

Celebrating 20 years!



FIRST WORLD MORTGAGE CORPORATION

Financing the American Dream

HOMEBUYER'S GUIDE

Shopping for your new home, just got easier.



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Introduction & About First World Mortgage

Introduction

This homebuyer guide was created to assist you with one of the biggest purchases you will ever make. Buying a home can be a rather complex and stressful process. However, if you utilize the information, resources, and advice within this booklet, the experience can be one of most exciting and fun moments for you and your family.

About First World Mortgage

For over 20 years, First World Mortgage has helped countless people realize their dream of home ownership. Almost 100% of our clients are referred from satisfied clients, real estate professionals, attorneys, builders, and financial planners to name a few.

We were just recognized as one of the fastest-growing mortgage lenders in Connecticut, with several convenient locations throughout Connecticut, Massachusetts, and Florida.

After reviewing this packet, feel free to learn more about us online, or call us with your questions.

1-860-236-LOAN

www.FirstWorldMortgage.com

STEP 1 - Learn From Available Resources

Resources Just For You

Purchasing a home is an exciting life event, and you will probably have many questions. There are professionals that will guide you, advise you, and that you can rely on throughout the process. You should take advantage of their expertise, and other informational resources that can help you along the way.

Here is a list of professionals, and some resources homebuyers can rely on:

Licensed Loan Officer

Your *licensed* Loan Officer is an expert in mortgage lending. Unlike a *registered* Loan Officer, a licensed Loan Officer passed national and state exams, ensuring he or she is equipped to guide and advise you.

You can rely on your licensed Loan Officer to:

- Answer all of your mortgage, loan process, lending and homebuying questions.
- Determine what you qualify for, and keep the monthly payment within your budget.
- Recommend options based on your unique needs, and future plans.

Real Estate Agent

Your Real Estate Agent is an expert in the local real estate market. and will be your advisor for your home search.

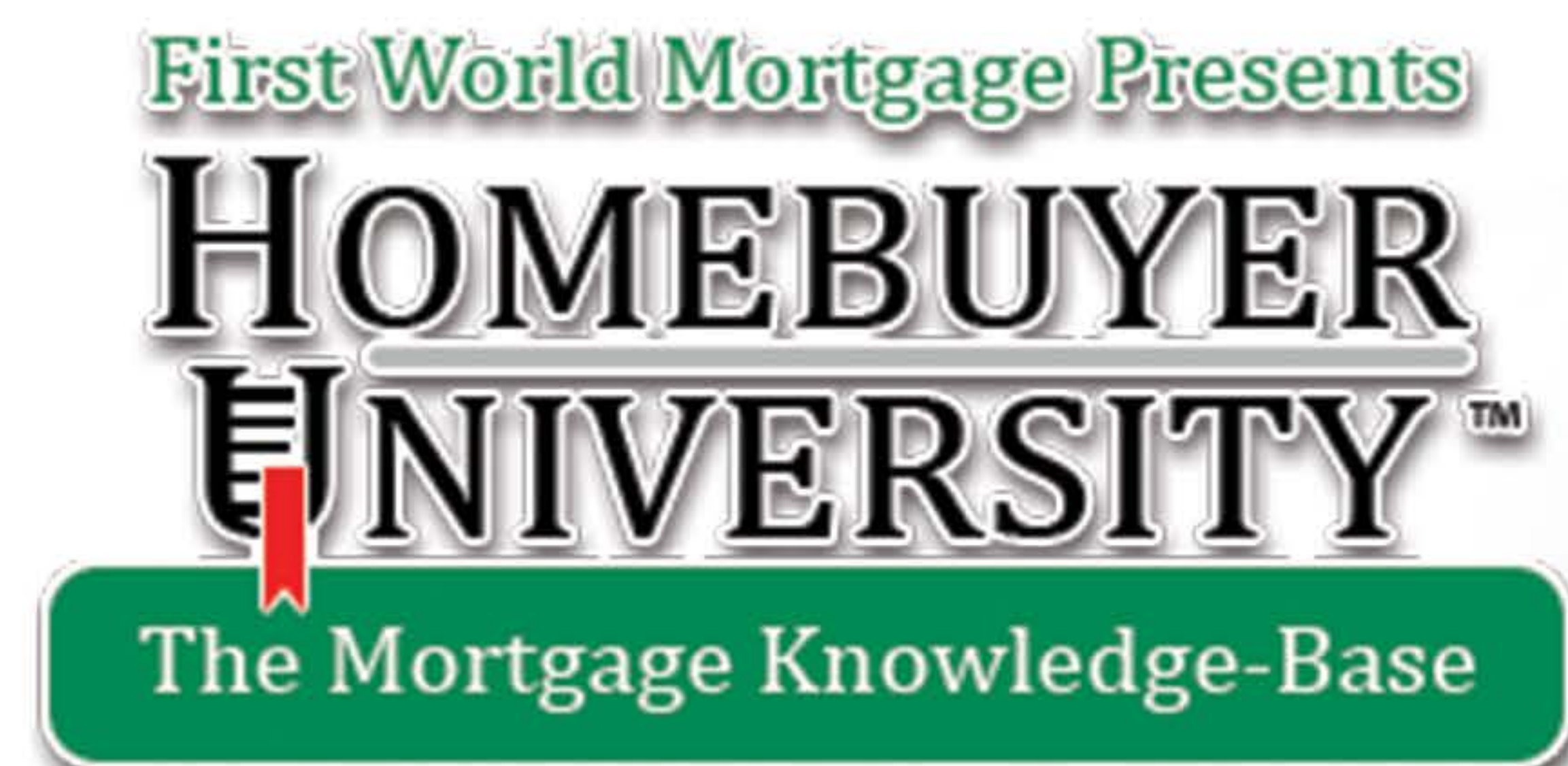
You can rely on your Real Estate Agent to:

- Answer all of your home search, market comparison, and sales price negotiation questions.
- Listen to your needs to find you a great home within your price range.
- Provide you with market-specific information to aid you in the decision-making process.

Homebuyer University

You are about to invest your time, and money into purchasing a home. Learning more about homebuying is a great way to prepare yourself for this incredible experience.

First World Mortgage has created something just for you:



www.FirstWorldMortgage.com/hbu



STEP 2 - Getting Pre-Approved

Pre-Approval Letter

Prior to searching for a home, you will need to find out how much of a home you can afford, and what type of loan is right for you. Depending on your income and monthly debts, you and your Loan Officer can determine how much of a monthly mortgage payment you can afford.

Your Loan Officer will begin the process by reviewing your income, assets, and monthly debt payments to get an idea of the amount you may qualify for. From there, your loan officer will check your financial background, review your documentation, and perform a credit analysis to determine what loan amount and loan programs you qualify for. Once you have been **pre-approved**, you will receive a **Pre-approval Letter** from First World Mortgage.

Top 3 Reasons to Get Pre-Approved:

- Real Estate Agents will need to know that you qualify to buy a home, and for how much.
- Seller's may not accept your offer without a pre-approval letter proving you qualify to purchase the home.
- You are in a better position to negotiate a lower purchase price, and/or a seller's concession to help pay for closing costs.



STEP 3 - Shop For A Home

Selecting A Real Estate Agent

Using a Real Estate Agent can help make shopping for your new home fun and efficient. Real Estate Agents are there to assist you with your home search - making the experience easy, and hassle free. (If you are not currently working with a Real Estate Agent, First World Mortgage can refer you to one of the many agents we work with in your area).

Qualities of Effective Real Estate Agents:

- They assess your needs to help you find homes that best meet your preferences.
- They identify opportunities to negotiate for a better price, and/or credits to help pay for costs.
- They know the area well, and will provide you market-specific information.

Types of Homes to Choose From

Your real estate professional will show you homes based on your needs, lifestage, desired features, and how many improvements you are willing to make prior to moving in. Here are some common types of homes:

Single Family Home

These homes come in many exterior styles, and sit on their own lot of land. Some may have a back yard that is ideal for children to play in, however, you are responsible for more maintenance than with other property types.

Condominium (Condo)

Condos are attached homes in a building similar to apartments, and belong to an association that maintains the exterior of the property. This is beneficial for people wanting convenience, however the association charges mandatory monthly association dues for covering the work.

