

THE COMPLETE GUIDE TO BUYING THE HOME YOU LOVE



You know the why. We know the way.

OnPath
CREDIT UNION

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We'll guide you every step of the way.

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FIRST TIME HOMEBUYER TIPS

So you've decided to take the first big step and buy a home.

Congratulations on great adulting! We created this guide to make the homebuying process easy and painless, so you can focus on the future ahead. Whether you're a first time homebuyer or an experienced homeowner, this guide will help you make the best choice for your unique situation.

Ditching the rental

The rental life — we know it well. You may be moving out of an apartment complex where you had access to a free 24/7 gym, a pool, and an on-site handyman. These are just some of the luxuries you'll be giving up when transitioning into a home. Make sure you're financially prepared to handle amenities you may have taken for granted at your rental, like:

- Upkeep and repairs
- Water, electricity, trash
- Lawn care and outdoor maintenance
- Pest control

As a homeowner, you'll be introduced to new expenses, such as:

- Monthly mortgage payment
- Property taxes
- Flood, wind storm and other types of insurance

Navigating your lease

Finding the perfect home can take time. For this reason, it's wise to start shopping for a new pad closer to the end of your leasing period. If the home is already vacant, you might be able to move in within a few weeks. However, if people still live in the house, a move might take longer.

Advice for first time homebuyers

Know your housing budget and stick to it.

There's a term for people who buy a house that costs more than their income: *house poor*. A house is something to be enjoyed, not a problem you're constantly fighting to keep. Avoid buying out of your financial comfort zone.

Be logical, even if it means passing on a house you really love.

Have you ever found the perfect house just to discover it is way out of your reach? If so, do everything in your power to fight that little voice in your head saying "we can make this work." Buying a home outside of your budget tends to set you up for disappointment. Even if you manage to purchase the home you may end up "house poor" as described above. Find an option that fits your lifestyle.

Stick to your present income, not future.

Have a good feeling about that Christmas bonus? Is management considering you for a director role? Congratulations, you deserve it! However, these assumptions should not be factored into your home buying decision. Instead, if you are having trouble finding a house in your price range, consider ways to reduce your current expenses. This will mean having more money available to make a larger monthly mortgage payment. Plan to give yourself at least six months to see if you can stick to your new budget.

Treat it like a home, not an investment.

The hope when buying a home is that eventually you'll earn a profit from the sale of that home. However, it's in your best interest to view your dwelling for what it is: a place of stability and security. In a buyer's market, you'll more than likely get a better deal on your home down the line. But the odds of becoming *rich* off your home are statistically slim. You'd be relying heavily on timing and luck. For that reason, you're much better off just treating your home as a *home*.



THE JOURNEY TO HOME OWNERSHIP

Now you're ready to start life in your new home, right?

Well, not quite.

Before you even walk into a house, there are several things you need to take care of. The good news? Our 10-step process for homebuying will provide a clear path leading to your dream home. Follow these steps and confidently know exactly what you need to do next no matter where you are on your homebuying journey.

THE JOURNEY TO HOME OWNERSHIP

10 steps to buying the home you love

- 1 Check Your Credit
- 2 Determine Your Budget
- 3 Compare Options
- 4 Get Pre-approved
- 5 Hire a Real Estate Agent
- 6 Go Home Shopping
- 7 Make an Offer
- 8 Get an Inspection
- 9 Close Your Loan
- 10 Move Into Your Home





STEP 1: CHECK YOUR CREDIT

Mortgage lenders rely on credit scores to determine their risk in lending you the money needed to buy the home you love. The most common credit scoring model is the FICO score with a scoring range from 300 to 850. Your FICO score will directly impact how much money you pay in interest for your home. The higher your FICO score is, the better, as this will help you pay less in total interest payments over time.

And while it might be possible to obtain a conventional home loan with a 620 FICO score, it's best to avoid this approach or else the house you buy might become the home you hate as your mortgage payments could end up costing a lot more in the long run.

According to a report from myFICO.com, when compared to someone with a top-tier FICO score (760-plus), a borrower with a minimal credit score can expect to pay over \$82,000 more in interest over the life of a \$250,000, 30-year mortgage.

STEP 1: CHECK YOUR CREDIT

Take action: Review your credit report

As you begin your homebuying journey, checking your credit score first will give you plenty of time to improve your score, if necessary. A small increase in your credit score can make a big difference in how much more you pay in interest for your home over the long run.

To get your homebuying journey started on the right foot, we recommend you first visit www.annualcreditreport.com and review copies of your credit report from the three major credit bureaus (Equifax, Experian, and TransUnion) at least 90 days before you plan to apply for a mortgage.

Review these reports carefully to make sure all the information is accurate. If you see an error, report it to the credit bureaus immediately to be corrected. Remember, a small increase in your credit score can make a big difference in how much more in interest you pay for your home over the long run.



STEP 1: CHECK YOUR CREDIT

What affects your credit score?

1 PAYMENT HISTORY

Late payments harm your credit score, especially when late payments are recent or occur frequently.

