



We're not kidding; buying a home is complicated! But we will be with you every step of the way...Here is an overview with many of the common steps to help guide you through.

1. PRE-APPROVAL

Homestead Application & Income Verification

Before you are considered a candidate for a particular home, you must complete Homestead's written application, and provide all requested information to verify your income. You must be pre-approved for a mortgage in the amount required to buy the home. You must also complete a 1) HUD-certified homebuyer class (not the same as our Homebuyer Club) and 2) one-on-one counseling with a HUD-certified agency prior to closing.



2. INTRODUCTION TO GROUND LEASE/COVENANT, MEMBERSHIP AND HOA MEMBERSHIP (If applicable)

Meet with Homestead Staff

You are required to attend a meeting with Homestead staff to review the ground lease or covenant for your home, your responsibilities and rewards of being a member of Homestead, and what it means to be part of a housing development with a homeowners association (if that applies to you). We hold these sessions for groups of applicants, but can schedule individual sessions as needed. We encourage you to have an attorney review the ground lease or covenant with you before signing a purchase and sale agreement.



3. PURCHASE & SALE AGREEMENT SIGNING



Purchase & Sale Signing

This meeting reviews the nitty-gritty details of the purchase. Signing a purchase and sale agreement (PSA) means you are under contractual obligation to buy the home from the seller. The earnest money check will be due at the execution of the PSA for \$500. We will review the fine details of a standard PSA with financing addendums. You will have the option to sign and to be "in contract" to buy the home.

Mutual Acceptance

After you accept the terms of the PSA and Homestead or the seller accepts your offer, you will then be in a period of "mutual acceptance." Within 3 days of mutual acceptance, your lender will provide you with loan disclosures. Expect tons of paperwork.

Escrow and Title

The escrow process assures that the lender releases the home purchase funds at or about the same time that the deed is recorded to reflect new ownership. Escrow includes depositing, with a neutral third party, funds, documents and instructions necessary to complete the home sale. Homestead will open an escrow account for your transaction with the title company after mutual acceptance. The title company runs a search for any liens or legal judgments that could attach to your home. Anything like this needs to be fixed before the sale goes through.



4. HOME INSPECTION AND APPRAISAL

Appraisal

An appraisal assesses the value of the home by comparing recent sales of similar properties taking into account the ground lease or covenant restrictions. Your mortgage lender will order the appraisal.

Home Inspection

You are required to obtain a home inspection prior to closing. You can get an inspection before finishing sweat equity (if this applies to you). Home inspections typically cost \$400-\$500. The home inspector will review the condition of the home. We will give you a list of referrals for licensed home inspectors that frequently work with our program but you may choose any licensed inspector.

Home Quality Checklist

While you and Homestead staff are onsite for the inspection, you complete Homestead's Home Quality Checklist together.

5. MAINTENANCE, CAPITAL IMPROVEMENTS AND PROGRAM POLICIES

Meet with Homestead Staff

Based on the Homestead quality checklist and the appraisal, we work with you to review the maintenance needs of your home, the resources available to you for maintenance, and the amount of money you should set aside every month for maintenance. We also discuss our Capital Improvement policy and process for refinancing your home.



At the end of this meeting we provide you with materials specific to your home that include information on maintenance and repairs.

6. UNDERWRITING, LOAN APPROVAL AND FUNDER APPROVAL



Underwriting

Once you sign the PSA, Homestead and your lender will begin underwriting your file. Mortgage underwriting is the process a lender uses to determine if the risk of offering a mortgage loan to a particular borrower is acceptable. During this process every aspect of your financial picture will be considered.

Loan Approval

Loan approval means that your mortgage lender has approved you for the loan and their loan documents will soon be sent to escrow for you to sign.



Funder Approval

Funder approval means that your income and assets have been verified and approved and the funders send their documents to escrow.



7. SIGNING AND KEYS

Signing

45-60 days after signing the PSA, you will be signing your final documents at escrow. Your loan will typically fund within 3 days after your escrow appointment. The title of the home will be transferred to your name at the funding of your loan. The documents you sign are sent to the courthouse for recording on closing day.

Keys and Welcome

You receive your keys after your loan closes and then you can move into your new home!