Handyman Special

Some homes need updating or repairs, which is reflected in the seller's lower asking price. Homebuyers may take this opportunity to get a great deal, and add some personal touches. The downside is buying a home with unseen problems that can be a financial drain.

Make Your Offer

When you find the home you like, work with your Real Estate Agent to make an offer based on what is right for you, what makes sense for the current demand in the real estate market, the condition of the home, recent sales of comparable homes in the area, and any other factor your Real Estate Agent deems appropriate.

Multi-Family (2-4 Units)

Just like single family homes, a multi-family comes in many exterior styles, and will sit on its own lot of land. This type of home can generate income for you by renting some of the units out. However, being a landlord isn't for everyone.

Townhouse

Townhomes are similar to condos in that they are attached to one another. They differ because townhomes may have lower association dues than condos for the exterior maintenance, and have a closer resemblance to single family homes.

New Construction

New construction is for those wishing to design their home from the bottom up - flooring, cabinets, fixtures, kitchen, bathroom, and much more. You will really be able to get your dream home, but expect to pay more for new construction.

STEP 4 - Closing On Your Loan & Moving In

After your loan has reached final approval, you will be contacted to schedule a day, time, and place to close your loan. (Your purchase and sales agreement may already have a closing date identified. However, it is common for closing to occur sooner). Below are some common elements of closing:

Who Will Be There

- You, and any other borrowers, will be present at closing. If a borrower is out of the area, a *power of attorney* will be needed so someone can act on behalf of that borrower.
- The sellers, or their authorized representative, will be at closing to sign paperwork.
- The closing agent (attorney) will attend to make sure all necessary documentation is signed, and to make sure all monies from the sale are distributed accurately.
- Your Loan Officer is usually present to answer questions and support you on this exciting day.

What You Should Bring to Closing

- Driver's license or government issued identification.
- Certified check or cashier's check for your down payment. The closing agent or your Loan Officer will give you the exact amount approximately one day prior to closing.

After Closing

Once all closing documentation is signed, and the closing agent distributes money from the sale, you will receive the keys to your new home. You are officially ready to move in.

Congratulations on your new home!



Loan Options

Since everyone's situation is different, there is *no one-size-fits-all* mortgage. You will work with your dedicated Loan Officer to figure out which loan program best suits your needs, goals, and qualifying factors.

In addition to this, several loan programs make it possible for you to realize your dream of home ownership, without having to put much (if any) money toward a down payment.

Here is a brief overview of the most popular loan programs available to homebuyers:

USDA Loan - 100% Financing

The United States Department of Agriculture (USDA) provides a 100% financing option for homebuyers. USDA interest rates are typically lower than Conventional mortgage rates, credit requirements are more lenient, and you don't have to be a first-time homebuyer to qualify. Not all counties within your state are eligible for a USDA Loan. Please consult with your licensed Loan Officer to learn about eligibility.

FHA Loan - Low Money Down

The Federal Housing Administration (FHA) insures loans so you will only need to put 3.5% of the purchase price as a down payment. Just like USDA Loans, FHA interest rates are typically lower than Conventional mortgage rates, and credit requirements are more lenient. However, you don't have to be a first-time homebuyer to qualify. You can use an FHA Loan to purchase a home anywhere, with max loan amounts varying by each county.

Conventional Loan - Low Money Down

Conventional Loans no longer require you to put 20% of the purchase price as your down payment. You now only need to put 5% of the purchase price as a down payment to take advantage of this incredible option. Rates are typically a little higher than some of the government-backed programs (FHA, USDA, VA), however the closing costs will be a little lower.

FHA 203k - For Home Improvements/Repairs

The FHA 203k gives homebuyers the option to upgrade the home they wish to purchase. The costs of the upgrades/repairs will be included into the loan, so you do not have to pay for it out-of-pocket. This loan is especially popular for homebuyers wanting to upgrade kitchens, re-do bathrooms, and who want to add their personal touch.

VA Loan - 100% Financing for Military Veterans

The Department of Veterans Affairs (VA), is a government-backed program for military veterans. Veterans are not required to have money for a down payment, and there is no monthly mortgage insurance. You will need to obtain your certificate of eligibility to take advantage of this 100% financing option. If you need help obtaining your VA Certificate of Eligibility, your Loan Officer can guide you with this step.

