



OPPORTUNITY  
RESOURCE FUND

A CATALYST FOR MICHIGAN COMMUNITIES

# Homebuyer Guidebook



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## 1. Get Prequalified

Know how much home you can actually afford? Before starting out to find the perfect home, you'll want to do some research to determine how much you can actually afford, and the price range of which you are prequalified. Prequalification are fairly simple but doesn't hold much weight in today's market so you will want to get a Pre-Approval. A Pre-Approval means that your Lender has verified some basic information and an underwriter has viewed the file to state you meet minimum requirements to get a mortgage loan. You will get a letter for your Realtor to show Sellers you are serious about your offer. Opportunity Resource only does Pre-Approvals. Pre-Approvals are conditional and All requirements must be met before the loan will be funded.

### Things to think about:

- How much can I afford?
- What am I comfortable paying each month for a mortgage?
- How much money do I have saved for a down payment and my closing costs?
- What information will the loan officer need from me?
- What loan program most meets my needs?

Our online mortgage center is filled with tools & resources to get you started and answer these questions.

### Once you have been Pre-Approved

- ✓ You will know exactly what you can afford
- ✓ You will have negotiating power to let the seller know you are a committed buyer
- ✓ We will be with you every step of the process

### Credit Score Basics

Your score will be one of the first items a loan specialist reviews when it comes to getting a loan. It helps determine if you qualify for a loan and at what interest rate. At Opportunity Resource center we think you are more than your credit score so we evaluate your entire financial picture, not just the score.

## **Loan Approval documentation:**

- ✓ Employment Verification
  - Last two years of W-2 Statements and 30 consecutive days of paystubs
  - Proof of additional income ( SSA/SSI, Child Support, Alimony) if applicable
  - Current & Previous Year Personal Federal Tax Returns
  - Current & Prior Year Business Federal Tax Returns( all pages & schedules) and a Year-to-Date Profit & Loss statement
  
- ✓ Asset Verification
  - Last three months of Bank statements( including blank pages)
- ✓ Additional Documentation
  - Student Loan Deferal documents
  - Copy of Valid Government-issued photo ID
  - Copy of Social Security Card
  - Letter of explanation for any late payments, collections, write-offs, bankruptcy( If applicable)

*\*At any time you may be asked for additional information and/or documentation*

## **Things to think about:**

- Paying bills on time
- Your outstanding debts/collections
- Types of credit
- Credit inquiries
- Explanations for any delinquent payments, collections, liens, judgments, bankruptcy

## 2. Finding your Property

Now that you have been conditionally approved, you can begin shopping for homes in your price range.

### Things to think about:

- Determine if you are buying a home through a Real Estate Agent or For Sale by Owner
- Discuss price or payment affordability
- Weigh the facts important to you in choosing neighborhood- Visit in morning, night, mid-day
- Consider influences that may affect the current or future value of property
- Compare locations, taxes, schools, walkability, markets, stores, access to essential needs, etc.
- Remember to truly look at need vs wants
- Think about maintenance, mowing lawn, snow removal, general upkeep

## 3. Making an Offer-

So you found your dream home, it's time to make an offer. The decision to buy should be based on your comfort level. You should not feel pressured to purchase any home. Regardless of your decision whether through a Real Estate Agent or For Sale by the Owner.

### Things to think about:

- How much are you willing to pay
- Do you have your earnest money deposit and other Prepaid expenses
- What title company will you use for the purchase
- Anything special with the sale
- Timeframe and cost of inspections
- What happens if Inspector finds something during inspections
- How and who will handle repairs
- Is the Home worth the asking price
- When do you close and when is occupancy
- Any additional details regarding how the sale will proceed

## 4. Signing a Contract

When both the seller(s) and buyer(s) have agreed on all terms of the offer and signed the purchase agreement contract it becomes a legally binding instrument. The purchase agreement is signed & dated and earnest money is delivered and the title company is chosen.

## 5. Inspections

Once the purchase agreement is signed and earnest money provided, inspections of the property are scheduled. You can attend an inspection of the property. The inspector will inspect the structure and systems of a property, recommend appropriate repairs before purchase, and point out potential maintenance or mechanical system issues and /or concerns.

### Things to think about:

- Are you prepared for any major issues
- Do you have the funds for repairs if the seller chooses not to complete
- Can you walk away from the property if doesn't meet standards
- Be prepared for reasonable negotiations

## 6. Appraisal

OppFund will order appraisal once Real Estate or You state all negotiations have been reached. An appraisal establishes the value of the property compared to other properties recently sold in the area.

## 7. Final Loan Approval

You have provided the lender Oppfund with all the required conditions for you to get the mortgage loan. It has been approved and clear to close. At this time your loan officer will request a declaration page for a Homeowner's insurance paid in full policy naming us a lienholder.

### Things to think about:

- Do your research
- Start with a company you do business with already( Car or renter's insurance company)
- Shop around
- Your coverage should be for loan amount or estimated cost to replace

## 8. The Closing

The closing day is fast approaching. Your loan will close at a Title company or lender's office. Three days before your closing you will receive a closing disclosure that will list any charges you have prepaid and/or will be paid at closing. Those charges originate from any party involved in the sale, and all charges should be showing on closing disclosure. You will receive a copy of the appraisal as well. Both the seller and you will sign legally binding documents to complete the sale. All monies collected and disbursed by the title company as specified on the closing statement.

### Things to think about:

- Know where and what time your closing is happening
- Make sure you have the exact amount for closing cost as instructed in form of Cashier's Check
- Ask any questions you have about the loan before closing the loan

Visit on our online [Mortgage Center](#) or call our Single Family Lending specialists today!

[www.OppFund.org](http://www.OppFund.org)

