

# Prudential Indiana Realty Group The Elsbury Team

## A BUYER'S GUIDE TO EASIER HOMEOWNERSHIP



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## **The Only Source You Need**

Your **Prudential Indiana Realty Group Elsbury** Sales Associate can provide detailed information on most any property currently listed for sale-whether it's listed by **Prudential** or another real estate Company.

If you see a for sale sign, an ad in the newspaper, or on the Internet that interests you, we have access to all the data. So, call your **Prudential** Sales Associate for all the details:

- \*The listing price
- \*The description
- \*The special features
- \*The financing terms

We'll even arrange a showing appointment at your convenience.

Your **Prudential** Sales Associate is already familiar with your housing and financial needs, so why go through the process again with someone else? We can save you time and take the hassle out of house hunting, and it won't cost you a penny more!

**Prudential Indiana Realty Group**  
**[teamelsbury@prudentialelsbury.com](mailto:teamelsbury@prudentialelsbury.com)**



## OUR PLEDGE OF QUALITY

I will work for you full-time as your professional sales associate. To help you buy the home of your choice, using my expertise to make home buying a smooth and pleasant experience.

To Help you *FIND* a home I will:

- Discuss your home requirements, including style, location and price.
- Review specific facts on financial alternatives to determine the price most suited to your financial abilities.
- Provide information on all homes available in the area of your choice.
- Show you the entire area you select, locating schools, shopping areas, recreational facilities and houses of worship.

To help you *CHOOSE* a home I will:

- Discuss the benefits and drawbacks of each home in relation to your specific needs.
- Obtain the necessary written information on taxes, local laws and ordinances in your area.
- Give you a complete estimated settlement expense sheet for any home on which you make an offer.

To help you *BUY* a home I will:

- Explain all the financing alternatives, to find the lowest cost financing available on the home you choose.
- Handle all the detail work and negotiations, carefully explain all written documents, and give you a copy of everything you sign.
- Accompany you to a financial lender and explain the procedure for a mortgage application.
- Accompany you to the settlement, making sure you understand the entire settlement process.



## WHAT YOU SHOULD KNOW ABOUT REAL ESTATE BROKERAGE

Your REALTOR® can sell you any home in Indiana, regardless of whose sign is in the yard or who advertised it for sale.

The practice is encouraged in the real estate industry because real estate Buyers usually desire to work with one particular REALTOR® who develops a better understanding of their wants, needs, and financing requirements. It also eliminates Purchasers from being contacted "by every REALTOR® in town."

Using this ONE REALTOR® method, you get better representation and service. In addition, you incur no additional costs because your personal REALTOR® will be paid by the REALTOR® whose sign is in the yard.

Put your loyalty with a REALTOR® who deserves it, who you trust, and who has the knowledge to best serve your needs. In return, you should not call or talk with other REALTORS® without first announcing that you are working with "so-and-so" REALTOR.® Otherwise, your REALTOR® will be eliminated from assisting you.

## WHAT YOU SHOULD KNOW ABOUT FINANCING

Ever wish you could just pay cash \$ for a home? You CAN if you get PRE-APPROVED for a mortgage, before you find a home.

When searching for your mortgage lender, ask if they will issue a "PRE-APPROVAL" letter, which only requires that they appraise the home, you find later in order to verify its value. If they will issue such a letter with no other requirements except the appraisal, you have just become a PRE-APPROVED CASH Buyer!

Your cost to be PRE-APPROVED is approximately \$60.00 for a complete credit report.

The advantages of PRE-APPROVAL include:

1. A Seller takes your purchase offer much more seriously. Often, this allows you to *buy a home for a lesser price* than if you "hope to get a loan."
2. You will *know exactly how much you can afford* and avoid wasting time and effort looking at homes you can't afford. You'll also avoid the frustration and embarrassment of finding a home you want, only to find out you can't afford it.
3. You have more *time to work out any financing problems* you might have. Examples include credit blemishes that are incorrect, family and friend financing assistance, and restructuring your current debts.
4. Your purchase *time is reduced* by approximately 3-4 weeks because you won't have to wait on loan approval.
5. You can *lock in your interest rate* sooner in the buying process if you expect rates to rise soon.

**Prudential Indiana Realty Group-The Elsbury Team**  
**317-462-2345**



# Prudential

## Indiana Realty Group

### Why You Should Work With a REALTOR®

Not all real estate practitioners are REALTORS®. The term REALTOR® is a registered trademark that identifies a real estate professional who is a member of the NATIONAL ASSOCIATION of REALTORS® and subscribes to its strict Code of Ethics. Here are five reasons why it pays to work with a REALTOR®.

- 1. You'll have an expert to guide you through the process.** Buying or selling a home usually requires disclosure forms, inspection reports, mortgage documents, insurance policies, deeds, and multi-page settlement statements. A knowledgeable expert will help you prepare the best deal, and avoid delays or costly mistakes.
- 2. Get objective information and opinions.** REALTORS® can provide local community information on utilities, zoning, schools, and more. They'll also be able to provide objective information about each property. A professional will be able to help you answer these two important questions: Will the property provide the environment I want for a home or investment? Second, will the property have resale value when I am ready to sell?
- 3. Find the best property out there.** Sometimes the property you are seeking is available but not actively advertised in the market, and it will take some investigation by your REALTOR® to find all available properties.
- 4. Benefit from their negotiating experience.** There are many negotiating factors, including but not limited to price, financing, terms, date of possession, and inclusion or exclusion of repairs, furnishings, or equipment. In addition, the purchase agreement should provide a period of time for you to complete appropriate inspections and investigations of the property before you are bound to complete the purchase. Your agent can advise you as to which investigations and inspections are recommended or required.
- 5. Property marketing power.** Real estate doesn't sell due to advertising alone. In fact, a large share of real estate sales comes as the result of a practitioner's contacts through previous clients, referrals, friends, and family. When a property is marketed with the help of a REALTOR®, you do not have to allow strangers into your home. Your REALTOR® will generally prescreen and accompany qualified prospects through your property.
- 6. Real estate has its own language.** If you don't know a CMA from a PUD, you can understand why it's important to work with a professional who is immersed in the industry and knows the real estate language.
- 7. REALTORS® have done it before.** Most people buy and sell only a few homes in a lifetime, usually with quite a few years in between each purchase. And even if you've done it before, laws and regulations change. REALTORS®, on the other hand, handle hundreds of real estate transactions over the course of their career. Having an expert on your side is critical.
- 8. Buying and selling is emotional.** A home often symbolizes family, rest, and security — it's not just four walls and a roof. Because of this, home buying and selling can be an emotional undertaking. And for most people, a home is the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on both the emotional and financial issues most important to you.
- 9. Ethical treatment.** Every member of the NATIONAL ASSOCIATION of REALTORS® makes a commitment to adhere to a strict Code of Ethics, which is based on professionalism and protection of the public. As a customer of a REALTOR®, you can expect honest and ethical treatment in all transaction-related matters. It is mandatory for REALTORS® to take the Code of Ethics orientation and they are also required to complete a refresher course every four years.



