

*How to*  
**BUY A  
HOUSE**

YOUR  
MORTGAGE **101**



**CHURCHILL  
MORTGAGE®**

[ChurchillMortgage.com](http://ChurchillMortgage.com)



**Top-Rated Mortgage Lender ★★★★★**  
Over 100,000+ Reviews from Homeowners!

# TABLE OF CONTENTS

- 1** The Importance of Understanding the Mortgage Process
- 3** Which Loan Program Is Right for You
- 5** What About Interest Rates?
- 7** The Unique Point of Difference
- 10** Shop for a Home
- 12** The 5 Steps of the Home Loan Process



# THE IMPORTANCE OF UNDERSTANDING THE MORTGAGE PROCESS

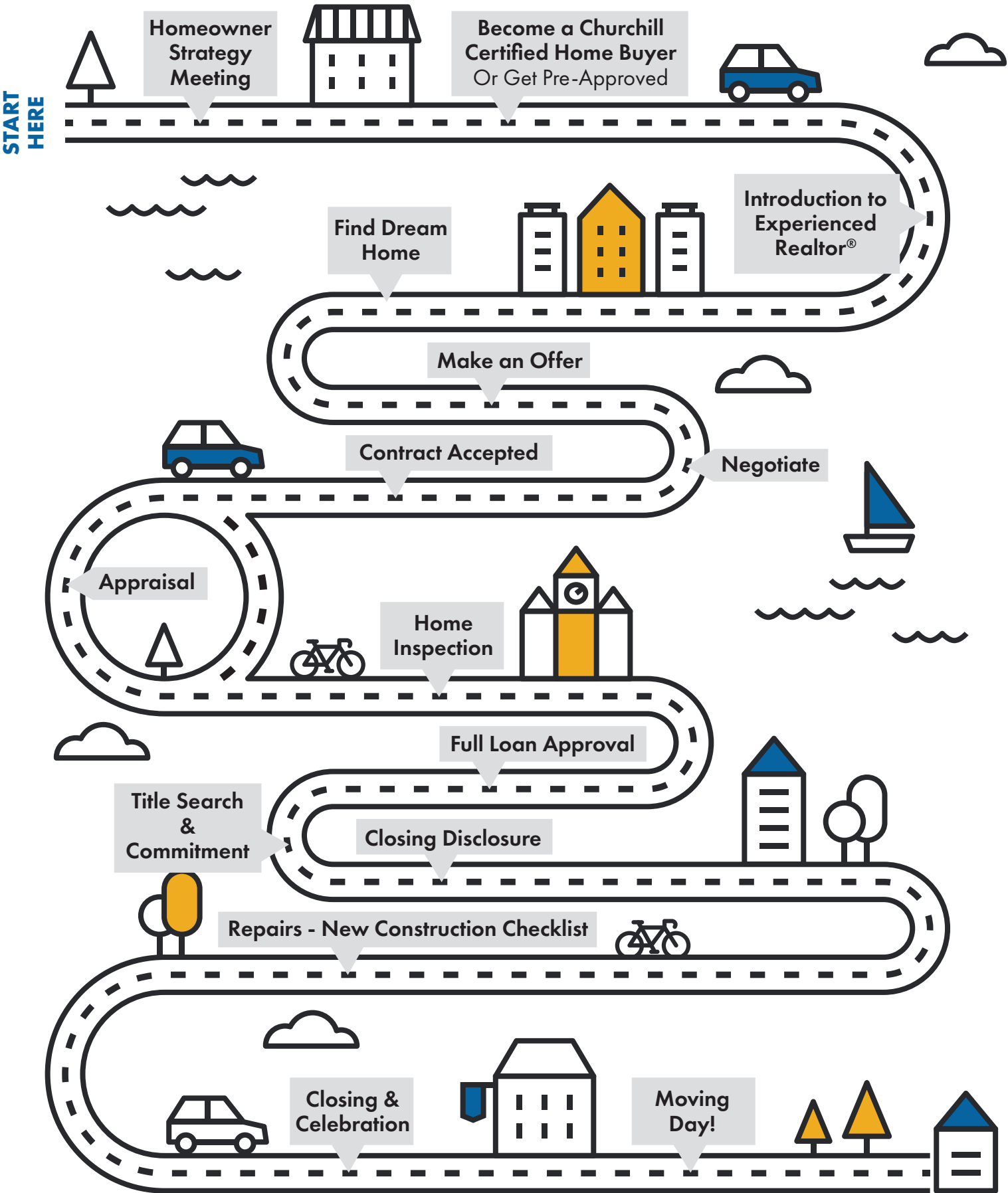
It's easy to get overwhelmed when you're planning to buy a home. There's a lot to think about, so we want to make your home buying experience as easy as possible without being completely automated and impersonal. With so much of your hard-earned money on the line, now's the best time to seek advice from a trusted home loan expert and know you're in qualified hands.



