

HOME BUYING PROCESS



I'm here to help!

Patti Riozzi,
V.P. Residential Loan Officer, NMLS# 649009

Call me at 845-217-6070
or visit www.SawyerSavings.Bank/Patti



The Hudson Valley's
First Time Homebuyer Bank!



SawyerSavings.Bank | 87 Market Street, Saugerties, NY 12477 | 845.217.6070





STEP 1

PLAN & EDUCATE

Once you've decided that you'd like to become a homeowner, arm yourself with knowledge! Please attend one of Sawyer Savings Banks many First Time Homebuyer Seminars or click [this link](#) to watch this helpful video about the mortgage process.

In Ulster County, we recommend visiting Rural Ulster Preservation Company (RUPCO). They offer programs and classes to help you determine what you may need to prepare for homeownership. Call **845-331-2140** or visit www.rupco.org for more information. If you live outside of Ulster County, please contact Sawyer Savings for information on counseling agencies in your area.



STEP 2

PREQUALIFICATION PROCESS

Once you've determined that you are ready to begin shopping for your home, come see **Patti Riozzi**, our First Time Home Buyer specialist. Call her at **845-217-6070** or email her at priozi@sawyersavings.bank to set up an appointment or visit our online mortgage center at www.sawyersavings.bank. See the Frequently Asked Questions document for information on what you should bring with you for your first in-person meeting. You'll need income information such as paystubs, W-2 statements, and tax returns. Please note that you are not required to bring these items for your first meeting. This list is meant as a way for you to prepare the documents you will eventually need to provide to us. These items will determine how much you are able to qualify for. If you qualify, you will receive a Pre-Qualification Certificate.



STEP 3

HIRE A REALTOR

Once you have your Pre-Qualification Certificate, hire a Realtor and give them the following:

- Pre-Qualification Certificate – this will let them know what price range you should be shopping in.
- Area you'd like to live in (school district, village, town, county).
- Type of home you'd prefer (Ranch, Split Level, Colonial, etc.). It's okay if you don't know in the beginning because you'll find out what you do and don't like as you look at potential homes.
- Minimum number of bedrooms/bathrooms.
- Minimum acreage.
- Other preferences (finished basement, pool, etc.).

The Realtor will show you as many homes as it takes to find one to suit your needs and within your budget. Feel free to look online as well! Many Realtor sites have detailed listings of the homes and you can search by your preferences.



STEP 4

CHOOSE A HOME AND MAKE AN OFFER

Once you've chosen a home, your Realtor will help you make an offer to the seller. Typically, there is a negotiation process that your Realtor will walk you through. You should also know what is included or not included with the home, such as appliances. Make sure anything included in the home purchase is detailed on the contract of sale.



STEP 5

SIGN BINDER

If your offer is accepted, you will be asked to put a down payment to hold the home as well as sign a binder showing your intent to purchase the home at the agreed upon price.



STEP 6

HIRE AN ATTORNEY

Hire an attorney to represent you in reviewing the contract, inspection report, legal documents, and attending the closing. Let your realtor know who your attorney is so that they can forward the contract to your attorney.



STEP 7

PROPERTY INSPECTION

It is **HIGHLY** recommended that you have a home inspection conducted and by a licensed property inspector **BEFORE** signing the contract. The property inspector can perform additional tests that may be required such as water, septic, and radon tests. Feel free to contact Sawyer Savings to ask for names of property inspectors that we've worked with.

The cost of an inspection can cost \$500 or more. An inspection usually lasts two to three hours and you should be present for the inspection. The inspector will often speak with you firsthand about their findings and you'll have the opportunity to ask questions. The inspector will look at the exterior of the home to include the walls, foundation, grading, garage, and roof. They will also inspect the interior to include the plumbing, electrical, heating, air conditioning, water heater, appliances, fire safety, and bathrooms. A good inspector will also discuss or include in the report information about routine maintenance. After your report is received, forward a copy to your attorney.





STEP 8

SIGN CONTRACT AND DOWN PAYMENT

Once your attorney receives the contract of sale and inspection report, you will be contacted to discuss them. Your attorney should advise you if there is anything of concern in either the contract or the inspection report that needs further discussion with the seller and seller's attorney. You'll also determine how the excess home heating oil or propane, if applicable, will be handled at closing. Usually the oil company will provide a statement of the oil/gas that is left in the tank and you will be responsible for reimbursing the seller for that oil/gas at the closing. After changes are made to the contract and both parties are satisfied, you will sign the Contract of Sale and be asked for a down payment.

