



# Home Loans 101 Guide

By The Chris Bushnell Team  
at Mpire Financial



NMLS #2108504/2058327





# Thank you for letting us help

Words can't express how grateful I am that you've allowed me to help you buy your next home.

As a child, I grew up in a low-income, single-parent household. Through all of the chaos that came in the environment in which I was raised, I remember there was a sense of stability because we owned a home.

I believe that every person has the right to be a homeowner. I created this document to give you all of the information you need to make educated decisions when you become a homeowner. It guides you on how to buy a home and get the best loan terms and programs.

Remember, you are not alone. Now that you are part of my tribe, you have complete access to me and my team. You should already have my cell phone number.

If you have questions, please ask.

If you need guidance, please ask.

If you need anything related to financial services or home services, please ask.

I'm honored that you've chosen me as your home loan broker, and I will be with you every step of the way.

Thanks,

Chris



## 4 Pillars Of Home Buying



**Cash**



**Credit**



**Income**



**Debt**

The word "Cash" is centered on the page. Above it are two small, light gray cloud illustrations. To the right of the word is a large orange circle representing the sun, with another small light gray cloud illustration below it.

# Cash

Cash is measured by your down payment plus your closing costs.

There are some 0% down payment programs, but most start at a 3 ½ % minimum. The average is about 5%, and the “maximum” is 20%. You do not need to put down 20%.

Use the following charts to figure out how much Cash you need to save to purchase a home.

How Much Is My Down Payment?							
	3%	3.5%	5%	10%	15%	20%	25%
\$200,000	\$6,000	\$7,000	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000
\$225,000	\$6,750	\$7,875	\$11,250	\$22,500	\$33,750	\$45,000	\$56,250
\$250,000	\$7,500	\$8,750	\$12,500	\$25,000	\$37,500	\$50,000	\$62,500
\$275,000	\$8,250	\$9,625	\$13,750	\$27,500	\$41,250	\$55,000	\$68,750
\$300,000	\$9,000	\$10,500	\$15,000	\$30,000	\$45,000	\$60,000	\$75,000
\$325,000	\$9,750	\$11,375	\$16,250	\$32,500	\$48,750	\$65,000	\$81,250
\$350,000	\$10,500	\$12,250	\$17,500	\$35,000	\$52,500	\$70,000	\$87,500
\$375,000	\$11,250	\$13,125	\$18,750	\$37,500	\$56,250	\$75,000	\$93,750
\$400,000	\$12,000	\$14,000	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000
\$425,000	\$12,750	\$14,875	\$21,250	\$42,500	\$63,750	\$85,000	\$106,250
\$450,000	\$13,500	\$15,750	\$22,500	\$45,000	\$67,500	\$90,000	\$112,500
\$475,000	\$14,250	\$16,625	\$23,750	\$47,500	\$71,250	\$95,000	\$118,750
\$500,000	\$15,000	\$17,500	\$25,000	\$50,000	\$75,000	\$100,000	\$125,000
\$525,000	\$15,750	\$18,375	\$26,250	\$52,500	\$78,750	\$105,000	\$131,250
\$550,000	\$16,500	\$19,250	\$27,500	\$55,000	\$82,500	\$110,000	\$137,500
\$575,000	\$17,250	\$20,125	\$28,750	\$57,500	\$86,250	\$115,000	\$143,750
\$600,000	\$18,000	\$21,000	\$30,000	\$60,000	\$90,000	\$120,000	\$150,000
\$625,000	\$18,750	\$21,875	\$31,250	\$62,500	\$93,750	\$125,000	\$156,250
\$650,000	\$19,500	\$22,750	\$32,500	\$65,000	\$97,500	\$130,000	\$162,500
\$675,000	\$20,250	\$23,625	\$33,750	\$67,500	\$101,250	\$135,000	\$168,750
\$700,000	\$21,000	\$24,500	\$35,000	\$70,000	\$105,000	\$140,000	\$175,000
\$725,000	\$21,750	\$25,375	\$36,250	\$72,500	\$108,750	\$145,000	\$181,250
\$750,000	\$22,500	\$26,250	\$37,500	\$75,000	\$112,500	\$150,000	\$187,500
\$775,000	\$23,250	\$27,125	\$38,750	\$77,500	\$116,250	\$155,000	\$193,750
\$800,000	Not Available	Not Available	\$40,000	\$80,000	\$120,000	\$160,000	\$200,000

A decorative header featuring a light blue sky with stylized grey clouds and a large orange sun on the right side.

# Closing Costs

Closing Costs are expenses we have when we buy a home that are not included in our down payment. They include things such as property taxes, insurance, attorney fees, and your appraisal.