2 BANKRUPTCIES

Judgments and collection accounts have a negative impact by lowering your credit score.

3 CREDIT BALANCES

Carrying large balances on your credit cards or credit lines can lower your credit score, especially if these balances are close to the credit limit.

4 CREDIT RELATIONSHIPS

Long-standing creditor relationships have a more positive impact on your credit score than newer relationships.

5 NEW CREDIT

Frequently applying for and opening new credit cards and credit lines can lower your credit score.

6 TYPES OF CREDIT

Using a variety of different types of credit responsibly can have a positive impact on your credit score.

STEP 1: CHECK YOUR CREDIT

Improving your credit score

Having a low credit score isn't the end of the world, but it can certainly impede your ability to qualify for a loan at a competitive rate since it's the main thing lenders look at to determine your risk. While there is no quick fix for repairing a credit score, a few good habits can help you save a ton of cash when buying your new home.

- 1 Pay down debt and keep balances low on credit cards and credit lines
- 2 Pay your credit cards and credit lines on time, every time
- 3 Avoid transferring balances to new credit cards
- 4 Only apply for the credit you need and close cards you no longer use
- 5 Keep old credit accounts open





STEP 2: DETERMINE YOUR BUDGET

Before you go house hunting, really understand how much you can comfortably afford when looking for home sweet home.

You may find that it is possible to obtain a mortgage with payments that make your total monthly debts 45% of your pre-tax income. This is a surefire way to get handcuffed to a monthly mortgage you can't afford.

When setting a comfortable budget to buy a home, most mortgage lenders require your total housing costs to fall below 33% of your gross monthly income. We recommend keeping it closer to 25% of your gross monthly income.

STEP 2: DETERMINE YOUR BUDGET

Other items to budget for:

THE DOWN PAYMENT

A major component of your monthly mortgage payment is determined by the amount you can pay upfront with a down payment. Down payment requirements range anywhere from 3% to 20%. Putting down more than required has advantages, especially in a seller's market. A higher down payment can result in better interest rates and increase confidence with the sellers, boosting your chances of getting your offer accepted.

CLOSING COSTS

Another figure that catches many people by surprise. Closing costs are lender and third-party fees paid at the close of a real estate transaction. These can consist of attorney fees, title insurance, appraisals, points (fees paid directly to the mortgage lender at the time of closing in exchange for a reduced interest rate), and tax escrows.

The average cost of these fees is typically 3-5% of the purchase price and paid up front. Common closing costs include:

- Loan origination fee
- Loan discount points
- Flood certification fee
- Document preparation fee
- Credit report fee
- Private mortgage insurance
- Settlement/closing fee
- Recording/transfer fees
- Title search
- Title insurance
- Appraisal fee
- Pest inspection
- Reserves/escrow account
- Survey
- Insurance premium
- Prepaid interest

POST-PURCHASE RESERVE FUNDS

You might need to prove to your mortgage lender that you have enough money saved up to protect against potential future cash flow problems. We recommend you have at least two to three months' worth of housing payments in an emergency savings account.

STEP 2: DETERMINE YOUR BUDGET

THE EXTRAS

Extras include everything from moving costs to buying new furniture. What if you are buying a fixer-upper that needs some TLC or a home that doesn't come with major appliances? These are extra expenses to budget for. The cost of "extras" varies greatly. If you are a first time homebuyer working with a tight budget, we recommend prioritizing non-essential extras as they can often be added, upgraded, or purchased later.

FUTURE UPKEEP

Regular maintenance is necessary to keep your humble abode in tip top shape while also preventing costly repairs. Try budgeting around 1% of the final sale price of your home for future upkeep and maintenance. We also recommend keeping money in an emergency savings account so you're always covered for any unexpected event—like roof repairs or a new AC unit when the cold air randomly shuts off in the hot summer months.

STEP 2: DETERMINE YOUR BUDGET

Expert guidance: Simple budgeting

The easiest way to take control of your budget is to consult a financial professional. Email or call one of our Mortgage Loan Officers and receive free objective guidance to setting a homebuying budget you can afford.

CONTACT A MORTGAGE LOAN OFFICER

CLICK
TO EMAIL
Mortgage@beonpath.com

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504.648.2064

You know the why. We know the way.



STEP 3: COMPARE OPTIONS

Buying a home is one of the most exciting purchases you'll make, but while you're shopping for the perfect place it's imperative that you also shop for something else: a mortgage. Your mortgage is probably the biggest debt you'll take on in your life, but don't worry! There are numerous options available with varying requirements for nearly every type of buyer.

First Time Homebuyer Loan: *HIGHLY RECOMMENDED* If you're looking to buy your first home. The incentives alone make this an attractive option for first time home owners. Traditional mortgages require a down payment between 5-20%. With our first time homebuyer loan, you're only looking at a required 3% down. This 3% can be a gift with our loan which means less out of pocket money for new homebuyers. Plus, there's no PMI to worry about. What's PMI? Well, it's another fee.

