

Homeownership Guide

FINDING & FINANCING YOUR NEXT HOME



 **RUOFF**
HOME MORTGAGE

NMLS: 141868

Phase One: Home Search

1

Find an experienced, trustworthy lender like Ruoff Home Mortgage.

2

Get pre-approved.

3

Complete your **Priority List** and **Dream Home Checklist**.

4

Review our list of **"Do's and Don'ts of the Loan Process"** before and after you've been approved to make sure your financing process runs smoothly.

5

Team up with a local real estate agent and let them know who your chosen loan officer is.

8

Use your **Home Inspection Checklist** for each home you're considering.

6

Review your list of **"Do's and Don'ts of Online Shopping"**.

7

Be prepared for the market you're in.

9

Research the neighborhood for any home you are considering putting an offer on.

10

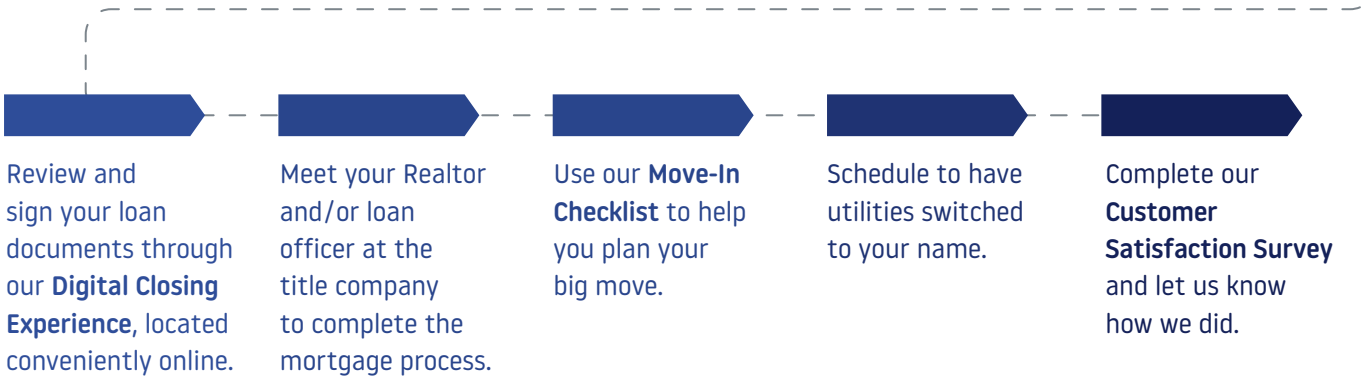
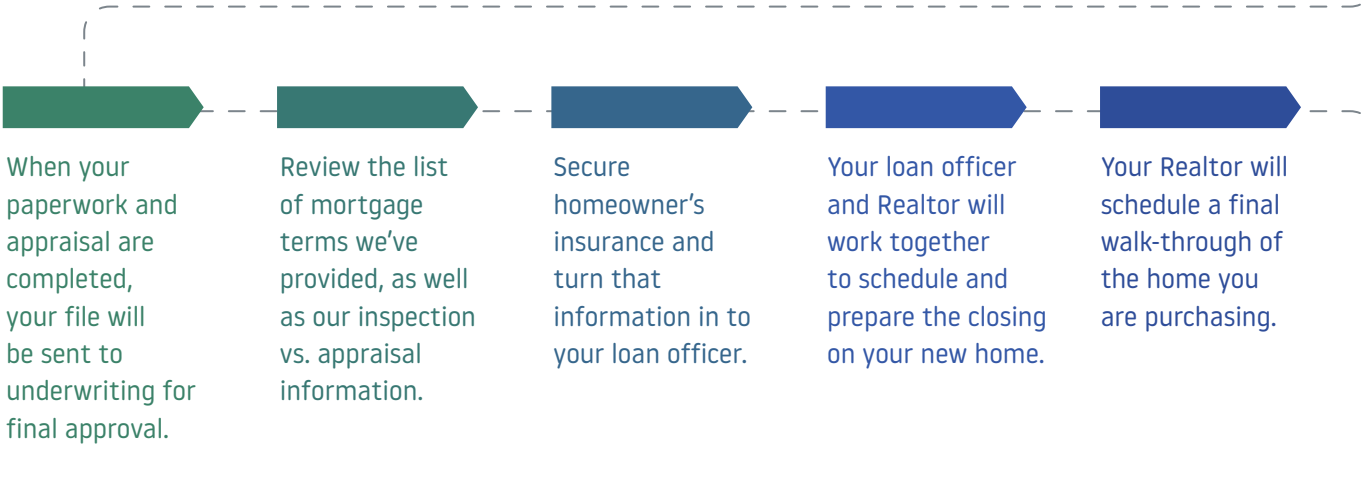
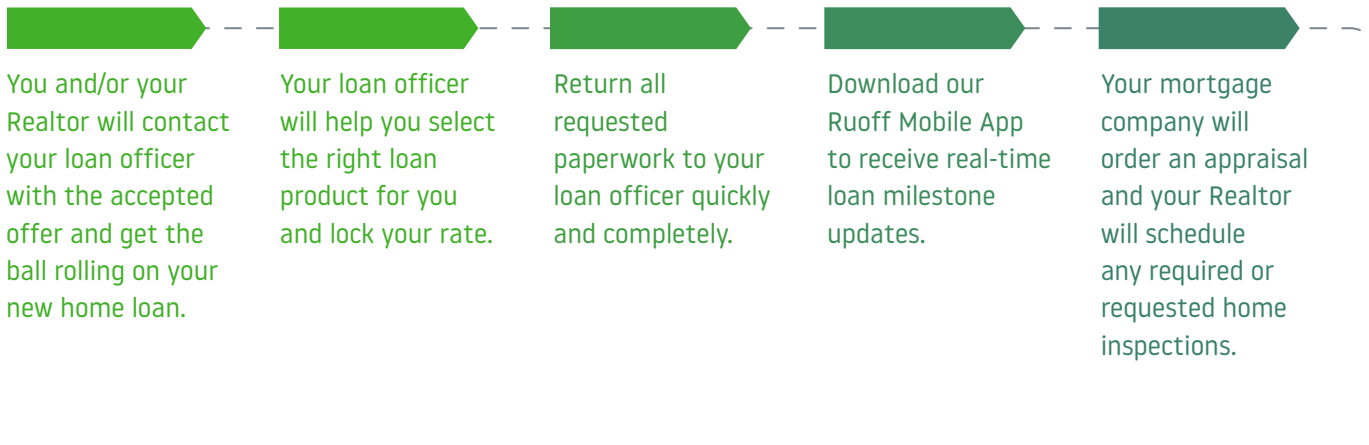
Pick the home that's best for you and your needs.

