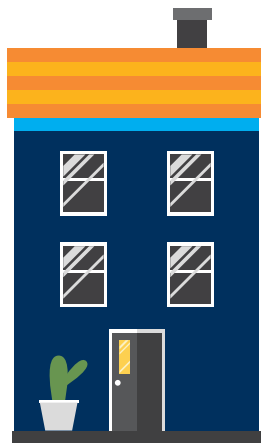
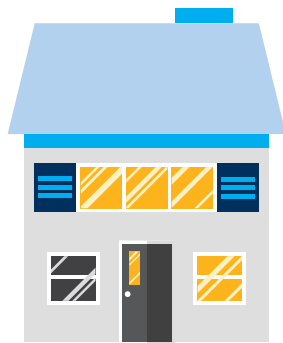


the essential guide to
Buying Your First Home



**A BEGINNER'S GUIDE TO EVERYTHING YOU NEED TO KNOW
BEFORE, DURING AND AFTER BUYING YOUR FIRST HOME**

**Ryan
Homes**

The Homebuying Process

START HERE:
Outline your goals.
Make a list of what's
important to you.



LIFE HACK:
Everyone gets distracted
when they're shopping. **Print
this book** and take it with you
so you don't forget any of
your must haves.



LIFE HACK:
NVR Mortgage is
in-house,
knowledgeable
and committed to
helping you meet
your goals.



Tour
different
communities
& models and
select your
favorite



LIFE HACK:
The underwriting
process takes
time and patience.
Everyone has to
wait it out.
We promise it's
not just you!

PRO TIP:
Pulling your credit
with Ryan Homes
is easy, free and
secure.



Start saving
money for
closing costs

PRO TIP:
Take the "pre-drywall"
walk-through with your
Project Manager. You'll get
to see what's behind the
walls in your new home!



Don't
forget to
reference
the end of this
book for helpful
household
tips

Meet with
your loan
officer to
discuss credit
& loans



KICK BACK
Relax, and watch us
build your brand new
home!

Wants & Needs Worksheet

1 WHY DO I WANT TO BUY A HOME?

Are you tired of giving away money to a Landlord? Are you looking for a yard of your own?



2 OKAY, SO WHAT DO I WANT? ...AND WHAT DO I NEED?

Figure out your "must-have", "nice-to-have", and "dream" features to determine exactly what is important to you.

Must-haves: _____

Nice-to-haves: _____

Dream features: _____

3 WHAT ARE MY FINANCIAL GOALS?

A. Monthly Income:

- Monthly take-home pay
- Partner's take-home pay
- Savings

TOTAL MONTHLY INCOME

B. Monthly Bills & Expenses:

- Monthly Rent?
- Spousal or child support?
- Monthly car payments?
- Student loan payments?
- Monthly credit card payments?

Monthly

- Utilities
- Telephone
- Cable/satellite
- Groceries
- Other fees or dues
- Fuel and auto repairs
- Entertainment, shopping, dining out, etc.

TOTAL MONTHLY EXPENSES

Enter total monthly income

Subtract total monthly expenses

TOTAL

(this is the amount you could be saving each month to put towards a down payment!) ↗

Community Checklist

*COMMUNITY #1:

Floorplans I like:

Community Amenities:

COMMUNITY #2:

Floorplans I like:

Community Amenities:

use this space to make your own checklist of "must-haves"!

COMMUNITY #3:

Floorplans I like:

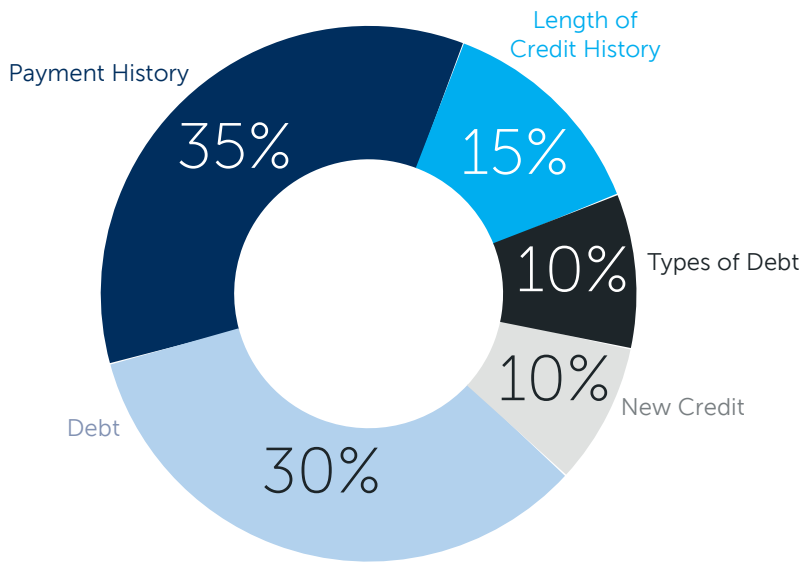
Community Amenities:

