Someday you want to buy a house.

Right now you have a million questions.

A STEP-BY-STEP WORKSHOP
for anyone who wants to own a home someday

Visit chase.com/MyFirstHome for online tools and resources
Your My First Home Workbook

- Allows you to complete information and answer questions that apply to your personal situation as we discuss the homebuying process.
- Gives you take-home information you can refer to or update after our workshop.
- Provides websites with guides, including helpful tools, calculators, checklists and more.
- Includes a glossary of common mortgage terms, a homebuyer checklist and a list of documents you'll need to provide when applying for a mortgage.
Today’s Agenda

Together, we’ll help you answer four main questions.

1. Am I ready to buy?
2. What do I need to know before I apply for a loan?
3. How do I go about finding the perfect home and making an offer?
4. What do I do after my offer is accepted?
An exercise before we get started

For today’s session, it will be helpful to have a general idea of a home price and monthly payment you think you can comfortably afford.

Please note:
• The actual amount of the loan for which you qualify will vary based on factors such as the amount of your down payment, your income, credit score and assets.
• You’ll also want to consider how much of your monthly income you are comfortable devoting to your house payment and how much you’ll have left over after purchasing your home.

Let’s get a general idea of a home price and monthly payment...
An exercise before we get started

Let’s use this chart to find the price of the house and monthly payment you think you can comfortably afford.

**Tip:** Find the monthly payment amount that’s closest to your current rent payment.

For example, if your current rent is $1,000 per month, you may be able to comfortably afford a $1,096 mortgage payment ($150,000 purchase price with a 10% down payment).

<table>
<thead>
<tr>
<th>Purchase Price of Home</th>
<th>10% Down Payment</th>
<th>Loan Amount</th>
<th>Monthly Principal, Interest, Taxes, &amp; Insurance Payment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000</td>
<td>$10,000</td>
<td>$90,000</td>
<td>$731</td>
</tr>
<tr>
<td>$150,000</td>
<td>$15,000</td>
<td>$135,000</td>
<td>$1,096</td>
</tr>
<tr>
<td>$200,000</td>
<td>$20,000</td>
<td>$180,000</td>
<td>$1,462</td>
</tr>
<tr>
<td>$250,000</td>
<td>$25,000</td>
<td>$225,000</td>
<td>$1,827</td>
</tr>
<tr>
<td>$300,000</td>
<td>$30,000</td>
<td>$270,000</td>
<td>$2,193</td>
</tr>
<tr>
<td>$400,000</td>
<td>$40,000</td>
<td>$360,000</td>
<td>$2,923</td>
</tr>
<tr>
<td>$500,000</td>
<td>$50,000</td>
<td>$450,000</td>
<td>$3,656</td>
</tr>
</tbody>
</table>

* The chart estimates the monthly principal, interest, property taxes and insurance (homeowners’ and Private Mortgage Insurance) payments assuming a 10% down payment and a 30-year fixed mortgage at 5%.

Your “comfortable home purchase price” for today’s session:

$ _______________________

Your “comfortable monthly payment” for today’s session:

$ _______________________
Question 1: Am I ready to buy?

Question 1:

Am I ready to buy?
If you’re ready to buy, you should be able to say:

“I’m better off buying than renting.”
If you’re ready to buy, you should be able to say:

“I’m better off buying than renting.”

“The house I can afford meets my expectations.”
Question 1: Am I ready to buy?

If you’re ready to buy, you should be able to say:

“I’m better off buying than renting.”

“The house I can afford meets my expectations.”

“I understand the cost of homeownership.”
If you’re ready to buy, you should be able to say:

“I’m better off buying than renting.”

“The house I can afford meets my expectations.”

“I understand the cost of homeownership.”

“I’m financially stable.”
If you’re ready to buy, you should be able to say:

“I’m better off buying than renting.”

“I have good credit.”

“I understand the cost of homeownership.”

“The house I can afford meets my expectations.”

“I’m financially stable.”

We’ll look at each of these...
“Am I better off buying than renting?”

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>I want a house that’s mine without restrictions from a landlord.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I understand I’ll have to pay for repairs and upkeep.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I understand I’ll have to pay for property taxes, insurance, utilities and homeowners association fees (if any).</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I understand the value of my house may decrease.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I’ve talked to an accountant or tax professional to see if I can benefit from the tax deduction on mortgage interest.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

CHECKPOINT: Am I better off buying than renting? | ☐ | ☐ | ☐ | ☐
**Does the house I can afford meet my needs?**

Based on the purchase price you can afford, will the house meet your needs based on:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>The size of the house that amount buys (bedrooms, bathrooms, yard)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The area of town/neighborhood?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The schools?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The commute to work?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CHECKPOINT:** Will the house I can afford meet my needs?
"Do I understand the cost of homeownership?"