11

Make an offer.



Phase Two: Homeowner





For many people, buying a home is one of the biggest decisions and most important investments of their lives. That's why we pride ourselves in educating homebuyers like you.

We've provided you our **HOMEOWNERSHIP GUIDE** to help answer many of the questions you may have in regards to finding the right home for you, as well as some you may not yet have thought of.

We understand that purchasing a home and going through the process of getting a mortgage may feel a little intimidating, but it doesn't have to be. The Ruoff team is here to listen to your needs and find the mortgage products that are best for you in your current situation. With over 30 years of experience, we make the process simple and straightforward — with no hidden costs and no surprises.

We are committed to helping you understand your options and helping you reach your goals.

- Your Ruoff Home Mortgage Team



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Pre-Approval Is Key

CONSIDERING BUYING A HOME? HOW EXCITING!

You'll save yourself a lot of time and energy by getting pre-approved for home financing. A mortgage pre-approval allows you to know how much you can spend on a house, before you even start sifting through real estate listings or step foot into a potential home.

Most real estate agents prefer you have a letter of pre-approval before starting to shop for a new home. If you have a pre-approval letter from a qualified lender like Ruoff Home Mortgage, your offer is more appealing to both sellers and their real estate agent (as it usually means their sale will go quicker and easier).

Check out [Why a Pre-Approval is Crucial to Your Home Search](#) at realtor.com.

BONUS: your pre-approval is usually good for 90-120 days, but can easily be refreshed after that to give you plenty of time to find the home you're looking for!

The great news is that there is **no charge and no commitment** to go through our easy online pre-approval process at [Ruoff.com](#).





BENEFITS OF USING A *Real Estate Agent:*

WHY YOU NEED ONE!

Most potential homebuyers have access to online home listings. Unless you have time to make a part-time job out of shopping for a home and learning about real estate contracts, you may want to consider teaming up with an experienced local real estate agent.

Regardless of whether you choose to use a real estate agent or not, getting pre-approved for a mortgage is the best way to be taken seriously.

Benefits of Using a Real Estate Agent to Buy a Home

- It's free for a homebuyer to use an agent, as they are paid via the seller/home sale.
- They understand the industry jargon.
- They can quickly and thoroughly handle all of the legal documents for you.
- They have access to property history that will help you when determining an offer.
- They know how well a neighborhood you're considering holds its value.
- They have experience to spot issues within a home that others may not see.
- They've probably already seen the properties you may be interested in, so they can easily weed out anything that's a waste of your time.
- Some of the best homes don't show well online. They'll know which listings are worth your time, regardless of the online photos.
- They know city and county ordinances that may prohibit some of the goals you may have for a potential home.
- They know their market, which means they know what a potential property is really worth compared to the listing price.
- They have firsthand knowledge of which mortgage lenders are easiest to work with. This is especially helpful if you're overcoming unique situations to secure financing.