It stands for private mortgage insurance, and it's typically required when you put less than 20% down on a home. The First Time Homebuyer Loan scraps the fee and empowers you pick terms that work best for you.

STEP 3: COMPARE OPTIONS

Fixed rate mortgage: A fixed rate mortgage is ideal for homebuyers that want to lock in their rate and maintain a consistent monthly payment over time.

Adjustable rate mortgage (ARM): An ARM has an interest rate for a set period, but then the interest rate and monthly payment adjust at later fixed intervals. Because an ARM usually starts with a lower interest rate when compared to a fixed rate mortgage, an ARM can be a good option for a homebuyer that plans to sell their home in a few years or who anticipates a significant income increase.

Interest-only mortgage: The initial monthly payment for an interest only mortgage is lower since you are only paying the interest portion of the loan. After several years, the monthly payment increases as it includes both the principal and interest. Like an ARM, this mortgage option might be ideal for a homebuyer that plans to sell their home in a few years.

VA loans: VA loans require no down payment and are only available to eligible veterans. VA loans are insured by the Department of Veterans Affairs.

FHA loans: FHA loans require a down payment of at least 3.5% and are insured by the Federal Housing Administration, a division of HUD (the Department of Housing and Urban Development).



STEP 3: COMPARE OPTIONS

Advice from the experts

Your local credit union is a great place to get a home mortgage. Here's why:

1

You could save money.

Unlike banks, credit unions are non-profits absent of investors and stockholders. Instead, credit unions use their earnings to offer members lower fees, better rates and free ATM transactions.

2

You're not just a number.

You know who your servicer is and may know your mortgage loan officer personally. Big banks often sell mortgages to other servicers, which means your mortgage could be sold several times during the life of your loan.

That means the address where you send your mortgage payment would keep changing. If you're not notified before you put your check in the mail, you could get hit with a late fee by your new servicer. Credit unions often service the loans for the life of the term. Sticking with the same servicer means you avoid confusion and late fees caused by service transfers.

STEP 3: COMPARE OPTIONS

Quick lesson: Four common terms associated with mortgage loans

You'll hear these four words come up a lot during the home buying process. Make sure you understand these terms as they are what make up your monthly mortgage payment.

1

PRINCIPAL

The amount of money you borrow to buy your home. When you begin making payments, you pay more interest than principal each month, and then, over time, you pay more principal than interest.

2

INTEREST RATE

Your monthly mortgage payment is influenced by the interest rate you receive for your mortgage loan. Interest rates fluctuate daily, so the rate you see today may differ from the one you see when you're actually approved for the loan. Once again, the better your credit score, the better your interest rate.

3

PROPERTY TAXES

Property taxes may be included with your mortgage payments, or they may be paid on a quarterly or annual basis. The amount of tax you pay is usually assessed as a percentage of your home's value based on the tax rate that varies based on where you live.

4

INSURANCE

Homeowners insurance protects you from potential financial loss that might result because of flooding, fire, wind, or other unforeseen hazards.