<table>
<thead>
<tr>
<th>Part 1: Cash for onetime fees:</th>
<th>Typical range</th>
<th>Your estimated costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your down payment</td>
<td>5–20% of cost of house</td>
<td>$_____________</td>
</tr>
<tr>
<td>Home appraisal</td>
<td>$200–$500</td>
<td>$_____________</td>
</tr>
<tr>
<td>Home inspection</td>
<td>$200–$1,000</td>
<td>$_____________</td>
</tr>
<tr>
<td>Termite inspection</td>
<td>$100</td>
<td>$_____________</td>
</tr>
<tr>
<td>Origination fees</td>
<td>0.5%–2% of loan amount</td>
<td>$_____________</td>
</tr>
<tr>
<td>Closing costs</td>
<td>2%–6% of cost of house</td>
<td>$_____________</td>
</tr>
<tr>
<td>Moving costs</td>
<td>varies widely</td>
<td>$_____________</td>
</tr>
<tr>
<td>Typically, lenders also require you have additional cash after closing</td>
<td>2–3 times your comfortable monthly payment for today's session</td>
<td>$_____________</td>
</tr>
</tbody>
</table>

**Subtotal Part 1: Cash for onetime fees**

$_____________
### “Do I understand the cost of homeownership?”

<table>
<thead>
<tr>
<th>Part 2: Cash you’ll need every month</th>
<th>Typical range</th>
<th>Your estimated costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your monthly principal, interest, taxes &amp; insurance payment</td>
<td>Your comfortable monthly payment for today’s session</td>
<td>$___________</td>
</tr>
<tr>
<td>Condo/maintenance fees</td>
<td>$200–$350 / month</td>
<td>$___________</td>
</tr>
<tr>
<td>Utilities and fees</td>
<td>$100–$500 / month</td>
<td>$___________</td>
</tr>
<tr>
<td>Lawn and property maintenance</td>
<td>$100–$500 / month</td>
<td>$___________</td>
</tr>
<tr>
<td>Exterior and interior home repairs</td>
<td>$100–$500 / month</td>
<td>$___________</td>
</tr>
</tbody>
</table>

**Subtotal Part 2: Cash you’ll need every month** $_____________

### CHECKPOINT: Do I understand the cost of homeownership?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
Question 1: Am I ready to buy?

“Am I financially stable?”

<table>
<thead>
<tr>
<th>I feel relatively secure in my job.</th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>My current pay should stay about the same or increase.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>My co-borrower (if any) also feels relatively secure with his or her job and pay.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I’m able to cover any large upcoming expenses (new car, tuition, medical bills).</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

CHECKPOINT: Do I feel financially stable? ☐ ☐ ☐
“Do I have good credit?”

Definition:
Your credit score helps lenders determine how likely you are to repay your loan. Credit scores are calculated by these three credit rating agencies:

- Equifax – www.equifax.com
- TransUnion – www.transunion.com
- Experian – www.experian.com

To get your free credit report, go to: AnnualCreditReport.com
“What does my credit score mean?”

A higher score can mean:

- A **better** chance of getting a loan
- A **lower** interest rate on your loan

**Understanding your credit score**

Your credit score is a three-digit number that can range from 300 to 850. Most scores range from 600 to 700. A higher credit score increases your chances of getting approved for a loan and obtaining a lower interest rate.
**Do I have good credit?**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’ve missed/been late on some payments on other loans or my credit cards.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Some of my credit cards are maxed out.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have other debts or loans.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I’ve applied for other loans or credit cards somewhat often.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The length of my credit history is relatively short.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

**CHECKPOINT: Do I think I have good credit?**

☐ ☐ ☐
“How can I improve my score?”

1. Pay your bills on time
2. Pay at least the minimum amount on your credit card bill
3. Keep your existing credit card accounts with a zero balance open—don’t close the accounts
4. Correct errors on your credit report
   - Contact the three credit rating agencies if you see discrepancies
5. Reduce your debt
   - Consider help from a credit counseling service
Summary: Are you ready to buy?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’m better off buying than renting.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What I can afford meets my needs.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I understand the cost of homeownership.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I’m financially stable.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have good credit.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CHECKPOINT: Am I ready to buy?  

