Homeownership With Intention

A Homeownership Guide
to Understanding the
Home Mortgage and Buying Process.

Written by MICHELE HUNTLEY - NMLS #1065415
COZY HOME LOANS
PWRD BY BARRETT FINANCIAL GROUP, LLC Corp NMLS #181106

This guide is for educational purposes only and is not a commitment to lend. All loan programs are subject to borrower qualification, credit approval, property approval, and underwriting guidelines. Terms, interest rates, and program availability may vary by state and are subject to change without notice.

Home financing, including both purchase and refinance transactions, may impact your total finance charges, loan term, monthly payment, and equity position. Refinancing an existing loan may result in higher total finance charges over the life of the loan.

Please consult with a licensed mortgage professional to review your specific financial situation and determine the best options for your needs.

EQUAL HOUSING LENDER

By: Michele Huntley
Licensed Mortgage Loan Originator
NMLS #1065415

Welcome

Buying your first home is more than a transaction...
It's a milestone, a dream, and a new beginning.

At Cozy Home Loans, my goal is to walk beside you - *step by step*
so you feel confident, informed, and supported throughout the journey.

Think of this guide as your warm cup of tea ☕—comforting, clear, and exactly what you need as you begin.

This is not about pressure. It's about clarity.

CHAPTER 1

What is a home mortgage?

A home mortgage is a loan that helps you purchase a home.

- A lender provides funds to buy the property
- You agree to repay it over time (typically 15–30 years)
- The home itself acts as collateral for the loan

💡 In simple terms:
 You're partnering with a lender to make homeownership possible—while building equity over time.

CHAPTER 2

How Does A Mortgage Work?

Your monthly mortgage payment typically includes:

- Principal – the amount you borrowed
- Interest – the cost of borrowing money
- Taxes – property taxes
- Insurance – homeowner’s insurance

This is often referred to as PITI.

Over time:

- You build equity (ownership in your home)
- Your loan balance decreases
- Your investment grows 🌱

CHAPTER 3

Interest Rate vs. APR

Interest Rate

- The cost of borrowing money
- Determines your monthly payment

APR (Annual Percentage Rate)

- Broader view of the loan cost
- Includes interest + lender fees

Cozy Tip:

The interest rate tells you your payment...

The APR tells you the bigger picture.

CHAPTER 4

What Does It Cost to Buy a Home?

Here's what to expect:

- *Down Payment* - varies, can be as low as 0–3.5% of purchase price (depending on loan program)

- E*arnest Money Deposit* shows good faith when making an offer and is applied toward your down payment

- *Appraisal Average*: $600 - $1000 this confirms the home's value

- *Home Inspection Average*: $450–$500 this helps uncover potential issues. I recommend discussing this with your real estate agent

- *Home Warranty* (Optional) Average: $400–$500 can cover certain repairs for peace of mind

- *Home Insurance* - Cost varies you'll discuss this with your Insurance Provider

CHAPTER 5

Understanding Closing Costs

Closing costs typically range from 2%–5% of the purchase price and may include:

- Lender Fees
- Title Fees
- Recording Fees
- Prepaids (taxes & insurance)
- Escrow Setup

💡 **Good news:**
Seller concessions may be negotiated to help cover some of these costs!

Clarity First.
Decision Second.

CHAPTER 6

Assistance Programs

You may qualify for:

- Down Payment Assistance (DPA)
- Closing Cost Assistance
- Specialized loan programs (FHA, VA, USDA)

✨ **Important Note:**

Some assistance programs may come with slightly higher interest rates, but can reduce upfront costs significantly.

We'll explore what's best for your situation together.

CHAPTER 7

What Do I Need to Apply?

To make your application smooth, have these ready:

Income & Employment

- Last 30 days of paystubs
- Last 2 years W-2s / 1099s
- Social Security Award Letter

Assets

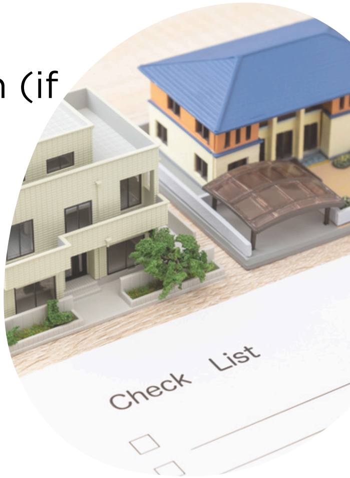
- 2 months of checking & savings statements
- 2 months of retirement (401k), stocks, investments

Additional Documents

- Driver's License
- Child support documentation (if applicable)

Self-Employed?

