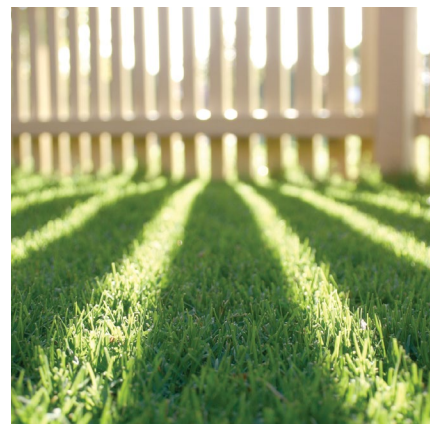
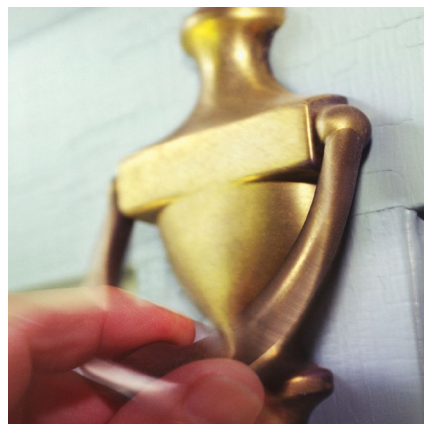
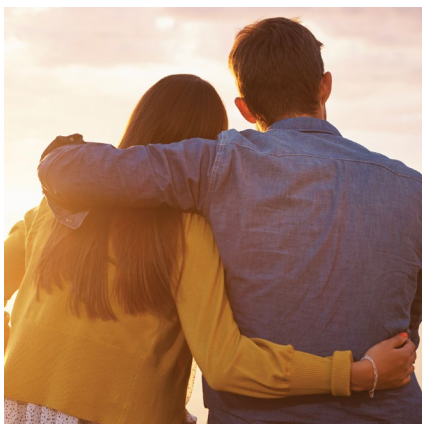




THE COMPREHENSIVE GUIDE TO
Finding | Buying | Financing

A HOME

Nothing Means More Than Having Your Own Front Door...



YOUR JOURNEY TO



Home Sweet Home

Purchasing a home is an emotional journey. After all, you're not just buying a house – you're investing in family dinners, lazy Sunday mornings in bed and a yard built for backyard barbecues on sunny summer afternoons.

» **Read on to discover everything you need to know about finding, buying and financing a place you'll love – with a payment you can afford.**





HOME IN ON YOUR **FIRST HOME**

HOUSE HUNTING TIPS



Finding a home that meets your needs – at the **right price** and in the **right location** – can be like finding a needle in a haystack.

Keep in mind that most home buyers end up having to **compromise** on something.

Remember to consider not just how much you love a home, but the **costs of owning and maintaining** that home. Thinking logically – rather than emotionally – will help you make a well-informed decision.



BEFORE YOU TOUR A HOME

Remember the real estate mantra: location, location, location!

Look for a home that's within a reasonable distance of where you work, and do some research about the area's crime rates and schools.

Think about your future needs.

Homeowners should generally plan to stay in their homes for at least four or five years to break even on closing costs and other fees. Consider how your family or lifestyle may change in the next few years, and strive to purchase a home that can accommodate your future needs.

Know your lifestyle – and buy accordingly.

Write out everything you want in a home, then choose your top five, or even top three, must-haves. Your home can greatly influence your lifestyle, so make sure it will positively – rather than negatively – affect your everyday life.

Make a comparison chart.

Create your own comparison

chart or checklist to bring along to each home tour. Include bedrooms, bathrooms, landscaping, the condition of the roof and exterior, natural light in each room, storage space and cost per square foot.

DURING A HOME TOUR

Ask to take photos or video.

This will help you remember each home and give you a full picture of what the house looks like.

Walk through once and let yourself soak it all in...

Wander around and mentally note your first impressions of the space.

...Then go back and start again.

Begin your tour again and take detailed notes on your checklist. Look at the house like an inspector this time, not just a buyer.

Focus on function.

