



**WestUSA**  
REALTY

## HOME BUYER PACKET

The home buying process can be overwhelming for most, but we are here to keep it as simple as possible. There are many steps to the process and contract, please take your time to review them all and ask questions as we go along!

# THE PROCESS

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## Step 1 – Is now the right time?

- How long are you planning on living in your next home?
- Consider the benefits/drawbacks to owning a home.

## Step 2 – Get preapproved for a mortgage

- How much can you afford?
- What are the different loan programs available? (FHA, VA, Conv)
- Is your credit in good shape?

## Step 3 – Find your dream home

- What kind of home do you want? (Detached, Attached, etc.)
- How many bedrooms and bathrooms?
- Are school districts important?
- What features are ‘must haves’?

## Step 4 – The escrow process

- Home inspection (Upfront Buyer Expense)
- Reviewing disclosures
- Ordering the appraisal (Upfront Buyer Expense)
- Securing Financing

## Step 5 – Closing

- The final walk through
- Schedule the move
- Changing over utilities



# PREPARING FOR THE LENDER



# APPLICATION

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## Personal Information

- Full names of all purchasers as they are to appear on title.
- Social security numbers of all purchasers.
- Present residence address for all purchasers.
- Previous address for all purchasers; going back two years if they have not resided in the present home for two years.
- Home, office and cell phone numbers



# INCOME

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## Employment Information

- Present employer
  - Name, address and a contact person to send employment verification form.
- Explanation for any gap during two year history
- Relocation letter for any transferees
  - Giving date, salary, new location, and any relocation benefits.
- Previous employer(s)
  - Name, address, and a contact person, going back two years.
- Present salary
  - Year to date pay stub and last two years W-2s and/or 1099s.
- If any variable income, commission, part-time income, bonus, overtime, interest income, etc., is being used to qualify: two years signed federal tax returns and W-2s and/or 1099s.
- If self-employed
  - Two years signed federal, individual and corporate returns (if applicable).
  - Include a profit and loss statement and balance sheet.
- Diploma or transcript if you were a student during the last two years.

## Other Income

- Rental income
  - Copy of current lease with proof of at least one year of residency
- Alimony and child support (only if used for qualification)
  - Copy of divorce decree and property settlement (ratified) setting out terms.
  - Proof of payment will also be requested at application.
- Income from notes held
  - A copy of the ratified note
- Retirement, Social Security and Disability Income
  - Copy of Award Letter and latest check showing the amount of present payment.
  - Copy of End of Year Statement if applicable.

# ASSETS

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## Employment Information

- Bank accounts
  - Name of bank, address, account numbers, types of accounts, and present balances. With checking accounts, use average balances.
- Copy of two most recent statements of all accounts.
- Stocks and Bonds
  - Copy of certificates or copy of recent broker statement (within 30 days) listing the holdings.
- Life insurance
  - Cash value, only if being used for down payment.
- Vehicles
  - Year, make and value.
  - Copy of title if under 4 years old with no outstanding lien.
- Real estate
  - Address and market value of currently owned property.
  - If free and clear, deed of release, deed or mortgage payoff.
- Present home
  - Copy of sales contract, Settlement sheet and/or lease.
- Gift letter
  - Form will be provided by financial representative.
  - Donor capacity must be verified.
  - Receipt of funds must be shown in account.

# LIABILITIES

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## Liabilities

- Credit Cards
  - Account numbers and outstanding balances.
- Loans (Auto, Mortgage, Personal, Student, etc.)
  - Name of institution, address, account numbers, outstanding balances, monthly payments, months left on loan.
  - Copy of next payment coupon.
  - 12 months statements or canceled checks for present mortgage.
- Alimony and Child Support
  - Copy of Ratified Decree and property settlement setting out terms.

## VA Loans

- Certificate of Eligibility
  - To obtain certificate, you need a DD-214 (Separation of Service) or if in the Service, you will need a Statement of Service signed by Commanding Officer or Personnel Officer (certificate must be updated prior to application).
- If in service, you will need Authorization of Live off Base (DD-1717 from Housing Office) and Transfer Orders (if applicable).



