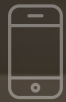


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# Aslan

## Your home buying toolkit

Thinking of buying a home? Read through our ebook guide that helps you make an informed decision on one of the biggest purchases of your life.



Prepared by :  
Aslan  
Home Lending  
Denver, Colorado

Address  
1777 S Harrison Street  
Suite 903  
Denver, Co 80113

Contact  
E: [carrie@aslanhlc.com](mailto:carrie@aslanhlc.com)  
E: [tracy@gobraveworld.com](mailto:tracy@gobraveworld.com)



**Aslan**  
Home Lending Corporation



# As Easy As

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Choosing The Best Mortgage For You

02

Your Closing

03

Owning Your Home



## How can this toolkit help you?

Buying a home is exciting and, let's face it, complicated. This ebook is a toolkit that can help you make better choices along your path to owning a home.

# After you finish this toolkit:

- You'll know the most important steps you need to take to get the best mortgage for your situation
- You'll better understand your closing costs and what it takes to buy a home
- You'll see a few ways to be a successful homeowner





# 1

Choosing the best mortgage for you





# Define what affordable means to you

Only you can decide how much you are comfortable paying for your housing each month. In most cases, your lender can consider only if you are able to repay your mortgage, not whether you will be comfortable repaying your loan. Based on your whole financial picture, think about whether you want to take on the mortgage payment plus the other costs of homeownership such as appliances, repairs, and maintenance.





# KNOW YOUR NUMBERS

Calculate the home payment you can take on by filling in the worksheets below: Think about what an affordable home loan looks like for you. These worksheets can help. First, estimate your total monthly home payment. Second, look at the percentage of your income that will go toward your monthly home payment. Third, look at how much money you will have available to spend on the rest of your monthly expenses.

## Step 1.

**Estimate your total monthly home payment by adding up the items below** Your total monthly home payment is more than just your mortgage. There are more expenses that go along with owning your home. Start with estimates and adjust as you go. Fill out the form on the next page.



**Principal and interest (P&I)** Your principal and interest payment depends on your home loan amount, the interest rate, and the number of years it takes to repay the loan. Principal is the amount you pay each month to reduce the loan balance. Interest is the amount you pay each month to borrow money. Many principal and interest calculators are available online.

\$

**Mortgage Insurance** Mortgage insurance is often required for loans with less than a 20% down payment.

+ \$

**Property Tax** The local assessor or auditor's office can help you estimate property taxes for your area. If you know the yearly amount, divide by 12 and write in the monthly amount.

+ \$

**Homeowners Insurance** You can call one or more insurance agents to get an estimate for homes in your area. Ask if flood insurance is required.

+ \$

**Homeowner's association or condominium fees, if they apply** Condominiums and other planned communities often require homeowner's association (HOA) fees.

+ \$

**My estimated total monthly home payment** = \$





# Step 2.

**Estimate the percentage of your income spent on your monthly home payment.** Calculate the percentage of your total monthly income that goes toward your total monthly home payment each month. A mortgage lending rule of thumb is that your total monthly home payment should be at or below 28% of your total monthly income before taxes. Lenders may approve you for more or for less depending on your overall financial picture.

\$

÷

\$

x 100

%

My estimated total monthly home payment (from step 1)

My total monthly income before taxes

Percentage of my income going toward my monthly home payment





# Step 3.

**Estimate what is left after subtracting your monthly debts** To determine whether you are comfortable with your total monthly home payment, figure out how much of your income is left after you pay for your housing plus your other monthly debts. Fill out the form on the next page.



**Total monthly income after taxes**

\$

**My estimated total monthly home payment (from step 1)**

- \$

**Monthly car payment(s)**

- \$

**Monthly student loan payment(s)**

- \$

**Monthly credit card payment(s)**

- \$

**Other monthly payments, such as child support or alimony**

- \$

**Total monthly income minus all debt payments**

= \$





# Step 4.

Your Choice I am comfortable with a total monthly home payment of:

\$





# NEXT! Understand your credit

Your credit, your credit scores, and how wisely you shop for a loan that best fits your needs have a significant impact on your mortgage interest rate and the fees you pay. To improve your credit and your chances of getting a better mortgage, get current on your payments and stay current. About 35% of your credit scores are based on whether or not you pay your bills on time. About 30% of your credit scores are based on how much debt you owe. That's why you may want to consider paying down some of your debts.

