

# BUYING A HOUSE DOESN'T HAVE TO BE HARD







# PULL UP A SEAT, SIT BACK, AND RELAX

## A DIFFERENT KIND OF BUYING EXPERIENCE, A DIFFERENT KIND OF EASY

Buying a home and getting a mortgage can seem overwhelming. But that's all about to change. With Cornerstone by your side, you'll have all the guidance and support you want every step of the way. Plus, you've got this handy, easy-to-follow packet as your road map to home. You'll find the steps of the process and important information about documents needed to close your loan, along with a few extras that can make your mortgage experience as effortless as possible.



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**KellyZitlow**group



# LET'S GET STARTED

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To help us better serve you, please be ready to provide the following documentation. You may be asked for additional items during the process.

## LOAN CHECKLIST

- ☐ **BANK STATEMENTS**  
Showing most recent two-month history  
- ALL PAGES
- ☐ **BROKERAGE STATEMENTS**  
Showing most recent two-month history  
- ALL PAGES
- ☐ **RETIREMENT STATEMENTS**  
Showing most recent two-month history  
- ALL PAGES
- ☐ **EMPLOYMENT PAY STUBS**  
From the last 30 days of all jobs held by each applicant
- ☐ **W-2 FORMS**  
From the most recent two years for each wage-earner applicant
- ☐ **PERSONAL FEDERAL INCOME TAX RETURNS (1040S)**  
From the most recent two years, with all schedules, statements, and addenda (completed and signed)
- ☐ **MOST RECENT MORTGAGE STATEMENT**  
For any other properties owned by the applicant
- ☐ **COPY OF DRIVER'S LICENSE FOR EACH APPLICANT**
- ☐ **HOMEOWNERS INSURANCE AGENT'S CONTACT INFORMATION**





# 8 INSIDER HOME BUYING TIPS

**1. Be sure that your earnest money check comes from funds in your own checking or savings account and is written on your own personal check.** Don't let anyone else pay the earnest money for you. If this could be an issue, please contact us immediately.

**2. Talk to us before accepting gift funds from a family member to help you buy a home.** Our team can help you and the donor meet documentation requirements for the gift funds.

**3. Have all supporting documents easily accessible.** These include: W-2s, tax returns, bank statements, pay stubs and assets.

**4. Don't change your job or your pay structure during the financing process.** Employment or income changes during the process require re-verification and could delay your mortgage approval.

**5. Wait until after your home closes to open any new accounts or credit cards.** Lenders are required to pull a refreshed credit report within five days of closing that will update your balances and report any new accounts since your credit was originally pulled. Your loan approval could be jeopardized if you have incurred new debt.

**6. Make all payments on time.** Keep all of your accounts current to ensure no late payments appear on the refreshed credit report before closing.

**7. Do not shop for, purchase, or lease a car.** In general, do not make any large purchases during the home loan process.

**8. Remember that we are here for you!** Call us if you have any questions along the way. We're committed to making your homebuying journey as smooth as possible.



# 7 HOMEBUYING STEPS

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What can you expect from now until closing day? [These steps give you a behind-the-scenes look.](#)

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## 1. PREQUALIFY

- Do this first so you know how much home you can afford
- Prequalify at [www.KellyZitlowGroup.com](http://www.KellyZitlowGroup.com)

## 2. MEET WITH LOAN OFFICER

- Discuss programs, monthly payments, and interest rates
- Get a prequalification letter to strengthen your purchase offer
- Put the finishing touches on your loan application

## 3. SHOP FOR YOUR DREAM HOME

- Work with a local real estate agent to find the right home in your prequalification range
- Let your loan officer know when the seller accepts your offer

## 4. DURING THE LOAN PROCESS:

- Sign and return initial loan documentation
- Submit an executed purchase contract to your loan officer to lock your rate
- Schedule an inspection to check the home for any major issues
- Your lender orders the appraisal and lets you know key contract dates
- Secure homeowners insurance coverage before your closing
- Promptly provide requested documentation