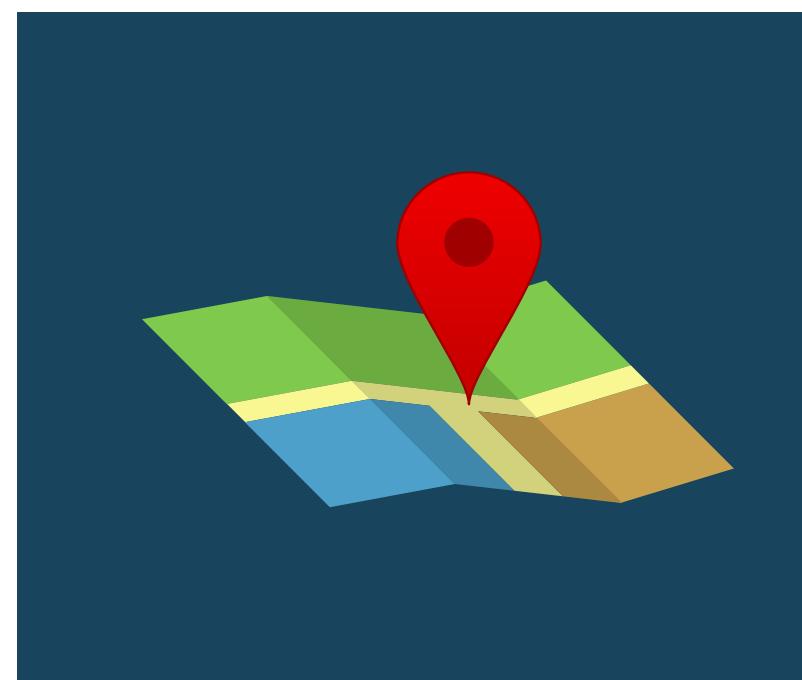
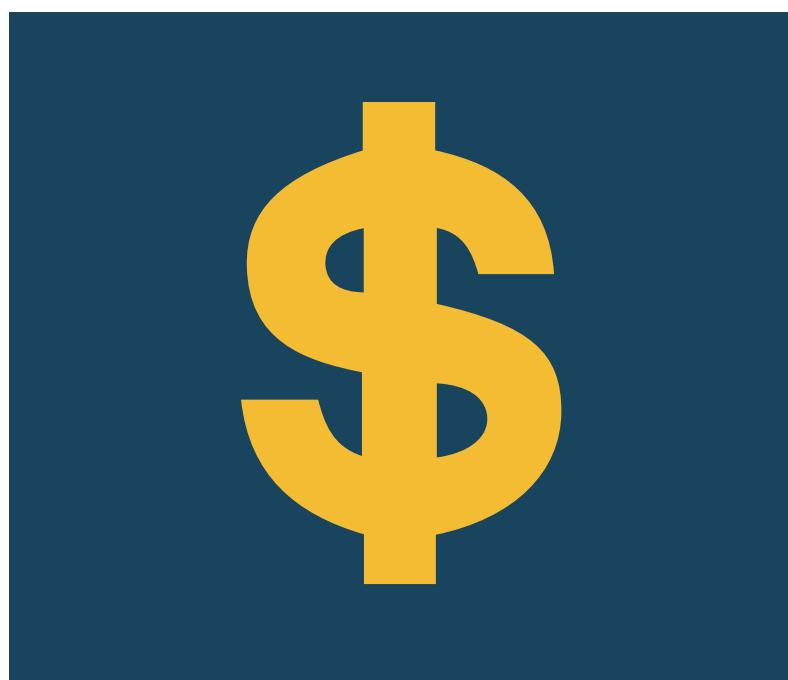
## 6 THINGS NOT TO DO WHEN APPLYING FOR A MORTGAGE

WHEN LENDERS REVIEW YOUR APPLICATION, THEY LIKE TO SEE CONSISTENCY IN YOUR FINANCES

1. Do not make major purchases like furniture, appliances, jewelry, vehicles or vacations.
2. Don't change or quit your job.
3. Consult with your mortgage professional before withdrawing, depositing or moving large amounts of money in or out of your bank account.
4. Do not pay off debts or collections (unless instructed to do so by a mortgage professional).
5. Avoid using cash for a good faith deposit – cash is difficult to verify and could result in a closing delay.
6. Don't have your credit report pulled too many times – this can hurt your credit score.



