

Home Buying Process

GALLERY OF HOMES

REAL ESTATE GROUP

Preparing You for the Road to Come...



Is Now the Right Time? How long are you planning on living in your next home? You should consider the benefits/drawbacks to owning a home.



Get Pre-Approved for a Mortgage!

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



Let's Find Your Dream Home!

What kind of home do you want? Waterfront, Hobby-Farm, Ranch, or Cottage?

Is this home year-round or seasonal?

How many bedrooms and bathrooms?

Are school districts important?

How Many Sq. Ft.?

On a Lake? Which Lake? How Big?

Is fishing important to you? If so, what species?

Is a recreational lake important for waterskiing, etc.?

Is sand shoreline a must?

What type of elevation to lake? Level, gradual or steep (best views)?



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What to Expect During Escrow and Closing...



Home Inspection



Reviewing Disclosures



Securing Financing



The Final Walk Through



Schedule the Move

Changing over the Utilities



WELCOME HOME OWNERS

Preparing for the Lender

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.
- E-mail address.

EMPLOYMENT INFORMATION

- Present Employer: Name, address and a contact person to send employment verification form.
- Explanation for any gap during 2-year history.
- Relocation letter for any transferees – giving date, salary, new location, and any relocation benefits.
- Previous Employer: Name, address, and a contact person, going back 2 years if not in present job 2 full years.
- Present Salary: Year-to-date pay stub, and W-2s from the previous 2 years.
- If any variable income, commission, part-time income, bonuses, overtime, interest income, etc., is being used to qualify: 2 years signed federal tax returns and W-2s and/or 1099s.
- If self-employed: 2 years signed federal individual and corporate returns (if applicable). Also, a profit and loss statement and a balance sheet.
- Diploma or transcript if student during 2-year period.

OTHER INCOME

- Rental Income: Copy of lease, which is current, and at least one year in length.
- 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 the time of 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 amount of present payment. Copy of year-end statement if applicable.

ASSETS

- Bank Accounts: Name of bank, address, account numbers, types of accounts, and present balances. With checking, use average balances.
- Copy of two most recent statements of all accounts.
- Stocks and Bonds: Copy of certificates or copy of recent (within 30 days) broker statement listing the holdings.
- Life Insurance: Cash value, only if being used for down payment.
- Vehicles: Year, make, model, and value. Copy of title if under 4 years old with no outstanding lien.
- Real Estate: Address and market value. 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

- 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. Mortgage Statements for 12 months 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 will 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 to Live Off Base (DD-1717 from housing office)





Do's & Don'ts

DURING THE LOAN PROCESS

-  Keep all accounts current, including mortgages, car loans, credit cards, etc.
-  Contact both your lender and your sales associates anytime a question may arise.
-  Make all payments on or before due dates on all accounts, even if the account is being paid off with your new loan.
-  Have any lender-required money/funds to your loan officer within 72 hours after home inspection is complete.
-  Return phone calls from your agent, loan officer, settlement company, or anyone else involved in your transaction within 2 hours of a message.
-  Quit your job or change jobs. Consult with your loan officer, and call me, in the event that your job **MUST** change.
-  Allow anyone to make an inquiry on your credit report except your lender or apply for credit anywhere else except with your lender. This causes more "hits" on your credit rating which can reduce your credit score.
-  Change bank accounts or transfer money within your existing accounts.
-  Purchase or attempt to purchase anything else on credit such as another car, truck, boat, furniture, or other real estate. Charge any abnormal amounts to your current credit cards or credit lines, co-sign for anyone, for any reason, for anything. Send in any late payments, that will incur late fees for anything.
-  Wait longer than the time frame given, per your contract, to provide all necessary paperwork and information to your lender when requested.

Contact our team to get connected with a lender to get pre-approved today!

218-587-4444

Galleryofhomesmn.com

UNDERSTANDING YOUR CLOSING COSTS

SELLER CLOSING COSTS

- Half of title and escrow fees, transfer taxes, title insurance, notary fees, etc.
- Commission varies based on selected marketing package.
- Loan payoff outstanding mortgage is satisfied at closing.

The two major costs for sellers are the commission to the listing and buyer's agents and title insurance for the legal transfer of ownership with the buyer.

ADDITIONAL COSTS

- Title Insurance
- Home Warranty
- Property Taxes
- Real Estate Broker Admin Commission
- Homeowner's Association Fees

The two major costs for buyers are: the cost of obtaining financing and the inspections of the property (unless the seller agrees to cover these at closing)

BUYER CLOSING COSTS

ADDITIONAL COSTS

- Appraisal Fees
- Inspection Fees
- Earnest Money
- Real Estate Admin Commission
- Credit Report Fee

- Half of title and escrow fees, transfer taxes, title insurance, notary fees, etc.
- Lender fees, fees associated with obtaining a mortgage, including the appraisal.
- Homeowners insurance. One year of homeowner's insurance is typically due.



15 vs. 30
YEAR MORTGAGE

Choosing the Right Mortgage for You

WE RECOMMEND A 15-YEAR FIXED-RATE MORTGAGE. THE MONTHLY PAYMENTS ARE HIGHER, BUT THE INTEREST RATE AND TOTAL AMOUNT PAID OVER THE LIFE OF THE LOAN IS SIGNIFICANTLY LOWER.

Loan Amount \$250,000		
15 Year	VS.	30 Year
180	# Of Payments	360
4.8 %	Interest Rate*	4.76%
\$1,871.85	Monthly Payment	\$1,305.63
\$86,933.32	Total Interest Paid	\$220,023.34
\$336,933.32	Total Amount Paid	\$470,023.34

THAT'S OVER \$130,000 IN SAVINGS!

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* Interest rates Vary by bank, Year, and Credit Score. This rate is for an example only.