride of ownership
- Family and stability
- It's **yours** - pets, neon yellow walls, **your** rules





Assess & plan

The earlier you can sit down with a mortgage professional, the more success you can ensure when it's time to make an actual offer.

**Mentally &
emotionally**

Financially

Mentally & emotionally

- What's your "why"? Is renting on the rise? Are you growing your family? Building equity? Moving for work?
- Do you plan on staying in the home for a few years?
- Are you purchasing with a partner or someone you are confident in sharing this commitment with?
- How much work would you be willing to put into a home?



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Financially

Think like a lender

CROSSCOUNTRY MORTGAGE



Credit

The higher your credit score, the better the rates and greater the options you'll have.



Monthly Survival Number (MSN)

How much does it cost to be you each month?



Cash

After putting aside 6-12 months of your MSN, how much can you put toward the down payment?



Income

Do you have a consistent earning history?



Debt-to-Income (DTI)

The ratio of your monthly debt against your income.

Typically, the lower your DTI, the more financing options you have.

Your monthly survival number (MSN)

How much does it cost to be you each month?

CCM TIP: We recommend having 6-12 months of survival funds set aside after the down payment. Life happens!

Rent/mortgage _____

Auto _____

Student loans _____

Credit cards _____

Home utilities _____

Phone _____

Cable/internet _____

Dry cleaning _____

Yard maintenance _____

Day care _____

Cell phone _____

Insurance _____

Trash pickup _____

Groceries _____

Doctor _____

Giving/charity _____

IRA _____

Money market _____

401(k) _____

Other: _____

Other: _____

Other: _____

Other: _____

MSN total: _____

$$\$ \underline{\hspace{2cm}} \times \textcircled{6}$$

MSN

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6 MONTHS OF SURVIVAL FUNDS

$$\$ \underline{\hspace{2cm}} \times \textcircled{12}$$

MSN

$$\underline{\hspace{2cm}}$$

12 MONTHS OF SURVIVAL FUNDS

More **loans** for more flexibility

You have options to buy your first home with less out-of-pocket expenses.

- **Conventional** - Down payment as low as 3% with Home Possible® and HomeReady®
- **FHA**- The seller can contribute up to 6% of the sales price while you put as little as 3.5% down
- **VA**-Veterans and Military get limited closing costs, limited fees, and no down payment requirement
- **USDA**- Buy a rural home for 0% down and include the closing costs in your loan



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Home is within reach

With less cash from you

We offer national and state down payment assistance programs (DPAs.) Depending on the program, funds can be provided as:

- Grants or low or zero-interest loans
- Cash available for your down payment or closing costs



HOMETOWN HEROES

The Hometown Heroes Housing Program makes homeownership attainable and affordable for Florida's community workforce by providing down payment and closing cost assistance to income-qualified homebuyers to purchase a primary residence in the community in which they work and serve.

Eligible borrowers can receive up to \$35,000 in downpayment loan assistance.

READY TO START?

Step 1: Check Your Eligibility

Are you a first-time homebuyer?

Are you currently employed full-time by a Florida-based employer?

Do you fall within the income threshold (less than 150% Area Median Income) for your county?

Step 2: Gather Your Documentation

- Employment Certification?
- Proof of Income?

Step 3: Connect with a Loan Officer



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Program Effective July 1st 2024



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Closing expenses

3.5% - 6% of purchase price

- Home inspections
- Appraisal
- Homeowners insurance
- Attorney (where applicable)
- Lender
- Title
- Transfer tax (where applicable)
- Property taxes
- Prepaid interest

***This list is not comprehensive. Closing costs vary by home sales price, state, and local customs within states. Not all expenses apply to all states.**



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Your income

To assess your ability to make payments in the future, we will review your paystubs and tax returns for the last 2 years to ensure your income has been consistent and stable. If your income is variable because your self-employed or paid on commission, that's okay too! We'll likely request additional documentation.

Do you have a consistent earning history?



CCM TIP: If you're in the loan process, don't change jobs if you can avoid it. Lenders are required to ask about gaps in your employment history.

If a job change is inevitable, tell us as soon as possible.



What makes up your **monthly** payment?

- **Principal** - a portion of the amount borrowed or remaining unpaid
- **Interest** - the amount charged by the lender for borrowing money
- **Taxes** - the amount charged by the municipality based on the value of the property
- **Homeowners insurance** - a policy that protects you against financial loss in the event of property damage

Additional costs (if applicable)

Mortgage insurance:

A contract that protects the lender against loss caused by a borrower's default on a government or conventional home loan.

Mortgage Insurance Premium (MIP):

The amount paid by a borrower for mortgage insurance until a certain equity level is reached.

Private Mortgage Insurance (PMI):

Mortgage insurance provided by a private company to protect lenders against loss if a borrower defaults.

Homeowners association dues:

Depending on the type of property you buy, you may have to pay these additional fees.



The **homebuyer** roadmap

Purchasing a home can seem like a complex process, especially for a first-time homebuyer. Here's a simple breakdown of the 6 major milestones you'll navigate on the road to homeownership. As your partners, we'll be with you every step of the way.

The homebuying who's who

These are your team members on
the road to homeownership!

