

A detailed guide to ensure a smooth transition

HOMEBUYER GUIDE



MOVE WITH THE MILITARY



Michelle
Leesmann
Founder



@MoveWithTheMilitary

Some Key Terms To Know When Buying A Home

APPRAISAL:

An assessment of a property's market value by a licensed appraiser, used to determine the maximum loan amount a lender will provide.

AMORTIZATION:

The process of paying off a mortgage over time through regular payments, with a portion going to principal and a portion to interest.

CLOSING COSTS:

Fees and expenses paid at the closing of a real estate transaction, typically including appraisal fees, title insurance, taxes, and lender fees.

CREDIT SCORE:

A number ranging from 300–850 that's based on an analysis of your credit history. This helps lenders determine the likelihood you'll repay future debts.

EQUITY:

The difference between the property's market value and the mortgage balance. Homeowners build equity as they pay down their mortgage.

ESCROW:

An account held by a third party to manage funds, such as deposits and fees.

HOMEOWNERS ASSOCIATION (HOA):

An organization in a planned community or condominium that enforces rules and manages common areas.

INSPECTION CONTINGENCY:

A provision in a contract requiring an inspection to be completed. This essential step gives you information on the home's condition and potential repairs.

MORTGAGE:

A loan using your home as collateral. The amount of your mortgage often is the purchase price of the home minus any down payment.

POINTS:

Fees paid directly to the lender at closing in exchange for a reduced interest rate. Also known as "discount points."

PRE APPROVAL LETTER:

A letter from a lender that shows what they're willing to lend you for your home loan. This, plus an understanding of your full monthly payment, can help you decide on your target price range.

TITLE SEARCH:

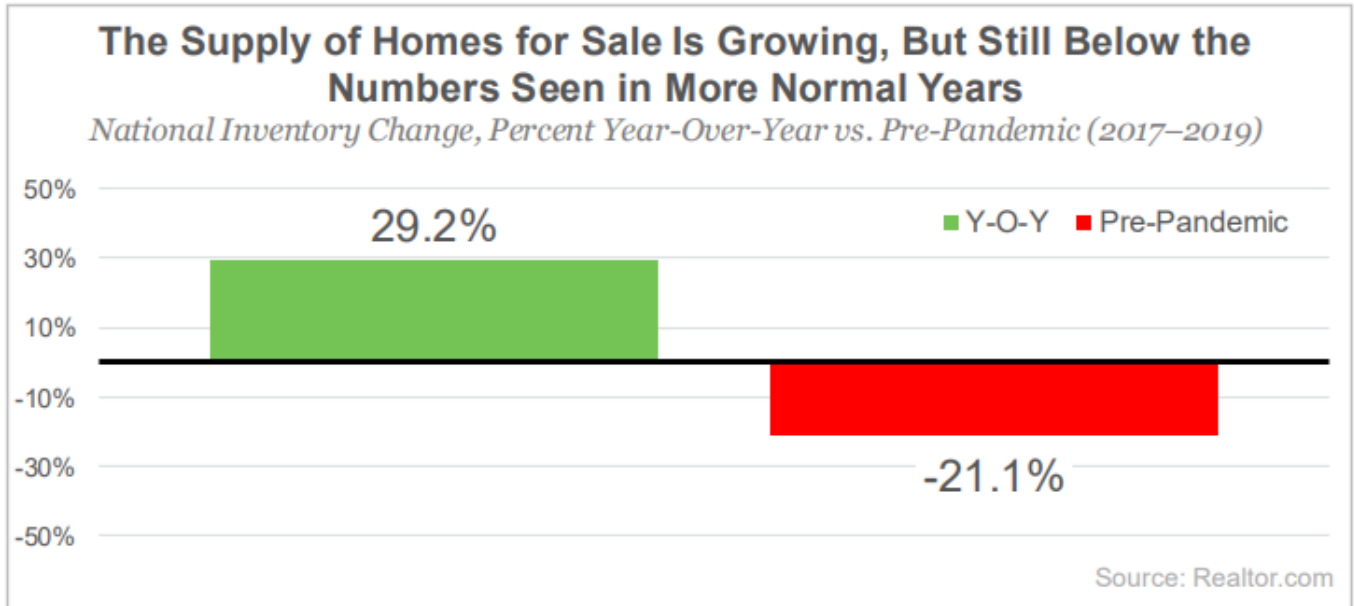
A review of public records to confirm property ownership and check for any claims or liens against the property.