Do's & Don'ts of Online Shopping



With online home shopping on the rise, buyers have a whole new set of challenges. Don't worry! If you're prepared and make a plan (and stick to it), you don't have to fear having buyer's remorse.

- **DON'T sign a contract based on images and virtual tours alone.** Do a quick drive-by of the property and location. If you like what you see, schedule a showing of the inside and outside of each property you're interested in.
- **Relocating?** Pull up satellite images on Google Maps to review any potential neighborhoods, surrounding areas and commute times.
- **DO enlist the help of an expert before you make an offer.** A licensed real estate agent offers many benefits to homebuyers and their fee is often paid for by the seller. Many agents have their own home search engines that they can customize for you.
- **DON'T forget to check out NestReady**, sponsored by Ruoff Home Mortgage, to find the home that's perfect for you! (<https://ruoff.nestready.co/select>)
- **DO get pre-approved, if you've not already.** Besides the buying power a pre-approval letter provides you, it also gives you the budget for the home price that you'll need to stay within.
- **DON'T put too many restrictions on your search.** Yes, you may be looking for a 3 bedroom home, but many homes have finished living space in the basement that can't be listed as a bedroom. Follow your priority list, but keep your options open when it comes to searching online.
- **DO recognize that home valuation sites like Zillow and Trulia are a good place to start**, but are not nearly as accurate as a report from a licensed real estate appraiser familiar with your area.
- **DON'T wait for the perfect home.** Prioritize what you want most in your house and weigh your wish list by order of importance.



Finding the home that best meets your needs is easier than you may think!

Follow this path directly to your dream home:



Priority List

1 Make a list of priorities.

What's most important to you: number of bedrooms, location, large kitchen, open floor plan, big garage, or a basement? Sure you may prefer to have 2.5 bathrooms or a walk-in closet, but would you settle for 2 baths or a "his and hers" closet if it means getting your dream location? Rate your preferences in order of importance on the **Dream Home Checklist** we've provided.

2 Set reasonable expectations for your budget.

Your real estate agent is a great resource when it comes to knowing what your options are for your area. Your priority list will help you make the necessary cuts to get the most home for your dollar.

3 Look past the cosmetics.

Often homebuyers are put off by outdated or tacky decor. Usually, a little updating can be completed with cheap and easy fixes. Pay more attention to the quality of big ticket repairs like the roof, windows, wiring, plumbing, and foundation. Those are the items that will eat up your time and budget. Check out our **Home Inspection Checklist**.

4 Consider resale value.

Whether you're looking for a home to grow old in or just a place for the next few years, consider the resale value of any home that you're interested in buying. Your real estate agent can provide you with the sales history of a potential home and its time on the market, both this go-around and previous sales.

5 Does it feel like home?

There is a lot of value in how the home makes you feel. Can you see yourself enjoying living there? If you've weighed all of the factors above, go with your gut. If the home feels right, meets most of your needs, and is within your budget, go for it!



Dream Home Checklist

Price Range _____ to _____ Beds ____ Baths ____ Ideal Zip Code _____

	RATE 1 - 5						RATE 1 - 5				
CONSTRUCTION & LAYOUT						ROOM COUNT					
# of Stories _____	1	2	3	4	5	# of Bedrooms _____	1	2	3	4	5
Age _____ to _____	1	2	3	4	5	# of Full Baths _____	1	2	3	4	5
Open Floor Plan	1	2	3	4	5	# of Half Baths _____	1	2	3	4	5
Sq. Ft. _____ to _____	1	2	3	4	5	# of Garage Bays _____	1	2	3	4	5
Style _____	1	2	3	4	5						
Den	1	2	3	4	5	UTILITIES & APPLIANCES					
Eat-In Kitchen	1	2	3	4	5	All Appliances Included	1	2	3	4	5
Family Room	1	2	3	4	5	Built-In Microwave	1	2	3	4	5
Formal Dining Room	1	2	3	4	5	Central Air	1	2	3	4	5
Gourmet Kitchen	1	2	3	4	5	Energy Efficient	1	2	3	4	5
Great Room	1	2	3	4	5	Fireplace	1	2	3	4	5
Large Foyer	1	2	3	4	5	Gas or Electric	1	2	3	4	5
Laundry Room	1	2	3	4	5	Satellite/Internet Hookup	1	2	3	4	5
Master Suite	1	2	3	4	5	Security System	1	2	3	4	5
Office	1	2	3	4	5	Upgraded Appliances	1	2	3	4	5
Sunroom	1	2	3	4	5	Water Softener	1	2	3	4	5
Finished Basement	1	2	3	4	5	Whole House Generator	1	2	3	4	5
Unfinished Basement	1	2	3	4	5						
						AMENITIES					
EXTERIOR						Garden/Jet Tub	1	2	3	4	5
Brick/Stone Exterior	1	2	3	4	5	His & Hers Sinks	1	2	3	4	5
Fenced Yard	1	2	3	4	5	Pantry	1	2	3	4	5
Fire Pit/Grill	1	2	3	4	5	Surround Sound	1	2	3	4	5
Front Porch	1	2	3	4	5	Updated Fixtures/Hardware	1	2	3	4	5
Garden Space	1	2	3	4	5	Walk-In Closet	1	2	3	4	5
Preferred View	1	2	3	4	5	Spa	1	2	3	4	5
Patio/Deck	1	2	3	4	5	Workshop	1	2	3	4	5
Pool	1	2	3	4	5						
Shed	1	2	3	4	5	OTHER					
Updated Windows/Roof	1	2	3	4	5	Preferred Neighborhood	1	2	3	4	5
Yard Size _____ to _____	1	2	3	4	5	Neighborhood Amenities	1	2	3	4	5

