

HOME SWEET LOAN

Your path to home ownership with UFirst FCU



UFIRST
FEDERAL CREDIT UNION

HOMEBUYER'S GUIDE

The "Homebuyer Guide" by UFirst Federal Credit Union is designed to empower aspiring homeowners with the knowledge and confidence needed to navigate the complex world of real estate. As a trusted financial institution with a commitment to community support and education, UFirst Federal Credit Union recognizes that purchasing a home is one of the most significant financial decisions an individual will make.

This comprehensive guide offers step-by-step insights into the home-buying process, from understanding mortgage options and securing financing to negotiating offers and closing the deal. It provides practical tips, expert advice, and valuable resources to help first-time buyers make informed decisions.

With a focus on simplifying the journey, UFirst aims to transform the dream of homeownership into a reality, ensuring a smooth and rewarding experience for every new homeowner.





HERE'S WHAT YOU'LL **FIND INSIDE**

Top 4 tips for homebuying

A quick reference guide to successfully purchasing a home!

Pre-approval documents

A list of things you will need to get pre-approved as quickly as possible!

Dos and Don'ts

A list of common actions that could impact your loan approval.

Home Buying Process

An overview of the process and what to look out for when buying a home



TOP 4 TIPS FOR HOME BUYING

1. BE REALISTIC
2. KNOW YOUR CREDIT SCORE
3. ESTABLISH YOUR BUDGET/SAVINGS
4. SET A TIMELINE

BE REALISTIC

While our needs are important when looking at buying a home, we want to make sure we are living within our means and looking at options that will be sustainable long term.

The best way to do this is by asking yourself some questions and being honest with what you can afford!

- Are you confident in your employment/sources of income?
- Can you afford the new payment?
 - Can you sustain this payment for the life of the loan?
 - Typically 15-30 years depending on the loan
 - Will you have an adjustable or a fixed rate
- List out your wants VS needs & choose priorities
 - Ex. You may **need** 2 bedrooms
 - Ex. You might **want** a newly refinished bathroom with a large shower
- Location
 - Will it be practical to commute/bring kids to school or daycare, etc.



KNOW YOUR CREDIT SCORE

Your credit score will have a major impact on your home buying process. Lenders want to make sure that you & will repay your loan; therefore, they look at your credit score to determine trustworthiness. A higher credit score can result in lower interest rates saving you money over time.

What factors into your credit score?

Payment History (35%)

How you've paid your bills in the past. A long history of making payments on time and not missing payments can have the most positive impact on your credit score.

Outstanding Credit Balances (30%)

The amount you owe relative to the total amount of credit available. People with the best credit scores tend to keep their balances low.

Length of Credit History (15%)

The age of your open credit lines - the longer your credit history, the better.

Type of Credit (10%)

Your current mix of credit cards, retail accounts, finance company loans, and mortgage loans - a diverse mix of credit is best.

Inquiries (10%)

How many credit applications you're filling out. Multiple credit report inquiries can lower your score.



Tips to help your credit prior to buying a home



- No late payments within 12 months of pre-approval
- Diversify your credit
- Keep utilization & debt-to-income low
- Have credit for at least 24 months prior to pre approval





ESTABLISH A BUDGET & SAVINGS PLAN

Define your income

Establish your gross income as well as your net income.

- A good rule of thumb: Your total monthly home expenses—your monthly mortgage payment, property taxes, home insurance and any HOA fees—shouldn't exceed 28% of your gross monthly income.

Notate bills & potential expenses

While our net income can help us establish what we can afford, we know there are a lot of expenses that come out of that income after taxes.

Things to consider:

- Weekly
 - Ex. Gas, groceries, etc.
- Monthly
 - Examples: Gas, garbage, electricity, gym membership, day care, etc.
- Quarterly expenses
 - Example: Insurance
- Annual expenses
 - Examples: Car registration, taxes, etc.
- Spontaneous expenses
 - Examples: Propane, car repairs, home improvements, children's sports and fieldtrips etc.



Scan here to establish your budget and estimate what you can afford for a mortgage payment





SET A TIMELINE

The best way to succeed is to make a plan as soon as possible. The more time you give yourself to budget and save the more secure you will be when purchasing your home.

