



new way  
mortgage

# The Homebuyer Guide



# Benefits of Buying



Not sure if you should buy a home? The rent you pay could build equity in your own real estate. Do you realize how much you pay in rent over a period of years? The chart below gives you a total picture of what is happening to your money. The rent you pay adds up to a sizeable sum.

RENT	5 YRS	10 YRS	15 YRS	20 YRS	25 YRS	30 YRS
\$1,000	\$60,000	\$120,000	\$180,000	\$240,000	\$300,000	\$360,000
\$1,200	\$72,000	\$144,000	\$216,000	\$288,000	\$360,000	\$432,000
\$1,400	\$84,000	\$168,000	\$252,000	\$336,000	\$420,000	\$504,000
\$1,600	\$96,000	\$192,000	\$288,000	\$384,000	\$480,000	\$576,000
\$1,800	\$108,000	\$216,000	\$324,000	\$432,000	\$540,000	\$648,000
\$2,000	\$120,000	\$240,000	\$360,000	\$480,000	\$600,000	\$720,000
\$2,200	\$132,000	\$264,000	\$396,000	\$528,000	\$660,000	\$792,000
\$2,400	\$144,000	\$288,000	\$432,000	\$576,000	\$720,000	\$864,000
\$2,600	\$156,000	\$312,000	\$468,000	\$624,000	\$780,000	\$936,000
\$2,800	\$168,000	\$336,000	\$504,000	\$672,000	\$840,000	\$1,008,000
\$3,000	\$180,000	\$360,000	\$540,000	\$720,000	\$900,000	\$1,080,000

## → RENT

- No interest payment deductions
- Rental amount may increase at any time
- Landlord approval needed for any changes
- No capitalization; your money disappears forever
- Rental is temporary and is often subject to 30 day's notice

## → BUY

- Deductions for your mortgage interest paid
- Mortgage payments could be fixed
- Decorate and make changes without prior approval
- The value of your property may increase in time
- Your house will become a home, not a temporary living situation; you are not at the mercy of a landlord







# The Life Of An Escrow





# CLOSING COSTS

Customary fees associated with a real estate transaction and the party that typically pays these fees.

## SELLER'S RESPONSIBILITY

Owner's Title Insurance Policy\*  
Half of the Escrow Fee\*  
Excise Tax\*  
Real Estate Broker Commissions\*  
Loan Balances  
Pro-Rated Property Taxes  
Current Utility Balances  
Homeowner's Association Fees  
Pro-Rated HOA Dues & Miscellaneous HOA Fees

## BUYER'S RESPONSIBILITY

Lender's Title Insurance Policy\*  
Half of the Escrow Fee\*  
Home Inspection  
Recording Fees  
First Year Fire Insurance Premium  
First Year Flood Insurance Premium, (if applicable)  
Pro-Rated Property Taxes  
Survey Fee, (if required)  
Homeowner's Association Fees  
Pro-Rated HOA Dues & Miscellaneous HOA Fees  
Lender Fees; Appraisal, Credit Report, Loan Origination Fee, Pre-Paid Interest, Private Mortgage Insurance



## Life of a **Sale Escrow**

### THE BEGINNING

- Receive Purchase & Sale Agreement and/or loan set-up
- Assign a closer and an escrow number
- Order a title report

### SEARCH AND REVIEW

- Review purchase and sale agreement
- Review preliminary title report
- Contact parties for needed information

### GATHER INFORMATION

- Obtain payoffs on liens/bills to be paid through escrow
- Obtain title clearing documents
- Coordinates with Lender on preparation of the Closing Disclosure (CD)
- Prepare settlement statement and documents

### THE SIGNING

- Set appointment with parties
- Parties deposit documents and/or funds into escrow

### THE CLOSING

- Loan documents returned to lender
- Recordable documents sent to title
- Lender authorize recording
- Title sends documents to county recorder
- Lender deposits loan proceeds (lender must wire proceeds prior to 2 p.m.)
- Recording number received from county

### DISBURSEMENT

- All encumbrances and bills paid
- Proceeds delivered to Seller
- Commission checks delivered to Agents
- Mortgage Broker check delivered
- Keys available from your agent or per a contract agreement

### THE FINISH

- Final copies and title policies to all parties
- Record reconveyances and releases
- Celebrate



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\*Actual fees determined by Sales Price and/or Loan Amount.