Seller's vs. Buyer's Market



Real estate has transitioned into a "seller's market" in many areas throughout the country.

If you're currently in a seller's market, that means inventory is low, home prices are trending upward, and houses don't stay on the market long.

There are many of you out there vying for limited inventory, so be prepared for some competition! But don't fret – there are things you can do now to separate yourself from the rest of the pack. **Once you find a home you want, follow these steps to have the best chance of your offer getting accepted.**

PRE-APPROVAL IS KEY — Getting pre-approved means you've applied for a home loan and have been told they will lend you money for a home up to a specific dollar amount. The mortgage lender will normally provide you a letter of pre-approval that you can use as proof of available funds when making an offer on a home. The benefit to a potential seller is knowing that if they accept your offer, it's likely to close as expected, which puts you at the head of the pack. Be sure to ask us for a pre-approval before you start shopping.

BE PREPARED FOR A MULTIPLE-OFFER SITUATION AND FAST DECISIONS — Desirable homes don't stay on the market long when inventory is low, so it's common for several buyers to show interest in a property.

- Time is of the essence in a seller's market, so you need a Realtor who shows up prepared, informed, and ready to negotiate.
- Be willing to drop everything to see a house the day it comes on the market.
- Be prepared to make an offer within 24 hours of viewing a property.
- Prepare yourself for a multiple-offer situation. This is where your pre-approval letter and Realtor become valuable assets.

HAPPEN TO BE IN A BUYER'S MARKET?

A buyer's market is when there are more houses available for purchase than buyers.

This is good for you because:

- You should be able to snag a great home for less money.
- You have more control over the transaction and timeline.
- Your real estate agent may be able to get the seller to pay for:
 - closing costs
 - necessary repairs
 - requested improvements
 - other concessions



Home Inspection Checklist



Whether you're reviewing a home online, looking at a listing sheet while touring a potential home, or have already made an offer and are waiting on an inspection, **BE SURE TO GET ANSWERS TO THESE QUESTIONS BEFORE YOU COMMIT TO BUYING A HOME:**

Property address: _____ Date of visit: _____

QUESTION	ANSWER
How old are the roof and windows? How many years should they have left before needing replaced?	
Are there any signs of current or previous water damage?	
How old is the plumbing and wiring? Do they meet current codes? Will I be required to bring them up to code if I want to do any home remodeling?	
When was the last time the septic tank was pumped and the well checked (if the property has either)?	
Is there an electronic garage door installed? Will my vehicles fit into the garage?	
What is the potential for resale with this home/within this neighborhood?	
What did the house last sell for? What improvements have been completed since the house sold at that price?	
How long has the home been on the market this time? Have the current owners placed the home for sale previously?	
Are there any issues with the foundation or basement?	
Can I get a copy of the average utility costs?	
What are the annual property taxes?	
Are there any reported issues with the home? Are there any known repairs needed or suspected?	
Will this home require flood insurance or any additional considerations?	
What are the neighbors like? What are the pros and cons of this neighborhood?	
When do the sellers plan to move?	

If you see something that looks a little off or is confusing, ask about it! Your real estate agent is working for you and they want what's best for you... happy clients = business referrals. Be confident in your right to know everything you want and need to know about a home. Not only are you making a big investment, you also want the house to feel like your home.



Find Your Ideal Neighborhood



Do you value historic charm? Certain neighborhoods are known for turn-of-the century homes, while others offer a more modern aesthetic. Finding the ideal neighborhood for you can be a balancing act, but following these steps will help:

Do Your Homework



Ask friends and family if they have any insight on the neighborhood and surrounding area and lean on your real estate agent's expertise.

- [Find your ideal neighborhood](#) at Realtor.com
- [HomeFacts.com](#) provides information about population, weather, public and private schools, crime rate, registered offenders, real estate values, environmental hazards, natural disasters, demographics, neighborhood info, and unemployment.

Commute

For most buyers, the time it takes to commute to and from work enters into the equation. Will you be driving, biking, walking, or taking public transportation to get to and from work and other activities? How long are you willing to spend on the road?

Remember, a longer commute equates to more spent on gas and less time spent with family and friends.