 Visit chase.com/MyFirstHome for online tools and resources
QUESTION 2:

What do I need to know before I apply for a loan?
If you’re ready to apply for a loan, you should be able to say:

“I know how much home I can afford.”
If you’re ready to apply for a loan, you should be able to say:

“I know how much home I can afford.”

“I know how much I need for a down payment.”
If you’re ready to apply for a loan, you should be able to say:

“I know how much home I can afford.”

“I know how much I need for a down payment.”

“I know how to prequalify for a loan.”
Question 2: What do I need to know before I apply for a loan?

If you’re ready to apply for a loan, you should be able to say:

“I know how much home I can afford.”

“I know how much I need for a down payment.”

“I know what kind of mortgage is better for me.”

“I know how to prequalify for a loan.”

We’ll look at each of these...

Visit chase.com/MyFirstHome for online tools and resources
“How much home can I afford?”

When we began today’s session, we calculated a comfortable home purchase price. In reality, it will depend on how much money a bank will lend you, based on:

- **Your payment history/credit score**—The higher your credit score the better chance you have of getting a loan and obtaining a lower interest rate.

- **Your ability to pay**—The portion of your monthly income that will be devoted to your house payment and other debt.

- **Collateral**—The market value of your home based on an appraisal

Let’s get a general idea of how much you can spend on housing...
Question 2: What do I need to know before I apply for a loan?

“How much home can I afford?”

Let’s determine how much you can spend on housing based on some common guidelines:

<table>
<thead>
<tr>
<th>Enter your monthly gross income (before taxes)</th>
<th>$______________</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Multiply your monthly gross income x .36</td>
<td>$______________ = Common guideline for the maximum monthly debt you should have, including your new mortgage payment</td>
</tr>
<tr>
<td>B: Multiply your monthly gross income x .28</td>
<td>$______________ = Common guideline for the maximum monthly mortgage debt you should have</td>
</tr>
<tr>
<td>C: Subtract A - B</td>
<td>$______________ = Common guideline for the approximate amount that can go towards all other monthly debt</td>
</tr>
</tbody>
</table>
### How much do I need for a down payment?

You have several down payment options. Some of the options you may hear about include:

- **20%**: One of the more conservative options banks may use; equals 20% of the home purchase price.
- **3.5%–5%**: May be available for some government loans (FHA\(^1\)) and some conventional loans.
- **0%**: Some types of loans, including VA, may not require any down payment.

<table>
<thead>
<tr>
<th>Your possible down payment options include:</th>
<th>Your home price for today's session</th>
<th>Percent down</th>
<th>Your down payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option #1: 20%</td>
<td>$___________</td>
<td>x 20%</td>
<td>$___________</td>
</tr>
<tr>
<td>Option #2: 10%</td>
<td>$___________</td>
<td>x 10%</td>
<td>$___________</td>
</tr>
<tr>
<td>Option #3: 5%</td>
<td>$___________</td>
<td>x 5.0%</td>
<td>$___________</td>
</tr>
<tr>
<td>Option #4: 3.5%</td>
<td>$___________</td>
<td>x 3.5%</td>
<td>$___________</td>
</tr>
<tr>
<td>Option #5: 0%</td>
<td>$___________</td>
<td>$0</td>
<td>$___________</td>
</tr>
</tbody>
</table>

**CHECKPOINT: How much will my down payment be?** $___________

---

\(^{1}\) FHA loans also include mortgage insurance called Mortgage Insurance Premiums (MIP)
“Where can I get my down payment?”

- **Savings**
  - Example: reducing expenses, a second job, smaller apartment

- **Gift**
  - Must be outright, and cannot be a disguised “loan”

- **Special programs**
  - Example: government assistance, nonprofit organizations

**Checkpoint: Where will my down payment come from?**

Savings $_________ Gifts $_________ Other $_________ Total $_________
“What happens if I don’t have 20% to put down?”

- If you choose conventional financing (a loan other than FHA\(^1\), VA, etc.) and you have less than 20% down, you will be required to pay Private Mortgage Insurance (PMI).
- This insurance protects the lender from losses but enables them to help customers with smaller down payments.

