Refined **Mortgage Group**

THE HOMEBUYER FAQ

Your home financing questions, answered.

A plain-English guide to mortgages, money, and the path to your keys — from the questions buyers ask me most.

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> Buying a home is exciting — and the financing part doesn't have to be the confusing part. Below are the questions I hear most from buyers, answered plainly. Keep this as your reference, and when you're ready for numbers specific to **you**, I'm one call away.

SECTION ONE

Getting Started

1. Pre-qualification vs. pre-approval — what's the difference?

A **pre-qualification** is a quick estimate based on the information you share with me — useful for getting oriented early. A **pre-approval** is the real deal: I verify your credit, income, and assets so you can shop with confidence and make an offer sellers take seriously. In a competitive market, a strong (or fully underwritten) approval is one of the best advantages you can carry.

2. How much do I actually need for a down payment?

Probably less than you think. The "20% down" rule is a myth — conventional loans can start at **3% down**, FHA at **3.5%**, and eligible VA and USDA buyers may put **nothing down** at all. Putting more down lowers your payment and can remove mortgage insurance, but it's rarely required to get started.

3. What credit score do I need?

There's no single magic number. Many programs open up in the **580–620 range**, and higher scores generally unlock better interest rates. If your score isn't where you'd like it yet, that's okay — I'll show you exactly what's helping and hurting it, plus a simple plan to improve it before you buy.

4. How much home can I afford?

Your comfortable range comes down to four things: your income, your monthly debts, your down payment, and today's rates — plus taxes and insurance. Rather than guess, I'll build you a real payment scenario so you know your number **before** you fall in love with a listing. The goal isn't the biggest loan you qualify for; it's the payment that fits your life.

SECTION TWO

The Money Upfront

5. What is "cash to close"?

It's the total amount you'll bring to the closing table — your down payment plus closing costs and prepaid items, minus credits like your earnest money and any seller or lender contributions. I'll give you this figure **in writing**, so there are no surprises on closing day.

	Down payment
+	Closing costs
+	Prepaids & escrows (taxes, insurance)
−	Earnest money (already paid)
−	Seller / lender credits
=	**Your cash to close**

6. What are closing costs — and can they be lowered?

These are the fees to originate and finalize your loan: appraisal, title, lender, and recording fees, plus prepaid taxes and insurance. They commonly run **2–5% of the purchase price**, though it varies. In many cases we can offset them with a negotiated seller credit or a lender credit — and I'll walk you through every line.

7. Is earnest money an extra cost?

No — earnest money is a good-faith deposit you make when your offer is accepted, held safely in escrow. In most cases it's **credited back to you at closing** toward your down payment or closing costs. It simply shows the seller you're serious.

8. How does the buyer's-agent commission affect my cash to close?

Since recent industry changes, how a buyer's agent is paid is negotiated up front and isn't always covered by the seller. Your real estate agent walks you through that agreement itself — my job is the **financing impact**. The key thing to know: agent commissions generally **can't be rolled into your loan**, so any portion that falls to you is paid in funds at closing. Where it's handled as a seller concession, loan programs cap how much a seller can contribute — so let's map it out early to keep your numbers solid.

SECTION THREE

Loans & Rates

9. Which loan program is right for me?

The right fit depends on your goals, your down payment, and your eligibility. Here's the quick lay of the land — and we'll match you to the one that costs you the least over the time you plan to own:

Conventional	As little as 3% down; mortgage insurance is removable; a flexible, all-around option for many buyers.
FHA	3.5% down with more flexible credit guidelines; government-backed and popular with first-time buyers.
VA	0% down for eligible veterans and service members, with no monthly mortgage insurance.
USDA	0% down in eligible areas; household income limits apply.

10. What is PMI, and when does it go away?

Private mortgage insurance (PMI) protects the lender when a **conventional** loan starts with less than 20% down — and it's temporary. You can request removal at about 20% equity, and it falls off automatically at 22%. (FHA mortgage insurance works differently and often stays for the life of the loan unless you refinance.)

11. Interest rate vs. APR — what's the difference?

Your **interest rate** is the cost of borrowing the money. Your **APR** rolls that rate together with certain fees into one yearly percentage, so it's a handy way to compare offers apples-to-apples. When you compare lenders, look at both — plus the full fee breakdown.

12. Should I lock my rate?

Locking guarantees your rate for a set window, protecting you if rates rise before closing. The trade-off: if rates fall, you're committed to the locked rate (some locks offer a one-time float-down). The right move depends on your timeline and the market — and I'll give you a straight recommendation when it's time.

SECTION FOUR

The Process

13. How long does the whole process take?

Once you're under contract, a typical purchase closes in **about 30 days** — sometimes faster, occasionally longer, depending on the property and program. Getting pre-approved up front is the single best way to keep things moving smoothly:

- **Pre-approval** — often same-day to a few days once I have your documents.
- **Home search & offer** — your timeline; your agent and I stay in lockstep.
- **Processing & underwriting** — appraisal ordered, file verified (~2–3 weeks).
- **Clear to close & signing** — final numbers confirmed, keys in hand.

14. What documents will you need from me?

To verify your loan I'll typically ask for recent **pay stubs** (about 30 days), **W-2s or 1099s and tax returns** for the last two years, **two months of bank/asset statements**, and a photo ID. Self-employed buyers usually provide a bit more. I'll send you a clear checklist so nothing's a mystery.

15. What should I avoid doing while my loan is in process?

Until you close, your finances need to stay steady. Please avoid:

- ✕ Opening new credit cards or loans (yes — even that car)
- ✕ Making large purchases on credit
- ✕ Changing or leaving your job without telling me
- ✕ Moving large sums between accounts or making big undocumented deposits
- ✕ Missing or making late payments

When in doubt, just ask me first — a 30-second text can save your approval.

16. Can I still get a mortgage with student loans or other debt?

Yes — having student loans or other debt doesn't disqualify you. What matters is your **debt-to-income ratio**: how your monthly obligations compare to your income. Different programs even calculate student-loan payments differently, so one may fit better than another. Let's look at your full picture and find the right path.

YOUR NEXT STEP

Have a question that's not here?

Let's talk it through — no pressure, no jargon.

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