- [Ezcommute.net](#) offers a commuting calculator to help evaluate overall costs and other commuting information.



Drive By



Drive through a potential neighborhood at different times of the day (and night) and peak traffic hours to assess noise and congestion and overall feel of the area. Relocating? Look at an aerial view of a potential neighborhood and review commute times before deciding to schedule a showing.

- [Google Maps](#): look at a satellite view of a potential property to get a birds eye view and a street view of the general neighborhood, including homes, businesses, parks and recreation.

Wants and Needs

Write down a priority list of what is important for you to have in a neighborhood.

Do you want to be close to a school, parks or trails, or maybe near the city center? Consider close neighbors and the overall feel of the neighborhood.

- View nearby places, commute options, neighborhood info, crime, and safety info at [WalkScore.com](#).
- [Yelp.com](#) is a social networking site that allows locals and visitors to rate and review restaurants, entertainment, and services in the area.
- Learn about quality ratings and reviews for local schools at [GreatSchools.org](#).





Crime

Of course, no one wants to move into an unsafe area. Has there been a rash of break-ins recently? What about vandalism? Looking at this data might influence your decision about a neighborhood you're considering.

- [National Sex Offender Registry](#) (also has links for state and local lists).
- Check the [crime report data](#) to see the activity in any neighborhood you're considering.

Privacy

Some neighborhoods are sprawling and have significant space between lots, while others are tighter in their development. If you like the hustle and bustle of an active neighborhood, there are a lot of options out there, but if you're someone who doesn't necessarily want to see everything the neighbors do in their backyard, maybe a more rural or suburban location will serve you best.

- You can research population stats at the [US Census Bureau](#).



Restrictions



The city and the county may put restrictions on a property. Have your Realtor check on limitations a potential property may have. Property taxes can add up. Look into what the current tax rate is and how much it has increased in the last five years. Is there another expected increase? How much might you pay in five years? Build this amount into your moving budget. Similarly, some neighborhoods have home owners' associations (HOAs) that require annual or quarterly dues in return for amenities and some upkeep. Ask your real estate agent about the specifics.

Value

Research the property values in a potential neighborhood. It's important to discuss each neighborhood with your Realtor to better understand the market trends and property values. Businesses, apartments, and nearby homes in disrepair are just a few things that can affect the property value of your potential home. It's important to research each neighborhood to better understand the market trends and property values.

- [NeighborhoodScout.com](#) provides custom analytics to invest, appraise, or finance real estate.



Buying a home is a very personal decision, but it's also a huge investment. For many people, a home is one of the most important investments they will make. Take your time and make sure that you find a home AND location that best meets your needs.





Make An Offer
(& Get It Accepted!)



DID YOU FIND YOUR NEXT HOME? IF YOU HAVE, OR PLAN TO IN THE NEAR FUTURE, HERE'S SOME THINGS YOU'LL WANT TO KNOW!

- 1. Your Realtor will handle writing up a purchase agreement.** They will review the terms with you and require your signature. Once your offer is in writing, your real estate agent will send it to the seller's real estate agent and handle any negotiations.
- 2. Once your offer is accepted, be sure to contact your Ruoff Home Mortgage Loan Officer right away with your purchase agreement,** so they can get the ball rolling on your home loan. Oftentimes, your Realtor will contact us on your behalf. You, your real estate agent, and your loan officer will work as a team, so you'll never be out of the loop.

The great news is that at Ruoff your loan officer works as the quarterback for your team. They will be there for you every step of the way and will move things along, so you don't have to worry about what's next.

- 3. Just be sure to return anything that's requested** of you in a timely manner, to keep your loan in the fast lane.

Finding your next home is an exciting time in your life, so when you do, take a moment to celebrate!



Financing Options



RUOFF OFFERS A VARIETY OF LOAN PROGRAMS.

The right loan program for you depends on several factors:

- Your current financial situation, including
 - debt-to-income ratio
 - credit score
- How you expect your finances to change
- How long you intend to keep your home
- Your preference for a fixed or adjustable rate
- The area your chosen home is located in
- The sale price of the home
- If you're buying an existing home or building a new one

At Ruoff, our experienced loan officers are happy to educate you on your options and will be with you every step of the decision-making process.