If you haven't connected with a Churchill Home Loan Specialist yet, we're happy to connect you with someone in your area who can help. [churchillmortgage.com/Get-Started](https://churchillmortgage.com/Get-Started) or call 888.562.6200



# HOME BUYER'S ROADMAP



# WHICH LOAN PROGRAM IS RIGHT FOR YOU?

If you're one of the many people looking to purchase a home this year, it's important to know your loan options and understand what's best for your situation.

## The 5 most common mortgages in the U.S.

- > **Conventional**
- > **FHA**
- > **VA**
- > **USDA**
- > **Non-Traditional**

Many states have local mortgage programs that may fit your needs as well. Talk to your Home Loan Specialist to see if there are other options in your area. [churchillmortgage.com/Get-Started](http://churchillmortgage.com/Get-Started) or call: 888-562-6200



## Conventional

This is the most common loan option and meets the needs of most people. Due to lack of government backing for these, they do require better credit to qualify, but the cost is considerably lower than most comparable government-backed loans.

## FHA

If you don't qualify for a conventional loan, take a deeper look at this option. These loans are backed by the government and have a lower down payment requirement, credit score threshold, and income qualification. It might fit what you need!

## VA

Have you served in the U.S. military or are you currently serving? If so, you'll want to look at this option because it's a great loan product that's an earned benefit offered to all active duty and retired military personnel. It has highly competitive pricing, no mortgage insurance requirement, the option to wrap the down payment into the loan principal, and further benefits extended to disabled vets.

## USDA

This loan is designed for rural borrowers, making it ideal for those who may not be able to get conventional financing. It's managed by the Rural Housing Service and offers flexible credit criteria.

## Non-Traditional

Several types of loans fit into this category, including: jumbo, zero score, interest only, adjustable rate, etc. If conventional methods of homeownership are not an option for you, then a non-traditional loan might be an alternative for you. These loans offer versatile methods of financing for select borrowers.

# WHAT ABOUT INTEREST RATES?

Interest rates are a hot topic when you're looking to buy a home. Did you know that on any given day, many different things can impact interest rates? Here are the main variables that can affect your rate:

- 1 Home price and loan amount:** Your home price minus your down payment will determine how much you'll borrow which helps pin down your interest rate.
- 2 Down payment:** Generally, a high down payment equals a lower interest rate. The more money you put down, the more stake you have in the property.
- 3 Loan term:** Shorter terms (like a 15-year or a 20-year) generally have lower interest rates than a 30-year term.
- 4 Interest rate type:** Interest rates come in two basic types: fixed and adjustable. Fixed rates do not change over time. Adjustable rate mortgages (ARMs), on the other hand, have an initial fixed period then go up or down based on the market. For example, a 5-year ARM loan will have a fixed rate for the first 5 years and then the rate will fluctuate from the 6th year onward.
- 5 Loan type:** Different categories of loans (explained on page 4 of this guide) have different rates.
- 6 Credit score:** Primarily based on credit report information usually from credit bureaus. Typically, this is called your FICO® score and is based upon your credit history.

To put it simply, interest is the percentage of your loan that's charged for borrowing money. APR is how the interest rate will affect your payments over the course of an entire year, and includes any additional fees and potential mortgage insurance associated with the loan. Knowing the APR gives you a straightforward way to compare the cost of one loan to another. This is really the only way you'll know the true cost of your loan.