UNDERWRITING:

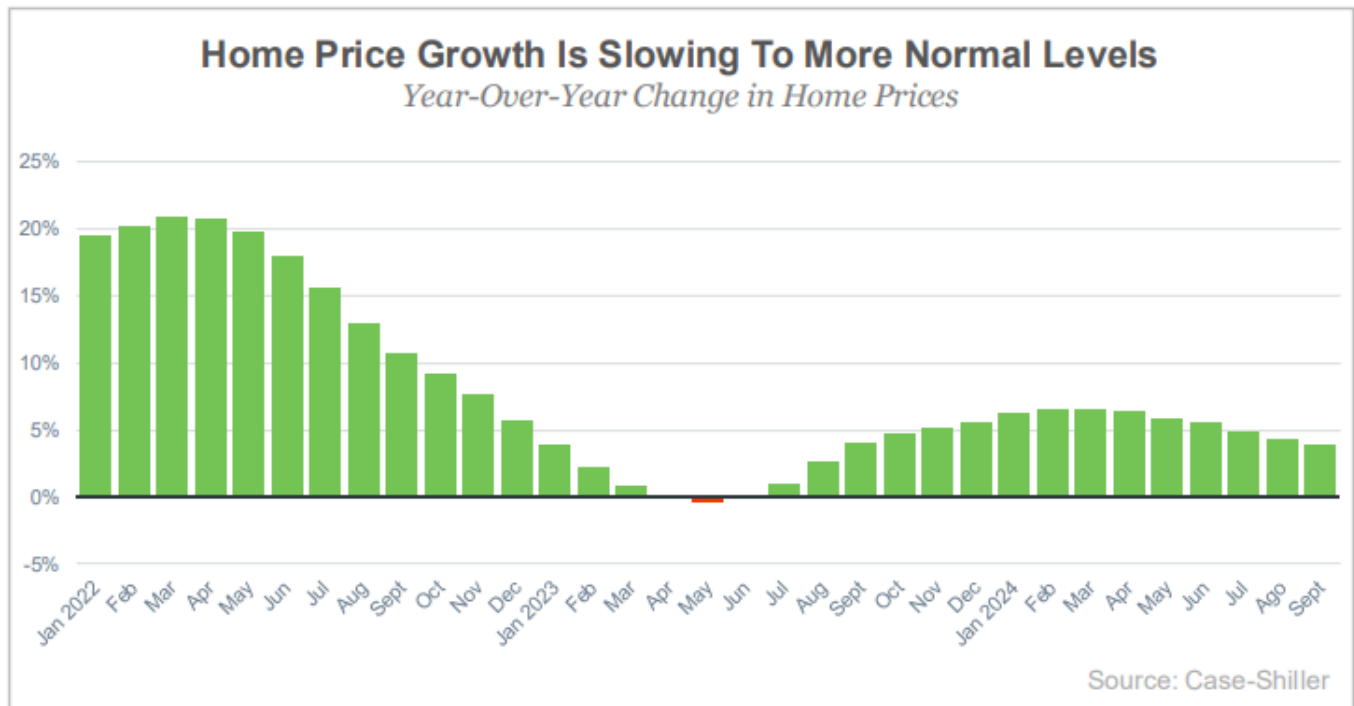
The lender's process of evaluating the borrower's financial profile (credit underwrite) and the property (collateral underwrite) to decide whether the loan meets the guidelines and they are able to approve the loan.

Data from Realtor.com shows inventory is up more than 29% year over year.

This means you have a better chance of finding a home that suits your needs and preferences. But that doesn't mean there's a sudden surplus. Inventory levels are still roughly 21% lower than they were in more normal, pre-pandemic years (see chart below).