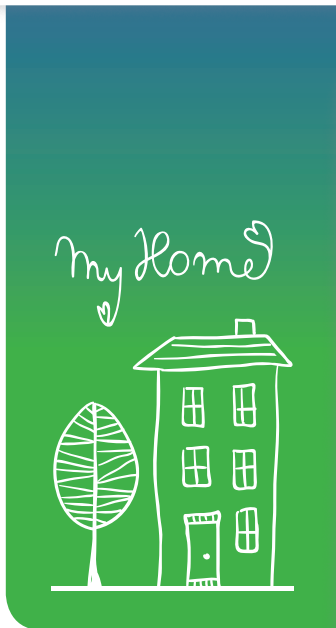


Do's & Don'ts of the Loan Process

Here are some important things to keep in mind when working toward your goal of homeownership:

Things you should **NOT DO**:

- ☒ **DON'T** give out your social security number to anyone other than your mortgage lender.
- ☒ **DON'T** apply for ANY new credit (this could lower your score).
- ☒ **DON'T** make large purchases on your already established credit cards.
- ☒ **DON'T** transfer balances from one account to another or refinance any debt.
- ☒ **DON'T** quit your job.
- ☒ **DON'T** pay off any large credits or other loans.
- ☒ **DON'T** open or close any bank/investment/retirement accounts.



Things that you **SHOULD DO**:

- ✓ **DO** continue to make all of your payments (car, credit card, house, rent, gym, etc.) on time and in full.
- ✓ **DO** stay current on every single bill.
- ✓ **DO** keep your current job until AFTER closing.
- ✓ **DO** inform your loan officer if ANYTHING changes in your situation, even if you don't think it is important.
- ✓ **DO** immediately let your loan officer know if anything changes on your agreement to purchase.
- ✓ **DO** hang on to every deposit slip, check stub, refund check, bank statement, receipt of payment, etc.

Perks of Using Ruoff



WE'RE ALREADY FAST... but we can make it even faster!

When you need to close quickly, we can help...with the Ruoff Express program. While our typical closing timeline is 30 days, we can go from application to the closing table in 15 days*.

MOBILE APP

Real-time lending in the palm of your hand

We understand strong and effective communication is the key to a successful transaction. Our new mobile app is designed to enhance the lending experience for both you and your Realtor. And through our technology we streamline the home financing process.

- Receive real-time updates
- Securely share sensitive data
- Track loan progress anytime, anywhere
- Review and upload important loan documents

LOAN PRODUCTS

We have a wide array of loan products to fit your needs. Our loan officers can always find a program to satisfy your needs and at competitive rates. We have flexibility with our in-house underwriting department.

We offer conventional, FHA, VA, USDA, state specific, FHA 203k Rehab, construction loans (one- and two-time close options), Mortgage Credit Certificate, down payment assistance programs, first-time homebuyers options, jumbo loans and more.

CUSTOMER SATISFACTION

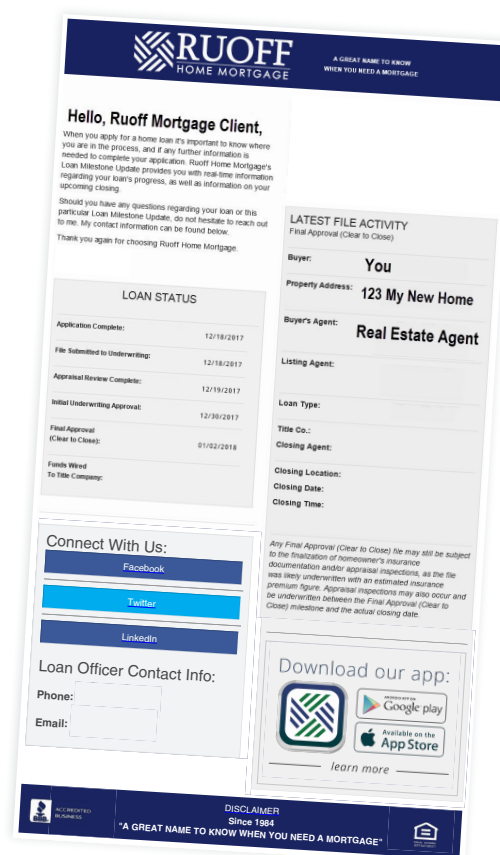
We understand that it isn't just about how much business you do, but how you do business.

At Ruoff Home Mortgage, the "how" involves five important principles - accountability, integrity, agility, adaptability, and an overall passion for providing an outstanding customer experience. Ruoff Home Mortgage has an average customer satisfaction rating of 98.8%**.

MILESTONE UPDATES

Once you find your next home, keep an eye out for Loan Milestone email updates. Milestones make it quick and easy for you to track your loan status from start to finish and will give you:

- Real-time updates
- Clear, concise communication
- Valuable information
- Up-to-date status changes
- Closing details



*Some restrictions apply. Ask for details. Loan decision is subject to satisfactory appraisal and title review and no change in financial condition. This is not an offer for extension of credit or a commitment to lend. Equal Housing Opportunity. This communication is provided to you for informational purposes only and should not be relied upon by you. You should contact Ruoff Home Mortgage directly to learn more about its mortgage products and your eligibility for such products. While most loan products are available for Ruoff Express, the following loan products are excluded: refinance, USDA, VA and 203(k).