GATHER FINANCIAL INFORMATION AND APPLY FOR MORTGAGE

Contact Sawyer Savings to inform us that you have signed a Contract of Sale or binder. We may ask that you bring in or send the following information:

- Binder or Sales Contract.
- Verification of Income: last two years W-2's, most recent pay stubs from the last month, past three years tax returns and YTD Profit and Loss statements (for self-employed individuals).
- Verification of Assets: last two months of bank statements (no need to bring Sawyer Savings statements – we can get those for you!).
- Verification of Liabilities: we'll get most of this information from your credit report, but you should know who your creditors are and the monthly payments for each loan.
- Landlord's name and address (if applicable).
- Signed divorce decree and/or separation agreement (if applicable).
- Copy of the Home Inspection Report (if applicable).



STEP 9

Please note that this list is meant as a way for you to prepare the documents you will eventually need to provide to us. The sooner we have this information, the quicker we can process your loan request.

SAWYER SAVINGS ORDERS THIRD PARTY SERVICES



STEP 10

Once you've applied for your mortgage, Sawyer Savings will order certain services give your loan package to a Sawyer Savings processor. This person may request additional information from you if needed and will also supply you with certain disclosures required by law. The processor will also order one of the most important services - the appraisal, which determines the current worth or value of your home. The appraisal protects both the bank and the buyer. It protects you from paying too much for a house and gives the Bank a value on the collateral for your loan. This does not replace a home inspection. The processor will review the appraisal to ensure it is accurate and thorough.

The processor will also order Title Insurance, verify employment and assets, and get your file ready for the underwriter. Title Insurance is explained in more detail in the FAQ document you've received as well as at www.sawyersavings.bank.

The underwriter will take all the information about your income, credit history, debt ratios, and savings to determine if your request for a mortgage should be approved. An underwriter will look to see if you have the income available to afford the mortgage payments, if you have a history of repaying your obligations, and if you have a few months of mortgage payments in savings in case of an emergency. The underwriter will look to ensure that this information falls within Sawyer Savings lending guidelines.



STEP 11

RECEIVE APPROVAL AND SCHEDULE CLOSING

Once you've been approved for your mortgage request, you will receive a commitment letter explaining the conditions for your loan. A copy of your commitment should be provided to your attorney, but Sawyer Savings typically automatically sends a copy to your attorney. Your attorney will help guide you through the process of meeting the conditions for the closing. If before-closing conditions have been satisfied, you will be contacted by your attorney to schedule your closing.



STEP 12

OBTAIN HOMEOWNER'S INSURANCE

One of the last conditions you'll have to satisfy is to provide proof of Homeowner's Insurance, a policy that typically covers losses to one's home, its contents, personal possessions as well as liability insurance for accidents that may occur at the home. Contact your insurance agent for homeowner's insurance. You will be required to pay for the first year up-front while subsequent years will be included in your escrow portion of your mortgage payment to Sawyer Savings. Escrow is discussed in more detail in the FAQ document you have received as well as on our website at www.sawyersavings.bank. If it has been determined that your home is in a flood zone, you will also be required to get Flood Insurance as a homeowner's insurance policy does not cover flood.



STEP 13

CLOSE ON YOUR NEW HOME!

The day of your closing is a big day! You will rely on your attorney to assist you in understanding the paperwork you are required to sign. If you have any questions, ask! Your real estate attorney, most likely, has done MANY home closings.

Enjoy the first day of homeownership! **CONGRATULATIONS!!**



AFTER THE CLOSING

Many people don't consider what happens after you've closed on your new home. Please review the After Closing Tips given to you and on our website at www.sawyersavings.bank. There are many expenses and things to do after you've closed. Our tips will give you an idea of what to think about **BEFORE** you close so that you're prepared.

Please remember that Sawyer Savings is here for you **THROUGHOUT** your mortgage experience. We're here to answer your questions before, during, and after your closing. We appreciate your business and look forward to servicing you and your families' financial needs now and in the future!



Experience Worth Banking On
Since 1871



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Call me at **845-217-6070**

or visit www.SawyerSavings.Bank/patti for helpful tools like calculators and worksheets, and types of lending options and programs that may be available to you, and to easily apply right online.