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### Take the Stress Out of Homebuying

Buying a home should be fun, not stressful. As you look for your dream home, keep in mind these tips for making the process as peaceful as possible.

- 1. Find a real estate agent who you connect with.** Home buying is not only a big financial commitment, but also an emotional one. It's critical that the REALTOR® you chose is both highly skilled and a good fit with your personality.
- 2. Remember, there's no "right" time to buy, just as there's no perfect time to sell.** If you find a home now, don't try to second-guess interest rates or the housing market by waiting longer — you risk losing out on the home of your dreams. The housing market usually doesn't change fast enough to make that much difference in price, and a good home won't stay on the market long.
- 3. Don't ask for too many opinions.** It's natural to want reassurance for such a big decision, but too many ideas from too many people will make it much harder to make a decision. Focus on the wants and needs of your immediate family — the people who will be living in the home.
- 4. Accept that no house is ever perfect.** If it's in the right location, the yard may be a bit smaller than you had hoped. The kitchen may be perfect, but the roof needs repair. Make a list of your top priorities and focus in on things that are most important to you. Let the minor ones go.
- 5. Don't try to be a killer negotiator.** Negotiation is definitely a part of the real estate process, but trying to "win" by getting an extra-low price or by refusing to budge on your offer may cost you the home you love. Negotiation is give and take.
- 6. Remember your home doesn't exist in a vacuum.** Don't get so caught up in the physical aspects of the house itself — room size, kitchen, etc. — that you forget about important issues as noise level, location to amenities, and other aspects that also have a big impact on your quality of life.
- 7. Plan ahead.** Don't wait until you've found a home and made an offer to get approved for a mortgage, investigate home insurance, and consider a schedule for moving. Presenting an offer contingent on a lot of unresolved issues will make your bid much less attractive to sellers.
- 8. Factor in maintenance and repair costs in your post-home buying budget.** Even if you buy a new home, there will be costs. Don't leave yourself short and let your home deteriorate.
- 9. Accept that a little buyer's remorse is inevitable and will probably pass.** Buying a home, especially for the first time, is a big financial commitment. But it also yields big benefits. Don't lose sight of why you wanted to buy a home and what made you fall in love with the property you purchased.
- 10. Choose a home first because you love it; then think about appreciation.** While U.S. homes have appreciated an average of 5.4 percent annually over from 1998 to 2002, a home's most important role is to serve as a comfortable, safe place to live.