An important thing to note about closing costs is that they can be split between the family buying the home and the family selling the home. Sometimes the buyers pay 100% of the closing costs.

Sometimes the sellers pay 100% of the closing costs. Most commonly, they are split. Who pays the closing costs and how much of the closing costs each party pays is negotiated when you make your offer to buy the seller's home.

# How Much Are My Closing Costs?

Home Price	Closing Costs
\$250,000	\$7,200
\$300,000	\$7,500
\$350,000	\$8,100
\$400,000	\$8,700
\$450,000	\$9,300
\$500,000	\$9,900
\$550,000	\$10,500
\$600,000	\$11,100
\$650,000	\$11,700
\$700,000	\$12,200
\$750,000	\$12,800
\$800,000	\$13,400
\$850,000	\$14,000
\$900,000	\$14,600

## Closing Cost Examples:



Processing Fees



Property Taxes



Homeowners Insurance



Appraisal



Attorney Fees

Closing costs can vary from company to company, and can be paid by the Buyers and the Sellers

\*Estimates are based on average closing costs of homes purchased in Charlotte, NC.



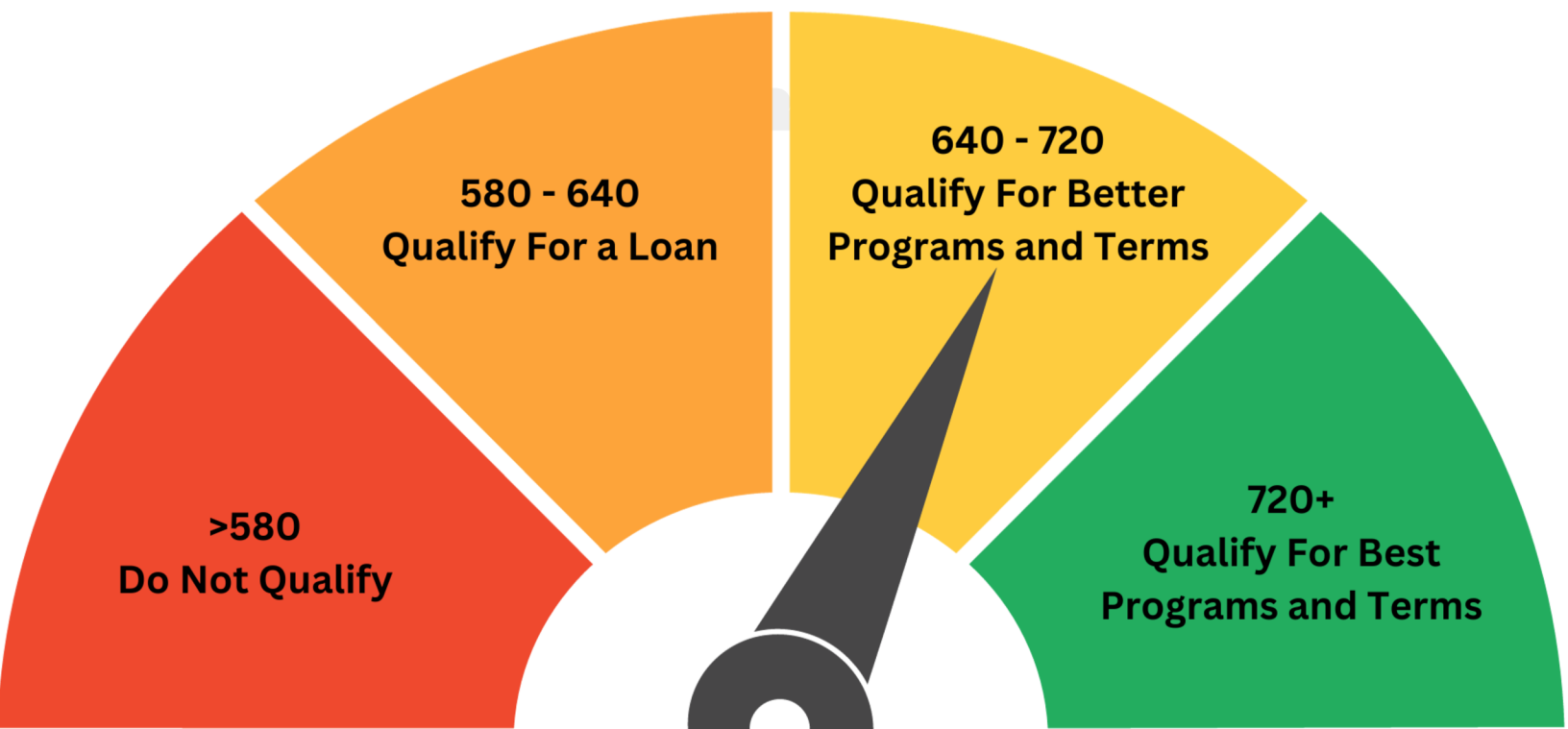
# Credit

The minimum credit score to get a home loan is typically a 580 FICO score.