Is there an entryway closet to stash shoes, coats and other gear? Is there enough garage space to house your vehicles? Does the home have laundry facilities that are easily

accessible? Pay attention to how well the home fits your life.

Take a closer look.

Open the closets and cupboards. Lift up the rugs. Look high and look low. Check out the ceilings, walls, floors, trim, windows, roof and under the sinks.

AFTER YOUR TOUR

Consider long-term costs.

The mortgage isn't the only cost to owning a home. Association fees, remodeling costs and monthly expenses like heating and cooling can add up. Do the math and ensure you can afford the extra expenses that may come with the home before making an offer.

Take resale value into the equation.

Few people make their *first* home their *forever* home, so it's a good idea to consider a home's resale value when making your decision.

Check out the property at different times of day.

In the evening, notice not only the changes in light, but the atmosphere. Are people out sitting on porches? Are kids playing outside? Is it noisy?

TIME TO EARN SOME

EXTRA CREDIT

» The higher the better

Once you decide you're ready for homeownership, it's a good idea to check your credit score, as it will largely determine the terms of your mortgage. If your score is lower than you'd like, put off purchasing a home until your credit score rises. With a few strategies and a commitment to smart money management, you can boost your score and save yourself a lot of money in the long run.

FIND YOUR SCORE.

Determine your credit score by obtaining a free credit report from one of the three main credit bureaus. Just go to www.annualcreditreport.com or call 1-877-322-8228. Credit scores range from 300 to 850; a score around 700 is considered good, while anything above 720 is excellent.



DON'T CLOSE OLD ACCOUNTS.

Part of your credit score comes from how long you've had credit, and the longer a card is open, the higher your score will be. Many lenders want you to have at least three credit lines that you've had for at least a year. Keep old accounts open; they can help boost your score and balance out newer lines of credit.



PAY DOWN YOUR CREDIT CARD BILLS.

Start by paying down your card with the highest interest rate first, and aim to get all balances below 50% of your credit limit. Since 33% of your credit score is based on the amount you owe, work on relieving your debt in any way that you can.

DON'T OPEN NEW CARDS THAT YOU DON'T NEED.

Avoid opening new cards at department stores or gas stations, and remember that new cards can bring down the average age of your credit, lowering your score even more. Stop applying for new credit a year before you apply for a mortgage, and don't apply for new credit again until after you've closed on your home.



Mortgage Guidelines THAT MAKE "CENTS"

» The true cost of homeownership goes far beyond a house's asking price. Be prepared to fork over thousands of additional dollars in interest, closing costs, repairs, renovations, maintenance, insurance, taxes, utilities and more. Not to mention the money to furnish your home as well.



» Be sure to include insurance, property tax, etc. These can really add up and need to be included in your total monthly housing payment budget.

• Your total monthly debt payments (including your mortgage and any other debts such as an auto loan or student loan) should not exceed 36% of your gross monthly income.

Obviously, you'll want to ensure you can afford homeownership before you close on a mortgage. Here are some general rules to keep in mind:

• Make sure your total monthly housing payment doesn't exceed 28% of your gross monthly income, the amount you make before taxes are taken out.

Take your annual household income and divide that number by 12 to determine your gross monthly income. Then multiply that number by 0.28 to determine your maximum monthly housing payment.

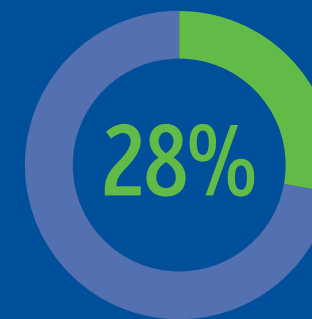


Before you start looking for a home, make sure you're on firm footing financially online with our mortgage payment **calculator**.