# >> 41 STEPS TO BUYING YOUR HOME










































 Real Estate Agent

 Lender/Loan Broker

 Title & Escrow Company

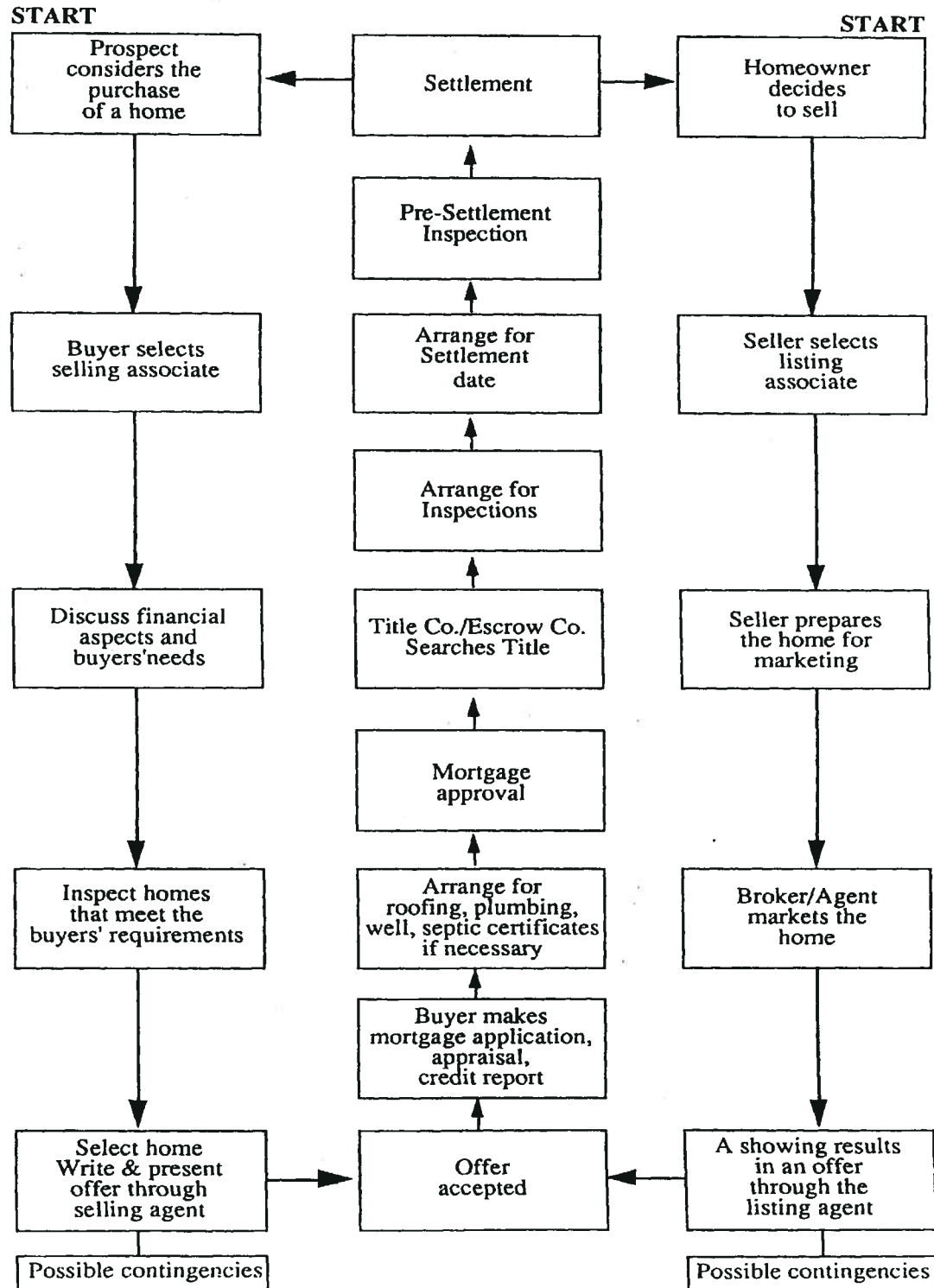
 All "Team" Members



- 1  Pre-qualification issued and loan programs discussed
- 2  Property previewed and selected
- 3  Offer presented
- 4  Contract ratified
- 5  Escrow opened  
Check deposited  
Preliminary Report ordered
- 6  Loan application taken
- 7  Inspections ordered
- 8  Credit report ordered
- 9  Appraisal ordered
- 10  Contract reviewed and contingency dates noted
- 11  Preliminary report reviewed and forwarded to lender and real estate agent
- 12  Disclosure package provided to buyer for review
- 13  Preliminary report reviewed by all parties
- 14  Loan program selected
- 15  Inspections reviewed and/or contingencies removed
- 16  Loan contingencies removed  
Deposit increased, if required
- 17  Receipt of increased funds
- 18  Final accumulation of documents for loan approval
- 19  Escrow officer clears appropriate title report items and reviews any additional conditions
- 20  Loan package is submitted to underwriting
- 21  Selection of hazard insurance company/agent
- 22  Loan approval
- 23  Loan documents ordered
- 24  Loan documents delivered to escrow
- 25  Hazard insurance ordered
- 26  Closing date is confirmed. Final dollar balance to be deposited into escrow is determined
- 27  Real estate agent provides final instructions, if any, to escrow
- 28  Loan closing conditions reviewed with escrow officer
- 29  Escrow instructions drawn
- 30  Escrow instructions and loan documents are signed (buyer)
- 31  Signed loan documents returned to lender with hazard insurance policy
- 32  Final walk-through inspection
- 33  Funding package reviewed
- 34  Loan funds issued
- 35  Final funds from buyer deposited into escrow
- 36  Team decides what final actions are required prior to close of escrow
- 37  Documents recorded with County Recorder
- 38  Escrow closed  
Final Accounting  
Checks written and forwarded  
Closing statements issued
- 39  Escrow notifies all parties upon closing
- 40  Keys released to new owner
- 41  Celebration



# THE STEPS IN THE BUYING/SELLING PROCESS



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**LOAN APPLICATION**

- Copy of signed offer to purchase with all counter offers.
- Copy of MLS listing sheet
- Application fee \$\_\_\_\_\_
- Home address for the past seven years
- Names, addresses, and phone numbers of landlords for past two years
- Names, addresses, account numbers of mortgage holder for past two years
- Last 12 months of canceled checks for rental or mortgage payments
- Copy of driver's license
- Copy of social security card
- Name, address, and phone number of employer
- Name, address, and phone number of all employers in last 25 months
- Current pay stubs for last 30 days
- Last two years W2's
- Last three months bank statements for all accounts
- Addresses, account numbers, and current balances for all checking, savings, and other deposit accounts.
- Names, addresses, account numbers, monthly payment amounts and balances of all current debt (including credit union loans)
- Most recent statement for all current debt
- Divorce decrees with property settlement
- Proof of child support income or obligation
- Proof of Social Security income and/or other benefits
- Previous two years signed tax return for self-employed or commission employment
- Year to date financial statements signed by an accountant for self-employed borrowers.
- All information regarding real estate owned and/or sold in the last two years including closing statements, mortgage holder, address, account numbers, balances, and amounts of payments.
- VA only: Copy of DD214; original certification of eligibility; name, address, phone number of nearest relative.



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### Get Your Finances in Order: To-Do List

- 1. Develop a household budget.** Instead of creating a budget of what you'd like to spend, use receipts to create a budget that reflects your actual spending habits over the last several months. This approach will factor in unexpected expenses, such as car repairs, as well as predictable costs such as rent, utility bills, and groceries.
- 2. Reduce your debt.** Lenders generally look for a total debt load of no more than 36 percent of income. This figure includes your mortgage, which typically ranges between 25 and 28 percent of your net household income. So you need to get monthly payments on the rest of your installment debt — car loans, student loans, and revolving balances on credit cards — down to between 8 and 10 percent of your net monthly income.
- 3. Look for ways to save.** You probably know how much you spend on rent and utilities, but little expenses add up, too. Try writing down *everything* you spend for one month. You'll probably spot some great ways to save, whether it's cutting out that morning trip to Starbucks or eating dinner at home more often.
- 4. Increase your income.** Now's the time to ask for a raise! If that's not an option, you may want to consider taking on a second job to get your income at a level high enough to qualify for the home you want.
- 5. Save for a down payment.** Designate a certain amount of money each month to put away in your savings account. Although it's possible to get a mortgage with only 5 percent down, or even less, you can usually get a better rate if you put down a larger percentage of the total purchase. Aim for a 20 percent down payment.
- 6. Keep your job.** While you don't need to be in the same job forever to qualify for a home loan, having a job for less than two years may mean you have to pay a higher interest rate.
- 7. Establish a good credit history.** Get a credit card and make payments by the due date. Do the same for all your other bills, too. Pay off the entire balance promptly.



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### 5 Factors That Decide Your Credit Score

Credit scores range between 200 and 800, with scores above 620 considered desirable for obtaining a mortgage. The following factors affect your score:

**1. Your payment history.** Did you pay your credit card obligations on time? If they were late, then how late? Bankruptcy filing, liens, and collection activity also impact your history.

**2. How much you owe.** If you owe a great deal of money on numerous accounts, it can indicate that you are overextended. However, it's a good thing if you have a good proportion of balances to total credit limits.

**3. The length of your credit history.** In general, the longer you have had accounts opened, the better. The average consumer's oldest obligation is 14 years old, indicating that he or she has been managing credit for some time, according to Fair Isaac Corp., and only one in 20 consumers have credit histories shorter than 2 years.

**4. How much new credit you have.** New credit, either installment payments or new credit cards, are considered more risky, even if you pay them promptly.

**5. The types of credit you use.** Generally, it's desirable to have more than one type of credit — installment loans, credit cards, and a mortgage, for example.

For more on evaluating and understanding your credit score, visit [www.myfico.com](http://www.myfico.com).



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### What You Can Do to Improve Your Credit

Credit scores, along with your overall income and debt, are big factors in determining whether you'll qualify for a loan and what your loan terms will be. So, keep your credit score high by doing the following:

1. Check for and correct any errors in your credit report. Mistakes happen, and you could be paying for someone else's poor financial management.
2. Pay down credit card bills. If possible, pay off the entire balance every month. Transferring credit card debt from one card to another could lower your score.
3. Don't charge your credit cards to the maximum limit.
4. Wait 12 months after credit difficulties to apply for a mortgage. You're penalized less for problems after a year.
5. Don't order items for your new home on credit — such as appliances and furniture — until after the loan is approved. The amounts will add to your debt.
6. Don't open new credit card accounts before applying for a mortgage. Too much available credit can lower your score.
7. Shop for mortgage rates all at once. Too many credit applications can lower your score, but multiple inquiries from the same type of lender are counted as one inquiry if submitted over a short period of time.
8. Avoid finance companies. Even if you pay the loan on time, the interest is high and it will probably be considered a sign of poor credit management.