Between 580 and 640 FICO, you likely qualify to buy a home.

You're going to qualify for better terms and programs at about 640 FICO.

You'll start to qualify for the best terms and programs at 720 FICO







# Income

## **Debt-To-Income Ratio**

Income is measured by something called a “debt-to-income” ratio that mortgage companies use to determine what’s a healthy monthly payment for someone. It’s basically 2 formulas to make sure your mortgage payments are not too high.

Find the formulas on the next page.





# Income

## Debt-To-Income Ratio




Max Mortgage Payment = 35% of Monthly Income



Max Mortgage Payment = 45% of Monthly Income minus  
credit card and loan payments



Our maximum Mortgage Payment should not be more than 35% of our Monthly Income AND should not be more than 45% of our Monthly Income minus monthly credit card and loan payments.



*If you are self-employed, this will be different. If we have not already talked through your unique situation, please contact me so that I can give you the proper guidance.*



## What's My Payment?

Loan / Rate	3.00%	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
\$200,000	\$1,057	\$1,111	\$1,168	\$1,227	\$1,287	\$1,349	\$1,412	\$1,477	\$1,544	\$1,612	\$1,681
\$250,000	\$1,321	\$1,389	\$1,460	\$1,533	\$1,609	\$1,686	\$1,766	\$1,847	\$1,930	\$2,015	\$2,101
\$300,000	\$1,585	\$1,667	\$1,752	\$1,840	\$1,930	\$2,023	\$2,119	\$2,216	\$2,316	\$2,418	\$2,521
\$350,000	\$1,849	\$1,945	\$2,044	\$2,147	\$2,252	\$2,361	\$2,472	\$2,586	\$2,702	\$2,821	\$2,942
\$400,000	\$2,113	\$2,223	\$2,336	\$2,453	\$2,574	\$2,698	\$2,825	\$2,955	\$3,088	\$3,224	\$3,362
\$450,000	\$2,377	\$2,501	\$2,628	\$2,760	\$2,896	\$3,035	\$3,178	\$3,324	\$3,474	\$3,626	\$3,782
\$500,000	\$2,641	\$2,779	\$2,920	\$3,067	\$3,217	\$3,372	\$3,531	\$3,694	\$3,860	\$4,029	\$4,202
\$550,000	\$2,905	\$3,056	\$3,212	\$3,373	\$3,539	\$3,710	\$3,884	\$4,063	\$4,246	\$4,432	\$4,622
\$600,000	\$3,170	\$3,334	\$3,504	\$3,680	\$3,861	\$4,047	\$4,237	\$4,432	\$4,632	\$4,835	\$5,043
\$650,000	\$3,434	\$3,612	\$3,797	\$3,987	\$4,183	\$4,384	\$4,590	\$4,802	\$5,018	\$5,238	\$5,463
\$700,000	\$3,698	\$3,890	\$4,089	\$4,293	\$4,504	\$4,721	\$4,944	\$5,171	\$5,404	\$5,641	\$5,883
\$750,000	\$3,962	\$4,168	\$4,381	\$4,600	\$4,826	\$5,058	\$5,297	\$5,541	\$5,790	\$6,044	\$6,303
\$800,000	\$4,226	\$4,446	\$4,673	\$4,907	\$5,148	\$5,396	\$5,650	\$5,910	\$6,176	\$6,447	\$6,723

\*Estimates Are Based on PITI (Principle, Interest, Property Taxes, Insurance) for a loan amount equal to the home value. Property taxes are estimated at 1% of home value and Insurance is estimated at 0.28% of home value.