Home prices are showing signs of moderation - and that's a welcome shift after the rapid appreciation seen in recent years (see graph below).



What to Expect from Mortgage Rates and Home Prices in 2025

Curious about where the housing market is headed in 2025? Here's what the expert forecasts have to say about two key factors that impact your decision: mortgage rates and home prices.

Mortgage Rates are expected to ease and stabilize in 2025

After a lot of volatility and uncertainty throughout 2024, expert forecasts suggest rates will start to stabilize over the next year and should ease a bit compared to where they were at the close of 2024 (see graph below).

Quarter	Fannie Mae	MBA	Wells Fargo	Average of All Three
2024 Q4	6.60%	6.60%	6.80%	6.67%
2025 Q1	6.50%	6.60%	6.65%	6.58%
2025 Q2	6.40%	6.50%	6.45%	6.45%
2025 Q3	6.30%	6.40%	6.25%	6.32%
2025 Q4	6.30%	6.40%	6.30%	6.33%

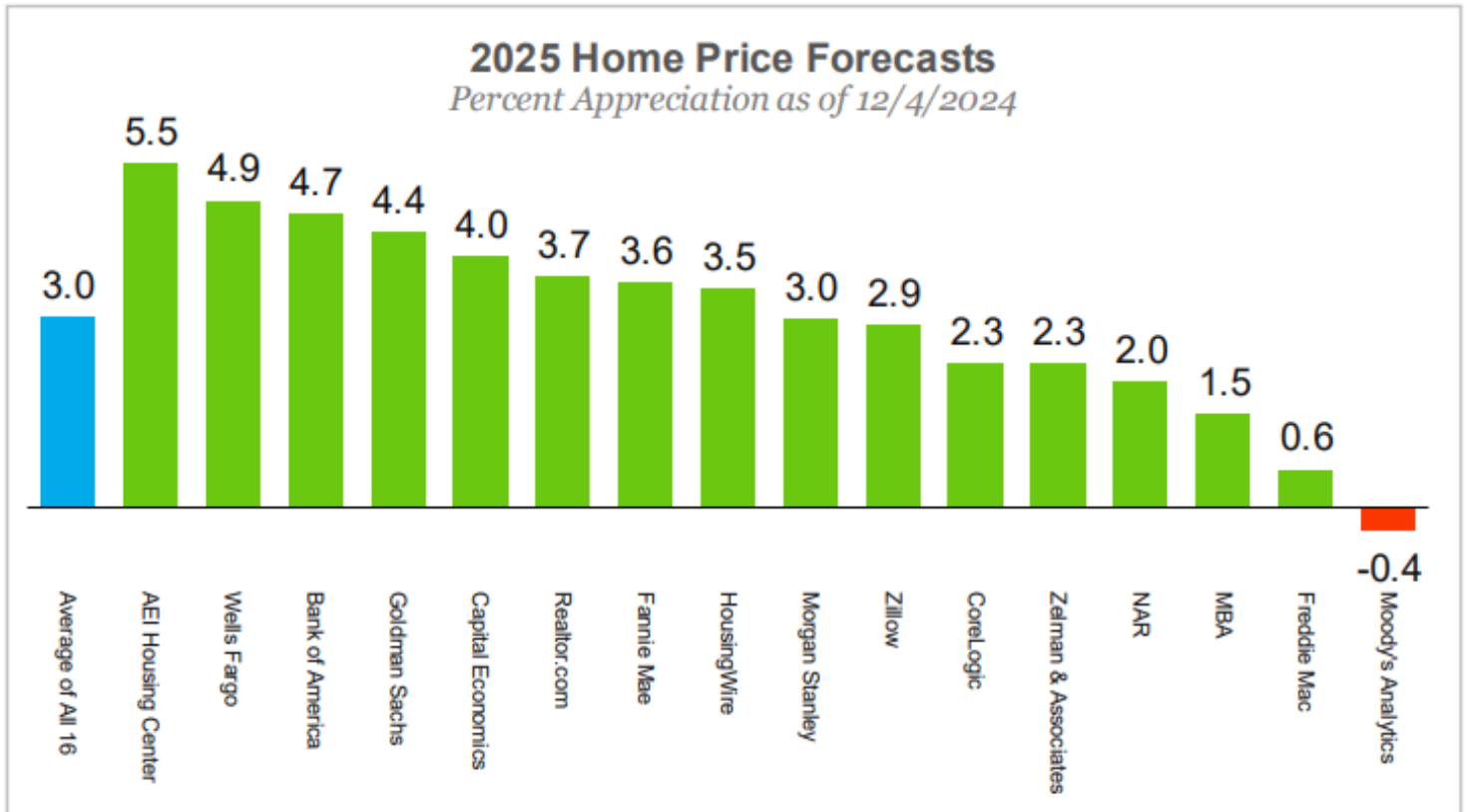
Sources: Fannie Mae, MBA

It's important to note this is one of the most challenging forecasts to make in the housing market. That's because these forecasts hinge on a few key factors all lining up, including inflation, the economy, government policies and more. While rates are expected to come down slightly, they're going to be a moving target.

Be sure to connect with a trusted agent and myself, so you always have the latest updates.

Home Price Projections Show Modest Growth

While Mortgage rates are expected to come down slightly, home prices are forecasted to rise - but at a much more moderate pace than the market has seen in recent years. Experts are saying home prices will grow by an average of about 3.0% nationally in 2025 (see graph below)



This is far more manageable than the rapid price increases of previous years, which saw double digit percentage growth in some markets.

What's behind this ongoing increase in prices? It has to do simply with supply and demand. Even though the supply of homes for sale has grown, there is still isn't much inventory as there would be in a more normal year for the housing market. and that means there still isn't enough homes for all the people who want to buy one. That keeps some upward pressure on home prices.

