

MORTGAGE PROCESS

We think a good rule of thumb is that your total payment for mortgage, taxes, insurance and assessments, should not exceed 28-33% of your gross monthly income.

HOW MUCH CAN YOU AFFORD?

The amount of mortgage payment you can afford may be limited by your monthly payments on other long-term debts (those that will take more than 10 to 12 months to pay off).

The total of your monthly payments on long-term debts plus your proposed mortgage payments should not be more than 36-40% of your gross monthly income.

Now use the following formula to determine how much home you can afford. Start with a purchase price equal to approximately 2-1/2 to 4 times your gross annual salary.

If the Total Monthly Mortgage Payment is more than line E, you should select a smaller loan amount. Recalculate until Total Monthly Mortgage Payment is less than line E.

A. Gross Monthly Income	\$ _____ x 0.33 =	\$ _____
B. Gross Monthly Income	\$ _____ x 0.40 =	\$ _____
C. Monthly Payments on long-term debt		\$ _____
D. Subtract line C from line B		\$ _____
E. Enter the Smaller of lines A and D		\$ _____
Purchase Price	\$ _____	
Down Payment	\$ _____	
Purchase Price Less Down Payment Equals Proposed Mortgage Amount		\$ _____
Monthly Principal and Interest Payment (See Interest Rate Factor Chart)		\$ _____
Monthly Mortgage Payment		\$ _____
Real Estate Taxes / 12 (Approximately 2% of purchase price)		\$ _____
Homeowners Insurance (Approximately \$2.50 per \$1,000 of sales price)		\$ _____
Mortgage Insurance / 12 (Approximately \$6 per \$1,000 of mortgage amount based on fixed rate, 90% LTV)		\$ _____
Total Monthly Mortgage Payment		\$ _____

Koenig & Strey

RealLiving

MORTGAGE PROCESS

We've created handy online tools at koenigstrey.com to help you through the mortgage process. Start the application process online.

APPLY ONLINE

Start by going to our website at koenigstrey.com and clicking on **Services > Mortgage** in the top navigation bar. You'll be able to use our handy Web tools to calculate different scenarios for your specific needs, with just a few clicks. You can also begin the application process with our affiliate, HomeServices Lending, via the safe, secure, online form.

The screenshot displays the Koenig & Strey website interface. The top navigation bar includes links for Home, Call Us Today (877-882-4822), and Home Services. The main content area features a 'Mortgage' section with a 'Start the mortgage process with our safe, secure, online form!' banner and a 'START NOW' button. Below this are three financing options: 'Finance My First Home', 'Move Up Financing', and 'Special Financing Options'. A 'Current Rates' table is also visible, showing rates for various loan types. On the right side, there is a 'HomeServices Lending' application form titled 'Applying for a Loan'. The form includes sections for 'Before you Apply', 'Refinance Application Options', 'Homebuying Application Options', and 'Permission to Check Your Credit'. A sidebar on the left lists 'Team Member Sites' and 'Interest Rate Alerts'.

Loan Type	APR	Rate	APR	Rate	
Conventional 30 Year Fixed	4.250%	4.347%	FNMA 30 Year Fixed	4.375%	4.556%
Jumbo 30 Year Fixed	6.000%	5.029%	FNMA 5/1 ARM	2.750%	2.910%



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M O R T G A G E P R O C E S S

*I*t's a good idea to get pre-approved for a mortgage before you begin home shopping. This may afford you more leverage in negotiating the purchase of your next home.

P R E - A P P R O V A L P O W E R

- When you are pre-approved for a mortgage, sellers know that you are serious
- Mortgage pre-approval can be done in as little as one day
- It requires completing a formal application to the lender and submission of all the necessary financial and employment documentation

This information will then be thoroughly evaluated and verified by the lender's underwriters. With such pre-approval, you will be cleared for a loan of a determined amount, subject to appraisal of the property you contract to purchase.