## 5. GET READY FOR FINAL APPROVAL

- The processor orders title commitment and preps your loan for underwriting
- The underwriter makes the final loan approval decision

## 6. REVIEW THE CLOSING DISCLOSURE (CD)

- Your CD includes your final loan terms and closing costs
- You get the CD at least 3 days before closing
- We confirm closing details: Where, when, who, and how much for your closing costs

## 7. CLOSE ON YOUR HOME

- Closing takes place at the title company or real estate agent's office
- Bring a valid driver's license for each borrower, plus a certified/cashier's check if closing costs are due (payable to the escrow company)
- Sign documents, get the keys, and celebrate because you're a homeowner!

## IT'S REALLY THAT EASY!

YOU'RE NOW THE PROUD OWNER OF A NEW HOME. AND YOU'VE MADE A FRIEND FOR LIFE: WE ARE ONLY A CALL AWAY TO ANSWER YOUR QUESTIONS ABOUT YOUR MORTGAGE.





# DISCOVER THE DIFFERENCE

Cornerstone Home Lending is more than a mortgage company. We're a company that cares. Discover how Cornerstone is refreshingly different from other lenders!

## OUR PURPOSE

We honor God by using our talents to make a positive difference in your life!

## OUR PROGRAMS & PRODUCTS

- Purchases and Refinances
- FHA, VA, and USDA
- Conventional and Jumbo
- Renovation and Construction Financing
- First-Time Homebuyer Programs
- Investment Properties and Second Homes
- Extended Rate Locks

## OUR PERFORMANCE

- 100% committed to your on-time closing goal
- Financially stable and secure since our 1988 founding
- Variety of home loan programs to meet your needs
- In-house processing, underwriting, closing, funding, and servicing
- Proactive, prompt communication and status updates
- Trusted guidance and support long after your loan closes

## OUR CONVICTIONS

- We live and lead with honesty and integrity.
- We respect and care for our people.
- We go all-out because we are all-in.
- We are wise stewards.



# WHY WORK WITH A REAL ESTATE AGENT?

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Ready to find your dream home? We have worked with some of the most dedicated and experienced real estate agents in the market. Please let us know if you'd like a referral! Here are some of the many benefits of working with a real estate agent.

## **REAL GUIDANCE FROM A REAL PERSON**

While there are tons of homebuyer resources out there, a good real estate agent can help you make sense of all that information. They can point out the pros and cons of homes you tour. They can also help you understand the buying process and exactly what to expect along the way.