STEP 3: COMPARE OPTIONS

Expert guidance: Pick the best option

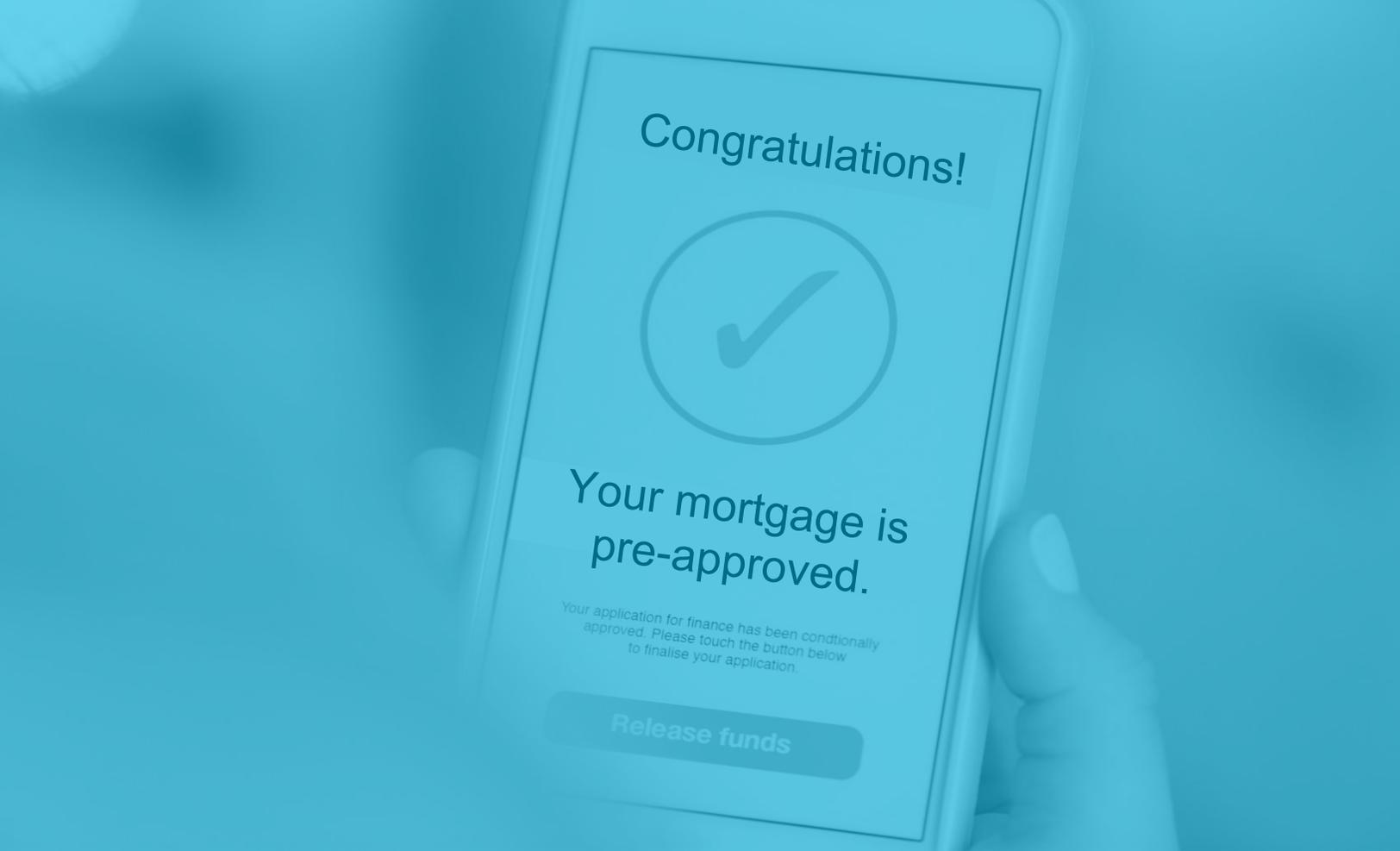
Taking time to understand all your financing options can help you choose the right mortgage. OnPath Credit Union offers free one-on-one guidance to help you pick the best mortgage option based on your unique situation.

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STEP 4: GET PRE-APPROVED

Getting a mortgage pre-approval is critical in today's housing market. Not only can it help you understand your ideal price range, but it also broadcasts to sellers that you are serious about buying their home. Since many sellers are getting multiple offers right now, most won't even entertain your offer without seeing a pre-approval letter first.



STEP 4: GET PRE-APPROVED

Pre-qualification vs. pre-approval

Pre-qualification is simply a helpful projection of how much of a mortgage loan you might qualify for. Be aware that the final amount you are eligible for when going through the formal mortgage application process may be different than what you pre-qualify for based on your tax returns, credit reports, and many other factors.

Pre-approval is essentially the same thing as applying for a mortgage, only without having a specific home in mind —just the IDEA of your ideal home. To obtain a pre-approval, a mortgage lender checks your credit, verifies your income and employment status, and may need to see other documentation as well. Pre-approval provides you with a firm commitment of the amount of money you could borrow from a mortgage lender, typically for 60-90 days barring no significant changes in your financial situation. Once you've been pre-approved by a mortgage lender, you will receive a pre-approval letter that shows how much money you can borrow. This letter shows sellers you mean business and will put you in a better position to buy their home.

The do's and don'ts of pre-approval

Once pre-approved, keep your spending habits in check to prevent any changes in your pre-approval status.

DON'T



1. Apply for credit or close accounts
2. Max out or overcharge credit cards
3. Consolidate debt to fewer cards
4. Make large purchases or deposits

DO THE FOLLOWING



1. Stay current with payments
2. Stay in your current job
3. Pay off recently reported collections

STEP 4: GET PRE-APPROVED

Mortgage Pre-approval Checklist

Here's a handy checklist of items you'll need to submit to your mortgage lender in order to obtain your pre-approval.

- Copy of your driver's license
- Two years of tax returns (personal and business)
- Two years of W-2s (if self-employed include 1099s and a copy of business license)
- Most recent paystubs (minimum of 30 days)
- Most recent bank statements including your checking, savings, and investments
- Explanation of any deposits over \$1,000 other than normal pay into accounts
- All debt including credit cards, car payments, child support, and student loans
- Explanation of any inquiries on credit report
- Mortgage statement, insurance, and most tax statement for all owned properties
- Divorce decree and separation agreement (if applicable)
- Copy of earnest money check and purchase contract (if applicable)

STEP 4: GET PRE-APPROVED

Expert guidance: Getting pre-approved

Pre-approval can give you a leg up on bidding wars and show sellers you're serious about buying. Contact one of our expert Mortgage Loan Officers, and they will guide you through the pre-approval process so you can confidently shop for the home you love.

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STEP 5: HIRE A REAL ESTATE AGENT

Once you've narrowed down your choices to a few neighborhoods, and have a good idea of what you're looking for in a home, it's time to choose a real estate agent.

