

Your mortgage success checklist.

1. Financial preparation:

- Check your credit score:**
Obtain your credit report from all three major credit bureaus (Equifax, Experian, and TransUnion) and review them for any errors.
- Improve your credit score:**
If your credit score is below 700, work on improving it by paying bills on time, reducing credit card balances, and disputing any inaccuracies on your credit report.
- Save for a down payment:**
Determine how much you can afford for a down payment and start saving accordingly, aim for at least 20% to avoid private mortgage insurance (PMI).
- Assess your debt-to-income ratio (DTI):**
Calculate your DTI by dividing your monthly debt payments by your gross monthly income. Lenders like to see a DTI of 43% or lower to qualify for most conventional mortgages.
- Gather financial documents:**
Collect important financial documents like pay stubs, W-2 forms, tax returns for the past two years, bank statements, investment account statements, and any other relevant financial records.

2. Research and pre-qualification:

- Research mortgage options:**
Explore different types of mortgages (e.g., fixed-rate, adjustable-rate, FHA, VA) and lenders to find the best fit for you.
- Get pre-qualified:**
Get pre-qualified to determine how much you can borrow and to show sellers that you're a serious buyer.

3. Property search and evaluation:

- Define your needs and budget:**
Determine your priorities for a home, including location, size, amenities, and price range.
- Work with a real estate agent:**
Enlist the help of a licensed real estate agent to assist you in finding your perfect home and negotiating offers.
- Conduct home inspections:**
Schedule inspections for any properties you're interested in to assess their condition and identify any potential issues.

4. Application process:

- Complete mortgage application:**
Fill out the mortgage application provided by your chosen lender, providing accurate and thorough information.
- Provide required documentation:**
Submit all requested financial documents, including income verification, tax returns, bank statements, and identification.
- Review loan estimates:**
Review and compare loan estimates from different lenders, including interest rates, closing costs, and loan terms.
- Lock in your interest rate:**
Once you've chosen a lender and a mortgage program, consider locking in your interest rate to protect against rate fluctuations during the application process.

5. Closing process:

- Schedule closing date:**
Coordinate with your lender, real estate agent, and the seller to schedule a closing date that works for all parties involved.
- Finalize mortgage approval:**
Complete any remaining tasks requested by your lender, such as additional documentation or verifications.
- Review closing documents:**
Carefully review all closing documents, including the loan agreement, closing disclosure, and any other relevant paperwork.
- Bring funds to closing:**
Ensure you have the necessary funds available for the down payment, closing costs, and any other fees required at closing. Check with your financial institution, they may want funds wired directly to the title company.