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### 6 Creative Ways to Afford a Home

**1. Investigate local, state, and national down payment assistance programs.**

These programs give qualified applicants loans or grants to cover all or part of your required down payment. National programs include the Nehemiah program, [www.getdownpayment.com](http://www.getdownpayment.com), and the American Dream Down Payment Fund from the Department of Housing and Urban Development, [www.hud.gov](http://www.hud.gov).

**2. Explore seller financing.** In some cases, sellers may be willing to finance all or part of the purchase price of the home and let you repay them gradually, just as you would do with a mortgage.

**3. Consider a shared-appreciation or shared-equity arrangement.** Under this arrangement, your family, friends, or even a third-party may buy a portion of the home and share in any appreciation when the home is sold. The owner/occupant usually pays the mortgage, property taxes, and maintenance costs, but all the investors' names are usually on the mortgage. Companies are available that can help you find such an investor, if your family can't participate.

**4. Ask your family for help.** Perhaps a family member will loan you money for the down payment or act as a co-signer for the mortgage. Lenders often like to have a co-signer if you have little credit history.

**5. Lease with the option to buy.** Renting the home for a year or more will give you the chance to save more toward your down payment. And in many cases, owners will apply some of the rental amount toward the purchase price. You usually have to pay a small, nonrefundable option fee to the owner.

**6. Consider a short-term second mortgage.** If you can qualify for a short-term second mortgage, this would give you money to make a larger down payment. This may be possible if you're in good financial standing, with a strong income and little other debt.



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### Common Closing Costs for Buyers

You'll likely be responsible for a variety of fees and expenses that you and the seller will have to pay at the time of closing. Your lender must provide a good-faith estimate of all settlement costs. The title company or other entity conducting the closing will tell you the required amount for:

- Down payment
- Loan origination
- Points, or loan discount fees, which you pay to receive a lower interest rate
- Home inspection
- Appraisal
- Credit report
- Private mortgage insurance premium
- Insurance escrow for homeowner's insurance, if being paid as part of the mortgage
- Property tax escrow, if being paid as part of the mortgage. Lenders keep funds for taxes and insurance in escrow accounts as they are paid with the mortgage, then pay the insurance or taxes for you.
- Deed recording
- Title insurance policy premiums
- Land survey
- Notary fees
- Prorations for your share of costs, such as utility bills and property taxes

**A Note About Prorations:** Because such costs are usually paid on either a monthly or yearly basis, you might have to pay a bill for services used by the sellers before they moved. Proration is a way for the sellers to pay you back or for you to pay them for bills they may have paid in advance. For example, the gas company usually sends a bill each month for the gas used during the previous month. But assume you buy the home on the 6<sup>th</sup> of the month. You would owe the gas company for only the days from the 6<sup>th</sup> to the end for the month. The seller would owe for the first five days. The bill would be prorated for the number of days in the month, and then each person would be responsible for the days of his or her ownership.

# Closing Costs Guide

→ Classification determined by Lender

## Closing Costs

- Appraisal
- Auditor's Transfer Fee
- Closing Fee
- Credit Report
- Discount Points
- Document Preparation
- Express Fees
- First Year PMI
- Flood Certification
- One-Time MIP (FHA)
- Origination Fee
- Tax Service Fee
- VA Funding Fee

## Closing Costs

- Termite Inspection
- Title Insurance
- Sales Disclosure Filing Fee
- Survey
- Recording Fees
- Underwriting Fee

## Pre-Paid Items

- Escrows (Tax & Homeowners Ins.)
- First Year Homeowners Premium
- First Year PMI
- Prepaid Interest

## Buyer pays

THIS CHART INDICATES WHO CUSTOMARILY PAYS WHAT COSTS



FHA	VA	CONV
Express Fees	Origination Fee	Origination Fee
→ Discount Points	→ Discount Points	Discount Points
Appraisal	Appraisal	Appraisal
Credit Report	Credit Report	Credit Report
Prepaid Interest	Prepaid Interest	Prepaid Interest
Annual Homeowners Insurance Prem.	Annual Homeowners Insurance Prem.	Annual Homeowners Insurance Prem.
Escrow for Homeowners Insurance	Escrow for Homeowners Insurance	Escrow for Homeowners Insurance
Escrow for real estate taxes	Escrow for real estate taxes	Escrow for real estate taxes
Recording Fees	Recording Fees	Recording Fees
Mortgage Title Insurance	Mortgage Title Insurance	Mortgage Title Insurance
Survey	Survey	Survey
→ MIP	VA Funding Fee	Underwriting Fee
→ Inspection Fee (1)	→ Well/Water/Septic Inspection	Initial PMI Premium
→ Well/Water/Septic Inspection	→ Termite Inspection	Inspection Fee
→ Termite Inspection	Auditor's Transfer Fee (if any)	Express Fee
→ Document Preparation	Sales Disclosure Filing Fee	Flood Certification
→ Closing Fee		Document Preparation
Flood Certification Fee		Tax Service Fee
Auditor's Transfer Fee (if any)		Auditor's Transfer Fee (if any)
Sales Disclosure Filing Fee		Sales Disclosure Filing Fee

## Seller pays

THIS CHART INDICATES WHO CUSTOMARILY PAYS WHAT COSTS



FHA	VA	CONV
Real Estate Brokerage Fee	Real Estate Brokerage Fee	Real Estate Brokerage Fee
Deed & Vendor's Affidavit Preparation	→ Discount Points	Deed & Vendor's Affidavit Preparation
Owners Title Insurance	Inspection Fee	Owners Title Insurance
Tax Service Fee	Assignment Recording Fee	
Express Fee	Deed & Affidavit Preparation	
	Owner's Title Insurance	
	→ Well/Water/Septic Inspection	
	→ Termite Inspection	
	→ Closing Fee	
	→ Document Preparation	
	→ Underwriting Fee	
	→ Tax Service Fee	

- These and other miscellaneous items are negotiable and may be charged to either buyer/seller depending on lender requirements of purchase agreement.
- Document Preparation and Closing fees may be charged to the borrower ONLY if the service is provided by a third party who is NOT affiliated with the lender.
- If the lender does NOT charge an origination fee, you may charge fees to include these → fees up to one percent of the loan amount to the veteran.