CHFA - 100% Financing

The Connecticut Housing Finance Authority (CHFA) funds loans for first-time homebuyers so they can finance the entire purchase price, and even closing costs. The interest rates are often the lowest rates available with CHFA. However, this loan option is reserved for homebuyers who fit the selection criteria.

Frequently Asked Questions

It is normal to have questions, and lots of them. Your Loan Officer at First World Mortgage is available to answer them all. To get you started, answers to homebuyers' frequently asked questions are listed below.

What is the first step I should take?

Getting preapproved is the first step you should take. Real Estate Agents generally will not begin helping you find a home until they know you are qualified for a home loan, and how much you can borrow. Your Loan Officer will determine your qualifications and even issue a "preapproval letter" to you and your real estate agent.

What loan amount do I qualify for?

How much you can borrow depends on your income compared to your monthly liabilities, the type of loan, available assets, and current interest rates. Your Loan Officer will help you determine the monthly mortgage payment you can afford.

How long is the mortgage process?

The process with First World Mortgage takes only 3-4 weeks for most loans. Sellers and borrowers may not be ready that quickly to complete the transaction - and that's just fine. We will time the closing to correspond with dates outlined in your purchase agreement with the seller.

I do not have a Real Estate Agent yet. Can First World Mortgage refer me to one?

Yes. First World mortgage works with hundreds of Real Estate Agents. It would be our pleasure to help you find someone to represent you on your search. Please ask your Loan Officer for recommendations based on his/her existing Real Estate Agent relationships.

What are closing costs?

Closing costs are the fees paid when your loan transaction is completed. Typical closing costs include; attorney's fees, title insurance, discount points, escrow items, and underwriting fees to name a few. Sellers can give a credit to offset these costs, or even pay them entirely.

What are discount points?

Discount points are a form of pre-paid interest to reduce your interest rate. One point, equals 1% of the total loan amount. Essentially, you are paying a little interest at the start of your loan, to save much more over the term of your loan.

What is Private Mortgage Insurance (PMI)?

PMI enables you to purchase a home with less than a 20% down payment, and enables you to obtain government insured programs. It is a monthly amount added to the mortgage payment to protect the lender in the event a borrower defaults on a mortgage.

What is a mortgage escrow account?

Mortgage escrow accounts automatically budget the borrower's property tax and hazard insurance responsibilities over the course of a year. Homeowners do not have to worry about coming up with several large, lump sum payments; rather, they make a broken down payment within their monthly mortgage payment. The escrow ensures that there is enough money to pay these bills when they are due. This prevents the homeowner from facing lapsed insurance coverage or delinquent taxes.

Document Checklist



For your initial appointment with a First World Mortgage licensed Loan Originator, please bring the following documents:

Income:

- Most recent paystubs covering the last 30 days for all borrowers.
- Last 2 years W-2 income statements for all borrowers.
- Last 2 years signed tax returns for all borrowers.
- If you receive Social Security, Disability, Pension, or any other form of fixed income, please provide a copy of the award letter(s).
- If self-employed or part owner in your company, please provide last two years business tax returns as well.
- Proof of alimony or child support income if it is needed for income qualification (Divorce Decree or Court Orders are considered proof).

Assets:

- 2 months of the most recent checking and savings bank statements (all pages).
- Most recent asset statements for 401k, IRA, stocks, and any other liquid assets.
- Copy of any good faith deposit checks made to the seller.

Property:

- If you have already found a home you are interested in buying, please bring in:
- Real Estate Agent's contact information.
 - Annual property tax figure.
 - Fully executed purchase and sales agreement (if you have one).

Miscellaneous:

If there are any life events on the horizon that may effect your income, assets, or employment, please notify your Loan Originator of any such event. Providing this information will help us provide you with the exceptional customer service you deserve.

Moving Checklist

Make Your Move

The moving process can be stressful, and it is a lot of work. Even if you hire a professional moving company, you will have your hands full planning, preparing, and making sure all of the appropriate changes happen prior to your move.

To help make things easier and low stress, we have developed the following checklist for you.

