

A large, solid yellow silhouette of a house with a chimney on the left side, a circular window in the gable, and two rectangular windows at the base. The house shape is centered on the page.

2018 Homebuying Guide

Why Jersey Mortgage?



We know that purchasing a home can be stressful, and we want to help. One of the biggest choices is always between a Mortgage Company and a Bank. We're here to make that choice a little easier.

Jersey Mortgage



- In-house processing, underwriting, closing, and funding
- Expertise and specialization solely in mortgage products
- Required to be federally and state licensed
- Average time from application to close (30 days)
- Local appraisers
- Lower lender fees
- Licensed loan officers with 24/7 availability
- Customized and diverse mortgage structuring

Most Banks



- Out-of-state processing and underwriting
- Sell multiple products other than mortgages
- Not required to be licensed
- Average process time: 60 to 90 days (estimate)
- National appraisal companies
- Higher lender fees
- Limited access to loan officer
- Limited mortgage products

1-800-342-6597



ARE YOU READY TO BECOME A HOMEOWNER?

Whether you're becoming a homeowner for the first time or you're a repeat buyer, buying a house is a financial and emotional decision that requires the experience and support of a team of reliable professionals.

1

GET A MORTGAGE PRE-APPROVAL

Most first-time buyers need to finance their home purchase, and a consultation with a mortgage lender is a crucial step in the process. Find out how much you can afford before you begin your home search.

2

GET A REALTOR®

In the maze of forms, financing, inspections, marketing, pricing, and negotiating, it makes sense to work with professionals who know the community and much more. Those professionals are the local Realtors who serve your area.

3

LOOK AT HOMES

A quick search on our site will bring up thousands of homes for sale. Educating yourself on your local market and working with an experienced Realtor can help you narrow your priorities and make an informed decision about which home to choose.

4

CHOOSE A HOME

While no one can know for sure what will happen to housing values, if you choose to buy a home that meets your needs and priorities, you'll be happy living in it for years to come.

5

GET FUNDING

The cost of financing your home purchase is usually greater than the price of the home itself (after interest, closing costs, and taxes are added). Get as much information as possible regarding your options and other costs.

6

MAKE AN OFFER

While much attention is paid to the asking price of a home, a proposal to buy includes both the price and terms. In some cases, terms can represent thousands of dollars in additional value—or additional costs—for buyers.

8

CLOSING

The closing process, which in different parts of the country is also known as "settlement" or "escrow," is increasingly computerized and automated. In practice, closings bring together a variety of parties who are part of the real estate transaction.

9

WHAT'S NEXT?

You've done it. You've looked at properties, made an offer, obtained financing, and gone to closing. The home is yours. Is there any more to the home-buying process? Whether you're a first-time buyer or a repeat buyer, you'll want to take several more steps.



9 STEPS TO BUYING A HOME

Buying a house may be the most complicated financial process of your entire life. Luckily, we've broken it down into 9 straightforward steps.

DID YOU KNOW???

FOR EVERY \$10K OF HOUSE YOU BUY IT EQUATES TO \$50 IN PAYMENTS?*

**At Today's Rates*

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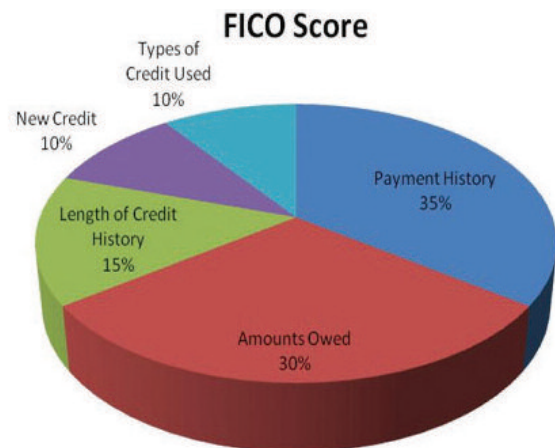
Who Is Grading You?

Your credit score is one of the most important numbers in your life, and it is absolutely critical in managing your personal finances.

Throughout your adult life, you will see this number influence major financial decisions.

Five factors are used to determine your credit score:

- 1. Payment History**
- 2. Debt-to-Credit Limit Ratio**
- 3. Credit History**
- 4. Credit Mix**
- 5. New Account Inquiries**



The FICO score ranges from a 300-850. The FICO site offers three scores with each one representing the different bureau information from Experian, Trans Union, and Equifax. Bankers take the middle number of the three FICO scores as the base for evaluating risk.

Here are some of the other scores sold online to consumers:

- **National Equivalency Score**
Sold by Experian and the range is from 360-840.
- **Vantage 2.0 Score**
Created by all three credit bureaus and ranges from a 501-990 with letter grades A-F.

- **Vantage 3.0 Score**

Newer version which ranges from a 300-850 like the FICO score. Although it is the same range it is not the same as a FICO score.

- **Plus Score**

Sold by the bureaus, it ranges from 330-830 and is strictly an educational source.