## Research Starter

**Check out interest rates and make sure you're getting the credit you've earned.**

- Get your credit report at [annualcreditreport.com](http://annualcreditreport.com) and check it for errors. If you find mistakes, submit a request to each of the credit bureaus asking them to fix the mistake. For more information about correcting errors on your credit report, visit [consumerfinance.gov/askcfpb](http://consumerfinance.gov/askcfpb).
- For more on home loans and credit, visit [consumerfinance.gov/owning-a-home](http://consumerfinance.gov/owning-a-home).





**PRO TIP** - Be careful making any big purchases on credit before you close on your home. Even financing a new refrigerator could make it harder for you to get a mortgage.

## To Do NOW

If your credit score is below 700, you will likely pay more for your mortgage.

Most credit scoring models are built so you can shop for a mortgage within a certain period—generally between 14 days and 45 days—with little or no impact on your score. If you shop outside of this period, any change triggered by shopping should be minor—a small price to pay for saving money on a mortgage loan.

## IN THE FUTURE

If you work on improving your credit and wait to buy a home, you will likely save money. Some people who improve their credit save \$50 or \$100 on a typical monthly mortgage payment.

An average consumer who adopts healthy credit habits, such as paying bills on time and paying down credit cards, could see a credit score improvement in three months or more.

**PRO TIP** - Correcting errors on your credit report may raise your score in 30 days or less. It's a good idea to correct errors before you apply for a mortgage.

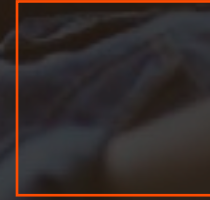




# Now It's Your Choice CHECK ONE!



OR



I will go with the credit I have and  
move forward with my application.

I will wait a few months or more and  
work to improve my credit.





# 02

Your Closing





You've chosen a mortgage. Now it's time to select and work with your closing agent and other vendors to secure your new home.

Once you've applied for a mortgage, you may feel like you're done but there are still choices to make.

# Step 1.

**Shop for mortgage closing services.** You will need to figure out who is performing the following services. A good real estate agent will already have preferred vendors and can guide you on selecting the right person for these closing services.

- Closing Agent
- Title Insurance
- Home Inspector
- Home Appraisal





# Step 2.

**Review your revised Loan Estimate.** When important information changes, your lender is required to give you a new Loan Estimate that shows your new loan offer.

**Here are common reasons why your Loan Estimate might change:**

- You decided to change loan programs or the amount of your down payment.
- The appraisal on the home you want to buy came in higher or lower than expected.
- You took out a new loan or missed a payment and that has changed your credit.
- Your lender could not document your overtime, bonus, or other income.



# Step 3.

**Understand and use your Closing Disclosure.** You've chosen a home you want to buy and your offer has been accepted. You've also applied for and been approved for a mortgage. Now you are ready to take legal possession of the home and promise to repay your loan.

## USE YOUR CLOSING DISCLOSURE TO CONFIRM THE DETAILS OF YOUR LOAN

• The interest rate is what I was expecting based on my Loan Estimate.

Yes

No

• I know whether I have a prepayment penalty or balloon payment.

Yes

No

• I know whether or not my payment changes in future years.

Yes

No

• I see whether I am paying points or receiving points at closing.

Yes

No

• I know whether I have an escrow account.