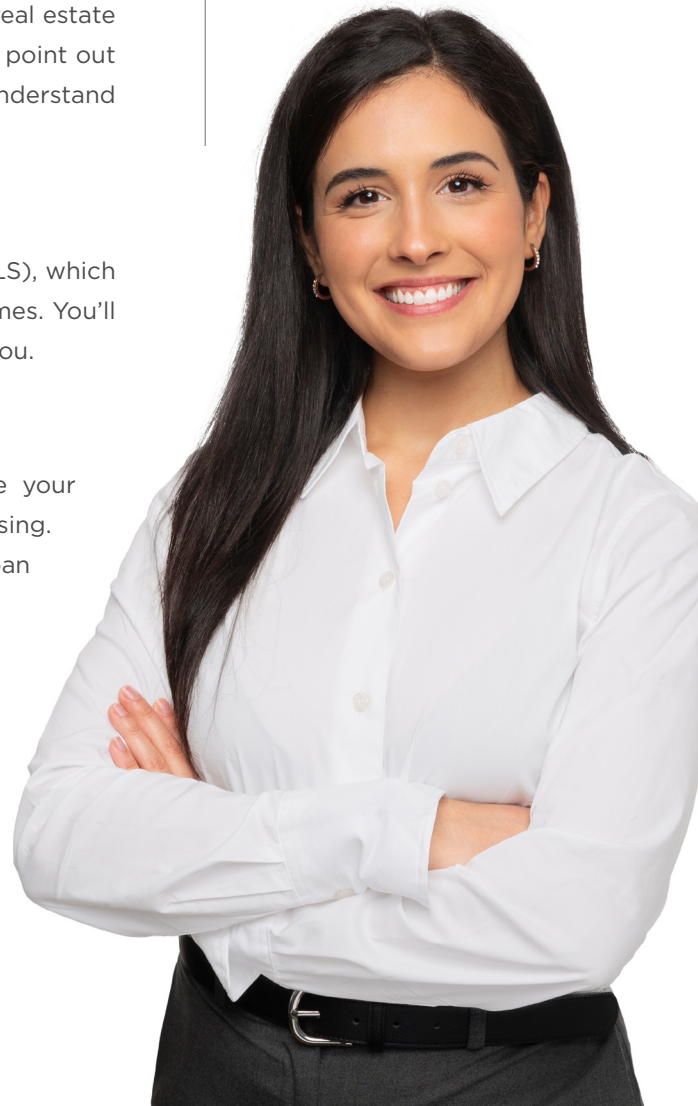
## **MORE HOMES TO CHOOSE FROM**

A real estate agent has access to the Multiple Listing Service (MLS), which offers thousands of the most up-to-date listings of available homes. You'll have more options to easily and quickly find the right home for you.

## **CLOSE WITH CONFIDENCE**

An experienced agent can negotiate on your behalf, prepare your purchase contract, and resolve issues that could affect your closing. With your permission, we can also send your real estate agent loan status updates to keep your closing on track.

A real estate agent can give you the support you need so you can enjoy your homebuying experience.







# LEARN THE LINGO

Here are common [mortgage terms](#) that are used throughout the home-financing process.

## **ADJUSTABLE-RATE MORTGAGE (ARM)**

A mortgage with an interest rate that can change according to a schedule outlined in the Note (Note Rate). The interest rate is based upon an index that changes based on the market, plus a margin which is determined by the lender. Often, the initial interest rate is lower than that of a fixed-rate mortgage.

## **ANNUAL PERCENTAGE RATE (APR)**

The annual equivalent of the rate shown in your Note (Note Rate) plus any other fees paid at closing or throughout the life of the loan, such as monthly mortgage insurance. APR allows borrowers to compare different mortgages when shopping for a lender.

## **CLOSING COSTS**

These are the costs and fees that are due on the date of closing, when a borrower obtains their mortgage and receives the title to their property. Closing costs include insurance, taxes, and other applicable fees.

## **DEBT-TO-INCOME RATIO (DTI)**

This is the percentage of your gross monthly income (before taxes are taken out) that goes to paying monthly debts, including the new mortgage payment. The lower DTI typically means better mortgage terms.

## **DOWN PAYMENT**

The difference between the sales price and the loan amount on a real estate transaction. The down payment is brought to the closing by the buyer along with other fees to be paid at that time.



### **DOWN PAYMENT ASSISTANCE (DPA)**

Programs which provide additional funds, usually to first-time homebuyers, which reduce the amount of cash needed to close. These may be in the form of a grant, requiring no repayment; forgivable seconds, which only require repayment for a certain period or if certain events happen (e.g., if you sell your home); repayable seconds, which typically have a low (or, in certain cases, no) interest rate which must be repaid. The period prior to repayment varies, usually between 3 and 30 years.

### **FIXED-RATE MORTGAGE**

A mortgage in which the interest rate does not change during the loan term.

### **LOAN-TO-VALUE RATIO (LTV)**

A ratio measuring how much you borrow to the appraised value of a property being purchased or constructed. LTV is used by lenders to help assess the potential eligibility or risk in taking on a loan

### **PRINCIPAL, INTEREST, TAXES AND INSURANCE (PITI)**

Often referred to by the acronym “PITI” which is the total monthly housing expense: principal, interest, taxes, and insurance. Some loans will also require a monthly payment for mortgage insurance.

