

THE HOME BUYING PROCESS

WHAT TO EXPECT



This simple guide will walk you through the 5 Step Home-Buying Process with Minnwest

Buying a home is a uniquely personal experience. Whatever your goals, we'll help you get the mortgage that is right for you. Below is some simple information to understand the mortgage process and who will be assisting you at various points in along the way.

STEP 1: Application and Pre-Qualification

The first step in the home buying process is to determine the mortgage you can afford and the approximate price range you should consider as you look for your new home. We recommend going through the pre-qualification process before beginning your home shopping. Pre-qualification can give you an edge over other buyers as it shows how large of a loan you qualify for.

Get the process started by gathering the documents outlined in our **Mortgage Application Checklist**.

Work with your **Minnwest Bank Mortgage Lending Officer (MLO)** to review your financial situation as you discover what home prices are within budget. You'll walk through various scenarios to see which mortgage program might fit your needs.

STEP 2: Loan Processing

Once you have a signed contract on a home, our loan processors will review and double-check your mortgage application paperwork to ensure everything is accurate before we send it along to a loan underwriter. Your mortgage banker and processor will keep you informed about your loan's progress throughout this stage.

STEP 3: Home Appraisal

During this step, a local appraiser who understands your community and your new neighborhood will compare the property to similar homes in the area to ensure the purchase price matches your new home's actual value. The appraisal reflects the market value of the home — not the reconstruction or tax value. You'll receive a copy of the appraisal prior to closing (see Step 5).

We'll also obtain a title opinion at this time. This takes up to 30 days and gives us the legal details of the property to confirm current ownership rights. At closing, you'll be allowed to secure owners coverage for title insurance. Lastly, you'll need to obtain homeowner's insurance at this stage. Your Minnwest mortgage banker can provide a referral to make it easy for you.

STEP 4: Final Approval

During final approval, an **underwriter** will review the paperwork and details of your loan to determine whether or not they will support the pre-qualified approval (from Step 1).

We will gather and evaluate information to support your application, including:

- » The property: Does the appraisal report verify the value of your home?
- » Total debt ratio: Do you have a healthy debt-to-income ratio?
- » Cash reserves: After your loan costs are settled, how much money will you have left in the bank?
- » Credit history: Do you have a responsible payment history? How likely are you to repay your loan?
- » Employment history: How stable is your current income?

Upon approval, we will provide the terms and conditions of your loan.

STEP 5: Closing

The closing is the last step in the mortgage process and involves multiple parties. Here the property title passes from the seller to the buyer. You'll be signing a lot of documents at the closing, but everything will be carefully explained to you. See our **Do's and Don'ts of Home Financing** for some insight on what to avoid as you near this final exciting step. At the closing you'll also take care of any closing costs and the balance of your down payment. Once complete, you'll officially own your new home!