Credit Score Basics

Your credit score can range from 300 to 850



A variety of factors make up your credit score



Three bureaus pull three different scores:



Equifax®



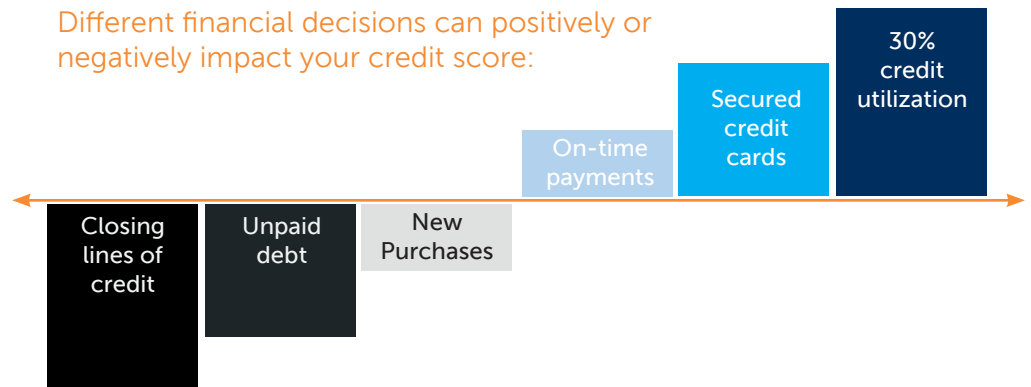
Experian®



TransUnion®

Mortgage lenders use the middle score.

Different financial decisions can positively or negatively impact your credit score:



RyanHomes can offer loans for credit scores as low as 580

Choosing Your Loan

Option 1: Fixed vs. Adjustable Rate

Fixed-rate mortgage loans have the same interest rate for the entire repayment term. Because of this, the size of your monthly payment will stay the same, month after month, and year after year.

Adjustable-rate mortgage loans (ARMs) have an interest rate that will change or "adjust" from time to time. Typically, the rate on an ARM will change every year after an initial period of remaining fixed.

Option 2: Government-Insured vs. Conventional Loans

A **conventional home loan** is one that is not insured or guaranteed by the federal government in any way.

Government-insured home loans include the following:

FHA Loans

The Federal Housing Administration (FHA) mortgage insurance program is managed by the Department of Housing and Urban Development (HUD). This program allows you to make a down payment as low as 3.5% of the purchase price however you'll have to pay for mortgage insurance, which will increase the size of your monthly payments.

VA Loans

The U.S. Department of Veterans Affairs (VA) offers a loan program to military service members and their families. The VA will reimburse the lender for any losses that may result from borrower default. The primary advantage of this program is that borrowers can receive 100% financing for the purchase of a home. That means no down payment whatsoever.

USDA / RHS Loans

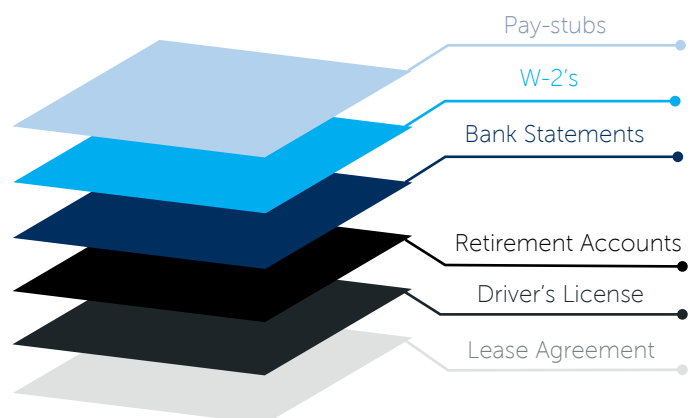
The United States Department of Agriculture (USDA) offers a loan program for rural borrowers who meet certain income requirements. The program is managed by the Rural Housing Service (RHS), which is part of the Department of Agriculture. This type of mortgage loan is offered to "rural residents who have a steady, low or modest income, and yet are unable to obtain adequate housing through conventional financing."