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### Budget Basics Worksheet

The first step in getting yourself in financial shape to buy a home is to know exactly how much money comes in and how much goes out. Use this worksheet to list your income and expenses below.

<b>INCOME</b>	
Take Home Pay (all family members)	
Child Support/Alimony	
Pension/Social Security	
Disability/Other Insurance	
Interest/Dividends	
Other	
<b>Total Income</b>	
<b>EXPENSES</b>	
Rent/Mortgage (include taxes, principal, and insurance)	
Life Insurance	
Health/Disability Insurance	
Vehicle Insurance	
Homeowner's or Other Insurance	
Car Payments	
Other Loan Payments	
Savings/Pension Contribution	
Utilities (gas, water, electric, phone)	
Credit Card Payments	
Car Upkeep (gas, maintenance, etc.)	
Clothing	
Personal Care Products (shampoo, cologne, etc.)	
Groceries	
Food Outside the Home (restaurant meals and carryout)	
Medical/Dental/Prescriptions	
Household Goods (hardware, lawn, and garden)	
Recreation/Entertainment	
Child Care	
Education (continuing education, classes, etc.)	
Charitable Donations	
Miscellaneous	
<b>Total Expenses</b>	
<b>Remaining Income After Expenses</b>	



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## Indiana Realty Group

### How Big of a Mortgage Can I Afford?

Not only does owning a home give you a haven for yourself and your family, it also makes great financial sense because of the tax benefits — which you can't take advantage of when paying rent.

The following calculation assumes a 28 percent income tax bracket. If your bracket is higher, your savings will be, too. Based on your current rent, use this calculation to figure out how much mortgage you can afford.

**Rent:** \_\_\_\_\_

**Multiplier:** x 1.32

**Mortgage payment:** \_\_\_\_\_

Because of tax deductions, you can make a mortgage payment — including taxes and insurance — that is approximately one-third larger than your current rent payment and end up with the same amount of income.

*For more help, use Fannie Mae's [online mortgage calculators](#).*

## VIII. How Much Will My Payment Be?

Generally, your monthly mortgage payment (including taxes and insurance) should not exceed 25-33% of your total gross monthly income.

Remember, the interest portion of your mortgage payment, along with your real estate taxes, may be deductible on your income tax return.

Use the chart below to estimate the amount of the principal and interest payment on your new home

### Loan Payment Schedule Equal Monthly payment to amortize a loan of \$1,000

Interest Rate	15 Years	20 Years	30 Years
5.00%	7.91	6.60	5.37
5.25%	8.04	6.74	5.50
5.50%	8.18	6.88	5.68
5.75%	8.31	7.03	5.84
6.00%	8.44	7.17	6.00
6.25%	8.58	7.31	6.16
6.50%	8.72	7.46	6.33
6.75%	8.85	7.61	6.49
7.00%	8.99	7.75	6.65
7.25%	9.13	7.90	6.82
7.50%	9.27	8.06	6.99
7.75%	9.41	8.21	7.16
8.00%	9.56	8.36	7.34
8.25%	9.70	8.52	7.51
8.50%	9.85	8.68	7.69
8.75%	9.99	8.84	7.87
9.00%	10.14	9.00	8.05
9.25%	10.29	9.16	8.23
9.50%	10.44	9.32	8.41
9.75%	10.59	9.49	8.59
10.00%	10.75	9.66	8.78
10.25%	10.90	9.82	8.97
10.50%	11.06	9.99	9.15
10.75%	11.21	10.16	9.34

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### How to Calculate Your Principal Interest Payment

- What is the estimated purchase price of your new home?  
\_\_\_\_\_
- How much will you put down for your down payment?  
(-) \_\_\_\_\_
- How much will you be borrowing for your mortgage?  
(=) \_\_\_\_\_
- Divide your mortgage loan amount by \$1,000.  
(÷) \_\_\_\_\_
- From the chart on the previous page, write the payment factor that coincides with your estimated interest rate and the term of the mortgage loan you would like.  
\_\_\_\_\_
- Multiply the number on Line D by the number on Line E. This is your estimated principal and interest payment.\*  
(x) \_\_\_\_\_



\*Remember that real estate taxes and homeowners insurance (along with private mortgage insurance if you have less than a 20% down payment) are typically added to your monthly principal and interest payment to determine your total monthly payment.

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# Prudential

## Indiana Realty Group

### Tips for Buying in a Tight Market

Increase your chances of getting your dream house in a competitive housing market, and lower your chances of losing out to another buyer.

**1. Get prequalified for a mortgage.** You'll be able to make a firm commitment to buy and your offer will be more desirable to the seller.

**2. Stay in close contact with your real estate agent to find out about the newest listings.** Be ready to see a house as soon as it goes on the market — if it's a great home, it will go fast.

**3. Scout out new listings yourself.** Look at Web sites such as REALTOR.com, browse your local newspaper's real estate section, and drive through the neighborhood to spot For Sale signs. If you see a home you like, write down the address and the name of the listing agent. Your real estate agent will schedule a showing.

**4. Be ready to make a decision.** Spend a lot of time in advance deciding what you must have in a home so you won't be unsure when you have the chance to make an offer.

**5. Bid competitively.** You may not want to start out offering the absolute highest price you can afford, but don't go too low to get a deal. In a tight market, you'll lose out.

**6. Keep contingencies to a minimum.** Restrictions such as needing to sell your home before you move or wanting to delay the closing until a certain date can make your offer unappealing. In a tight market, you'll probably be able to sell your house rapidly. Or talk to your lender about getting a bridge loan to cover both mortgages for a short period.

**7. Don't get caught in a buying frenzy.** Just because there's competition doesn't mean you should just buy it. And even though you want to make your offer attractive, don't neglect inspections that help ensure that your house is sound.



# Prudential

## Indiana Realty Group

### 10 Questions to Ask Your Lender

1. What are the most popular mortgages you offer? Why are they so popular?
2. Which type of mortgage plan do you think would be best for me? Why?
3. Are your rates, terms, fees, and closing costs negotiable?
4. Will I have to buy private mortgage insurance? If so, how much will it cost, and how long will it be required? (NOTE: Private mortgage insurance is usually required if your down payment is less than 20 percent. However, most lenders will let you discontinue PMI when you've acquired a certain amount of equity by paying down the loan.)
5. Who will service the loan — your bank or another company?
6. What escrow requirements do you have?
7. How long will this loan be in a lock-in period (in other words, the time that the quoted interest rate will be honored)? Will I be able to obtain a lower rate if it drops during this period?
8. How long will the loan approval process take?
9. How long will it take to close the loan?
10. Are there any charges or penalties for prepaying the loan?