Some examples of what PMI can cost per month:

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Interest Rate</th>
<th>Term</th>
<th>Down Payment</th>
<th>Monthly PMI Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000</td>
<td>5%</td>
<td>30 years</td>
<td>10%</td>
<td>$40.83</td>
</tr>
<tr>
<td>$150,000</td>
<td>5%</td>
<td>30 years</td>
<td>10%</td>
<td>$61.25</td>
</tr>
<tr>
<td>$200,000</td>
<td>5%</td>
<td>30 years</td>
<td>10%</td>
<td>$81.67</td>
</tr>
<tr>
<td>$250,000</td>
<td>5%</td>
<td>30 years</td>
<td>10%</td>
<td>$102.08</td>
</tr>
<tr>
<td>$300,000</td>
<td>5%</td>
<td>30 years</td>
<td>10%</td>
<td>$122.50</td>
</tr>
</tbody>
</table>

\(^1\) FHA loans also include mortgage insurance called Mortgage Insurance Premiums (MIP)
“Should I prequalify for my loan?”

**Highly recommended**

- Gives you an estimated maximum amount you qualify to borrow
- Based on information you provide about your finances
- Can strengthen your offer and shorten the loan approval time
- Helps your real estate agent narrow your search
“How do I get a prequalification?”

- **Ask your lender to prequalify you for a mortgage loan**
  - You will need to provide information about your income, debt, savings and assets.
  - Your lender may obtain a credit report at this time.

- **Your lender will give you a prequalification letter**
  - This letter will show you the amount you are qualified to borrow based on the information you have provided.

*Note: The prequalification letter is not a loan agreement—it is an estimate of how much you can purchase based on the information you provided.*

**CHECKPOINT:** Do I understand the importance of a prequalification and the prequalification process?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What documents will I need to apply for a loan?

• When you apply for a loan, you’ll typically need to provide quite a bit of information. The documents will enable your lender to verify your income and assets.

Let’s review the list of documents together. Turn to page 50 in your workbooks.
“Should I choose a fixed-rate mortgage or an adjustable-rate mortgage (ARM)?”

A good Loan Officer will clearly explain the benefits of each type and help you determine which is best for you. Here are a few highlights:

- **Fixed-rate mortgage**
  - You pay the same interest rate the entire length of the loan—this means the same payment every month and no worrying about increasing interest rates
  - Interest rates are slightly higher
  - Maximizes security since payment doesn’t change
  - Best if you plan to stay in your home at least 7 years
  - Usually available in 15- and 30-year time periods

Let’s look at the difference in interest on a 15- vs. a 30-year loan...
“How much interest do I save with a 15- vs. a 30-year loan?”

An example:

<table>
<thead>
<tr>
<th>Loan amount $200,000</th>
<th>15-year loan</th>
<th>30-year loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly payment (Principal and Interest)</td>
<td>$1,569</td>
<td>$1,058</td>
</tr>
<tr>
<td>Total payments over life of the loan</td>
<td>$282,420</td>
<td>$380,880</td>
</tr>
</tbody>
</table>

A 15-year loan saves you $98,460 in interest over the life of the loan but the trade-off is that you pay a higher monthly payment.
Question 2: What do I need to know before I apply for a loan?

“Should I choose a fixed-rate mortgage or an adjustable-rate mortgage (ARM)?”

- **Adjustable-Rate Mortgage**
  - After an initial period during which the interest rate stays the same, the rate will increase or decrease with changes in the market
  - Interest rates may be slightly lower during the initial period, then they change
  - Maximizes buying power and flexibility
  - Your monthly payment can go up or down once the initial fixed-rate period ends
  - Best for buyers who know they’ll sell in 5–10 years
  - Usually available in 5-year, 7-year, and 10-year fixed-rate periods

CHECKPOINT: Is a fixed-rate mortgage or ARM better for me?
Summary: Do you feel comfortable with what to do before you apply for a loan?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>I know how much home I can afford.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know how much my down payment will be.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know where my down payment will come from.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know if I’ll likely have to pay PMI.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I understand the difference between a fixed-rate loan and an ARM.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CHECKPOINT: Do I feel comfortable with the loan basics?  □ □ □
QUESTION 3:

How do I go about finding the perfect home and making an offer?
If you’re looking to find the perfect home, you should be able to say:

“I know how to find the right real estate agent.”
If you’re looking to find the perfect home, you should be able to say:

“I know what type of house is right for me.”

“I know how to find the right real estate agent.”
If you’re looking to find the perfect home, you should be able to say:

“I know what type of house is right for me.”

“I know how to find the right real estate agent.”

“I know how to negotiate and make an offer.”

We’ll look at each of these...
Question 3: How do I go about finding the perfect home?