## QUICK TIP

Don't focus solely on interest rates. Interest rates might be identical from loan to loan but fees can vary widely. It's important to know what's included in calculating the Annual Percentage Rate (APR) so you can properly compare your loan options.







# CERTIFIED HOME BUYER

by Churchill Mortgage

## THE UNIQUE POINT OF DIFFERENCE

Once you've decided on what type of loan best fits your situation, the next move is to become a Churchill Certified Home Buyer. With this busy real estate market, it pays to be strategic and set yourself up for success. What's the difference between being pre-qualified, pre-approved, and certified? It's all the same thing—right? No! **The type of approval you get could be the difference maker when you're ready to make an offer on a new home** so it's important to know the power behind the types of approval.



Ask me about our \$10,000 Seller Guarantee!





## PRE-QUALIFICATION

Any loan officer can say you are “pre-qualified.” A pre-qualification is based on information you provide, not a verification of your income and assets. **While this may seem like the quickest and easiest option, you’re not actually approved for financing.** This is a big problem if you’ve invested weeks or even months of your time and effort finding the right home and it’s sold from underneath you while you’re trying to get your loan approved.



## STANDARD PRE-APPROVAL

This option takes a little more time than a pre-qualification since you’ll need to submit financial documents to your lender for review. A standard pre-approval can help you determine how much you can afford before you start looking for a house but **doesn’t mean a mortgage underwriter has reviewed your file, resulting in a less reliable approval.**



## CHURCHILL CERTIFIED HOME BUYER

You’ve submitted your financial documents to be reviewed by an actual underwriter and you’ve been conditionally approved for financing on a new home, subject to the approval of your desired property. You’ve done a bulk of the leg work up front, making the home buying process quick and smooth once you’ve found the right home. **This gives both you and the seller of the home you wish to buy peace of mind that your funds will be approved when it’s time to sign on the dotted line.** Going through this process up front helps catch many of the hiccups early on and prevents any issues from arising at the last minute. **This is your best option, especially when the competition is high.**



As you're looking for a new home, we know you want the lowest possible interest rate tied to your mortgage. Who wouldn't? There's nothing more frustrating than having your interest rate go up before you close on your loan. You can now protect yourself from the fluctuating interest rates with Churchill's Rate Secured program. It's simple:

- Secure a low interest rate at no cost
- Cap your rate for up to 90 days while you shop for a home
- Reset the rate for another 90 days if you don't find a home in the initial 90-day period

### **So what happens if rates go up or down with Rate Secured?**

Your interest rate helps determine your monthly mortgage payment so when you cap your rate, think of it as securing your savings on your mortgage. Let's break it down a step further:



**If rates go up,  
your rate stays  
the same**



**If rates go down, you  
have a one-time option to  
receive that lower rate**

## **PRO TIP**

Don't try and predict interest rates—just focus on getting a rate you're comfortable with for your budget. If the rate and its resulting monthly payment work for you, then lock your rate with your Home Loan Specialist. The goal here is to protect yourself from rising rates and eliminate worry!





## **FIND YOUR DREAM HOME**

Now that you're a Certified Home Buyer, you know what you're comfortable spending on a new home based on your budget. It's time to start shopping for your dream home! Buying a home requires teamwork—and your real estate agent is a key player. From making a wish list to scouting out homes, your agent will work hard to help you find the best home. Normally, it's best to select a Realtor® who has been referred to you by a trusted source, is a strong negotiator, and is someone who can tell you about the value or future marketability of homes within different neighborhoods.

# Important Things to Consider When House Hunting:



**Price**



**Condition**



**School district** *(especially if you have school-aged children)*



**Neighborhood/location**



**Size** *(number of bedrooms and bathrooms, storage, etc.)*



**Layout** *(one story, two story, open concept, etc.)*



**Amount of maintenance needed**

A lot of time and energy goes into looking for a new home, so it's important to narrow down your wants versus needs. It's best to set your top priorities when you're looking to buy a home. That way you won't be disappointed and settle for something you think is far from perfect.