- **Equifax Scores**

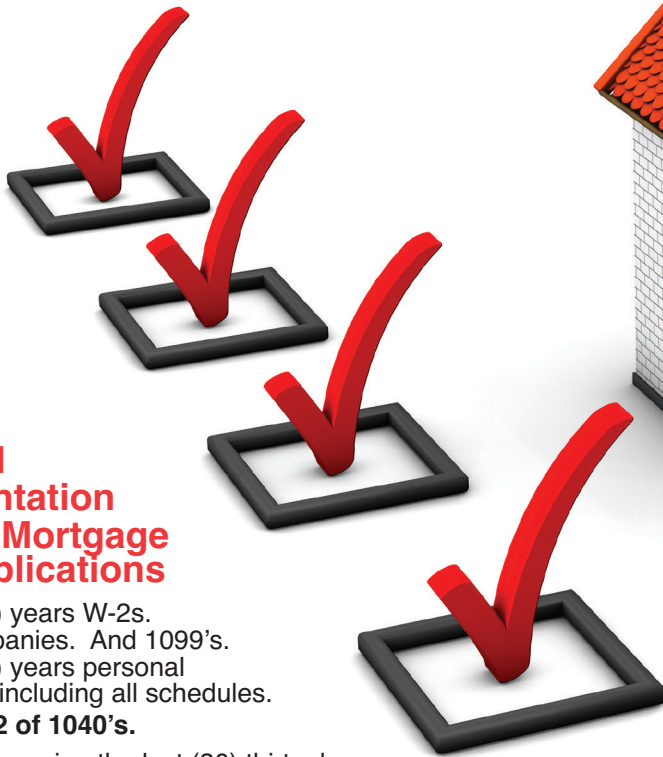
Sold and created by Equifax and ranges from a 280-850. It is sold for educational purposes.

- **Trans Union Scores**

Ranges from 300-850 and are also sold for educational purposes.

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Mortgage Application Document Checklist



Required Documentation for Most Mortgage Loan Applications

- Past two (2) years W-2s. For all companies. And 1099's.
- Past two (2) years personal Tax returns-including all schedules.

Sign page 2 of 1040's.

- Pay Stubs covering the last (30) thirty days.
- Most recent two months banks statements-all pages. (Large deposits must be paper trailed)
- If divorced... a fully executed divorce decree.
- If previously bankrupt, a copy of the bankruptcy papers.
- Driver's license-clear color copy
- Social Security Card-clear color copy

If Purchasing

- Most recent two months asset account statements of account where down payment is coming from.
- Copy of the Purchase and Sale Agreement and copy of earnest money deposit from Realtor or Attorney. (Copy of cancelled check and bank statement showing the earnest money/initial; deposit clearing the account).
- If you are currently renting....either 12 months canceled rent checks or the name and address of your current landlord.

If Refinancing

- Recent payment slip from your current mortgage(s).
- A copy of your homeowners insurance declarations page.
- Recent property tax statement

Note: If your desired loan is a refinance, the two months asset account statements will only need to show two months of payment reserves.

For Self Employed borrowers, Employed in sales, Paid by commission, Owns Rental Real Estate, or when required by Underwriting:

- Two (2)years signed personal Tax returns- including all schedules.
- If self-employed through a corporation, last two years corporate returns as well as a year-to-date profit and loss statement and balance sheet.
- If self-employed - business licenses for the past two years.

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How Much Should You Borrow When Buying a Home?



When you're in the market for a new home, it can be tempting to stretch your budget in order to buy a place that has all the features you want. But doing so could cause money trouble for you and your family.

Here are some things to consider before making an offer on your dream house:

How to Determine the True Costs of Homeownership

When Holbrook was shopping for her first home, she calculated the cost of her mortgage and assumed that the expense of owning a home would be close to the amount she was already paying in rent. But once she added in all the other expenses involved in homeownership, the monthly cost nearly doubled.

"New homeowners don't always understand the hidden costs that come along with owning a home," said Holbrook. "They don't factor in things like home repairs, maintenance, homeowners' association or condo fees, utilities, property taxes, private mortgage insurance, home insurance and all sorts of other costs."

Not taking these costs into account meant that Holbrook might have taken on a mortgage that would have significantly stretched her budget. That's why she believes it's critical that you sit down with a calculator and add up all the costs in order to get a true idea of how much homeownership will cost you.

The Amount You're Approved to Borrow May Not Be What You Can Afford

A lot of people mistakenly believe that if they're approved for a certain mortgage amount, then they can afford to borrow it. But that's not true. What a bank may feel comfortable lending you might be very different from what you can actually afford. Lenders don't know all of your expenses. They're looking only at the types of expenses that are going to show up in your credit report. They don't know what kind of daycare expenses you have, if you're paying private school tuition or whether you're supporting aging parents.

Lenders also don't know about your other goals or financial priorities, like whether you want to start a business in a few years or you're saving to send your kids to college.

How much you should borrow on your home is an individual choice. You might make the same amount as your friend; but if you have different expenses, goals or priorities, then the ideal amount to borrow could be completely different. Even common advice, like spending no more than 25 to 30 percent of net income on housing costs, might not apply to you if it doesn't fit with your current and future lifestyle and goals. Since buying a home is a long-term investment, make sure that the costs will fit your financial situation in 10 or even 30 years' time.

If you're unsure how much you can afford, Holbrook suggests that you sit down with a financial professional who can go over your financial situation and help determine how much to spend.

Feel Confident in Your Choice

Shopping for and buying a home is often a stressful and busy time, but taking the time to think about mortgage affordability and ensuring that you don't end up borrowing too much will set your family up for future success.

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Questions?

That's What We're Here For.
Call Today and Let's Get Started!



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