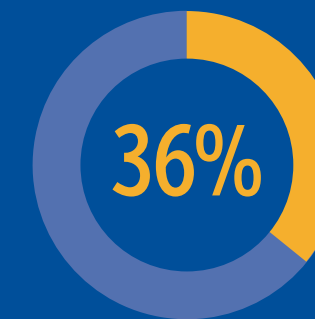
THE LOW-DOWN ON DOWN PAYMENTS



One of the most important financial decisions you'll have to make early on in the home-buying process is determining how much of a down payment you can afford. Some lenders offer low or no down payment options, but putting down 20% of the home's purchase price is ideal. If you put down less than 20%, you will need to pay PMI (Private Mortgage Insurance).



HOUSING DEBT
28% OF PRE-TAX INCOME



TOTAL DEBT
36% OF PRE-TAX INCOME

Do your homework online – calculate payments, learn key terms and understand the process. Visit our online [Mortgage Center](#).



TOP TIPS FOR SELECTING

A LENDER

» The high stakes of purchasing a home make it worth your while to carefully select a reputable lender. Consider the following when making your decision:

Shop around. What may seem like a minor difference in rates can amount to thousands of dollars in interest over the life of your loan. Be sure to compare rates, discount points and lender fees.

Pro tip: Ask each potential lender for a Loan Estimate, a form required by law that can help you easily compare different loans from different lenders. Loan Estimates will show you all the details of your loan, including interest rate, fees, monthly payment and more.

Think beyond dollars. Yes, interest rates are important. But so is choosing a lender that displays honesty, integrity and a commitment to meeting deadlines and communicating with you throughout the process.

Ask yourself: Is the lender prompt to respond to your initial contact? Are they friendly and courteous? Do they honor what you saw online or in an ad? Are they willing to explain things to you and educate you about different choices? Do they proactively discuss the timeline of the loan (estimated closing date, when to lock the rate)?

Get recommendations. Friends and family members are a great place to start when it comes to learning about lenders in your area. Ask what they liked or didn't like about their experience.

Dominion Energy Credit Union has a long history of serving Dominion Energy employees, and we understand your specific needs. When you call us, it's like calling an old friend who will go above and beyond to help.

Our **money-saving options** mean **lower monthly payments and lower costs** over the life of your loan, and you may even be able to **pay off** your loan quicker.

- With our lower than market rates, you may qualify for more
- We offer a variety of flexible terms, including low down payment options
- Get personal guidance from start to finish from someone you can trust
- We offer easy online application
- Our settlement agents can even come to you

We make homebuying easy. Use our streamlined **online** application to apply for instant approval. We'll help guide you every step of the way.

We offer 1st mortgages in VA, NC, OH and SC.



How to find your new home

THINK LIKE A REAL ESTATE AGENT

Even if you are working with an agent you like, it's a good idea to do some exploring on your own. Here are some ways to get started:

- Drive through the neighborhoods you have picked and look for "for sale" signs.
- Read the newspaper real estate section, and do research online at sites like realtor.com.
- Check real estate shopping guides. These free booklets have photos and are a good way to compare prices and features.

- Visit open houses. When a house has an open house sign in front, it is an invitation to go in without an appointment and look around.
- Visit new home subdivisions. Even if you don't think you can afford a new home, it's a good idea to check out all of the new construction in your area.
- Look at homes for sale by owner. You may find for sale signs that say "For Sale By Owner (FSBOs). You may save money since the seller does not have to pay an agent's commission.



SOLD

Apply yourself.

LOAN APPLICATION CHECKLIST

Having these documents ready can help your mortgage application go as quickly and smoothly as possible.

- Your current residence address, or addresses, for the past two years.
- Social Security numbers for all borrowers.
- Your employment history for the past two years. You'll need your employer(s) name, address and phone number.
- Income information for all borrowers. You'll be asked to include salary, overtime, bonuses, commissions, interest/dividends, retirement income and any other regular source of income.
- The price of the home you are buying and how much you'd like to borrow toward the purchase.
- Bank and brokerage account information, including the institution name and current balances.
- If you own any real estate, we'll have some basic questions, including address, current market value, the amount you owe, the rental income you receive (if any) and what your monthly payment is.
- Information about your current debts. We'll ask for the name of the creditor, the account number, the current balance owed and the amount of your monthly payment.