**Based on 2017 independent third party customer satisfaction survey data conducted by Customerville.

Heading to the Closing Table

Let's talk about what your loan officer will need from you, once your offer is accepted:

Purchase Agreement

- A copy of the fully executed purchase agreement is required as soon as it is available.
- If you have a real estate agent, your loan officer can get this from them.
- Your purchase agreement will be used to update your application information and let you lock in your interest rate.

Remaining Paperwork

- You may have already given your loan officer some of your financial paperwork (pay stubs, tax returns, W-2s, bank statements, etc.) but it's possible that some of that has become outdated and may need resubmitted.
- Your loan officer will contact you with a list of updated items needed.
- You will want to get them back to us as quickly as possible to speed up your process.
- **BONUS:** Ruoff can even help get some of the items on your 'to-do' list for you!

Initial Disclosure Signing

- There will also be some initial paperwork that you'll need to sign before your file is sent to the underwriting department for review and approval.
- Mortgage underwriting is a process the lender uses to assess risk and ensure a borrower meets all of their minimum requirements for a home loan.
- You will want to schedule a date to sign those forms as soon as possible.



Digital Closing Experience

What is a digital closing?

A digital signature, otherwise known as e-sign, is an electronic way of capturing an individual's handwritten signature. With special encryption and extra layers of security, digital signatures provide authenticity and can be done by using almost any computer device with an online connection— such as an iPad, mobile phone, or laptop. With a digital closing, your electronic signature will be applied to nearly all of the documents in your mortgage closing packet, which will then be safely uploaded back to Ruoff Home Mortgage. When you arrive to the closing table, you'll only "ink" sign a few documents.

It's that easy! Ask your loan officer today about closing with confidence using the Digital Closing Experience.



Appraisal vs. Inspection

Once you return all items asked of you, your loan officer will order an appraisal on your new house. Your Realtor will usually order any required or requested home inspections.

You may not be clear on the difference between the two, or what is required regarding them, so here's the scoop.

Home Appraisal

- An appraisal is different than an inspection in that it is more focused on the value of the home than it is on the condition.
- While an appraiser will typically make note of safety and soundness concerns they observe, they are more focused on what you are paying for the home versus what others have paid for similar homes in the area within the last 3-12 months.
- Real Estate appraisals are usually required.
- Appraisers prepare a written report showing what they feel is the fair market value for the house and showing the comparable sales data they used to come to their conclusion.
- Your mortgage company will order your appraisal.



Home Inspection

- An inspection is when a trained professional looks at the home you are buying to determine its condition.
- In general, inspections are optional, although some counties do require that specific items be inspected to make sure they meet county code. Your Realtor can tell you if there are any required inspections in your area.
- Your real estate agent usually orders your home inspection.

What is a whole house inspection? This common inspection is when the inspector reviews (you guessed it) the whole house! They look at the furnace, water heater and electrical panel, climb on the roof (weather permitting), check attics and crawl spaces and basically do a full head-to-toe review of the condition of the home. The inspector then provides you with a written report summarizing their findings and making recommendations on anything they feel needs addressed.

Sometimes a whole house inspector may recommend further review by a more specialized inspector, like a furnace technician or a roofer. You can also choose just to have specialists look at the house, or to have additional inspections (like a termite inspection or a radon test) done. Your Realtor is a good resource to go over all of your inspection options once you find the house you like.

Where Do Your Payments Go?

If you have ever wondered where your loan payment dollars go, relax – you are not alone. Loan repayment involves a somewhat confusing word: amortization.

Amortization is simply a word to describe the fact that every month, a portion of your loan payment pays the principal due on the loan and pays a portion of the interest due on the loan. The ratio changes over the course of the loan. Toward the end of the loan period, a larger proportion is applied towards the principal.

PAYMENT NUMBER	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
1st payment	1/17/2018	\$100,000.00	\$477.42	\$0.00	\$477.42	\$144.08	\$333.33	\$99,855.92
10 years	12/17/2027	\$78,998.05	\$477.42	\$0.00	\$477.42	\$214.09	\$263.33	\$78,783.96
20 years	12/17/2037	\$47,473.56	\$477.42	\$0.00	\$477.42	\$319.17	\$158.25	\$47,154.39
Final payment	12/17/2047	\$475.83	\$477.42	\$0.00	\$475.83	\$474.24	\$1.59	\$0.00

So while it may be slightly confusing, the good news is that you are paying more and more principal over time. This means that you are also continuing to build more equity in your home every month.

TIP: Want to pay your mortgage off quicker? Simply pay a 13th payment each year or make bi-weekly payments, instead of monthly.



What's Left?

Once all of your required documents have been received, your loan officer will send your file to an underwriter for review.

UNDERWRITING — The underwriter will review your file to confirm that everything is properly documented and will let us know if any further items are needed to fully approve your application, which we will communicate with you. The sooner you can get any outstanding items returned, the faster they can get your file back to the underwriter for final review and approval.