“How do I find the right real estate agent?”

• A good real estate agent is your partner in the homebuying process. You may be working with them for several months so it’s important to find someone with whom you’re totally comfortable.
  – Ask your Loan Officer, friends or family to recommend agents.
  – Personally interview each agent to make sure it’s a good/appropriate/comfortable fit.
  – As a buyer, you don’t pay any commission (the seller pays it), so it’s in your best interest to find an agent you trust before you start looking.

• Understand the difference in agents:
  – A “Buyer’s Agent”—works for YOU in helping you buy the right house at the lowest price.
  – A “Seller’s Agent” (or “Listing Agent”)—works for the SELLER and helps get the seller the highest price and best terms.
Question 3: How do I go about finding the perfect home?

“"How does a real estate agent help me?"”

- An agent will:
  - Help you find a house you love
  - Be knowledgeable about neighborhoods, pricing, local schools and public safety
  - Make your house search more efficient by narrowing down your choices based on what you’re looking for
  - Assist you in negotiating a fair price
  - Answer your questions and provide guidance

CHECKPOINT: Do I feel comfortable finding an agent?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
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“How will my real estate agent help me find the perfect home?”

Before you start looking, think about what you want in a house so your real estate agent shows you only the houses that meet your needs. Some things to think about:

“Comfortable home purchase price”:  
(calculated at the beginning of today’s session)  
$___________

Type of home:  
- Single-family home  
- Condominium  
- Planned unit development  
- Co-op  
- New construction  
- Resale  
- Resale  

# of bedrooms __________  
# of bathrooms __________

- Family room  
- Formal dining room  

Other features:  
- Garage  
- Pool  
- Yard  
- Fence
“How will my real estate agent help me find the perfect home?”

Other important factors to consider:

☐ Schools
☐ Safety
☐ Traffic
☐ Privacy and neighbors

CHECKPOINT: Can I effectively communicate my needs to my real estate agent?

<table>
<thead>
<tr>
<th>Yes</th>
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<th>Not Sure</th>
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“How do I decide how much to offer?”

• Your initial offer should be based on:
  – Prices of similar homes in the same neighborhood
  – Condition of the house
  – What you can afford

“How can I tell if the asking price is fair/at market value?”

• The asking price may be too high if:
  – The house has been on the market for an extended period
  – The listing price has been dropped
  – Prices of similar homes are much lower
“How do I write a good offer?”

• Your real estate agent will help you prepare your offer to the seller telling them how much you are willing to pay.

• You can strengthen your offer by
  – Attaching your prequalification so the seller knows you’re likely to be approved for your mortgage.
  – Consider the concessions you’d be willing to make—for example you may be able to offer to close quickly if you have your prequalification.

• If you receive a counteroffer, your real estate agent can help you decide if you accept that offer or make a new offer.

CHECKPOINT: Do I feel comfortable making an offer?

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<th>Yes</th>
<th>No</th>
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</table>
Summary: Are you ready to find the perfect home?

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<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
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<tbody>
<tr>
<td>I know how to find the right real estate agent.</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I know the type of house I’m looking for.</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I know how to decide how much to offer.</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I know how to write a good offer.</td>
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CHECKPOINT: Do I feel ready to find the perfect house? □ □ □
QUESTION 4:

What do I do after my offer is accepted?
If your offer is accepted, you should be able to say:

“I know how to choose the right lender.”
If your offer is accepted, you should be able to say:

“I know how to choose the right lender.”

“I know how to complete my loan application.”
If your offer is accepted, you should be able to say:

“I know how to choose the right lender.”

“I know how to complete my loan application.”

“I know what to do while my application is being reviewed.”
If your offer is accepted, you should be able to say:

“I know how to choose the right lender.”

“I know how to complete my loan application.”

“I know what to do while my application is being reviewed.”

“I know what to do at closing.”

We’ll look at each of these...
**Step 1: You’ll need to choose a lender and complete your loan application.**

**Prior to choosing your lender, you’ll want to compare rates and fees**

- The best way to compare rates among lenders is to look at the **Annual Percentage Rate (APR)** they charge—NOT just the interest rate.
- The APR typically combines the interest rate and fees, so the higher the APR, the higher the costs.