Option 3: Jumbo vs. Conforming Loan

A **conforming loan** is one that meets the underwriting guidelines of Fannie Mae or Freddie Mac, particularly where size is concerned.

A **jumbo loan** exceeds the conforming loan limits established by Fannie Mae and Freddie Mac. This type of mortgage represents a higher risk for the lender, mainly due to its size. As a result, interest rates are typically higher and jumbo borrowers typically must have excellent credit and larger down payments.

Your loan officer may ask for:



The Homebuying Dictionary

- A** **Appraisal:** estimation of a home's market value by a licensed appraiser based on comparable recent sales of nearby homes.
- Appreciation:** the growth in value of your home over time. As a homeowner, you benefit knowing the equity in your home is a pool of money you have increasing as long as you own the home.
- C** **Conventional Loan:** a loan that is not backed by the government and carries private mortgage insurance if you put less than 20% down.
- Closing:** the transfer of property from a seller to a buyer (also called Settlement.)
- D** **Down Payment:** percentage of the home purchase price (usually between 5% and 20%) paid upfront in cash.
- E** **Escrow:** neutral third party that holds funds from the buyer and distributes them when all conditions have been met.
- Equity:** the difference between the home's current worth and how much is owed on it; it is like a savings account you add to each time you make a mortgage payment.
- F** **Federal Housing Administration (FHA):** government agency that insures loans designed for low- to moderate- income borrowers.
- H** **Homeowners' Association (HOA):** management organization within a community that creates and enforces rules for properties within its jurisdiction.
- I** **Interest Rate:** the proportion of a loan that is charged as interest to the borrower, typically expressed as an annual percentage of the loan outstanding.
- L** **Loan-to Value (LTV):** risk assessment ratio used by lenders; to calculate, divide the mortgage amount by the appraised value.
- M** **Mortgage Loan:** a loan to finance the purchase of a home, with specified payment periods and interest rates.
- P** **Preapproval Letter:** letter indicating a lender is willing to loan a specific amount of money for a home purchase; preapproval does not guarantee a loan.
- S** **Settlement:** the transfer of property from a seller to a buyer (also called a closing).
- T** **Title:** the right to ownership of real property recognized and protected by the law.
- V** **VA Loan:** mortgage loan for veterans and their spouses, made by private lenders and guaranteed by the U.S. Government.
- W** **Warranty:** A home warranty covers costly home repairs and replacements due to normal wear and tear. Ryan Homes offers 1-, 2- & 10-year warranties.

Home Reference Guide



Keep at least one fire extinguisher in your home.

The U.S. Fire Administration suggests contacting your local fire department for fire extinguisher training, information and tips.



Start a house fund.

In addition to preventative maintenance, put away 1% to 3% of your house's initial price every year for future home maintenance expenses.

Choose Energy Efficient Lighting.

Flourescent lightbulbs use 75 percent less energy than a standard bulb and last up to ten times longer; and dramatically cut your energy bill!



Put working smoke alarms on every floor of your home, and in every sleeping room of your home.

The U.S. Fire Administration recommends testing your smoke alarms every month, and replacing them every 10 years.



It's a good idea to locate and mark your main water valve in case you need to shut it off during an emergency.

Many local water authorities provide free main water supply tags online.



Change your air filter regularly.

Changing your filter regularly will keep the air in your house clean and your furnace/HVAC unit running properly.

Make sure your dryer ducts are clean to reduce the risk of fire, and keep your system lasting longer.

Have your dryer installed and serviced by a professional at least once a year.



Be prepared for an emergency.

Create an emergency escape plan, ensure your address is visible to emergency vehicles, and maintain a first aid kit in an ideal spot (like the mudroom!)



Paste a family photo in front of your new yard here!

Our New Address:

Place a photo of closing day here.
Time to unpack and start making memories!