Please note: Additional documentation may be required, such as W-2s, account statements, etc.

READY TO GET STARTED?

Cut through the paperwork with our streamlined **online application**.

LEARN THE LINGO:

HOME FINANCING OPTIONS



WHAT'S WHAT?

PRE-QUALIFICATION VS. PRE-APPROVAL

Get pre-approved for bargaining power!

Before beginning your house hunt, it's a good idea to get pre-qualified or pre-approved for a mortgage. Doing so will give you an idea how much you can afford to spend so you won't waste your time looking at houses that are out of your price range. Keep in mind, though, that pre-qualifications and pre-approvals are two very different things:

- Getting **PRE-QUALIFIED** simply means that a lender has provided you with an estimate of the mortgage amount you will likely qualify for. Some lender websites only give you an estimate of fees,

not an actual pre-qualification amount. If you choose to purchase a home, you will still have to go through the actual mortgage application process at that time.

- Getting **PRE-APPROVED** requires you to complete an application and provide a lender with paperwork so they can verify your income, credit, etc. If that lender does decide to pre-approve you for a mortgage, it essentially means you are guaranteed to get a loan up to a specified amount (assuming no major financial changes occur) for a limited period of time.

» WHEN IT COMES TO MORTGAGES, ONE SIZE DOES NOT FIT ALL.

How do I know what's best for me?

Numerous options and programs exist with different terms, features and benefits to suit various buyers. Be a well-informed consumer by familiarizing yourself with these common mortgage types:



Conventional/Fixed-Rate Mortgage:

A fixed-rate mortgage features an interest rate that remains constant throughout the term of the loan. Most fixed-rate mortgages come with a term of either 15 or 30 years.*



Adjustable-Rate Mortgage (ARM):

Adjustable-rate mortgages typically start with a lower rate than fixed-rate mortgages, but after a few years the rate can begin to rise and will fluctuate periodically.*



VA (Veterans Affairs) Loans:

VA loans offer up to 100% financing for military members and their families.*



FHA (Federal Housing Administration) Loans:

FHA loans can help buyers receive financing even if they may not otherwise qualify for a mortgage. The FHA insures the lender for the mortgage amount – removing the risk associated with the borrower.*



USDA (United States Department of Agriculture) Rural Development Loans:

These loans are available to rural residents who meet certain requirements, including the inability to be approved for traditional financing.



Balloon Loans:

A balloon loan is a mortgage in which a larger-than-normal outstanding balance must be paid at the end of the term.

Selecting the mortgage option that works best for you will depend on a number of factors, including how long you plan to stay in the home, if you're comfortable not knowing what your future payments might be and more. Work with your loan officer or mortgage broker to discuss your goals and lifestyle in relation to these different financing options. By carefully analyzing the pros and cons of each loan type, you can determine a financing option that best meets your needs.

*Available at Dominion Energy Credit Union.



THE 4-1-1 ON FINALIZING THE DEAL

Once you decide you want to make an offer on a house, the home-buying process goes into overdrive. Your real estate agent and lender will guide you through this final leg of your journey, but here's a high-level overview of what to expect:

01

Make an offer.

Your real estate agent will help you offer a fair price for your home.

02

Negotiate.

The seller can accept your offer, reject it or make a counteroffer. Keep in mind that closing costs can be negotiated, too.

03

Sign the contract.

- Put down earnest money and apply for a mortgage.
- Schedule an inspection.
- Get homeowner's insurance.
- Consider buying a home warranty to cover repairs or replacements for major home appliances and systems due to normal wear and tear.

04

Complete the final walk-through and close on the home.

- Pay your down payment and closing costs via wire transfer or cashier's check.
- Attend the closing and sign the papers.
- At Dominion Energy Credit Union, we make it easy to close on your loan – if you aren't local, we can send a settlement agent to you.



Congratulations,
you're now a homeowner!



CONTACT US – WE'RE HERE TO HELP

P.O. Box 26646, Richmond, VA 23261

800.268.6928 • decumortgage@dominionenergy.com • DominionEnergyCU.org