*Used with permission from Real Estate Checklists & Systems,  
[www.realestatechecklists.com](http://www.realestatechecklists.com).*



## Indiana Realty Group

### Specialty Mortgages: Risks and Rewards

In high-priced housing markets, it can be difficult to afford a home. That's why a growing number of home buyers are forgoing traditional fixed-rate mortgages and standard adjustable-rate mortgages and instead opting for a specialty mortgage that lets them "stretch" their income so they can qualify for a larger loan.

But before you choose one of these mortgages, make sure you understand the risks and how they work.

Specialty mortgages often begin with a low introductory interest rate or payment plan — a "teaser"— but the monthly mortgage payments are likely to increase a lot in the future. Some are "low documentation" mortgages that come with easier standards for qualifying, but also higher interest rates or higher fees. Some lenders will loan you 100 percent or more of the home's value, but these mortgages can present a big financial risk if the value of the house drops.

#### Specialty Mortgages Can:

- Pose a greater risk that you won't be able to afford the mortgage payment in the future, compared to fixed rate mortgages and traditional adjustable rate mortgages.
- Have monthly payments that increase by as much as **50 percent or more** when the introductory period ends.
- Cause your loan balance (the amount you still owe) to get larger each month instead of smaller.

#### Common Types of Specialty Mortgages:

- **Interest-Only Mortgages:** Your monthly mortgage payment only covers the interest you owe on the loan for the first 5 to 10 years of the loan, and you pay nothing to reduce the total amount you borrowed (this is called the "principal"). After the interest-only period, you start paying higher monthly payments that cover both the interest and principal that must be repaid over the remaining term of the loan.
- **Negative Amortization Mortgages:** Your monthly payment is less than the amount of interest you owe on the loan. The unpaid interest gets added to the loan's principal amount, causing the total amount you owe to increase each month instead of getting smaller.
- **Option Payment ARM Mortgages:** You have the option to make different types of monthly payments with this mortgage. For example, you may make a minimum payment that is less than the amount needed to cover the interest and increases the total amount of your loan; an interest-only payment, or payments calculated to pay off the loan over either 30 years or 15 years.
- **40-Year Mortgages:** You pay off your loan over 40 years, instead of the usual 30 years. While this reduces your monthly payment and helps you qualify to buy a home, you pay off the balance of your loan much more slowly and end up paying much more interest.

#### Questions to Consider Before Choosing a Specialty Mortgage:

- How much can my monthly payments increase and how soon can these increases happen?
- Do I expect my income to increase or do I expect to move before my payments go up?
- Will I be able to afford the mortgage when the payments increase?
- Am I paying down my loan balance each month, or is it staying the same or even increasing?
- Will I have to pay a penalty if I refinance my mortgage or sell my house?
- What is my goal in buying this property? Am I considering a riskier mortgage to buy a more expensive house than I can realistically afford?



# Prudential

## Indiana Realty Group

### 8 Tips to Guide for Your Home Search

**1. Research before you look.** Decide what features you most want to have in a home, what neighborhoods you prefer, and how much you'd be willing to spend each month for housing.

**2. Be realistic.** It's OK to be picky, but don't be unrealistic with your expectations. There's no such thing as a perfect home. Use your list of priorities as a guide to evaluate each property.

**3. Get your finances in order.** Review your credit report and be sure you have enough money to cover your down payment and closing costs. Then, talk to a lender and get prequalified for a mortgage. This will save you the heartache later of falling in love with a house you can't afford.

**4. Don't ask too many people for opinions.** It will drive you crazy. Select one or two people to turn to if you feel you need a second opinion, but be ready to make the final decision on your own.

**5. Decide your moving timeline.** When is your lease up? Are you allowed to sublet? How tight is the rental market in your area? All of these factors will help you determine when you should move.

**6. Think long term.** Are you looking for a starter house with plans to move up in a few years, or do you hope to stay in this home for a longer period? This decision may dictate what type of home you'll buy as well as the type of mortgage terms that will best suit you.

**7. Insist on a home inspection.** If possible, get a warranty from the seller to cover defects for one year.

**8. Get help from a REALTOR®.** Hire a real estate professional who specializes in buyer representation. Unlike a listing agent, whose first duty is to the seller, a buyer's representative is working only for you. Buyer's reps are usually paid out of the seller's commission payment.



# Prudential

## Indiana Realty Group

### Tips for Finding the Perfect Neighborhood

Your neighborhood has a big impact on your lifestyle. Follow these steps to find the perfect community to call home.

- **Is it close to your favorite spots?** Make a list of the activities — movies, health club, church, etc. — you engage in regularly and stores you visit frequently. See how far you would have to travel from each neighborhood you're considering to engage in your most common activities.
- **Check out the school district.** This is especially important if you have children, but it also can affect resale value. The Department of Education in your town can probably provide information on test scores, class size, percentage of students who attend college, and special enrichment programs. If you have school-age children, visit schools in the neighborhoods you're considering. Also, check out [www.schoolmatters.com](http://www.schoolmatters.com).
- **Find out if the neighborhood is safe.** Ask the police department for neighborhood crime statistics. Consider not only the number of crimes but also the type — such as burglaries or armed robberies — and the trend of increasing or decreasing crime. Also, is crime centered in only one part of the neighborhood, such as near a retail area?
- **Determine if the neighborhood is economically stable.** Check with your local city economic development office to see if income and property values in the neighborhood are stable or rising. What is the percentage of homes to apartments? Apartments don't necessarily diminish value, but do mean a more transient population. Do you see vacant businesses or homes that have been for sale for months?
- **See if you'll make money.** Ask a local REALTOR® or call the local REALTOR® association to get information about price appreciation in the neighborhood. Although past performance is no guarantee of future results, this information may give you a sense of how good of an investment your home will be. A REALTOR® or the government planning agency also may be able to tell you about planned developments or other changes in the neighborhood — like a new school or highway — that might affect value.
- **Make personal observations.** Once you've narrowed your focus to two or three neighborhoods, go there and walk around. Are homes tidy and well maintained? Are streets quiet? How does it feel? Pick a warm day if you can and chat with people working or playing outside.



# Prudential

## Indiana Realty Group

### Your Property Wish List

What does your future home look like? Where is it located? As you hunt down your dream home, consult this list to evaluate properties and keep your priorities top of mind.

**Neighborhoods**

What neighborhoods do you prefer?

**Schools**

What school systems do you want to be near?

**Transportation**

How close must the home be to these amenities:

- Public transportation
- Airport
- Expressway
- Neighborhood shopping
- Schools
- Other

**Home Style**

- What architectural style(s) of homes do you prefer?
- Do you want to buy a home, condominium, or townhome?
- Would you like a one-story or two-story home?
- How many bedrooms must your new home have?
- How many bathrooms must your new home have?