In a tight housing market, working with a real estate agent can save you time and money. Furthermore, working with a realtor doesn't cost you anything. It's the seller who pays the real estate agent's commission when they sell their home.

Real estate agents provide expertise and guidance through all the ins and outs of shopping for a home. They are also an advocate looking out for your best interest as they have access to information that isn't available to the public. This insight helps them negotiate the best possible purchase price for the home you love.

A good real estate agent will know the area well, will give you a realistic picture of what you can expect to pay, and will proactively suggest homes and neighborhoods you might like based on your needs, in addition to notifying you when new listings arise.

STEP 5: HIRE A REAL ESTATE AGENT

Questions to ask real estate agents

Look to your inner circle to find good, trustworthy options. You know that friend of yours that bought a house last summer? Ask her for a recommendation. Your new co-worker that just moved to the area? Ask him too. Personal recommendations can go a long way when searching for a real estate agent you can trust. You can also research agents online to read their ratings and reviews from others that have worked with them. Select several realtors to interview before deciding on the one you trust most. When engaging with potential real estate agents, treat the process like a job interview. Ask the agent questions about his or her areas of expertise, such as:

- 1 How long have you worked in residential real estate?
- 2 Is this your full-time job?
- 3 Are you familiar with the area where I'm looking to buy a home?
- 4 How many home sales did you participate in last year?
- 5 Do you have any references I can talk to?
- 6 What is your commission?
- 7 Will you be present at the closing?
- 8 Will you represent me as the buyer alone?





STEP 6: GO HOME SHOPPING

Congratulations! You're pre-approved and found a real estate agent you trust.

Now it's time to have some fun and go shopping for your future home. It is helpful to start the home shopping process with a wish list of items you need to have versus the things you simply want.

Your needs might include the number of bedrooms and bathrooms, the availability of parking, or the location of the home you love. Alternatively, your wants are the little luxuries you may be willing to let go of.

STEP 6: GO HOME SHOPPING

Home Shopping Wishlist

Fill out the list below to help you distinguish needs from wants so that you can be confident about which homes you want to make offers on when the time comes.

LOCATION	NEED	WANT
Located in urban or rural area	<input type="checkbox"/>	<input type="checkbox"/>
In good school district for my children	<input type="checkbox"/>	<input type="checkbox"/>
Close to public transportation	<input type="checkbox"/>	<input type="checkbox"/>
Close to major highways	<input type="checkbox"/>	<input type="checkbox"/>
Near work (short commute)	<input type="checkbox"/>	<input type="checkbox"/>
STYLE		
Custom build, spec home, tract home	<input type="checkbox"/>	<input type="checkbox"/>
Existing: Less than 10 years old or 10+ years old	<input type="checkbox"/>	<input type="checkbox"/>
Contemporary, traditional, colonial, other	<input type="checkbox"/>	<input type="checkbox"/>
1 or 2 levels	<input type="checkbox"/>	<input type="checkbox"/>
EXTERIOR		
Brick, vinyl siding, stucco, or wood siding	<input type="checkbox"/>	<input type="checkbox"/>
Big backyard	<input type="checkbox"/>	<input type="checkbox"/>
Pool	<input type="checkbox"/>	<input type="checkbox"/>
Garage or carport	<input type="checkbox"/>	<input type="checkbox"/>
Wooded lot/privacy	<input type="checkbox"/>	<input type="checkbox"/>
Fenced property	<input type="checkbox"/>	<input type="checkbox"/>
INTERIOR		
Number of bedrooms _____	<input type="checkbox"/>	<input type="checkbox"/>
Number of bathrooms _____	<input type="checkbox"/>	<input type="checkbox"/>
Dining room	<input type="checkbox"/>	<input type="checkbox"/>
Family room (in addition to living room)	<input type="checkbox"/>	<input type="checkbox"/>
Central air conditioning	<input type="checkbox"/>	<input type="checkbox"/>
Minimum square footage _____	<input type="checkbox"/>	<input type="checkbox"/>
Hardwood floor	<input type="checkbox"/>	<input type="checkbox"/>
Fireplace	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>

STEP 6: GO HOME SHOPPING

Home Shopping Comparison List

Touring prospective homes can be exhilarating. But while you're busy nerding out over the climate control wine cellar, make sure you're also noting the home's appearance and amenities. Bring this checklist along when touring homes to stay focused on what is important in addition to making comparing each home easier.

	Address:	Address:	Address:	Address:
Selling Price	\$	\$	\$	\$
General Preferences				
Style of architecture				
Age of home				
Number of levels				
Number of bedrooms				
Number of bathrooms				
Garage				
Indoor Amenities				
Fireplace				
View				
Central heat/AC				
Family room				
Study				
Storage Space				
Other Preferences				
Exterior look				
Interior decor				
Appliances				
Cleanliness and upkeep				
Location relative to work, school, etc.				
Other Notes				
Advantages				
Disadvantages				
Additional comments				



STEP 7: MAKE AN OFFER

The shining moment has come — you've found the perfect house. Now is the time to make an offer. But before you pull the trigger, make one last look at comparable home sales in the area in addition to any renovations that may need to be made as you begin to decide on an offer price. Your trusty real estate agent can provide you with additional guidance and recommendations. It is also important to consider annual taxes and property insurance for the home.

