

Financing Your Home – A Relocation Checklist

- **Communicate with a Lender early on to get pre-approved.** A realistic understanding of how much loan you can reasonably expect to qualify for is a good first step toward the goal of homeownership. And, a letter of pre-approval can be the mechanism that makes it all happen. There is a distinct difference between a letter of pre-qualification and a letter of pre-approval, and it is important that you be aware of this distinction. Your Pre-Approval should be in writing.
- **If you are Pre-Approved, GET A SECOND OPINION!** Work with a Direct Lender who offers hundreds of loan programs options and who makes the loan decisions. Avoid a middle-man operation because they have to ship your file elsewhere for review and final loan approvals. The Seller will be assured that you have “done your homework” and are qualified to purchase their home. Regardless of the down payment amount, you may potentially need additional money for closing costs and your pre-paid expenses. This amount will vary depending on the sales price and down payment. When you are pre-approved your lender will let you know the amount of money to set aside for the total purchase transaction.
- **Select a Realtor®** because buying and selling real estate is complex. Communicating the details regarding the home you are selling along with the new home you are purchasing takes coordination between professionals to achieve a successful closing. Interview and select the candidates who offer the experience in relocation business. Begin your home search with confidence and make sure you receive the excellent service you deserve!
- **Select a home** and make an informed decision based upon the facts. Real estate sales activity is fact of record. Review the sales history of the area you are relocating to and the active listings on the market. You will purchase with confidence because you have done your homework. The next step is to prepare a formal Purchase Agreement. Your Realtor will help you with the conditions that are a written part of the PA. Since you secured your pre-approval from your Mortgage Consultant the financing in the agreement will be clear!
- **Your Loan Application** and the loan process is underway. If you are

interested in obtaining your pre-approval via the internet, make sure that you choose a reputable lender that offers a secure web site. An established, qualified lender will have direct access to the automated underwriting systems utilized by FannieMae, FreddieMac, FHA, VA and as a result, should be able to provide you with a pre-approval within a matter of hours, in many cases!

- **During the Application Process** make an effort to reduce the number of creditors making inquiries into your credit history (i.e. new car, new cell phone, new credit cards, etc.) for at least four months prior to purchasing your new home. Do not give your social security number to anyone except your lender. Many creditors will use your social security number to run credit history without your knowledge. If you want to buy a new car or any other large purchases, discuss the impact the purchase may have on your credit with your Mortgage Consultant.
- **Loan Approval** may be issued subject to final conditions. The following are more tips to help you have a smooth application process. Depending on your loan type, these may or may not be required.
 - **Asset Documentation** – Save all your bank statements on all asset accounts (IRA, 401K, savings, checking, stock, etc.)
 - **Income Documentation** – Keep copies of all your pay stubs if you are salaried or paid hourly. You will need to supply your lender with two years of W2 forms if you are salaried or paid hourly. If you are self-employed, commissioned sales, or an independent contractor, keep records of your year-to-date income and expenses. This will help you in providing year-to-date Profit and Loss Statements. In most cases, self-employed borrowers must supply your lender with two years federal tax returns. If you are divorced or have filed for bankruptcy in the past, make sure you have complete copies of all the court papers. Typically these documents are necessary.

A Lasting Relationship with your Lender is important! Select a Mortgage Consultant who will work with you beyond your current loan and well into the future!

Taking Care of Your New Home

There is nothing quite like the excitement of moving into a new house, decorating and adding the personal items that truly make it your home. In all the activity surrounding the first year of home ownership, it's easy to forget that a home is also a house made up of thousands of parts. Just like your car, many of these parts require a maintenance regimen and regular inspection to maintain peak performance.

Most building companies provide homeowners with a package that contains warranty information, as well as maintenance manuals for appliances and other mechanical components. I urge all my new homeowners to review these materials and comply with any routine inspection or maintenance recommendations. I also stress the importance of completing and mailing any registration cards that activate manufacturer's warranties. Doing so ensures that manufacturers can contact you in the event of a product recall.

Devoting regular attention to maintenance also includes preventing damage (e.g., scratches, chips, stains, etc.) to the cosmetic surfaces of your home. It entails regular cleaning, using manufacturer-recommended products and techniques. The home's many moving parts have to be occasionally adjusted and lubricated. Consumable parts, like light bulbs, filters and batteries in smoke detectors, must be replaced when warranted.

Your new home likely has mechanical systems that are different from those of your last home. Before closing, we take our new homeowners on a tour of their new home, where we introduce these new systems and show our homeowners how to operate them. Of course, like most builders, we're also happy to answer homeowner's questions at any time after closing. Take advantage of builders' orientation programs to make sure that you are familiar with the systems in your

home, and understand how to maximize their efficiency for your family's comfort. It is especially important to know where the main safety shut-offs are for water, electricity and gas.

Building materials expand and contract over time because of changes in temperature and humidity, necessitating ongoing maintenance. Caulk, for example, dries, shrinks and cracks, diminishing its effectiveness until it no longer provides a seal against moisture and air infiltration. Maintaining caulking will be a routine task throughout the life of your home.

Likewise, you can expect some minor cracking in concrete flatwork, such as driveways and patios. Concrete cracks can result from shrinkage during curing, temperature changes or even soil movement. While cracking cannot be prevented entirely, you can minimize it by maintaining good drainage away from concrete slabs, sealing cracks with concrete caulking, removing ice and snow promptly, and keeping heavy vehicles (such as moving vans or dump trucks) off concrete slabs.

Beautiful yards are the result of years of caring and work, and require consistent attention to flourish. When you first move in, it's important to cover soil as soon as possible to prevent erosion. Also, make sure you always maintain a proper slope away from your home to ensure good drainage.

Few products combine science, technology, art and skill the way a new home does. Make preventative maintenance the hallmark of your home-care program, and you'll enjoy the full satisfaction that owning a home can provide. Preventative maintenance also goes a long way in ensuring that you receive the full resale value when it's time to sell your home.