- Loan Officer
- Real Estate Agent
- Appraiser
- Attorney
- Title Company
- Home Inspector
- Home Insurance Agent

Pre-approval positives

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Determine your budget

With a pre-approval, you get an estimate of your qualified loan amount -
you can then shop for homes within your budget

Gain greater buying power

You'll stand out as a qualified buyer who can make a strong offer which gives
you an advantage over other home shoppers who are not pre approved

Avoid setbacks

You can find out which of your qualifications you can improve to ensure a smooth closing

Save time

When you find the home of your dreams, you can lock your loan terms earlier and get to closing more quickly

Meet with your lender

Meet 2-12 months before you intend to purchase. Now is the time to determine your budget and financial preparedness before looking for a home.





Your lender will ask for the following documents:



D

Payroll check stubs - 30 days

If paid monthly, provide 2 consecutive months

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Tax returns - 2 years: 1040, W-2, 1099

If applicable, provide corporate returns

O

Assets - 2 months' most recent bank statements

O

Copy of photo ID

O

Credit check

Your lender will need your name, home address, date of birth, and social security number

*Self-employed borrowers may need to provide additional documentation

Find a home

Meet with your agent to determine your wants vs. needs. Go in search of your perfect home 3-6 months before you intend to buy.

Your agent can help you be realistic about "perfect":

- Cosmetic fixes vs. structural issues
- Property taxes
- Neighborhood crime rates
- Quality of the schools
- Proximity to major interstates and public transportation

Make an offer

Once you've found your dream home, **work with your agent** to negotiate a price and schedule a home inspection.

- Your agent will know how much other homes are selling for in the neighborhood and will fight for the fairest price.
- The inspection will confirm there aren't any hidden problems with the foundation, plumbing, heating, cooling, and electrical systems.
- If you want anything that's not nailed down to be included in the sale, especially the appliances, it must be stated in the contract.

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Apply for a mortgage

Your application will provide us with any remaining financial information we'll need and lock your interest rate until the closing date.

Homebuying do's & don'ts

Here are a few tips to help avoid problems while purchasing a home



Do

- Inform us of any changes in employment or compensation
- Continue to pay your rent, mortgage, and credit cards on time
- Keep a paper trail of funds moving from accounts
- Notify us of any changes in your finances
- Notify us of any travel plans during the application process

Don't

- Change or quit your job
- Co-sign for anyone
- Transition from your current employer to self-employed
- Apply for or close out any credit cards
- Max out any credit cards – do maintain a low balance and avoid large purchases
- Move funds from account to account (all transfers will require a paper trail)

Underwriting & appraisal

We'll verify your application information, assess your credit and collateral, and order an appraisal to ensure you're not overpaying.

The underwriting process:

- An underwriter will complete an initial review within 48 hours
- If any conditions are required, we will work with you to clear conditions within 2 days
- Your loan will return to an underwriter for final review and a clear to close (CTC)
- The processor will inform all parties of the CTC and verify the closing date and time

Closing

Time to celebrate! After all the paperwork is signed, you'll receive the keys to your new home.

Arrive prepared:

- Plan to review the final documents to confirm the rate and loan amount
- Bring a cashier's check or prearrange a wire transfer to cover the closing costs and down payment
- Bring your photo ID and possibly a Social Security card to confirm your identity



Home inspection vs home appraisal

HOME INSPECTION

HOME APPRAISAL

WHAT IS IT?

Determines the **condition of the property** you're buying.

Determines the **value of the home** you're buying.

WHEN DO YOU GET IT?

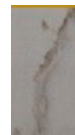
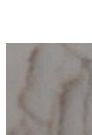
Order an inspection after your *offer* is accepted.

We'll order an appraisal when your loan is in underwriting.

HOW MUCH DOES IT COST?

Approx.
\$250-\$400

Approx.
\$450-\$600



your closing cost breakdown

Closing costs vary according to the specifics of your transaction but can typically include the following:

- **Origination fee:** A fee paid to a lender for processing a loan application (generally between 0.0% to 1.0% of the loan amount).
- **Title insurance and fees:** Ensures transfer of ownership and protects against financial loss in the event of a future claim on the property.
- **Pre-paids:** Covers mortgage interest due between your closing date and your first mortgage payment. May also include your first year of homeowners insurance.
- **Escrow costs:** Fee to set up an account where a two-month reserve for property taxes and homeowners insurance is collected and held for payment when due.
- **Appraisal fees:** The cost of an independent appraisal of the property.
- **Transfer taxes:** The city, county or state's fee for the change of ownership in a property.
- **Recording fee:** Paid to the county clerk for recording the deed and mortgage and changing the property tax billing.
- **Points:** Fees paid to the lender for a reduced interest rate.
- **Other fees:** Anything else you may have to pay at closing. Speak with us to understand any additional costs.

Q&A



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Equal Housing Opportunity. All loans subject to underwriting approval. Certain restrictions apply. Call for details. All borrowers must meet minimum credit score, loan-to-value, debt-to-income, and other requirements to qualify for any mortgage program. CrossCountry Mortgage, LLC NMLS3029 (www.nmlsconsumeraccess.org). See <https://crosscountrymortgage.com/licensing-and-disclosures/state-disclosures/> for a complete list of state licenses. 1770104 865bg13kv CrossCountry Mortgage, LLC is an FHA Approved Lending Institution and is not acting on behalf of or at the direction of HUD/FHA or the Federal government. CrossCountry Mortgage, LLC is not affiliated with or acting on behalf of or at the direction of the Veteran Affairs Office or any government agency. Certificate of Eligibility required for VA loans. Subject property and borrower income and credit must qualify to USDA guidelines.