Of course, these national trends may not reflect exactly what's happening in each local market. Working with a local real estate expert to get a clear picture of what's happening in your are is always the best route.



BUYING PROCESS



1. PRE-APPROVAL

Speak with a lender, Address any credit issues, Determine the right mortgage, Get a pre-approval letter.



2. HOME SHOPPING

Discuss your criteria with a buyer's agent, Tour listings in your price range. Adjust criteria if needed.



3. OFFER & NEGOTIATION

Research comparables with agent, Submit a strong offer to seller, Negotiate terms of contract, Sign contract.



4. DUE-DILIGENCE

Schedule home inspection. Schedule appraisal. Negotiate repairs. Finish loan process.



5. PRE-CLOSING & TITLE

Confirm repairs are complete, Pre-Closing walk-through, Send any required funds to title company.



6. CLOSING

Review closing statement. Sign closing documents, Receive keys.



KEY DETAILS

Set a Purchase Price Budget

Most likely you will want your monthly payment to stay within your BAH, that is letting your money work for you. Working with your loan officer to determine that purchase price range will ensure you do not fall in love with a house outside of your budget.

Engage a Real Estate Professional

Partner with a knowledgeable agent who can provide expert guidance, access to market information, and support throughout the home buying process.

Research Properties

- Neighborhood research
- Property size and layout assessment
- Proximity to amenities and services
- School district evaluation
- Transportation accessibility
- Safety and crime rates analysis
- Future development plans in the area
- Local community and lifestyle factors
- Property features and amenities assessment

6 GREAT REASONS TO OWN A HOME



1

APPRECIATION

Historically, real estate has had long-term, stable growth in value and served as a good hedge against inflation.

2

EQUITY

Money paid for rent is money that you'll never see again. but paying your mortgage month over month and year over year lets you build equity ownership interest in your home

3

TAX BENEFITS

If you itemize deductions on your federal tax return, you can deduct the interest you pay on your mortgage, property taxes and some of the closing costs from the purchase.

4

SAVINGS

Building Equity in your home is a ready made savings plan for when the time comes to sell.