## How Much Can I Afford?

Income / Rate	3.00%	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.50%	7.00%	7.50%	8.00%
\$60,000	\$331,000	\$315,000	\$299,000	\$285,000	\$272,000	\$259,000	\$247,000	\$237,000	\$226,000	\$217,000	\$208,000
\$70,000	\$386,000	\$367,000	\$349,000	\$333,000	\$317,000	\$302,000	\$289,000	\$276,000	\$264,000	\$253,000	\$243,000
\$80,000	\$441,000	\$419,000	\$399,000	\$380,000	\$362,000	\$345,000	\$330,000	\$315,000	\$302,000	\$289,000	\$277,000
\$90,000	\$496,000	\$472,000	\$449,000	\$428,000	\$408,000	\$389,000	\$371,000	\$355,000	\$340,000	\$325,000	\$312,000
\$100,000	\$552,000	\$525,000	\$499,000	\$475,000	\$453,000	\$432,000	\$413,000	\$394,000	\$377,000	\$362,000	\$347,000
\$110,000	\$607,000	\$577,000	\$549,000	\$523,000	\$498,000	\$475,000	\$454,000	\$434,000	\$415,000	\$398,000	\$381,000
\$120,000	\$662,000	\$629,000	\$599,000	\$570,000	\$543,000	\$519,000	\$495,000	\$473,000	\$453,000	\$434,000	\$416,000
\$130,000	\$717,000	\$682,000	\$649,000	\$618,000	\$589,000	\$562,000	\$537,000	\$513,000	\$491,000	\$470,000	\$451,000
\$140,000	\$772,000	\$734,000	\$699,000	\$665,000	\$634,000	\$605,000	\$578,000	\$552,000	\$528,000	\$506,000	\$485,000
\$150,000	\$819,000	\$787,000	\$749,000	\$713,000	\$679,000	\$648,000	\$619,000	\$592,000	\$566,000	\$542,000	\$520,000
\$160,000	\$885,000	\$839,000	\$800,000	\$762,000	\$725,000	\$692,000	\$660,000	\$631,000	\$604,000	\$579,000	\$555,000
\$170,000	\$938,000	\$892,000	\$848,000	\$808,000	\$770,000	\$735,000	\$702,000	\$671,000	\$642,000	\$615,000	\$589,000
\$180,000	\$993,000	\$944,000	\$898,000	\$856,000	\$815,000	\$778,000	\$743,000	\$710,000	\$680,000	\$651,000	\$624,000

\*Estimates Are Based on PITI (Principle, Interest, Property Taxes, Insurance) for a loan amount equal to the home value. Property taxes are estimated at 1% of home value and Insurance is estimated at 0.28% of home value. Estimates are based on a maximum housing payment of 35% of qualifying income.

# Most Popular Loan Options

**Conventional Loans:** Conventional Loans are best for people who have above 720 credit score and a low debt-to-income ratio. You can use them to buy an owner-occupied home, a second home, or a rental property. The minimum down payment required for an owner-occupied home ranges from 3% to 5%. If your down payment is less than 20%, you'll need to factor in Private Mortgage Insurance (PMI).

**FHA Loans:** FHA Loans are best for people who want more flexible credit and debt-to-income rules. The loans are available only to families buying an owner-occupied home. They require a 3.5% down payment, whether you're a first-time home buyer or a repeat buyer. You can use an FHA loan to buy up to a 4-unit property as long as you live in one of the units.

**VA Loans:** The VA Loan is exclusively available to veterans, service members, and their surviving spouses. VA loans require no down payment. They come with flexible credit requirements and have no PMI (mortgage insurance). If you are a member of the Military Community, the VA loan is likely your best option to buy a home.



**USDA Loans:** USDA Loans are best for people who want to buy a home in a rural area with no down payment. USDA Loans are available only to families buying an owner-occupied home

**DSCR Loans:** DSCR Loans (Debt Service Coverage Ratio) are exclusively available to real estate investors. It lets you qualify using the estimated rental income of the property you're purchasing. The DSCR Loan is great for investors with high debt or irregular income.

# Frequently Asked Questions

## **What is a mortgage?**

A mortgage is a long-term loan (usually 15 or 30 years) given typically by a bank or credit union with the property purchased by the buyer used as collateral. If the buyer defaults (fails to make payments in a timely fashion), the lender may foreclose on the home.



## **What's my interest rate?**

Mortgage interest rates are different for everyone, and it depends on the day. They vary due to a wide variety of factors, including the type of mortgage, the length (term) of the loan, credit score, market conditions, and about 20 other factors. They also change on a daily basis and sometimes multiple times a day. Once you're under contract to buy a home, you can lock your interest rate so that it will become fixed based on your loan terms.


## **What is an APR?**

APR stands for Annual Percentage Rate and is usually associated with the interest rate for your mortgage loan. The APR is the cost of credit expressed as an annual rate. Because there are closing fees associated with obtaining a mortgage loan, the APR almost always will be higher than the actual interest rate. APR considers some of the closing costs for getting a loan, including points, most loan fees, and mortgage insurance (PMI). It can be used as an accurate tool for comparing rates from different lenders.