- Last 2 years of personal & business tax returns



CHAPTER 8

What to Expect During the Process

Here’s your journey:

1. Pre-Approval
2. Home Shopping
3. Offer Accepted 🎉
4. Processing & Underwriting
5. Appraisal & Final Approval
6. Clear to Close
7. Closing Day 🔑

Cozy Reminder:

You’re never alone in this process—I’ll guide you every step of the way.

Understanding Mortgage Insurance (MI)

What Is Mortgage Insurance?

Mortgage Insurance (MI) is a type of protection for the lender, not the borrower, that helps reduce risk when a homebuyer puts down less than 20% on a home.

When Is Mortgage Insurance Required?

If your down payment is less than 20%, you will typically have Mortgage Insurance included in your monthly payment.

How Does It Work?

Mortgage Insurance is:

- Added to your monthly mortgage payment
- Based on factors like your loan type, credit score, and down payment
- Designed to make homeownership more accessible
- MI can be removed once you reach 20% equity in your home.

Understanding FHA Mortgage Insurance (MIP)

FHA Mortgage Insurance has two parts:

1. *Upfront MIP (UFMIP)*
   - Typically 1.75% of the loan amount
   - Usually financed into the loan (not paid out of pocket)
2. *Monthly MIP*
   - Included in your monthly mortgage payment
   - Amount varies based on:
     - Loan amount
     - Down payment
     - Loan term

How Long Do You Pay MIP?

This depends on your down payment:

- Less than 10% down:
- MIP is typically paid for the life of the loan
- 10% or more down:
- MIP is typically paid for 11 years

Can FHA MIP Be Removed?

FHA MIP is not easily removed like conventional PMI.

Common First-Time Buyer Tips

TIPS:

- Avoid opening new credit during the process
- Don't make large purchases before closing
- Keep communication open with your lender
- Ask questions—there are no "silly" ones

This journey is about more than buying a house...
It's about creating a space where life happens.
Memories are made.
And dreams grow.
I am honored to walk this path with you. 🤍
— Michele, Cozy Home Loans

STARTING YOUR HOME SEARCH

Step Into the Search

You're pre-approved—now the exciting part begins.

This is where your vision starts to take shape, and your realtor becomes your guide in turning "what if" into "welcome home."

Together, you'll begin exploring homes that align with your goals, lifestyle, and budget.

Key Things to Know:

- Your budget is your comfort zone—not your max limit
- Location matters just as much as the home
- No home is perfect—focus on your "must-haves"
- Your realtor will help you stay grounded and strategic

Cozy Tip:

"We're not just looking for a house... we're looking for your place to land."

What to Look For When Touring Your Home

🏡 Inside the Home

- Layout: Does it flow for your daily life?
- Natural light: Does it feel warm and inviting?
- Storage: Enough space for your needs?
- Condition: Flooring, walls, ceilings

🔧Big Ticket Items

- Roof age/condition
- Furnace & A/C
- Windows
- Plumbing & electrical

🌳 Outside the Home

- Neighborhood feel
- Yard space & maintenance
- Parking / garage
- Nearby amenities

Cozy Reminder:
"You're not just buying what you see —you're investing in how it feels to live there."

Your Realtor: More Than a Door Opener

Your realtor is your advocate throughout this journey.

They help you:

- Find homes that fit your goals
- Schedule and guide showings
- Write and negotiate strong offers
- Navigate inspections and next steps
- Protect your best interests

Your **Realtor,**
Is there to guide your home search!

Your **Lender, Michele Huntley,**
I'm here to guide your financing.

Together, we make sure every step feels clear, aligned, and supported.

"You're supported from both sides—home and financing—every step of the way."

I believe every client deserves to:

- Understand their options
- Feel confident in their decisions
- Experience a smooth, guided journey

From application to closing... and beyond... I'm here for you.

Michele Huntley

Mortgage Lender
NMLS #1065415
Cozy Home Loans
powered by:
Barrett Financial Group, LLC
Corp NMLS #181106

Education

Empowerment

Support

👉 Call me at **(920) 404-7090**

👉 Or scan the QR code below to apply today.

www.CozyHomeLoans.com