INSURANCE — Your loan officer will request that you provide proof of homeowners insurance. We will set up an escrow account to include your homeowners insurance, property tax and any PMI into your monthly mortgage payment (see Mortgage Terms 101 for more info).

COORDINATING — Your loan officer will work with you, your real estate agent, and the title company to schedule your closing.

CLOSING DAY — You'll meet with your real estate agent and/or lender at the title company to wrap up the loan process. The home seller will usually be there with their agent as well. The title company will review and explain your legal documents. They will have you sign where necessary, unless you've already used our **Digital Closing Experience**.

Your loan officer will also send your closing figures to you ahead of time, so you'll have plenty of time to review before you arrive and sign.

MOVE IN — Prepare to move into your new home with [Ruoff's Moving Checklist!](#) Remember to schedule your utilities to be switched to your name on or before your move-in date.

**Easier than you thought, right?
You've got this!**



Mortgage Terms 101

- ADJUSTABLE-RATE MORTGAGE (ARM)** — A mortgage in which the interest rate applied on the outstanding balance varies throughout the life of the loan.
- AMORTIZATION** — Loan payment by equal installments of principal and interest, calculated to pay off the debt at the end of a fixed period.
- ANNUAL PERCENTAGE RATE (APR)** — The interest rate reflecting the cost of a mortgage as a yearly rate. It allows homebuyers to compare different types of mortgages based on the annual cost for each loan.
- CLOSING** - Also known as a mortgage settlement, is the last step in buying and financing a home. This is a big step, but don't worry, your Realtor, title company and loan officer will handle the majority of this step.
- DEBT-TO-INCOME RATIO (DTI)** — measures an individual's ability to make their monthly payment and repay debts. DTI is calculated by dividing a borrower's total recurring monthly debt by their gross monthly income
- DOWN PAYMENT** — The difference between a home's purchase price and the amount of the mortgage against the property. The down payment must be paid upfront before the home purchase can close.
- ESCROW** — An account set up by your mortgage lender so they can pay your property taxes and homeowner's insurance premiums for you. The annual cost of these two bills are added together and then divided by 12 (months). This monthly amount is then added to your mortgage payment, so you only have one home-related payment per month.
- FIXED-RATE MORTGAGE** — A mortgage with payments that remain the same throughout the life of the loan because the interest rate and other terms are fixed.
- HOME EQUITY** — The difference between the market value of a home and the amount of debt/mortgage balance left on the home. Homeowners can benefit from the gain in equity when the mortgage is paid down and/or the home value increases.
- HOMEOWNERS INSURANCE** — This insurance policy protects your home and belongings from damage, as well as from liability. It is mandatory to have this policy in place before closing on your mortgage.
- INTEREST** — The amount a lender charges a borrower for loaning them money. Interest is combined with principal on your monthly loan payment.
- LOAN PROGRAMS** — Finance products offered to borrowers by a lender, that have a specific set of features and costs.
- LOCK-IN/LOCKED** — Guarantees a specific interest rate if the loan is closed within a specific time.
- MORTGAGE TITLE** — The document that gives evidence of legal ownership of a property.
- POINTS** — Prepaid interest charged at closing. Each point equals one percent of the loan.
- PRINCIPAL** — The amount you borrow when you take out a loan and have to pay back.
- PRIVATE MORTGAGE INSURANCE (PMI)** — A special type of insurance policy provided by private insurers, to protect a lender against loss if a borrower defaults on their loan. The lender may require the borrower to pay PMI when their down payment is less than 20%.
- PROPERTY TAXES** — Many state and local governments levy (charge) taxes on the estimated market value of your home on an annual basis.
- REFINANCING** — Paying off one loan by obtaining another; homeowners can refinance to secure better loan terms or a lower interest rate.
- TITLE COMPANY** — Ensures that the title to a piece of real estate is legitimate and then issues title insurance.
- TITLE INSURANCE** — A unique form of required insurance that protects you and your lender against ownership claims against your property. This one-time fee is wrapped in with closing costs.
- VERIFICATION OF EMPLOYMENT (VOE)** — A document signed by the borrower's employer verifying their position and salary.

FUN FACT:

Your lender will be known as the "mortgagee" and you'll be known as the "mortgagor" during closing....now don't you feel official!

Welcome to the Ruoff Family!

Welcome to the Ruoff Family!

Thank you for putting your faith and homeownership dreams in our hands. We wish you and your family many years of happiness in your new home.

If you haven't already, follow Ruoff Home Mortgage on social media for great contests, homeownership tips, and much more:



We hope you have a wonderful experience!



*BASED ON 2018 INDEPENDENT THIRD PARTY CUSTOMER SATISFACTION SURVEY DATA CONDUCTED BY
customerville

We are committed to consistently providing a best-in-class residential mortgage experience for our customers and an enriching and fulfilling culture for our employees through transparency, respect, and the highest ethical standards. We understand that it isn't just about how much business you do, but how you do business.