**Home Condition**

- Do you prefer a new home or an existing home?
- If you're looking for an existing home, how old of a home would you consider?
- How much repair or renovation would you be willing to do?
- Do you have special needs that your home must meet?

**Home Features**

Please circle one of the choices: Must Have, Would Like, Willing to Compromise, Not Important

<b>Front yard</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Back yard</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Garage ( __ cars)</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Patio/Deck</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Pool</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Family room</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Formal living room</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Formal dining room</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Eat-in kitchen</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Laundry room</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Finished basement</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Attic</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Fireplace</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Spa in bath</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Air conditioning</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Wall-to-wall carpet</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Wood floors</b>	Must Have	Would Like	Willing to Compromise	Not Important
<b>Great view</b>	Must Have	Would Like	Willing to Compromise	Not Important

**Other notes:**



## HOME BUYER'S SCORE CARD

Please rate the homes you see according to its benefits and features for you.

FEATURES	Home #1	Home #2	Home #3	Home #4	Home #5
Property Address					
Price					
Architectural Style					
Living Room					
Dining Room					
Kitchen					
Number of Bedrooms					
Baths					
Additional Rooms					
Floor Plan					
Additional Features					
Garage					
Lot/Landscaping					
Utility Information					
Suitable Location?					
Does home meet our needs?					

Additional Remarks: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



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# Prudential

## Indiana Realty Group

### 10 Questions to Ask Home Inspectors

Before you make your final buying or selling decision, you should have the home inspected by a professional. An inspection can alert you to potential problems with a property and allow you to make an informed decision. Ask these questions to prospective home inspectors:

**1. Will your inspection meet recognized standards?** Ask whether the inspection and the inspection report will meet all state requirements and comply with a well-recognized standard of practice and code of ethics, such as the one adopted by the American Society of Home Inspectors or the National Association of Home Inspectors. Customers can view each group's standards of practice and code of ethics online at [www.ashi.org](http://www.ashi.org) or [www.nahi.org](http://www.nahi.org). ASHI's Web site also provides a database of state regulations.

**2. Do you belong to a professional home inspector association?** There are many state and national associations for home inspectors, including the two groups mentioned in No. 1. Unfortunately, some groups confer questionable credentials or certifications in return for nothing more than a fee. Insist on members of reputable, nonprofit trade organizations; request to see a membership ID.

**3. How experienced are you?** Ask how long inspectors have been in the profession and how many inspections they've completed. They should provide customer referrals on request. New inspectors also may be highly qualified, but they should describe their training and let you know whether they plan to work with a more experienced partner.

**4. How do you keep your expertise up to date?** Inspectors' commitment to continuing education is a good measure of their professionalism and service. Advanced knowledge is especially important in cases in which a home is older or includes unique elements requiring additional or updated training.

**5. Do you focus on residential inspection?** Make sure the inspector has training and experience in the unique discipline of home inspection, which is very different from inspecting commercial buildings or a construction site. If your customers are buying a unique property, such as a historic home, they may want to ask whether the inspector has experience with that type of property in particular.

**6. Will you offer to do repairs or improvements?** Some state laws and trade associations allow the inspector to provide repair work on problems uncovered during the inspection. However, other states and associations forbid it as a conflict of interest. Contact your local ASHI chapter to learn about the rules in your state.

**7. How long will the inspection take?** On average, an inspector working alone inspects a typical single-family house in two to three hours; anything significantly less may not be thorough. If your customers are purchasing an especially large property, they may want to ask whether additional inspectors will be brought in.

**8. What's the cost?** Costs can vary dramatically, depending on your region, the size and age of the house, and the scope of services. The national average for single-family homes is about \$320, but customers with large homes can expect to pay more. Customers should be wary of deals that seem too good to be true.

**9. What type of inspection report do you provide?** Ask to see samples to determine whether you will understand the inspector's reporting style. Also, most inspectors provide their full report within 24 hours of the inspection.

**10. Will I be able to attend the inspection?** The answer should be yes. A home inspection is a valuable educational opportunity for the buyer. An inspector's refusal to let the buyer attend should raise a red flag.

*Source: Rob Paterkiewicz, executive director, American Society of Home Inspectors, Des Plaines, Ill., [www.ashi.org](http://www.ashi.org).*



# Prudential

## Indiana Realty Group

### 5 Things to Know About Homeowner's Insurance

**1. Know about exclusions to coverage.** For example, most insurance policies do not cover flood or earthquake damage as a standard item. These types of coverage must be bought separately.

**2. Know about dollar limitations on claims.** Even if you are covered for a risk, there may be a limit on how much the insurer will pay. For example, many policies limit the amount paid for stolen jewelry unless items are insured separately.

**3. Know the replacement cost.** If your home is destroyed you'll receive money to replace it only to the maximum of your coverage, so be sure your insurance is sufficient. This means that if your home is insured for \$150,000 and it costs \$180,000 to replace it, you'll only receive \$150,000.

**4. Know the actual cash value.** If you chose not to replace your home when it's destroyed, you'll receive replacement cost, less depreciation. This is called actual cash value.

**5. Know the liability.** Generally your homeowner's insurance covers you for accidents that happen to other people on your property, including medical care, court costs, and awards by the court. However, there is usually an upper limit to the amount of coverage provided. Be sure that it's sufficient if you have significant assets.



## Indiana Realty Group

### Tips for Lowering Homeowner's Insurance Costs

- 1. Review the Comprehensive Loss Underwriting Exchange (CLUE) report on the property you're interested in buying.** CLUE reports detail the property's claims history for the most recent five years, which insurers may use to deny coverage. Make the sale contingent on a home inspection to ensure that problems identified in the CLUE report have been repaired.
- 2. Seek insurance coverage as soon as your offer is approved.** You must obtain insurance to buy. And you don't want to be told at closing that the insurer has denied your coverage.
- 3. Maintain good credit.** Insurers often use credit-based insurance scores to determine premiums.
- 4. Buy your home owners and auto policies from the same company and you'll usually qualify for savings.** But make sure the discount really yields the lowest price.
- 5. Raise your deductible.** If you can afford to pay more toward a loss that occurs, your premiums will be lower. Avoid making claims under \$1,000.
- 6. Ask about other discounts.** For example, retirees who tend to be home more than full-time workers may qualify for a discount on theft insurance. You also may be able to obtain discounts for having smoke detectors, a burglar alarm, or dead-bolt locks.
- 7. Seek group discounts.** If you belong to any groups, such as associations or alumni organizations, they may have deals on insurance coverage.
- 8. Review your policy limits and the value of your home and possessions annually.** Some items depreciate and may not need as much coverage.
- 9. Investigate a government-backed insurance plan.** In some high-risk areas, federal or state government may back plans to lower rates. Ask your agent.
- 10. Be sure you insure your house for the correct amount.** Remember, you're covering replacement cost, not market value.