### **PRIVATE MORTGAGE INSURANCE (PMI OR MI)**

A fee typically paid by the borrower to provide insurance in the event of default on the loan. Required on most loans with less than a 20% down payment.

### **RATE LOCK**

This is a commitment between you and the lender to hold a certain interest rate for a specified period of time. When you decide to lock your rate you will receive a written confirmation from your lender.

### **TITLE/DEED**

This is a document which transfers ownership from the seller to the buyer and establishes the real estate transaction took place.

### **TITLE INSURANCE**

Title insurance protects a real estate owner or lender against any loss or damage they might experience because of liens, encumbrances, or defects in the title to the property, or the incorrectness of the related search.





# KNOW YOUR SCORE

A credit score not only influences your homebuying potential, but is essential for obtaining several services and big ticket items. “90 of the top 100 largest U.S. financial institutions use the credit score to make consumer credit decisions,” according to MyFico.com.

## WHAT MAKES UP YOUR SCORE?

When you're applying for a mortgage, your credit score is a major factor in determining your interest rate and approval for the loan. Typically, the higher your credit score, the better your chances for approval and securing a lower rate. But, just how exactly is your score determined?

MOST COMPANIES USE A CREDIT SCORE THAT IS COMPRISED OF FIVE ELEMENTS:

### LENGTH OF YOUR CREDIT HISTORY

A short history isn't a bad thing, if you show responsible credit management. Having a few credit accounts is better than having no credit at all.

### HOW MUCH YOU OWE

Keep outstanding balances under 30% of your credit limits.

### YOUR PAYMENT HISTORY

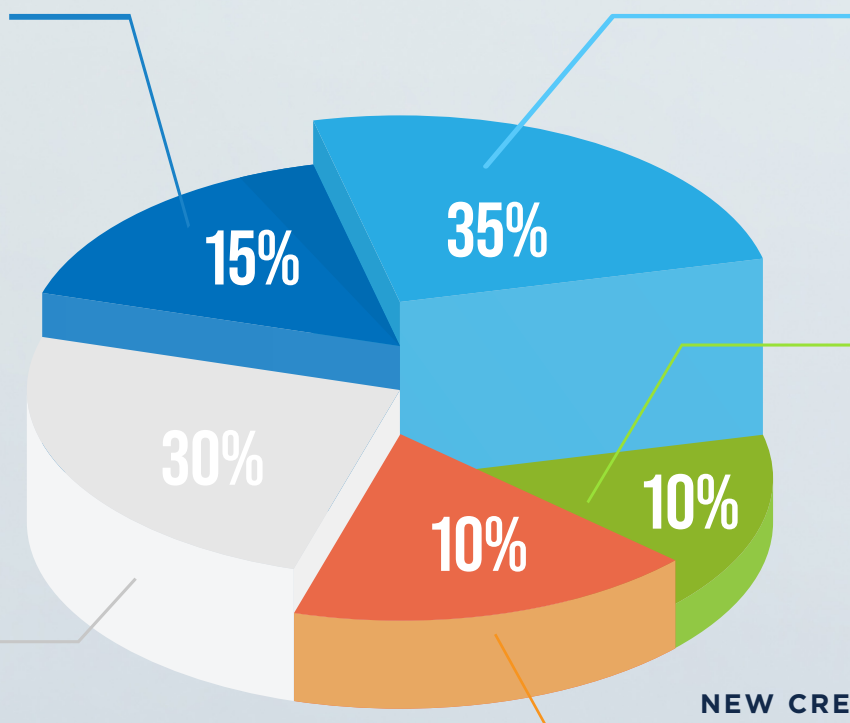
Late payments lower your score, so pay your bills on time.

### TYPES OF CREDIT YOU HAVE

A variety of credit types – like an auto loan, credit cards, and other credit accounts – could boost your score.

### NEW CREDIT ACCOUNTS

Lots of new credit account inquiries can lower your score. Mortgage and auto loan inquiries are an exception; these count as one inquiry within a 30-day period.