5

PREDICTABILITY

Unlike rent, your fixed rate mortgage payments don't rise from year to year. However, keep in mind that property taxes and insurance may increase

6

FREEDOM

The home is yours. You can decorate any way you want, choose the types of upgrades and new amenities that appeal to your lifestyle.

YOUR MOVE WITH THE MILITARY MORTGAGE EXPERT

VA Home Loan Specialist

FINANCING OPTIONS TO FIT YOUR NEEDS

Michelle Leesmann

Senior Loan Officer NMLS: 953851

314-808-3170

mleesmann@fsbfinancial.com

www.LeesmannMortgageTeam.com



Meet Michelle

Michelle Leesmann is a seasoned Senior Loan Officer with over two decades of experience in the banking and mortgage industry. Michelle specializes in helping clients secure loans for property purchases, meticulously assessing their financial situations, assisting with loan applications, and guiding them through the mortgage process. She excels in evaluating creditworthiness, verifying financial information, and ensuring compliance with lending regulations.

Her expertise extends to educating her military clients on various loan options, interest rates, and terms, ensuring they find the best mortgage solutions tailored to their unique needs.

Her blend of professional expertise, community involvement, and personal commitment to her client's success makes Michelle a distinguished leader in the mortgage industry, dedicated to providing exceptional service and guidance to those navigating the complexities of property financing.

VA HOME LOAN BASICS



No Down Payment

The VA loan does not require a down payment. In some circumstances one may be required to qualify but the VA loan is 100% financing

Low Interest Rates

Relative to other loan programs, the VA loan pricing is often the best of all loan programs.

Limited Closing Costs

Limitation to how much the lender can charge and what types of fees the veteran can pay for are in the guidelines for a VA Loan.

No Mortgage Insurance

The borrower will not pay any mortgage insurance. Some VA loans will have an upfront funding fee charged that is rolled into the loan.

Lifetime Benefit

The veteran or service member can access their home loan benefit multiple times throughout their life.

VA HOME LOAN TYPES

Purchase

Buy a primary residence

100% Loan-to-Value
with available entitlement

Owner Occupancy
(no vacation home or rentals)

Flexible Debt-to-Income
VA emphasizes net income over DTI ratio

4% Seller Concessions:

- Payoff of Veteran's Credit Balances
- Temporary Buy-Down Escrow
- Extra interest rate buydown points
- Buyer's taxes and insurance
- Buyer's VA funding fee

Cash Out Refinance

Payoff debt or cash for other needs

- Can go up to 100% LTV with restrictions
- Can payoff a non-VA mortgage
- Can payoff debt or get cash in hand

EEM Energy Efficient Mortgage

Energy Efficient Improvements

- Solar Panels
- Weatherproofing
- Furnace efficiency
- Insulation
- Storm doors or windows

IRRRL Interest Rate Reduction Loan

VA to VA refinance for when rates drop

- VA to VA refinance for a lower rate
- No appraisal
- Must recoup lender fees in 36 mo. or less

Repair / Rehab

Non Structural Repairs

- Purchase or refinance
- Roof
- Windows
- HVAC
- Mold or Lead Paint
- Flooring, and more

ELIGIBILITY FACTORS



Length of Service (LOS)

- 90 days Active Duty (wartime)
- 2 years Active Duty (peacetime)
- 6 years Reserves or National Guard

Character of Service (COS)

- Cannot be a dishonorable discharge
- Reserves or National Guard must have an honorable discharge

1-4 Family

- The buyer must occupy one of the units within 60 days.
- Spouse can occupy if service member is deployed.

Manufactured

- Must be or will be permanently affixed to a lot with adequate square footage.
- VA does not have a lot acreage limit.

Condo

- VA must approve of the complex or have the complex added to their approved list.

AVOID THESE MISTAKES AFTER APPLYING FOR A MORTGAGE



Don't Deposit Large Sums of Cash

Lenders need to source your money, and cash isn't easily traceable. Before you deposit any cash into your accounts, discuss the proper way to document your transactions with your loan officer.