**Let’s try a quick exercise...**
Exercise: Which lender charges higher fees?

<table>
<thead>
<tr>
<th></th>
<th>Lender 1</th>
<th>Lender 2</th>
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<tbody>
<tr>
<td>Interest Rate</td>
<td>5.5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>APR</td>
<td>5.75%</td>
<td>6.0%</td>
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</table>

Remember:
- A higher APR could mean higher fees but it could also mean high rates and lower fees.
- Fees and rates are only one part. Customer service, trust and stability are also extremely important when choosing a lender.

CHECKPOINT: Do I feel comfortable comparing rates and closing cost fees among lenders?

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“Once my offer is accepted, what do I do next?”

Step 2: You’ll work closely with your Loan Officer to make sure your application is complete.

- IMPORTANT: Your loan will be delayed if you don’t submit the correct financial documents, such as copies of your pay stubs, bank statements and tax returns. Refer to page 50 in your workbook for a list of documents required.
- Your Loan Officer may ask you if you want to lock in your rate.

Let’s look at how to decide if you should lock in...
Question 4: What do I do after my offer is accepted?

“Should I lock in my interest rate?”

• Most lenders allow you to lock in your interest rate for 60–90 days
  – This means your interest rate won’t change even if interest rates go up or down while you are waiting for your loan to be approved.

• No one can predict what will happen with interest rates
  – If you think interest rates will go down, you may want to wait to see if you can lock in a lower rate.
  – If you think interest rates will go up, or if you don’t want to have to worry about it, it makes sense to lock in the rate.

CHECKPOINT: Do I feel comfortable deciding whether or not to lock in my interest rate?

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<th>Yes</th>
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Step 3: Your Loan Officer will submit your application and financial information to a Loan Processor who will take a closer look at your financial information.

- Your Loan Processor will contact you directly if they need any additional information. Be sure to reply quickly.

During this period...

You will: Obtain a homeowners’ insurance quote
Your lender will: Schedule a home appraisal and order title insurance
Your real estate agent will: Schedule a home and pest inspection
“Once my offer is accepted, what do I do next?”

**Step 4:** Your Loan Processor will send all of your information to an Underwriter who will review it all and make a final decision on your loan.

- If your loan is approved, your Loan Processor will schedule your closing.
- “Closing” refers to the actual transfer of the title of the house from the seller, to you, the buyer. It can also be called “settlement.”
- What it costs: A **Good Faith Estimate** will be mailed to you within three business days of application.
  - A day before your closing, you’ll receive an itemized list of exact costs.
  - IMPORTANT—Your itemized list of exact costs should only vary slightly from your original Good Faith Estimate. Talk to your Loan Officer immediately if there are charges you did not expect.
  - You’ll likely need to wire funds or bring cashier’s checks or bank checks to pay for the charges due at closing.
“Once my offer is accepted, what do I do next?”

Step 5: Attend the closing and get the keys to your new home!

If you work with Chase, you can expect the mortgage process to take 45 days or less (depending on how quickly you submit your financial information and obtain an insurance quote).

CHECKPOINT: Do I feel comfortable with the steps I need to take after my offer is accepted?

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<th>Yes</th>
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**Summary:** Do you know what to do after your offer is accepted?

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<tr>
<th>Statement</th>
<th>Yes</th>
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<tbody>
<tr>
<td>I know how to select the right lender for me.</td>
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<tr>
<td>I know how to compare rates and fees among lenders.</td>
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<tr>
<td>I know the steps to take to apply for my loan.</td>
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<tr>
<td>I know how to decide if I should lock in my interest rate.</td>
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<tr>
<td>I know what to expect at closing.</td>
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**CHECKPOINT:** Do I feel ready to apply for my loan?

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My First Home: Next Steps

- Make an appointment with your Chase Loan Officer to review your “No” and “Not Sure” answers or to ask for a prequalification.

- **Visit chase.com/MyFirstHome to:**
  - Use our handy online tools and calculators.
  - Download our helpful checklists and guides.

- Remember your Chase Loan Officer is here every step of the way to answer your questions.
Thank you for joining us!

All home lending products are subject to credit and property approval. Rates, program terms and conditions are subject to change without notice. Not all products are available in all states or for all amounts. Other restrictions and limitations apply. Results of the mortgage affordability estimate/prequalification are guidelines; the estimate is not an application for credit and results do not guarantee loan approval or denial.

For the Adjustable-Rate Mortgage (ARM) product, interest is fixed for a set period of time, and adjusts periodically thereafter. At the end of the fixed-rate period, the interest and payments may increase. The APR may increase after the loan consummation.

For down payments less than 20% on conventional loans, mortgage insurance (MI) may be required and MI charges may apply.

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