## SO, WHAT'S A GOOD SCORE?

Credit scores range from 300 to 850, with higher numbers being better. A score of 700 is a good indicator of financial health, and most lenders prefer scores at or above that number, but it is not required.

## WHAT'S THE NEXT STEP?

Visit [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com) and request your free credit report from all three credit reporting companies. This is a free service available to you every year, so take advantage!

- **EQUIFAX** - [WWW.EQUIFAX.COM](http://WWW.EQUIFAX.COM)
- **EXPERIAN** - [WWW.EXPERIAN.COM](http://WWW.EXPERIAN.COM)
- **TRANSUNION** - [WWW.TRANSUNION.COM](http://WWW.TRANSUNION.COM)

Beware of other companies that charge fees for credit reports, because they are often not as accurate as the three mentioned above.

## MAKE TIME FOR CREDIT SELF-CARE

There is no charge for checking into existing errors, so make sure there are no inaccuracies listed on your report. It is your responsibility to notify the credit bureau of any mistakes, which should be cleared up within 30 days of the report date.

If you need to boost your score, here are a few tips that could make a difference to your score. While these are general tips, be sure to check with your lender before paying off large accounts and moving your money around for closing costs and the down payment.

- **MANAGE YOUR CREDIT CARDS** - Keep balances to less than 30 percent of your limit
- **CORRECT CREDIT LIMITS** - It's important for your credit card company(s) to report your correct limit to the major credit bureaus; your report could suffer if it shows you're over the reported limit, when the limit is actually higher
- **GET CREDIT WHERE CREDIT IS DUE** - Be sure your report shows all of your credit accounts, especially the healthy ones







# 10 HOMEOWNERSHIP FACTS



Whether you are buying a house for your family, an investment property for future resale, or a second home, there is a lot to learn about homeownership.

**To get the most out of your purchase, you need to have all the facts. Here's some great information to help you be a prepared and informed homeowner.**

**1. Your home's equity is important.**

If the value of your home is worth more than you owe, you can use this to leverage investment properties, or get cash for other expenses.

**2. When buying a home, be sure to consider your long-term plans.**

While the cost of a home is a big factor, you should also think of your purchase as an investment. How can your home achieve your goals? Discuss your ultimate plans with your lender and how your mortgage could serve you down the road.

**3. According to the National Association of REALTORS®, the typical down payment for a first-time homebuyer is 6 percent.**

It's time to clear up the 20-percent down payment myth! There are many mortgage programs out there that require little to no down payment.

**4. Rising rental costs are a common occurrence.**

As leases are renewed, owners of rental properties will pass rising tax, insurance, utility, and maintenance costs on to their tenants. Like houses, rental units are equally susceptible to rising occupancy costs.

**5. Homeowners with a strong sentimental attachment to their home often price their property with unrealistic expectations.**

As you're house hunting, check neighborhood comparable sales to make sure you're getting a fair deal.

**6. Don't forget that mortgage interest and property taxes may be income tax deductible.**

Be sure to take advantage of this, as it can save you hundreds of dollars per year. Consult your tax advisor.

**7. Cautiously consider all home improvements.**

While many homeowners want to update their house to satisfy their personal taste, be careful not to over-improve, as it can be an expensive mistake. Improvements such as garages converted to extra rooms or space designed to accommodate one type of family could negatively affect your chances of selling.

**8. Waiting on the market to change is not always a good idea.**

Some buyers may put off purchasing a home in the hopes that prices will go down. But the real estate market is unpredictable, so it's just as likely for prices to go up.



**9. There's never a perfect time to sell a house.**

Whether it's a "buyer's market" or a "seller's market," most people will be on both ends of the process. As a seller, you might get more for your home, but you are likely to have to pay more for the next home you purchase.

**10. A good real estate agent can sell homes quickly, easily and at the right price.**

While some people have been successful selling their home on their own, it is a large risk to take. A knowledgeable real estate agent can protect your interests during the process when it's time to sell your home.