The Loan Process

You complete a loan application and submit to the lender

Your lender provides a good faith estimate of your closing costs and Truth in Lending disclosures

Your lender verifies financial and employment information and orders a home appraisal

Your lender evaluates the loan application, approves the loan and issues a letter of commitment

Your closing is scheduled

When all loan documents are signed, the loan is funded

Your lender disburses funds to the settlement or closing agent and the seller is paid

The home title is transferred to you and documents are recorded at the County Office of Records

Koenig & Strey

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THE MORTGAGE PROCESS

*R*eal estate and real estate financing all under one roof.



COMPETITIVE FINANCING

We can connect you directly to our affiliate mortgage lender, HomeServices Lending of Illinois. A HomeServices Lending loan officer is conveniently located in each Koenig & Strey office, serving agents and clients with their experience in purchase financing.

HomeServices Lending specializes in first and second mortgages, purchase and refinance products, and investment and vacation homes. It is an affiliation between Wells Fargo Home Mortgage and HomeServices of America, Inc., a Berkshire Hathaway affiliate, and is approved to lend in 50 states.

As a responsible lending leader, they work closely with customers to explore and explain options, helping to find financing that helps meet individual budgets and financial goals.

For mortgage pre-approval and personal service, see HomeServices Lending first!

HomeServices Lending^{LLC}
An Affiliate of Wells Fargo Home Mortgage



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M O R T G A G E P R O C E S S

We will help you prepare this estimate to assist in calculating closing costs.

ESTIMATE YOUR TOTAL COSTS

Property Address _____
 \$ _____
 Sale Price
 \$ _____
 Down Payment
 \$ _____
 Amount Financed

Loan Items

Loan Origination Fee \$ _____
 Appraisal Fee \$ _____
 Credit Report \$ _____
 Additional Loan Fees \$ _____

Prepaid Items

Interest \$ _____
 Hazard Insurance \$ _____
 Taxes \$ _____
 Assessments \$ _____
 Other Fees \$ _____

Title and Closing Charges

Escrow, Settlement or Closing Fee \$ _____
 Title Insurance \$ _____
 Notary Fee \$ _____
 Attorney's Fee \$ _____
 Other Fees \$ _____

Recording Fees

Real Estate Transfer Tax Stamps \$ _____
 Other Fees \$ _____

Additional Settlement Charges

Post Inspection \$ _____
 Home Warranty \$ _____
 Home Inspection Fee \$ _____
 Other Fees \$ _____
 Total Settlement Charges \$ _____
 Down Payment \$ _____
 Total Estimate of Buyers Costs \$ _____
 Amount Financed \$ _____
 Interest Rate \$ _____
 Term _____

Estimated Monthly Payment


Principal & Interest \$ _____
 Mortgage Insurance (PMI) (if any) \$ _____
 Property Taxes \$ _____
 Homeowner's Insurance \$ _____
 Association Fees (if any) \$ _____
Total Monthly Payment \$ _____

NOTE: This estimate has been prepared to assist the buyer in comparing costs. Lenders and other related services will vary in their charges; therefore, these figures are not and cannot be guaranteed by Koenig & Strey Real Living or by any Sales Associate.



M O R T G A G E P R O C E S S

*W*e can help you collect the information needed to begin a mortgage application. Plus, we'll let you know what to expect after you apply. Visit our website and click on **Mortgage Center** to find answers to frequently asked questions.



D O C U M E N T S Y O U N E E D

You'll need to provide the following information about each borrower, including:

- Social Security Number
- Two years of W2s and one month of pay stubs (if you are salaried)
- Two years of tax returns and a year-to-date profit and loss statement (if you are self-employed)
- Three months of bank statements for each bank, mutual fund and/or investment account
- A current statement from your stock, retirement and/or 401K statement
- If you own rental property, provide two years of tax returns and current rental agreements
- A copy of your divorce decree, if applicable
- If you are not a citizen, provide a copy of the front and back of your green card
- A current driver's license, state ID card or passport