The first offer you make should be at the lowest end of your comfortable budget range. This gives you room in your budget to offer a higher price during negotiations as you feel necessary.

STEP 7: MAKE AN OFFER

Once you submit your offer, the homeowner reviews it and they will either:

1. Accept the offer
2. Decline the offer
3. Respond with a counter offer

Don't be surprised if you're met with a counter offer, as they are increasingly common during the negotiation period, typically within 24 to 48 hours. At this point, you can either agree with their terms or make another counteroffer. This process continues until you make an agreement or decide to walk away.

In addition to negotiating on the sales price, you can also negotiate by raising earnest money, waiving contingencies, or proposing a different closing date.



STEP 7: MAKE AN OFFER

Things to consider when making an offer



This is a deposit showing your commitment to buying a home, and in many cases, it is non-refundable. Typically, the deposit is a small percentage of the asking price that is later applied to your down payment. Your real estate agent holds the check/deposit until the offer is accepted.



These are costs that the seller pays for the buyer, reducing the amount of money the seller receives. This includes closing costs or cash back for repairs or renovations.



These are items built into the sales contract and remain with the property. Inclusions often include appliances, blinds, chandeliers, or anything else staying behind after the move. It's assumed that these are excluded from sale. If they are to be included they must be expressly included in any agreement.



Contingencies often include home inspection, financing, and an appraisal. To strengthen their offer, some buyers waive their property inspection, an optional step that can uncover costly fixes. If you're considering this tactic, make sure you know the risk involved. Waiving inspection can leave you with an expensive headache. It could also cost you negotiating power if something is actually wrong with the house.



STEP 8: GET AN INSPECTION

Once your offer is accepted, it's time to arrange a home inspection. This is the point where you metaphorically “look under the hood” to determine if the physical structure and systems of the house will result in any unseen and expensive problems after you move in. Once the inspection is complete, you will receive a report about the status and condition of:

- Heating/air conditioning
- Plumbing and electrical
- Roof, attic, and insulation
- Walls, ceilings, and floors
- Foundation
- Windows and doors

It is important to note a typical inspection does NOT cover the following items:

- Asbestos
- Radon, radiation, and methane
- Formaldehyde
- Lead
- Rodents
- Mold, mildew, and fungi
- Wood-destroying organisms

STEP 8: GET AN INSPECTION

Preparing for a home inspection

- 1. Shop around:** The cost of a house inspection varies by location, features, and size.
- 2. Check credentials and insurance:** Ask if the inspector is a member of the state Association of Home Inspectors, American Society of Home Inspectors, or other associations. Make sure the inspector you hire carries liability insurance.
- 3. Tag along:** Accompany the inspector, if you can, but let them do their job and don't get in the way.

Keep an eye out for these red flags.

- OUTSIDE 1** Gaps around doors and windows, peeling paint, clogged gutters, cracked caulk, bad shingles, overgrown shrubbery or branches close to the house, and soil that doesn't slope away from the home (need grade of 3 inches for every 5 feet).
- STRUCTURE 2** Foundation cracks (both horizontal and vertical), heater noise (gurgles or pops indicate you need to drain out sediment), wiring outside electrical boxes (make sure they are spliced well), joist ends and sill plates (check for poorly-placed drill holes and termite tubes).
- OUTSIDE 3** Leaky roof, damaged roof truss, pull-down stair steps that let heat pour into the attic, insulation that covers recessed lighting fixtures (a fire hazard).
- OUTSIDE 4** Moisture buildup in bathrooms and wobbly toilets, water stains on ceilings and walls, faulty grout which leads to rot, doors and windows that are stuck or that have cracks above them, dryer vents that don't exit the building, and loose stairwell railings.



STEP 9: CLOSE YOUR LOAN

You're in the final stretch!

Let's cover a few things that need to happen before you get the keys to your new home and start the moving process.

STEP 9: CLOSE YOUR LOAN

1. Finalize your mortgage: Contact your mortgage lender to let them know you've found your future home. From here, the mortgage lender will begin preparation for closing, which may require a few additional documents from you. A great mortgage lender will have touched base with you throughout the mortgage process and promptly returned your calls, emails, and texts. Communication and responsiveness on both sides ensure everything moves forward as is expected.

2. Obtain homeowners insurance: To fully complete the home buying and mortgage process, you are required to provide proof of insurance at your closing. Depending on your home's location, you may also be required to have separate flood and windstorm coverage. These types of insurance are usually separate from a regular homeowner's policy. Your mortgage loan officer can provide guidance to ensure you have the proper homeowners insurance ahead of closing.

Tip: Don't wait until the last minute to start shopping for homeowners insurance. Take your time to do your homework and shop around as you research and compare different insurance providers. Start with the company that covers your car — as insurance companies often offer discounts when you have multiple insurance policies with them. But don't stop there. You might discover a significant price difference for similar coverage between different insurance providers.