# THE 5 STEPS OF THE HOME LOAN PROCESS

Some parts of the home loan process you will need to take care of now, other parts will occur after you have selected a home.

Here's an easy-to-understand view of the home loan process:

## 1. APPLICATION

You'll complete a mortgage application, discuss your down payment, closing costs, and interest rate.

## 2. CERTIFIED HOME BUYER

This is the beginning of the loan process. You'll get a pre-approval with up-front underwriting. You'll save time in the long run since you don't need a property address for this part of the process and can start looking for your dream home.

## 3. PROCESSING

Third-party services (i.e. appraisal, survey, inspection, etc.) as well as gathering documents, asset verification, and employment verification.

## 4. UNDERWRITING

Your loan goes through underwriting for final approval. Once all conditions are approved, the underwriter issues the clear to close.

## 5. CLOSING

The underwriter issues final approval, processes closing disclosures, schedules closing, completes closing, and funds the loan.

# THE DO'S AND DON'TS OF THE LOAN PROCESS

## DO

Become a Churchill  
**Certified Home Buyer.**



**Respond within 24-hours**  
to all document requests.

Make all your  
current liability  
payments **on time.**



Notify your Home  
Loan Specialist of **any**  
**change in your pay**  
**or position.**

Keep **all** your original  
paperwork. Use Churchill's  
secure process for  
submitting all paperwork.



## DON'T



**Open any new accounts,**  
such as credit cards, lines  
of credit, student loans, cell  
phones, or mortgages.

**Change jobs or**  
companies.



**Transfer or liquidate funds**  
without talking to your Home  
Loan Specialist first.

**Deposit monies** outside of  
your automated payroll.



**Cosign** for another loan or  
liability. Send documents to  
your Home Loan Specialist  
via regular e-mail.

*(Use Churchill's secure process that we  
provided to you.)*

## **OUR SERVICE DOESN'T END ON CLOSING DAY**

It's the BIG day—closing day! You'll have a lot of documents to sign: mortgage documents, tax records, legal disclosures, etc. but in the end you'll have the keys to your new home.

**Just because your loan closes with Churchill doesn't mean your service stops there.** Your Home Loan Specialist continues to be available to answer any questions regarding your mortgage.

### **We also provide:**

- A yearly review of your mortgage to make sure your home loan is still meeting your financial goals.
- Continued education for you, your family, and friends with regular market updates and potential property investment opportunities in their area.





## WORK WITH A LOAN PARTNER WHO UNDERSTANDS YOU & YOUR GOALS

Ultimately, the most important part of understanding the mortgage process is finding a lender who understands you and your home loan goals.

At Churchill Mortgage, we believe you can achieve the dream of owning a home no matter your starting point. We take extra care to get you a mortgage that won't leave you feeling overwhelmed.

**For decades, we've helped hundreds of thousands prepare to buy a home and we've noticed something ... a smarter mortgage plan enables bigger dreams.** Bigger dreams like financial freedom and peace of mind. Owning a home doesn't have to stay a dream. When you're ready, we'd love to help set you up for success and get a stress-free mortgage you won't regret.



# CHURCHILL MORTGAGE®

## NEED MORE INFORMATION?

Just reach out to your local Home Loan Specialist.

888.562.6200

[churchillmortgage.com](http://churchillmortgage.com)

The Churchill Certified Home Buyer program is not a commitment to lend funds and is not an approval but is a conditional approval subject to your acceptance of the terms and the conditions being fully satisfied prior to closing. All conditions are subject to final underwriting and final investor approval. The certification is subject to the financial status and credit report(s) of everyone on the application remaining substantially the same until closing, an acceptable contract of sale on a suitable property, collateral (the appraisal, title, survey, condition, and insurance) satisfies the requirements of the lender and loan selected is still available in the market. All closing conditions of the lender must be satisfied including the clear transfer of the title, acceptable and adequate title and hazard insurance, flood certification, and any inspections that are required by the real estate contract.

Rate Secured is not available on government high balance, construction to permanent, or investment property home loans.

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