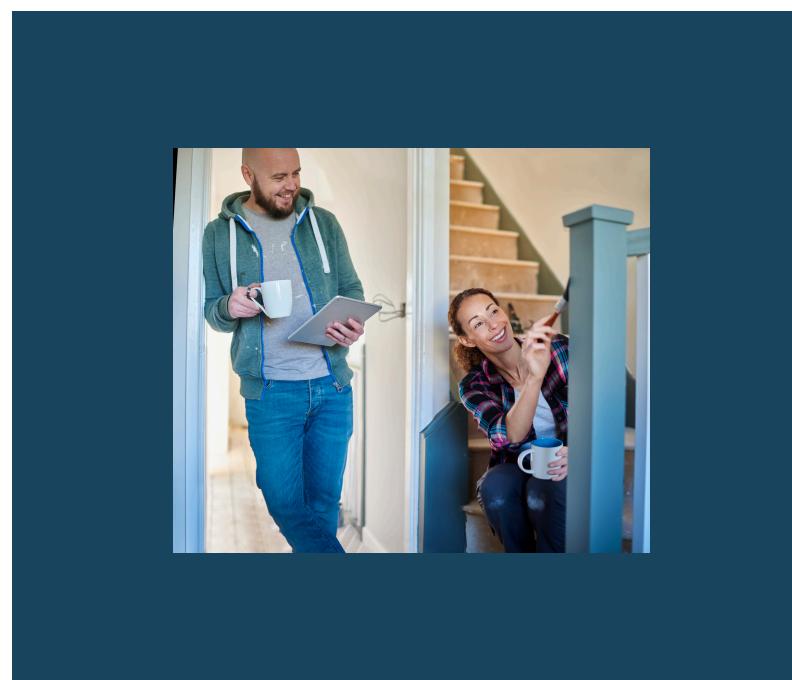
# CHOOSING A HOME



## PRICE



## LOCATION



## CONDITION



**FLOORING  
POOL SERVICE  
WINDOWS  
CLEAN OUT / HAULING  
PAINTING HOUSE  
CLEANING  
CONTRACTOR / HANDYMAN  
KITCHENS / CABINETS / COUNTERTOPS  
PLUMBING  
DRYWALL INSTALLATION/ REPAIR  
ROOF AND SIDING  
LOCKSMITH  
INTERIOR DESIGN  
TILE WORK  
LANDSCAPING  
MOLD INSPECTIONS**

# WRITING THE OFFER

Is it priced right for the market?

- What is the buyer activity?
- Are there other offers on the home?
- What other homes are for sale in the neighborhood?
- What has sold recently in the area?
- How long has it been on the market?

What is the seller's motivation?

- Are they price driven?
- Are there other terms that are important to the seller such as a lease after sale?
- How long of an escrow are they looking for?

Do you need concessions for closing costs?

- Closing costs such as a title, escrow, and lender fees usually cost between 1-3% of the sales price.

Are there multiple offers on the property?

- This is not uncommon for homes priced right for the market and in great condition. Often times the seller will ask for your "highest and best" offer. In other words, if another buyer bested your offer, would you have any regrets that you didn't offer more?

# ESCROW

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Once your offer is accepted and you are on contract, we will help navigate the process with you, your lender, and the escrow officer.

The due diligence period is first, the only time you get to inspect the property with a professional to know what you cannot see.

Appraisal of the property happens before the lender can receive the final approval from the underwriter. This will tell you the market value of the property as the buyer to decide if your purchase price is a good deal. You may have to go back to the negotiating table with the seller if the appraisal is below your purchase price, we will help you navigate this process.

3 days prior to closing you must review your Closing Disclosure from the lender and sign that everything looks as you expected for your loan.

Escrow and Lending will balance the settlement statement then let you know what your "Cash to Close" requirement is. This will be the certified funds (cashier check or wire transfer) for your part of the settlement. You will set your appointment to sign your documents and have those funds to escrow.

The day of closing, the lender will send their wire transfer to "fund the loan" to the escrow company. Once escrow has determined your funds are there and the documents are signed and notarized by both parties, they will send the Title to the county to record electronically. This must be completed by 4:00PM to process before close of business.

Once the Title has recorded with the county, we will be able to meet you at the property and hand you keys to your new home. You will want to make sure at this time, your Utilities are setup in your name to start the next morning!



# CONGRATULATIONS