3. Schedule the final walkthrough: About a day or so before closing, and ideally after the seller has moved out, schedule the final walkthrough of the entire property. Do this with your real estate agent, and even your mortgage lender, as they will offer another pair of objective eyes. Working together, you can ensure the seller left everything as agreed upon, and that the property is the condition as expected. This is the best time to bring up any problems since the seller has not yet been paid.



STEP 9: CLOSE YOUR LOAN

Final Walkthrough Checklist

- Double-check that all repairs stated on your home inspection report have been completed in addition to the seller leaving behind warranties and receipts for the work.
- Check that all items included in the sale, from window blinds to appliances, are where they should be in addition to ensuring all garbage and construction debris from repairs have been removed and that the property has been left clean and damage-free.
- Open all windows and doors to make sure your home is safe and secure before you move in. Note any window screens that are missing along with windows that are broken or stick when opening, which could be a potential fire hazard.
- Carefully inspect the bathrooms to ensure they are free from mold and water damage. Check for standing water by the sink, shower, and base of the toilet while also testing the toilets to ensure they are not running.
- Verify all sinks and showers have hot water, don't spray water, and don't leak when turned off. Check to ensure all sinks and tubs are not clogged and drain properly and quickly.
- Review the kitchen and check for signs of mold or water damage under the sink, around the dishwasher, and near the refrigerator.
- Test all the kitchen appliances to ensure the oven heats properly, without smelling like gas, and the dishwasher runs a full cycle.
- Check the washer and dryer in the laundry room to ensure they run a full cycle without problems. And if the laundry room has a sink, fill it up to ensure that it drains properly.
- Test both the AC and heating system, even if it is a 90-degree day when you do your final walkthrough, as this will ensure both are working correctly.

STEP 9: CLOSE YOUR LOAN

- Check the electrical system by turning every light on and off in addition to reviewing all outlet plate covers to ensure they are not damaged.
- Plug a cell phone charger into all outlets to quickly confirm all outlets are working as they should.
- Verify doorbells, security systems, and garage doors work all work properly.
- Tour the entire property to ensure the home looks as expected on the outside. Review the fence line, gutters, and landscaping in addition to ensuring irrigation systems and gates function correctly.
- Look for signs of pests, including termites and mouse droppings, to ensure no critters have moved in after the seller has moved out.

STEP 9: CLOSE YOUR LOAN

Roll out the red carpet. It's CLOSING DAY.

Cue the fireworks. Shout “yay” from the rooftops. Your mortgage loan is finalized and the title of the house is transferred to you. The closing process is usually handled by a title company, attorney or closing company.

Depending on your comfort level, you may find it helpful to hire a real estate lawyer to ensure you understand the paperwork and the closing documents before signing.

What to *bring* to closing day: Bring your photo identification and a cashier's check (if needed) for the closing costs and down payment along with any additional documents your situation may require.

What to *expect* on closing day: Expect to have your trusted entourage—the people who helped you get there—gathered at the closing table. You might also see the seller along with their mortgage holder and real estate agent.

What to *do* at the closing table: Get your pen ready. You'll start the closing day process by signing the documents that put you in possession of your new home in addition to signing your mortgage documents. Next, your mortgage lender will pay the seller for your home on your behalf. Finally, at long last, you'll get the keys to your perfect home along with payment information for your mortgage. Be sure to keep your closing documents in a safe place for future reference.





STEP 10: MOVE INTO YOUR HOME

Now for the most exciting part — moving in! Moving can be a production. Considering some key things ahead of time can help you simplify your move, avoid roadblocks, and minimize time spent hauling boxes.

One month before the move

- Double-check that all repairs stated on your home inspection report have been completed in addition to the seller leaving behind warranties and receipts for the work.
- Check that all items included in the sale, from window blinds to appliances, are where they should be in addition to ensuring all garbage and construction debris from repairs have been removed and that the property has been left clean and damage-free.
- Open all windows and doors to make sure your home is safe and secure before you move in. Note any window screens that are missing along with windows that are broken or stick when opening, which could be a potential fire hazard.

STEP 10: MOVE INTO YOUR HOME

- ❑ Carefully inspect the bathrooms to ensure they are free from mold and water damage. Check for standing water by the sink, shower, and base of the toilet while also testing the toilets to ensure they are not running.
- ❑ Verify all sinks and showers have hot water, don't spray water, and don't leak when turned off. Check to ensure all sinks and tubs are not clogged and drain properly and quickly.
- ❑ Review the kitchen and check for signs of mold or water damage under the sink, around the dishwasher, and near the refrigerator.
- ❑ Test all the kitchen appliances to ensure the oven heats properly, without smelling like gas, and the dishwasher runs a full cycle.
- ❑ Check the washer and dryer in the laundry room to ensure they run a full cycle without problems. And if the laundry room has a sink, fill it up to ensure that it drains properly.
- ❑ Test both the AC and heating system, even if it is a 90-degree day when you do your final walkthrough, as this will ensure both are working correctly.

