



**CIVISTA<sup>®</sup>**  
**BANK**  
*Focused on You*



*First-Time*  
**Homebuyer's Guide**

# First-Time

## Homebuyer's Guide

➤ Choosing your first home is exciting and one of the largest purchases you'll ever make. Wow! That sounds intimidating, but no worries we're here to help with some of your homebuying questions.

### Your Journey to Homeownership

#### Set Your Budget

Determine how much you can afford for your new home.

#### Pre-Qualification Consultation

Contact a Civista Mortgage Lender for a free pre-qualification consultation.

#### Explore Your Loan Options

Find the right loan option to fit your financial needs.

#### Start Shopping

Begin shopping for your new home.

#### Find Your Home

Start negotiations to get the best price for your new home.

#### Finish Applying for Your Mortgage

Contact your Civista Mortgage Lender to complete your mortgage application.

#### Close on Your Home

Pay remaining closing costs and sign documents for your new home.



## Cost of Homeownership

*Understanding the cost of homeownership can help you make the right decision for you and your family.*

#### Upfront costs may include:

- 0% - 20% for a down payment
- 2% - 5% for closing costs
- \$200 - \$600 for inspections

For example, if you put 10% down, a \$150,000 home could have between \$15,000 - \$22,500 in upfront costs.

#### Ongoing costs may include:

- Mortgage Payments
- Maintenance & Repairs
- Utilities
- Property taxes
- Homeowner's Insurance
- Mortgage Insurance

## Debt-to-Income Ratio

*Determine how much you can afford for your home.*

Your debt-to-income (DTI) ratio equals your monthly debt payments divided by your gross monthly income. It is recommended to keep household debt to less than 43% of your gross monthly income. However, Civista offers programs that accept higher ratios. Your Civista Mortgage Lender can help you find the right option for your financing needs.

*For example:*

$$\begin{matrix} \$1,600 \text{ Monthly} \\ \text{Debt Payments} \end{matrix} \div \begin{matrix} \$3,800 \\ \text{Monthly Income} \end{matrix} = 42\% \text{ DTI}$$





## Choosing the Right Loan

*Trust our local experts to match the right mortgage option for your financing needs.*

### Fixed Rate vs. Adjustable Rate

#### ➤ **Fixed Rate Mortgage Loans**

Fixed rate loans offer the stability of a fixed payment amount throughout the term of the loan.

Fixed rate may be right for you if you plan to be in your home for a longer period of time or want to know the payment through the life of the loan.

#### ➤ **Adjustable Rate Mortgage Loans**

Adjustable rate mortgages (ARMs) start with a fixed rate and then, after a set time period, can change the interest rate of the loan up or down with market rates. Caps are placed on adjustments to protect borrowers from extreme changes.

This might be right for you if you are looking for a lower payment initially or plan to stay in your home for a shorter period of time.

### Civista Purchase Programs:

- Conventional Loans – Fixed Rate and ARMs
- Government Programs
  - FHA Loans (Federal Housing Administration)
  - VA Loans (Veteran Affairs)
  - USDA Loans (U.S. Department of Agriculture)
- Community View Home Loans
- Construction-to-Permanent Financing
- Private Banking's Physician Loan Program
- Mortgage and Home Equity Combination
- Jumbo Loans

## Homebuyer Assistance

*Saving for a down payment is a big undertaking and often a major hurdle to buying a home.*

**Civista Offers No-to-Low Down Payment Programs:**

- FHA
- VA
- USDA
- HomeReady®

## Homebuyer Grants

Civista is pleased to offer various homebuyer grant opportunities like the ***Civista Community View Home Loan***, which offers eligible borrowers down payment assistance up to \$3,000.

For more information about homebuyer grants contact a Civista Mortgage Lender or visit [www.civista.bank/homebuyer-assistance](http://www.civista.bank/homebuyer-assistance).

## Benefits of Homeownership

*Becoming a homeowner comes with some additional benefits.*

- Build equity in your home as you make your house payment each month. Then borrow money for future home improvements and other large purchases using the equity you've built with a home equity loan or line of credit.
- Make upgrades and renovations to customize your home without landlord input or limitations.
- Become eligible for potential tax benefits, such as tax deductions for property taxes and mortgage interest – ask your tax consultant.

### Additional Resources for Homeownership

Additional resources may be found through state, regional and local government programs. Visit [hud.gov](http://hud.gov) for your state's information.



## Frequently Asked Questions

*You're not alone. Many first-time homebuyers have questions about this process. Here are some of the most frequently asked questions.*

### What is mortgage insurance?

Mortgage insurance helps homebuyers pay less for their down payment while protecting lenders from loss if a homeowner can't repay the loan. With conventional mortgages this is called Private Mortgage Insurance or PMI and traditionally is required for loans with less than 20% down.

### What is an escrow account?

An escrow account allows the bank to pay ongoing homeowner's insurance and property taxes for you. As part of your monthly mortgage payment, you pay a portion of your property taxes and insurance premiums. Then, when property taxes and insurance premiums are due, we'll make the payments on your behalf with the money in your escrow account.

### What is title insurance?

During the homebuying process, a title research company will check to make sure the property you are purchasing has a clear title, meaning there are no judgments, levies or other claims against it. Title insurance protects the insured parties from financial loss due to an unforeseen title issue that may arise and affect the ownership of the property.

## Want to learn more?

*Civista offers free learning courses to help you better understand the homebuying process and mortgages.*

Visit The Civista Learning Vault at [www.civista.bank/civista-learning-vault](http://www.civista.bank/civista-learning-vault) for free financial education courses.

## What are your next steps?

*Call for a free pre-qualification consultation.*

Contact a Civista Mortgage Lender for a free pre-qualification consultation. We calculate the payment you can afford before you start home shopping.



## Ready to Apply

*Apply for a home loan in person or online.*

Call your local Civista branch to speak with a Mortgage Lender or *visit our website to find a lender near you.* After you've found your Mortgage Lender, apply online to begin the homebuying process.



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