Establish:

- Your budget
 - High vs. low priority spending
 - How much do you want to save for a down payment & closing costs (rule of thumb: save 3-5% of purchase price)
- A timeline
 - When would you like to buy a house?
 - What is a practical amount of time for you to save and build up credit?
 - Calculate what you need and how much you can contribute to the fund each month and build your timeline from there

STICK WITH YOUR GOALS. CONSISTENCY > PERFECTION.

PLANNING ACTIVITY

Amount you want to save for a down payment _____

Amount you can set aside each month _____

Amount needed divided by amount saved each month _____

***This will give you how many months it will take you to save for your down payment (you can divide that number by 12 to establish how many years it can take)**



How much can you afford to pay monthly?

A. Total Pre-Tax Monthly Household Income

Income that can be documented

A. \$ _____

B. Total Monthly Household Income x .45

B. \$ _____

C. Total Monthly Debt Payments

Cars, credit cards, student loans, etc.

C. \$ _____

D. Calculate B-C=D

Maximum monthly house payment includes property tax and insurances

D. \$ _____

This calculator is used solely to give you an idea of what you can afford monthly and does not take the place of a formal pre-approval from a lender.



Scan here to use
our mortgage
affordability
calculator through
Banzai



REQUIRED DOCUMENTATION

To get pre-qualified, you must provide the following information to your lender:

- Copy of your driver's license
- Last 2 years of W2 statements from your employer
- Last 30 days of pay stubs
- Last 2 months of checking/savings
- If self employed - last 2 years of tax returns



Things to Consider:

- You usually need a pre-approval to be shown a home
- This is a hard pull on your credit
 - The pull is good for 90 days
- It can take 2-3 business days to get a prequalification
- Rate lock is good for 70 days
- Pre-approval amount will decrease as debt increases
- Sales contracts can take 6-8 weeks
 - Depending on timeframe, the lender may need to make an additional credit pull & adjusted rate



TIPS FOR A SMOOTH LOAN APPROVAL

Do:

- Stay current on all your existing accounts
- Keep working at your current employer
- Keep your same insurance company
- Continue living at your current residence
- Continue to use your credit as normal
- Gather your documents to have ready

Don't:

- Make a major purchase (car, boat, jewelry, etc.)
- Apply for or open a new credit card
- Change jobs without notifying your lender first
- Make any balance transfers
- Close any credit card accounts
- Max out your credit cards

By adhering to these dos and don'ts and maintaining financial discipline, you can facilitate a smoother mortgage loan approval process. These steps can help you avoid delays in the loan process!






WE ARE READY TO PUT YOU FIRST

Our goal is to help you make the home of your dreams a reality. We are here to help you along the way by providing you with resources and answering all of your questions!

Ready to get started?

Connect with our lending team by emailing lending@ufirstfcu.net

 lending@ufirstfcu.net

 518-324-5700 (call or text)



Jessica

NMLS #: 1450817



Leah

NMLS #: 2413090

Apply for a loan
by scanning
here or visit
one of our
branches!



MORTGAGE PROCESS TIMELINE

Assess Financial Readiness

Obtain Mortgage Pre-Approval

Look at homes

Make an Offer & Lock-In Rate

Update Credit Docs, if needed

Conduct Home Inspection

Finalize Mortgage Application

Closing Day

Move In & Celebrate!



THINGS TO REMEMBER

AFTER BUYING A HOME

You bought your first home, YAY! Here are just a few helpful things to remember after moving into your new home!

Update Your Address

It can be hard to remember all of the places to update your address, so here is a list to get you started!

- Financial Institutions
- Insurance providers
- Vehicle registration and driver's license
- Employer
- Subscription services
- USPS for mail forwarding
- Voter registration

Schedule for utilities to be turned on

Cancel any existing utilities for previous homes/apartments and schedule to have the new homes utilities in your name so it is ready to go on move in day!

Establish local service providers

Such as lawn care, trash pick up & fuel providers

Celebrate!

YOU DID IT! Take some time to soak it in and make your house a home!



WHAT ARE YOUR NEXT STEPS?

If you feel you are ready to begin the process, let us help you determine the best way to move forward. We hope to have answered some of your questions, but we've been around long enough to know that you may have more! That's what we are here for.



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