4 Weeks Prior to Moving Day												
Check When Completed	Activity	Comments										
<input type="checkbox"/>	Utility Transfers & Setup	<p>Notify utility and service providers of your upcoming move. In most cases, you can transfer your service to your new home. However, you may want to compare prices with other providers. Either way, here is a list of some services to transfer or setup:</p> <table border="0"> <tr> <td><input type="checkbox"/> Electricity</td> <td><input type="checkbox"/> Cable/Satellite TV</td> </tr> <tr> <td><input type="checkbox"/> Water</td> <td><input type="checkbox"/> Internet</td> </tr> <tr> <td><input type="checkbox"/> Gas</td> <td><input type="checkbox"/> Home Phone Service</td> </tr> <tr> <td><input type="checkbox"/> Security System</td> <td><input type="checkbox"/> Cell Phone Service</td> </tr> <tr> <td><input type="checkbox"/> Trash Pickup</td> <td><input type="checkbox"/> Recycling Pickup</td> </tr> </table> <p>TIP: To ensure you do not experience gaps or interruptions in service, it's suggested to:</p> <ol style="list-style-type: none"> 1. Schedule services to be turned on at least one day prior to your move-in date of your new home. 2. Schedule services to be turned off at least one day after the move from your prior residence. 	<input type="checkbox"/> Electricity	<input type="checkbox"/> Cable/Satellite TV	<input type="checkbox"/> Water	<input type="checkbox"/> Internet	<input type="checkbox"/> Gas	<input type="checkbox"/> Home Phone Service	<input type="checkbox"/> Security System	<input type="checkbox"/> Cell Phone Service	<input type="checkbox"/> Trash Pickup	<input type="checkbox"/> Recycling Pickup
<input type="checkbox"/> Electricity	<input type="checkbox"/> Cable/Satellite TV											
<input type="checkbox"/> Water	<input type="checkbox"/> Internet											
<input type="checkbox"/> Gas	<input type="checkbox"/> Home Phone Service											
<input type="checkbox"/> Security System	<input type="checkbox"/> Cell Phone Service											
<input type="checkbox"/> Trash Pickup	<input type="checkbox"/> Recycling Pickup											
<input type="checkbox"/>	Initiate a change of address	<p>Notify the Post Office of the date to begin forwarding your mail to your new address. It can be done by calling (800) ASK-USPS or online at www.MoversGuide.USPS.com.</p>										
<input type="checkbox"/>	Notify People & Businesses of Your New Address	<p>Creditors, family doctors, fitness centers, house of worship, and anyone that provides you service may need your new address.</p>										

Moving Checklist

4 Weeks Prior to Moving Day (cont.)												
Check When Completed	Activity	Comments										
<input type="checkbox"/>	Reserve a moving truck or hire professionals	<p>There are many choices of truck rentals if you choose a self-move: www.pensketruckrental.com www.budgettruck.com www.uhaul.com</p> <p>If you plan on hiring professional movers, a quick Google search in your area for “<i>professional movers</i>” can provide several options.</p> <p>TIP: You can save hundreds, or even thousands of dollars with a do-it-yourself-move. However, the best way to protect your belongings is by hiring a professional moving company that is insured to replace items that get damaged or lost.</p>										
<input type="checkbox"/>	Find volunteers to help you move	<p>Friends, family, and co-workers are often willing to help with your move. A free meal for your volunteers is usually plenty to offer for their time.</p>										
<input type="checkbox"/>	Get moving supplies	<p>Moving supplies can be expensive, especially if professional movers supply them. Shopping online can be an easy and affordable solution. Most moving supplies can be purchased at: www.Uboxes.com www.Uline.com</p> <p>Items you may need are:</p> <table border="0"> <tr> <td><input type="checkbox"/> Moving Boxes</td> <td><input type="checkbox"/> Packing Tape</td> </tr> <tr> <td><input type="checkbox"/> Packing Paper</td> <td><input type="checkbox"/> Packing Peanuts</td> </tr> <tr> <td><input type="checkbox"/> Bubble Wrap</td> <td><input type="checkbox"/> Stretch Wrap</td> </tr> <tr> <td><input type="checkbox"/> Box Cutter</td> <td><input type="checkbox"/> Scissors</td> </tr> <tr> <td><input type="checkbox"/> Black Markers</td> <td><input type="checkbox"/> “Fragile” Labels</td> </tr> </table>	<input type="checkbox"/> Moving Boxes	<input type="checkbox"/> Packing Tape	<input type="checkbox"/> Packing Paper	<input type="checkbox"/> Packing Peanuts	<input type="checkbox"/> Bubble Wrap	<input type="checkbox"/> Stretch Wrap	<input type="checkbox"/> Box Cutter	<input type="checkbox"/> Scissors	<input type="checkbox"/> Black Markers	<input type="checkbox"/> “Fragile” Labels
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<input type="checkbox"/> Box Cutter	<input type="checkbox"/> Scissors											
<input type="checkbox"/> Black Markers	<input type="checkbox"/> “Fragile” Labels											