Yes

No





# 03

## Owning Your Home

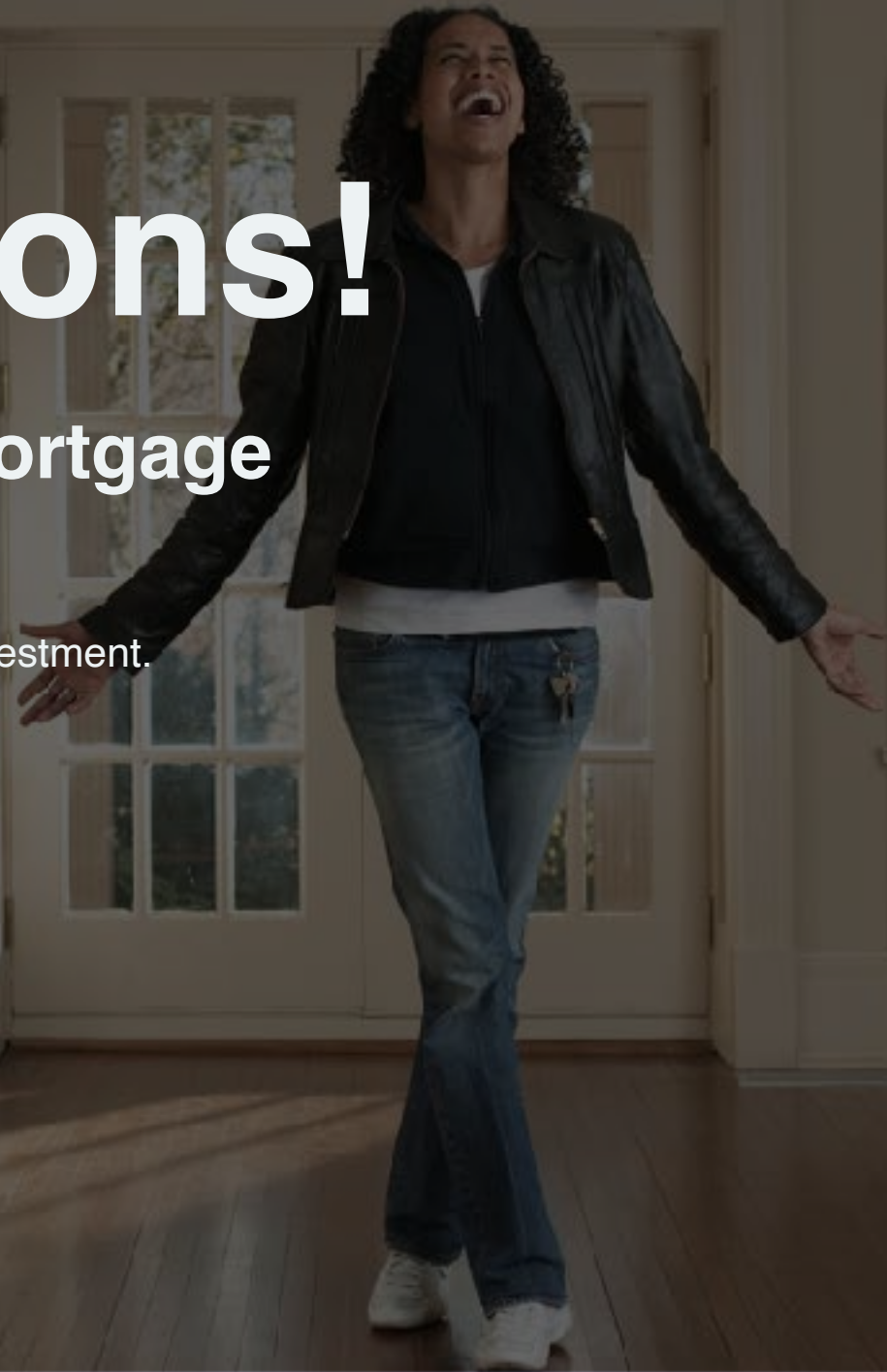




# Congratulations!

**Now you've closed on your mortgage  
and the home is yours.**

Owning a home is exciting and your home is also a large investment.  
Here's how to protect that investment.







Act fast if you get behind on your payments!

## Keep up with ongoing costs

Your home needs maintenance and repairs, so budget and save for these expenses.

## Determine if you need flood insurance

Depending on your property location, your home is considered either at high-risk or at moderate-to-low risk for a flood.

## Understand Home Equity Lines of Credit (HELOCs) and refinancing

Homeowners sometimes decide they want to borrow against the value of their home.



# Still Have Questions? We're here to help.

Visit our website and fill out a quick quote to get in contact with one of our qualified agents.







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Address  
1777 S Harrison Street  
Suite 903  
Denver, Co 80113

Contact  
E: [carriegusmus@askanhlc.com](mailto:carriegusmus@askanhlc.com)  
E: [tracy@gobraveworld.com](mailto:tracy@gobraveworld.com)