One week before the move

- ❑ **Make a closing-up plan:** Plan what you need to do now with your current home before you start your move. Do you need to return keys to your landlord? Will you need help cleaning and preparing your existing home to sell? Plan these details ahead of time so you can focus entirely on your new home going forward.
- ❑ **Drive the route ahead of time:** If your move is in the local area, drive the route beforehand to identify any obstacles a big moving truck might have to deal.
- ❑ **Snap photos of empty rooms to document needed repairs:** As you are packing up each room in your current home, take pictures to document any required repairs. This helps show what damage may need to be fixed and what was in perfect condition when you moved out.

STEP 10: MOVE INTO YOUR HOME

- ❑ **Begin deep cleaning:** Leave your current home as clean as possible. A landlord can charge you for leaving your home too dirty.
- ❑ **Use drop cloths to protect the floors in both houses:** Plastic drop cloths cost only a few bucks but can save you big money from the potential damage caused by sliding boxes and furniture across the floors in both houses.

One day before the move

- ❑ **Plan food and rest breaks:** Plan what you will eat along with a few scheduled breaks to rest as moving day is a long and busy day that requires all of your energy and focus.
- ❑ **Create a timeline with goals:** Create a moving day timeline or schedule with goals that help you measure your progress throughout the day as you will most likely have just one day to move out of your current home and into your new one.
- ❑ **Make sure your keys work:** If you have not already done so, test out all of the keys for your new home, along with the garage door code.
- ❑ **Plug in appliances:** Get your refrigerator ready for any groceries you might move in addition to testing lights, toilets, and sinks to ensure everything works as it did during your final walkthrough.
- ❑ **Review your moving contract:** If you are working with movers or renting a moving truck, your contract will include important times and conditions for moving day. Taking a look at this one more time helps ensure there are no moving day surprises or issues.
- ❑ **Make a final moving inventory list:** Now that everything is packed up, create a moving inventory list by counting all of your boxes, including their assigned room, and documenting everything you will be moving.
- ❑ **Keep “essentials” close to you:** Place your keys, cell phone and charger, garage door opener, and critical moving day paperwork in an easy-to-access box or bag. It also helps to include a screwdriver, scissors, duct tape, and flashlight.

STEP 10: MOVE INTO YOUR HOME

Moving day

- ❑ **Set an alarm:** You've got a lot to do. Set the alarm early and get a jump start on the day.
- ❑ **Eat a good breakfast:** Skip the carbs (and the crash that follows) and eat a high-protein breakfast to maximize your energy throughout the morning.
- ❑ **Take a moment to breathe:** Because you woke up early, you shouldn't feel rushed. Take a moment to breathe, relax, and reflect on all the good you have accomplished to get to this point.
- ❑ **Review your moving inventory list:** Now that you've almost worked through the entire moving checklist, your moving inventory list becomes one of your most important documents to review throughout the day to ensure everything gets from your current house to your new home as expected.
- ❑ **Stay hydrated:** Grab a few bottles of water to drink throughout the day to stay hydrated and focused during your move.
- ❑ **Place a take-out order for lunch and dinner:** Keep eating options simple. Your plates and utensils are boxed up, remember?
- ❑ **Start moving:** It's time to get going as you greet the movers, pick up your rental truck, or welcome your friends and family that have volunteered to help you.
- ❑ **Lock up:** As you'll be the last one to leave your current house, take one final walkthrough. Unplug everything, turn off the lights, and lock the door one last time.



STEP 10: MOVE INTO YOUR HOME

After move day

- ❑ **Clean:** You might feel tired after your move, but your home will never be easier to clean than now. Get a fresh start and do a deep clean while everything is still packed in boxes.
- ❑ **Paint:** If needed, get any painting you need to finish up done now before unpacking as there is less prep work for you to do while your belongings are still in boxes.
- ❑ **Change the locks:** Who knows how many people the last homeowner trusted with spare keys. Keep your belongings secure by changing all locks.
- ❑ **Find out when trash and recycling day is:** There will be a lot to throw out. Be ready to put trash and items for recycling out to be picked up at the first chance you get.

Enjoy your new home!

Stepping foot into your new home is one of the most satisfying feelings in the world. You achieved your goals with a little help along the way. Congrats on a job well done! Your new home is an investment that will reap rewards for a lifetime.



STEP 10: MOVE INTO YOUR HOME

You know the why. We know the way.

The information in this guide is an accumulation of years of experience from our mortgage experts at OnPath Credit Union. For more than 80 years we've helped the people in our community save money and live better lives.

Whether you're purchasing your first home or looking to finance a second home, we have a low-rate home loan that matches your needs. Don't just take this paragraph's word for it, spark up a conversation with one of our Mortgage Loan Officers and see how we can help you achieve your vision.

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THE COMPLETE GUIDE TO BUYING THE HOME YOU LOVE



You know the why. We know the way.

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