A close-up photograph of a person's hands packing a white ceramic plate into a cardboard box. The box is filled with brown paper packing peanuts. The person is wearing a blue shirt. The box is sitting on a light-colored wooden floor. A blue banner with white text is overlaid on the image.

# MOVING CHECKLIST



## ONE MONTH BEFORE MOVING:

- ☐ Collect everything not to be moved and save for a garage sale or charitable donation
- ☐ Select mover and arrange for exact form of payment at destination - Be sure to check moving company policy regarding broken or damaged items; moving companies typically do not reimburse for breakage or damage to items in boxes they do not pack
- ☐ Start packing now, unless you have scheduled packing services
- ☐ Contact insurance agent to transfer/cancel insurance coverage on your old home
- ☐ Complete change of address form from post office
- ☐ Notify all magazines or other subscriptions of change of address
- ☐ Notify your doctor, dentist, veterinarian, and pharmacy of your change of address
- ☐ Contact utility companies for refunds of deposit and schedule turn-off date
- ☐ Check freezer and plan use of food over next 2-3 weeks
- ☐ Pack all jewelry and other valuables in a safe place to prevent loss during move

## ONE WEEK BEFORE MOVING:

- ☐ Confirm moving day details with the moving company
- ☐ Organize at least one room in the house for packers and movers to work freely
- ☐ Defrost freezer and refrigerator; place charcoal inside to prevent mildew
- ☐ Make arrangements for disconnecting appliances (ice maker, washing machine, dryer) from water and gas sources
- ☐ Cancel all newspapers, yard service, etc.
- ☐ Prune larger houseplants and re-pot those in clay pots into unbreakable plastic containers
- ☐ Schedule a cleaning service to clean both your old and new homes, or have cleaning supplies accessible upon arrival to your new house
- ☐ Consider hiring an exterminator for the new residence prior to moving in

## MOVING DAY:

- ☐ Make sure phone service, gas, electricity, and water are turned on; if you are moving into a pre-owned home, you can sometimes make arrangements to have the service transferred on loan closing day when you take actual possession
- ☐ Make arrangements for food for you (and the movers, if possible)
- ☐ Hire a sitter or send the kids and/or pets to a friend's house for the day
- ☐ Notify packers and/or driver about fragile items (ensure these are marked "fragile")
- ☐ Identify boxes with linens needed to make your beds at your new home and place them in a convenient location
- ☐ Make a final check of the entire house (closets, shelves, attic, garage, etc.)
- ☐ Get complete routing information and phone numbers from the driver



A full-body photograph of a man with brown hair, a beard, and black-rimmed glasses. He is smiling broadly at the camera. He is wearing a dark blue, long-sleeved button-down shirt with a fine white dot pattern, with the sleeves rolled up. He is also wearing light-colored khaki pants and a brown leather belt with a silver buckle. His hands are in his pockets. The background is a blurred office interior with glass partitions and white structural columns.

A WELL-INFORMED HOMEBUYER IS A HAPPY HOMEBUYER



You want a lender who will close on time and without stress or surprises popping up! Ask questions like these to help you vet potential lenders. You can ask us, too – we're happy to answer any and all questions you have!

☐ What percentage of your loans close late (after the contract closing date)?

☐ What percentage of your prequalified loans are denied during the underwriting process?

☐ What loan programs do you offer?

☐ Can you estimate and explain your fees? What upfront fees do you charge?

☐ Do you offer in-house processing, underwriting, closing, and funding?

☐ How do you keep clients updated during the loan process?





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Cornerstone Home Lending, a Division of Cornerstone  
Capital Bank, SSB. Member FDIC. NMLS ID# 2258.

Not a commitment to lend. Borrower must meet qualification criteria.  
This information is meant to be a guide showing the financing process.  
Because requirements for a borrower's specific loan program can vary,  
not all transactions may follow the illustrative information or steps  
included in this guide. Information as of 1/7/2025. 230024\_PAC

