



5 Steps to Prepare for the Home Loan Process

1 Know Your Credit Score: This will help you determine if you're eligible for a loan, and what interest-rate you may be offered.

Insider Tip: the free sites you have access to from your credit card company where other resources are often not an accurate reflection of your true score. When you have a lender "pull" your credit, ask for a copy, so you may utilize it for future lender inquiries. **A credit score of over 750 will get you the best rate.

2 Gather Documentation: You'll need to provide various documents when applying for a home loan. These may include paystub's, bank statements, tax returns, and more. If you are self-employed, remember to mentally reserve extra time for the process as your documentation required may be more intensive. **Insider Tip:** Start making hardcopies in a dedicated 'loan folder' or an 'online digital folder' to share with prospective loan officers.

3 Calculate Your Debt-To-Income Ratio: Your debt-to-income ratio is a key factor in determining if you are eligible for a loan. To calculate this ratio, divide your monthly debt payment by your gross monthly income. **Insider Tip:** even if your current ratio is not ideal, calculating this now can be helpful so you can improve your ratio for a future loan

4 Research Different Lenders: Compare loan options from different lenders to find the best fit for your needs. Second home financing options may include conventional mortgages, FHA loans, VA loans (if you qualify), and jumbo loans. Remember, the lowest interest rate from your lender may not always be your best choice. Look for a lender with local expertise, strong realtor connections, and a variety of loan products.

5 Get Pre-Approved: Once you have performed your research and gather the necessary documents, you can get pre-approved for a home/second home loan. This is an integral step to ensure we are looking at homes that align with your preferences and priorities, avoiding any missed opportunities during the process.