



FIRST TIME HOMEBUYERS GUIDE TO BUYING A NEW HOME



United Bank NMLS ID 522399 (www.nmlsconsumeraccess.org)



IMAGINE YOUR FIRST HOME

Purchasing a home is one of the most rewarding and exciting experiences in life — that's why they call it the American dream of home ownership! Having a knowledgeable professional will provide you with the support and confidence to guide you home. We are here for you.

At United Bank, we understand every facet of purchasing a home and will find the right loan option that works best for your personal financial situation. Our lending specialists have the experience, technology and solutions to help you make the dream of homeownership become a reality.

In this guide, we provide valuable information that will assist you in navigating through the home buying journey.

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Mortgage



BENEFITS OF HOMEOWNERSHIP

In today's economy rent continues to increase year after year, while mortgage interest rates are still relatively low from a historical standpoint, and home values are on the rise in many areas*. If you need some inspiration to start house hunting or just want to make sure you're taking advantage of all that homeownership has to offer, check out this top 5 list of benefits that will repay your hard work from the time you purchase your new home well into retirement.

1. SECURITY & FREEDOM

A home provides security for your family and freedom to make your home your own.

2. FORCED SAVINGS & INVESTMENT

Owning a home builds equity and increases net worth.¹

3. TAX BENEFITS

Mortgage interest, certain closing costs, mortgage insurance and property taxes may be tax deductible.²

4. INFLATION PROTECTION

Principal and interest payments can be fixed making payments more affordable.

5. BUILD YOUR CREDIT

Consistent payments show you are a responsible borrower.

With all of the benefits of owning a home, you owe it to yourself to find out whether owning vs. renting is best for you. Taking the simple step of speaking to a mortgage professional may be the smartest financial decision you make, as it can allow your family to make monthly home payments toward your own asset instead of increasing your landlord's wealth.

** Typical rental and homeownership scenarios listed. May not apply to every situation.*

¹ Equity is not guaranteed. Equity growth and value dependent upon market factors.

² United Bank is not a tax advisor. Please contact a tax professional to determine the impact of homeownership on your tax benefits or liabilities.



5 IMPORTANT QUESTIONS WHEN CHOOSING YOUR FIRST HOME

Buying your own home can be exciting and frightening at the same time. We suggest considering the following questions when choosing your first home:

1. HOW MUCH MONEY DO YOU HAVE SAVED?

Start with an evaluation of your financial health. How much do you have saved for a down payment? Down payments are typically 3 to 20 percent of the price of the home. Be sure to keep enough in savings for an emergency fund.

2. HOW MUCH DEBT DO YOU HAVE?

Consider all of your current and expected financial obligations like your car payment and insurance, credit card debt and student loans. Make sure you will be able to continue to make payments in addition to the cost of your new home.

3. WHAT IS YOUR CREDIT SCORE?

A high credit score indicates strong creditworthiness. A low credit score can keep you from qualifying for the home you want or receiving a low interest rate on your mortgage loan. If your credit score is low, you may want to talk to a credit counselor to evaluate your options.

4. HAVE YOU FACTORED IN ALL THE COSTS?

Create a hypothetical budget for your new home. Find the average cost of utilities in your area, factor in gas, electricity, water and cable. Find out if you will have to pay for parking or trash pickup. Also factor in real estate taxes, possible mortgage insurance or maybe a home owner association fee.

5. HOW LONG WILL YOU STAY?

Generally, the longer you plan to live someplace, the more it makes sense to buy. Over time, you can build equity in your home. Carefully consider your current life and work situation and think about how long you want to stay in your new home.



THE FIRST STEP: **BUDGET & AFFORDABILITY**

One of the first steps to get started on this exciting journey is planning ahead. Here are some tips to determine how much home you can afford to purchase.

- Assess your current financials
- Thoroughly evaluate your monthly income and expenses
- Create a savings plan
- Review your budget on a regular basis
- Make simple, logical changes

Setting a home buying budget involves more than seeing if you can swing a mortgage payment. Staying organized and saving money early will have a greater impact later. Talking to a Mortgage Loan Officer as early as possible will help in figuring out your sweet spot of affordability.

THE GREAT MORTGAGE MYTH

You may think that all mortgage loan types require a 20% down payment. This is a myth!

United Bank offers many loan types that do not require having to put 20% down. Funds for your down payment may come from other sources than just your bank account. Contact me to see if you qualify!

The good news for homebuyers today is that there are a variety of financing options available and some of these programs even fund the down payment portion or have low down payment requirements.

CREDIT TIPS FOR HOMEBUYERS



When applying for a mortgage loan, your credit will be one of the key factors in whether you're approved and it will help determine your interest rate and possibly the loan terms. It's a good idea to check your credit before you begin the home buying experience.

Here are some credit tips for first-time homebuyers:

DO

- Contact us before you do anything*
- Pay all your bills on time
- Keep your credit line below 30% of their maximums
- Keep an eye on your credit history
- Set automatic bill pay to keep paying on time

DON'T

- Make any late payments
- Apply for a new credit card
- Make any major purchases
- Over utilize credit
- Close old accounts, it might actually lower your credit score

You have the right to your credit report once per year from each of the three credit bureaus. Get your report from each one in different quarters of the year and make sure no one is using your credit when they shouldn't be. Get a free copy of your credit report from www.annualcreditreport.com.

