

## **Step 1 - Are you ready to buy a home?**

When you begin thinking about buying a home, you will be faced with many decisions. It is not always easy to find the right home, and getting a mortgage can seem complicated.

A home mortgage loan consists of documents that are in fact your promise to pay back the loan. Mifflinburg Bank wants you to feel secure in your new home and financially comfortable, so we work with you to help insure that your income can support the loan payment.

Some other factors that are used to determine your ability to get a mortgage loan are job history, credit history, and amount of savings. Generally, a borrower should have two years or more of steady employment, which demonstrates a consistent income flow for repayment of the loan.

Sometimes people think they have good credit, and then they apply for a loan and are surprised to learn that there are some problems with their credit. You can check your credit history before applying for a loan, or at any time to verify its accuracy. There are three credit bureaus that keep records on consumers: Equifax (800-685-1111) or <http://www.equifax.com>, Experian (888-397-3742) or <http://www.experian.com>, and TransUnion (800-888-4213) or <http://www.transunion.com>. You should be able to contact each of the credit bureaus to get a copy of your credit report. A fee may be charged for these services. You can also order a free copy of your credit report from all three bureaus at <http://www.annualcreditreport.com>.

Learn more about credit issues at <http://www.truecredit.com/help/learnCenter/welcome.jsp>, and <http://www.ftc.gov>. For copies of FTC (Federal Trade Commission) brochures on credit issues, call 877-FTC-HELP.

When you buy a home, you will need money that you have saved for the down payment and closing costs associated with the home purchase and loan. Generally, you need to make a down payment that equals at least 5 percent of the purchase price, but the amount may vary. You will also need money for closing costs, such as title policy, points, and recording fees. These costs can be expensive, and sometimes the property seller is willing to pay part of your closing costs.

## **Step 2 - Pre-Qualify before you buy**

You will want to meet with a Mifflinburg Bank Mortgage Lender about pre-qualifying for a mortgage before you start your home search. This step will help you determine exactly how much house you can afford and expedite the acceptance of your offer when you locate your dream home. This is a free service of Mifflinburg Bank.

### **Step 3 - Complete & Sign the Application**

Have your personal financial records ready. You will need to provide information on your personal financial situation and the loan application. You will also be asked to sign documents allowing the lender to check with your bank, employer and allowing a credit check. In order to complete the application, you'll need the following information:

- Personal Contact Information
- Social Security Number(s)
- Employment History
- Asset Information (deposit accounts, retirement funds, stocks, property)
- Liability Information (loans, credit cards, debts)

Get a head start on the mortgage process. Complete the form and bring it to your appointment with one of our Mortgage Lenders. An underwriting fee is due at the time of application. If you need to make an appointment, please call (570-966-1041 or 888-966-6282).

### **Step 4 - Pre-approval**

After we receive the verification of information on your loan application and check your credit, we can then approve you for a loan, subject to an appraisal to verify the value of the property you may buy. We will furnish you with a pre-qualification letter to verify your financing approval to real estate agents and sellers.

### **Step 5 - Find your Dream Home**

Once you have found a home and the seller accepts, you will be asked to provide us with a copy of the accepted "Offer to Purchase" so we can provide you with your loan estimate and notice of intent to proceed. Once we receive your notice of intent we can order the appraisal.

### **Step 6 - Appraisal Completed by an Independent Appraiser**

The property you purchase is used as collateral for your loan. Therefore, we require an independent appraisal report. The appraiser estimates the current value of the property based on the size of the property, the age of the property, its structural integrity, and the neighborhood. When we receive the results of the appraisal we will contact you.

### **Step 7 - Commitment Issued**

Your loan application will be reviewed for approval. Once it is approved, you'll receive a "Commitment Letter" subject to the receipt of an appraisal and an appropriate Loan to Value Ratio. Upon the receipt of the appraisal you will be contacted to schedule a time (within the number of days stipulated in the letter) for the closing and property transfer.

## **Step 8 - Closing**

This is when you take legal ownership of the property. Closings are generally conducted by the attorney at your local Mifflinburg Bank & Trust office. Usually all the parties involved (seller, attorney, lender, and buyer) attend. A minimum of 3 days prior to the closing, you will receive your closing disclosure which will inform you of the exact amount of down payment and closing cost money you need to bring. You will also be asked to provide proof of hazard insurance for the property to the bank a few days before the scheduled closing. At the closing, you will be given a brief explanation of a number of legal documents and asked to sign them. As a buyer, you will sign a mortgage note, which is the personal promise to repay the loan, and the mortgage, which is the financial lien or claim against the property. Finally, the moment you have been waiting for - you receive the house keys and are officially a homeowner!

## **Step 9 - Automatic Mortgage Payments**

We can arrange to have your mortgage payment taken automatically from your Mifflinburg Bank & Trust checking or savings account. No needs to write a check, make a trip to the bank, or mail the payment. Never worry about your payment being late again.