Don't Make Any Large Purchases or Open New Credit

The amount of debt and income you have at the time of application is what your pre-approval is based upon and what the final loan approval must be based on. Increasing debt to income may cause your loan to be denied. Discuss any necessary purchases with your loan officer prior to doing so and up until the day of closing.

THIS INCLUDES COSIGNING LOANS FOR ANYONE

Don't Switch Bank Accounts

Lenders need to source and track any funds used for the purchase, IE: earnest money, and that task is much easier when there's consistency among your accounts. Before you transfer any money from account to account talk with your loan officer.

Do Discuss any changes with your lender

Be upfront about any changes that occur with your income or debt. Blips happen and emergencies come up. Working with your loan officer thru these while going through the purchase of a home loan can ensure a smoother process and your ability to still be approved.

HOMEBUYER NEEDS & WANTS CHECKLIST



Must Have	Nice to Have		Must Have	Nice to Have	
<input type="checkbox"/>	<input type="checkbox"/>	Open Floor Plan	<input type="checkbox"/>	<input type="checkbox"/>	Large Backyard
<input type="checkbox"/>	<input type="checkbox"/>	Ample Storage Space	<input type="checkbox"/>	<input type="checkbox"/>	Fenced-In Yard
<input type="checkbox"/>	<input type="checkbox"/>	Updated Kitchen	<input type="checkbox"/>	<input type="checkbox"/>	Outdoor Living Area
<input type="checkbox"/>	<input type="checkbox"/>	Designated Home Office	<input type="checkbox"/>	<input type="checkbox"/>	Garden Space
<input type="checkbox"/>	<input type="checkbox"/>	Finished Basement	<input type="checkbox"/>	<input type="checkbox"/>	Pool/Spa
<input type="checkbox"/>	<input type="checkbox"/>	Guest Room	<input type="checkbox"/>	<input type="checkbox"/>	Short Commute Time
<input type="checkbox"/>	<input type="checkbox"/>	Walk-in Pantry	<input type="checkbox"/>	<input type="checkbox"/>	Access to Bike Paths or Parks
<input type="checkbox"/>	<input type="checkbox"/>	Garage	<input type="checkbox"/>	<input type="checkbox"/>	Near Public Transit
<input type="checkbox"/>	<input type="checkbox"/>	One Level	<input type="checkbox"/>	<input type="checkbox"/>	Near Shopping and Dining
<input type="checkbox"/>	<input type="checkbox"/>	Updated Bathrooms	<input type="checkbox"/>	<input type="checkbox"/>	Room for a Home Gym

HOME INSPECTION CHECKLIST



Exterior Inspection

Assess exterior components for damage or structural issues.



Interior Inspection

Check for visible defects and water damage inside the property.



Electrical System

Verify proper installation and functionality of electrical components.



Plumbing System

Inspect pipes, fixtures, and drainage for leaks or issues.



HVAC System

Evaluate heating, ventilation, and air conditioning systems.



Structural Integrity

Assess overall structural condition for any signs of damage.



Roof Inspection

Check for roof damage, leaks, and proper drainage.



Attic and Insulation

Examine insulation levels and ventilation in the attic space.



Basement and Crawl Space

Evaluate moisture, pests, and structural issues.



Safety Features

Ensure the presence of smoke detectors, handrails, and other safety measures.



A FEW FAQs

How is my interest rate determine?

Interest rates depend on factors like your credit score, loan amount, loan type, loan term, and the current market rate environment. VA loans have more favorable rates usually.

How long does it take to close on a home?

By law from the time you are issued your initial disclosures (once under contract) we can not close sooner than 7 days. Timeframe is dependent on inspections, appraisal and underwriting. Typical closings are 30 days but can much quicker if need be.

What is an escrow account and why do I need it?

An escrow account is managed by a third party and holds funds for property taxes, homeowner's insurance, and other recurring costs. VA Loans require escrow to ensure timely payments on these items.

How much can I afford?

Lenders look at your income and debts to determine how much you can afford. Ultimately you want to review (create) your budget to determine what you are comfortable with paying as well.

ADDITIONAL NOTES