# Prudential Indiana Realty Group-The Elsbury Team

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### GLOSSARY

- **Adjustable Rate Mortgage (ARM):** A mortgage with an interest rate that changes over time in line with movements in the index. ARM's are also referred to as AML's (adjustable mortgage loans) or VRM's (variable rate mortgages).
- **Adjustable Period:** The length of time between interest rate changes on an ARM. For example, a loan with an adjustable period of one year is called a one-year ARM, which means that the interest rate can change once a year.
- **Amortization:** Repayment of a loan in installments of principal and interest, rather than interest-only payments.
- **Annual Percentage Rate (APR):** The total finance charge (interest, loan fees, and points) expressed as a percentage of the loan.
- **Balloon Payment:** A lump sum principal payment due at the end of some mortgages or other long-term loans.
- **Binder:** Sometimes known as an offer to purchase or an earnest money receipt. A binder is the acknowledgement of a deposit along with a brief written agreement to enter into a contract for the sale of real estate.
- **Cap:** The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of the mortgage.
- **CC&R's:** Covenants, condition and restrictions. A document that controls the use, requirements and restrictions of a property.
- **Certificate of Reasonable Value (CRV):** A document that establishes the maximum value and loan amount for a VA guaranteed mortgage.
- **Closing Statement:** The financial disclosure statement that accounts for all of the funds received and expected at the closing, including deposits for taxes, hazard insurance, and mortgage insurance.
- **Condominium:** A form of real estate ownership where the owner receives title to a particular unit and has a proportionate interest in certain common areas. The unit itself is generally a separately owned space whose interior surfaces (walls, floors and ceilings) serve as its boundaries.
- **Contingency:** A condition that must be satisfied before a contract is binding. For instance, a sales agreement may be contingent upon buyer obtaining financing.
- **Conversion Clause:** A provision in some ARMs that enable you to change an ARM to a fixed rate loan, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed rate mortgages. This conversion feature may cost extra.
- **Cooperative:** A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.
- **CRB:** Certified Residential Broker. To be certified, a broker must be a member of the National Association of Realtors, have five years experience as a licensed broker and have completed required Residential Division courses.
- **CRS:** Certified Residential Specialist.
- **Due On Sale Clause:** A clause that requires full payment of a mortgage or deed of trust when the secured property changes ownership.
- **Earnest Money:** The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.
- **Escrow:** A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties' instructions and assuming responsibility for handling all of the paperwork and distribution of funds.
- **FHA Loan:** A loan insured by the Federal Housing Administration (of the Department of Housing and Urban Development).

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### Glossary page 2

- **Federal National Mortgage Association (FNMA):** Popularly known as Fannie Mae. A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages insured by FHA or guaranteed by the VA, as well as conventional home mortgages.
- **Fee Simple:** An estate in which the owner has unrestricted power to dispose of the property as he wishes, including leaving by will or inheritance. It is the greatest interest a person can have in real estate.
- **Finance Charge:** The total cost a borrower must pay, directly or indirectly, to obtain credit according to Regulation Z.
- **Graduated Payment Mortgage:** A residential mortgage with monthly payments that start at a low level and increase at a predetermined rate.
- **GRI:** Graduate, Realtors Institute. A professional designation granted to a member of the National Association of Realtors who has successfully completed courses covering Law, Finance, and Principles of Real Estate.
- **Home Inspection Report:** A qualified inspector's report on a property's overall condition. The report usually includes an evaluation of both the structure and mechanical systems.
- **Home Warranty Plan:** Protection against failure of mechanical systems within the property. Usually includes plumbing, electrical, heating systems and installed appliances.
- **Index:** A measure of interest rate changes used to determine changes in an ARM's interest rate over the term of the loan.
- **Joint Tenancy:** An equal undivided ownership of property by two or more persons. Upon the death of any owner, the survivors take the decedent's interest in the property.
- **Lien:** A legal hold or claim on property as security for a debt or charge.
- **Loan Commitment:** A written promise to make a loan for a special amount on specified terms.
- **Loan to Value Ratio:** The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraised value.
- **Margin:** The number of percentage points the lender adds to the index rate to calculate the ARM interest rate at each adjustment.
- **Mortgage Life Insurance:** A type of term life insurance often bought by homebuyers. The coverage decreases as the mortgage balance declines. If the borrower dies while the policy is in force, the mortgage debt is automatically covered by insurance proceeds.
- **Negative Amortization:** Negative amortization occurs when monthly payments fail to cover the interest cost. The interest that isn't covered is added to the unpaid principal balance, which means that even after several payments you could owe more than you did at the beginning of the loan. Negative amortization can occur when an ARM has a payment cap that results in monthly payments that aren't high enough to cover the interest.
- **Origination Fee:** A fee or charge for work involved in evaluating, preparing, and submitting a proposed mortgage loan. The fee is limited to 1 percent for FHA and VA loans.
- **PITI:** Principal, interest, taxes and insurance.
- **Planned Unit Development (PUD):** A zoning designation for property developed at the same or slightly greater overall density than conventional development, sometimes with improvements clustered between open. Common areas. Uses may be residential, commercial or industrial.
- **Point:** An amount equal to 1 percent of the principal amount of the investment or note. The lender assesses loan discount points at closing to increase the yield on the mortgage to a position competitive with other types of investments.

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### Glossary page 3

- **Prepayment Penalty:** A fee charged to a borrower who pays a loan before it is due. Not allowed for FHA or VA loans.
- **Private Mortgage Insurance (PMI)** Insurance written by a private company protecting the lender against loss if the borrower defaults on the mortgage.
- **Purchase Agreement:** A written document in which the purchaser agrees to buy certain real estate and the seller agrees to sell under stated terms and conditions. Also called a sales contract, earnest money contract, or agreement for sale.
- **Realtor:** A real estate broker or associate active in a local real estate board affiliated with the National Association of Realtors.
- **Regulation Z:** The set of rules governing consumer lending issued by the Federal Reserve Board of Governors in accordance with the Consumer Protection Act.
- **Tenancy in Common:** A type of joint ownership of property by two or more persons with no right of survivorship.
- **Title Insurance Policy:** A policy that protects the purchaser, mortgagee or other parties against losses.
- **VA Loan:** A loan made by a private lender that is partially guaranteed by the Veterans Administration.



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