Moving Checklist

3 Weeks Prior to Moving Day												
Check When Completed	Activity	Comments										
<input type="checkbox"/>	Start Packing	<p>The secret to a successful move is to begin packing early. Last minute packing can lead to improperly packed/padded boxes, resulting in broken items.</p> <p>In addition to this, packing far enough out from your moving day gives you more time to organize and categorize how you pack, making unpacking your items that much easier.</p> <p>TIP: Creating or purchasing a file system, or some type of document organizer, can be very helpful. You can use your file system to centralize all important documentation to ensure documents do not get lost or misplaced. Your local office supply stores will have many affordable options to choose from.</p>										
<input type="checkbox"/>	Get rid of unwanted items & clutter	<p>Chances are, you will have items that you no longer want or need. You can take this opportunity to hold a yard sale, throw some items out, and donate items to charity.</p> <p>Items to consider may include:</p> <table border="0"> <tr> <td><input type="checkbox"/> Furniture</td> <td><input type="checkbox"/> Clothing</td> </tr> <tr> <td><input type="checkbox"/> Books</td> <td><input type="checkbox"/> Dishes</td> </tr> <tr> <td><input type="checkbox"/> Toys</td> <td><input type="checkbox"/> Electronics</td> </tr> <tr> <td><input type="checkbox"/> Tools</td> <td><input type="checkbox"/> DVD's</td> </tr> <tr> <td colspan="2"><input type="checkbox"/> Exercise/Sports Equipment</td> </tr> </table>	<input type="checkbox"/> Furniture	<input type="checkbox"/> Clothing	<input type="checkbox"/> Books	<input type="checkbox"/> Dishes	<input type="checkbox"/> Toys	<input type="checkbox"/> Electronics	<input type="checkbox"/> Tools	<input type="checkbox"/> DVD's	<input type="checkbox"/> Exercise/Sports Equipment	
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<input type="checkbox"/> Tools	<input type="checkbox"/> DVD's											
<input type="checkbox"/> Exercise/Sports Equipment												
<input type="checkbox"/>	Return items	<p>You will have enough to do in the upcoming weeks, so this is a good time to return items you borrowed and rented. This may include cable/satellite receiver boxes, video rentals, and library books.</p>										

Moving Checklist

1 Week Prior to Moving Day		
Check When Completed	Activity	Comments
<input type="checkbox"/>	Confirm the date & time of your move	<p>One of the worst things that can happen is someone not showing up on moving day, or equipment not being available that is supposed to be there for your move.</p> <p>Double check that everyone knows the date, time, and location your move will begin.</p> <p>People you may want to call include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Professional Moving Company <input type="checkbox"/> Truck Rental Company <input type="checkbox"/> Volunteers
<input type="checkbox"/>	Arrange for someone to watch children and pets	<p>Since moving day will require your full attention, having someone watch your children and pets can eliminate stress and confusion.</p>

1 Day Prior to Moving Day		
Check When Completed	Activity	Comments
<input type="checkbox"/>	Pack a suitcase	<p>Pack a couple changes of clothes and some personal hygiene products. These items may not be easily accessible, and may take some time to unpack from boxes after your move.</p> <p>TIP: Don't forget to pack medications.</p>
<input type="checkbox"/>	Pack a lunch	<p>You probably will not be able to cook on moving day, and going to the store to pickup food can be inconvenient. Packing lunch the day before will make things easier, and be less expensive than ordering take-out for everyone.</p>