* United Bank and its Mortgage Loan Officers are not investment specialists or tax experts and will not advise you in those matters. Always seek the advice of a licensed professional.



HOME BUYER OPTIONS LOW DOWN PAYMENT PROGRAMS & GRANTS

United Bank has many program options, contact one of our experienced mortgage professionals to see if one is the perfect match for your story. If you want to become a homeowner, but you don't have enough cash for a down payment, a state or local down payment assistance program¹ might be able to help. Most states and many counties and cities offer grants and no-interest loans to help first-time homebuyers pay for down payments and closing costs.

FIXED RATE + ADJUSTABLE RATE MORTGAGES (ARMs)

- 3% Down Payment with NO Mortgage Insurance²
- 3.5%* Down Payment with Lower Credit Score³
- Up to 100% Financing Available⁴
- Active Duty or Veteran? 100% Financing, NO down payment⁵
- Financing for Rural Housing

1. Down payment and/or closing cost assistance programs may not be available in your area. Down payment and/or closing cost assistance amount may be due upon sale, refinance, transfer, repayment of the loan, or if the senior mortgage is assumed during the term of the loan. Some programs require repayment with interest and borrowers should become fully informed prior to closing. Not all applicants will qualify. Minimum credit scores may apply. Sales price restrictions and income requirements may apply. Homebuyer education may be required. Owner-occupied properties only. Maximum loan amounts may apply. 2. Credit requirements, loan-to-value (LTV) maximums and other restrictions apply. Subject to underwriting guidelines and approval. Programs are subject to change and not available in all states or counties. Certain property types are ineligible. Homebuyer education may be required. Standard fees apply. 3. Monthly Mortgage Insurance Premiums (MIP) or Upfront Mortgage Insurance Premiums (UFMIP) apply. Maximum loan amounts vary by county. 4. Income limits are specific to the area you are looking to purchase. Must be your primary residence. Program not available in all states. Not all applicants will qualify. 100% financing does not exclude fees, including credit, appraisal, origination, and other fees. Credit minimums, LTV maximums, financing limits and other terms and conditions apply and requirements can change at any time. 5. VA funding fee applies except as may be exempted by VA guidelines. The fee is higher with a zero down payment, and maximum loan limits vary by county. If a down payment of 5% or more is made, the fee is reduced. The VA funding fee is non-refundable. Ask for details about eligibility, documentation and other requirements.



HOMEBUYER TIPS

Our goal is to make your home buying experience as seamless as possible. We have highlighted some key guidelines to help keep your finances in order as you prepare for your journey home. If you have questions, you should always speak with a credit counselor or other credit professional.

DO

- Find a Realtor® you love
- Stay current on your rent and all monthly bills
- Remain with your current employer
- Keep your credit line below 30% of their maximums
- Check your credit score
- Find and organize financial documents
- Contact us if you have any questions

DON'T

- Apply for new credit cards, loans or purchase offers
- Deposit or withdraw large amounts of cash
- Change jobs, your pay structure, employment status or shift any investments
- Change banks or transfer credit card balances
- Make large purchases

Any changes to your current financials could affect your current financial picture. We are always here to provide guidance and advice as you begin your home buying journey.

YOUR JOURNEY HOME



Knowing the path we are about to travel together helps the journey go more smoothly. Before you get started, we have outlined some important steps so you know what to expect along the way.

1. CONTACT US

We will work with you to find the right balance between what you can afford and what you can qualify for - all custom tailored for your specific story.

3. SEARCH

Work with an agent you love! Now that you know what price range you are looking in, you can focus exclusively on searching for your new home.

5. APPROVAL

Congratulations, your loan is approved! All requirements have been met and you are clear to close. Loosen up your fingers, it's time to prepare for the closing table.

2. APPLY

The best way to approach a real estate agent is with a mortgage pre-qualification¹ in hand. It shows that you're ready and able to buy.

4. VERIFY

Your finances and assets are thoroughly evaluated. We may request other documentation from you if needed. You are almost there!

6. CLOSING

Be sure to read all the documents you receive and ask any questions you may have. After you've signed everything, unlock your door and celebrate your new home!

1. Pre-qualification is neither pre-approval nor a commitment to lend. When you have identified a property, United Bank will require a full underwriting analysis of your application prior to a potential final loan approval.

CONTACT REFERENCE GUIDE



Stay organized with all of your home buying contact resources in one place! Use the guide below to fill in the information and keep it handy. For more information on contacting a United Bank loan officer, branch locations, mortgage calculators and more resources, visit BankWithUnited.com to get started today.

Loan Officer: _____

Phone: _____ Email: _____

Loan Officer Assistant: _____

Phone: _____ Email: _____

Realtor: _____

Phone: _____ Email: _____

Home Inspection Company: _____

Phone: _____ Email: _____

Settlement Company: _____

Phone: _____ Email: _____

Moving Company: _____

Phone: _____ Email: _____

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ADVERTISING NOTICE – NOT A COMMITMENT TO LEND – SUBJECT TO PROGRAM AVAILABILITY. All loan applications are subject to credit and property approval. Annual Percentage Rate (APR), programs, rates, fees, closing costs, terms and conditions are subject to change without notice and may vary depending upon credit history and transaction specifics. Other closing costs may be necessary. Flood and/or property hazard insurance may be required. To be eligible, buyer must meet minimum down payment, underwriting and program guidelines.

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