# Frequently Asked Questions

## **Why do I see lower rates in the newspaper and on the internet?**

Simply put, mortgage interest rates quoted in newspapers or on websites are nothing more than advertisements. They usually come with some sort of asterisk or disclaimer and are designed to get potential clients to call. Many times, these companies are only able to offer their advertised rates to specific consumers and charge additional fees to do so.



## **What is the difference between a pre-qualification and a pre-approval for a mortgage?**



The main difference between the two is verification. A pre-qualification is a lender stating that they are tentatively willing to lend a family a certain amount. Pre-qualifications are based on assumptions and are far from a guarantee.

A pre-approval gives you the most accurate confirmation of a bank's willingness to give you a loan. Pre-approvals include a review of income, assets, and credit history. A pre-approval letter is an offer to lend you a specific amount of money and is usually good for 90 days.

## **What documents do I need to get a mortgage?**

Most lenders require W2 statements, tax returns, recent pay stubs, recent bank statements, and a current ID. However, additional paperwork is often needed depending on a family's unique financial situation and the type of mortgage.

# Frequently Asked Questions

## **How does the mortgage application process work?**

The mortgage process consists of several steps: first, getting pre-approved by a trusted loan officer and submitting all of your paperwork, then formally applying for the loan once we're under contract to buy a specific home, underwriting, appraisal, title search, closing, and last but not least, celebration.

The process usually takes about 30 days. However, if there is a problem with the appraisal, a lien on the property, a title problem, or a different issue, loan approval can take longer.

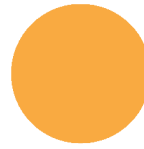
## **What happens after I get approved for a mortgage?**

After being approved for a mortgage, you'll get an electronic loan commitment letter outlining the terms and conditions of the loan. Your real estate attorney will then review all loan documents with you at their office, you'll sign with a pen, transfer your funds, and acquire the property title.

The actual closing at the attorney's office usually takes about 1 hour.



# Working with The Bushnell Team



*"Chris has been such a blessing to our family. He and his team went above and beyond to assist us in the loan process. He guided us every step of the way and ensured we understood everything about the loan/mortgage process. Chris was patient and supportive 100%."*

-Kadine

*"Chris and his team helped me find me a great deal for my home loan. He was there every-time I had a question or concern. He would handle things before even bringing it my attention. I recommend him 100%."*

-Liza

*"I am so thankful that Chris Bushnell was referred to me for my first home buying experience. For some context, I am a travel nurse with a non-traditional pay structure. I had heard many travel nurses had difficulty getting approved for loans due to this, thus leaving me concerned. Chris was able to understand my unique situation and put me at ease. Chris is a skilled communicator and always kept me up to date on what was happening. He was readily available to answer all my questions; even making himself available while he was on vacation. He is truly dedicated to helping people accomplish their dreams of owning a home. He does everything he can to make the mortgage loan process as easy as possible. He really cares for his customers and it shows. I could not imagine going through this process with someone else. Thank you Chris!"*

-Cheyenne

*"I am a person who has always needed a great team around me and I'm really glad that I had Chris along the way. His communication skills and client service is amazing. He will walk you through the process clearly and with intent on making you happy. If you're looking for a lender, Chris is your guy."*

-Tyrin

*"Chris and his team at Movement Bank are beyond phenomenal. If I could give them more than 5 stars I would gladly do so. We didn't know what to expect since we were first time home buyers. When we were introduced to Chris and his team, they immediately felt like family. The constant communication and updates throughout the entire process made purchasing our first home seamless."*

-Josh

*"Chris and his team were great! Chris was very knowledgeable, patient and extremely communicative. He has a very friendly, positive attitude and is genuinely so passionate about helping people accomplish their home ownership dreams. His teammate Cherish was also extremely helpful and patient with me as I sent all kinds of documents and questions her way."*

-Madison

*"Chris Bushnell and his team at Movement is 1 in a billion. There is not another guy in the industry that is as on time with communication, has a moral compass, & genuinely wants to help that I have found. He isn't mis-leading as well as completely upfront about everything he can do for you and what needs to be done to accomplish what you're after. Wouldn't hesitate to call him for anything else I need and I refer him to everyone I know. Thanks again Chris!!"*

-Chris

*"Just got off the phone with Chris. I'm new to real estate and feel infinitely more prepared to enter the market now that I've had a conversation with someone who knows it like the back of their hand! Chris is extremely personable, friendly and answered every question I had with reliable and sound advice. Highly recommend!"*

-Greg



# Thanks!

**Do you have any questions?**

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