

HOME BUYING MADE EASY

Live the dream of owning
your own home.



PNC
MORTGAGESM

HOME BUYING MADE EASY

PNC, PNC AgentView and Home Insight are registered service marks of The PNC Financial Services Group, Inc. ("PNC").

PNC has a pending patent application directed at various features and functions of Home Insight® Tracker.

PNC Mortgage is a division of PNC Bank, National Association, a subsidiary of PNC.

The information is presented for informational purposes only.

All loans are provided by PNC Bank, National Association and are subject to credit approval and property appraisal. Terms and conditions of this offer are subject to change without notice.



©2015 The PNC Financial Services Group, Inc. All rights reserved. PNC Bank, National Association. **Member FDIC**

GETTING STARTED

For most of us, buying our first home is a dream come true. It's also a lengthy process where potential — and sometimes very costly — pitfalls can trap the unprepared buyer. That's where this guide comes in. It'll help you avoid those pitfalls by walking you through the steps of buying your first home.

**Also keep an eye
out for this icon:**



Whenever you see it, you can click on it to be taken to more information on our website, pnc.com/homehq.

And remember, we're always here for you with expertise, guidance and support to help make everything go as smoothly as possible throughout the entire process.

GETTING STARTED

BENEFITS OF HOME OWNERSHIP

Home ownership brings a lot of added responsibilities. It may also bring a lot of advantages for you, from financial gain to a secure place to raise your family.

For example:

- Your home may **appreciate in value**
- You can **build equity** to use for home improvement loans, education and other expenses
- **Your home is your own** – you can do what you like with it to reflect your lifestyle
- Home ownership can give your children **roots in a community**
- You may **save money at tax time** by deducting mortgage interest and property taxes*

A home offers stability, especially as your children grow up. It's a place where you can live the life you want, and where you can create the memories of a lifetime.

*Consult a tax advisor regarding the deductibility of interest.

THE MORTGAGE PROCESS

KNOW WHAT YOU CAN AFFORD

Knowing what you can afford makes buying a home a whole lot easier. To help you get started, know these basics:

- Your home price generally should be no more than 2.5 to 3 times your annual income.
- Monthly debts usually should not be more than 36% of your gross monthly income.
- You can calculate your monthly housing budget by taking your total income, then subtracting:
 - Fixed expenses (car payment)
 - Variable expenses (credit cards or utilities)
 - Monthly savings

The result is the money you could have available to budget for housing.

See how much home you may be able to buy based on your budget with PNC's [Home Affordability Calculator](#).



HOME AFFORDABILITY CALCULATOR

THE MORTGAGE PROCESS

GET PRE-APPROVED FOR A LOAN

Getting pre-approved* by a mortgage lender shows real estate agents and sellers that you are a serious, qualified buyer, and helps you know your budget.

To establish your employment history and financial capabilities, you must provide:

- Pay stubs for 2-3 months
- W-2 forms for the past 2 years
- Most recent 3 months' bank statements
- All credit account and debt information



[DOWNLOAD AN APPLICATION CHECKLIST](#)

GIVE YOURSELF CREDIT

Pre-approval requires having qualifying credit. Like all lenders, we consider the **Three Cs of Credit**:

- **Character:** Indicates your financial integrity
- **Capital:** Provides the value of your assets
- **Capacity:** Shows you can afford to repay your loan

*Subject to property underwriting and appraisal. Borrower must satisfy pre-approval conditions outlined in commitment letter. Loan amount subject to property appraisal.

THE MORTGAGE PROCESS

SELECT A MORTGAGE

We provide mortgages to fit your situation, including:

- **Fixed-Rate Mortgage:** interest rate never changes
- **Adjustable-Rate Mortgage (ARM):** lower starting rate that may increase or decrease over time
 - » PNC ARMs have rate adjustment caps
- **FHA loans** for expanded eligibility and lower down payments
- **Veterans Affairs mortgages** for U.S. military service members
- **Affordable loans for low- to moderate-income** borrowers



[WHICH LOAN IS RIGHT FOR ME?](#)

SHOP FOR A HOME

Once you're pre-approved, you can start looking at houses! Now's the time to **contact a reputable real estate agent** who can show you homes you can afford.

THE MORTGAGE PROCESS

You might also consider hiring a real estate attorney to:

- Review contracts and research liens and encumbrances
- Be your advocate during negotiations with the seller
- Make sure there are no legal surprises ahead

KNOW THE COSTS

As you continue narrowing your search, there are other costs beyond your monthly mortgage payment you'll need to consider and prepare for, including:

- Your **down payment** – generally 3% or more of the sale price
- **Closing costs** – include a variety of fees and other expenses



[CLOSING COSTS CALCULATOR](#)

- **Taxes & insurance**
- **Utilities**
- **Repairs & maintenance**
- Homeowner association **dues or assessments**

While these costs will vary from home to home, you'll want to know what they are before making a final offer.

THE MORTGAGE PROCESS

HOME APPRAISAL AND TITLE SEARCH

Found a home you like?

Once the seller accepts your offer, you may want to hire a certified home inspector who can verify there are no structural problems, code violations or other potential concerns.

In addition, the lender will order an independent, third-party appraisal to determine what the home is worth. Prior to closing, the lender or seller will also order a title search to:

- Discover any other claims on the property
- Make sure you can get a clear title to your new home

THE MORTGAGE PROCESS

CLOSE THE SALE

At last – you’re ready to finalize the sale!

During the closing, you’ll meet with all parties involved in the sale to make it official by signing documents and paying your closing costs, which may include:

- Attorney, credit report and/or processing fees
- Title search and insurance
- Appraisal and inspection fees
- Points – a predetermined fee similar to prepaid interest
 - » Paid to the lender to receive a particular interest rate
 - » Each point typically represents 1% of the loan amount
- Other costs depending on your particular loan

KNOW YOUR APPLICATION STATUS

You can use [Home Insight® Tracker](#) on your desktop, tablet or smartphone to get a comprehensive view of where you stand in the process from application through closing.

Even real estate agents get real-time updates if they’re opted into PNC AgentView®. Opt in your agent to keep him or her informed on the progress of your loan, too.

AFFORDABLE LENDING

SPECIAL MORTGAGE OPTIONS FOR UNIQUE LENDING SITUATIONS

If you've always wanted to buy your own home but were unsure if you could qualify for a mortgage, PNC Mortgage has programs to help make your dream of home ownership come true.

A PNC Mortgage Loan Officer can help you understand your best options among several special loan programs that feature:

- Low- to moderate-income lending guidelines
- Limited down payment requirements
- Flexibility for those with less-than-ideal credit history

AFFORDABLE LENDING

PNC COMMUNITY MORTGAGE

Our PNC Community Mortgage* is designed to make home ownership easier and more affordable. This program is exclusive to PNC and features:

- **Low, flexible down payments** – You can buy a home with as little as 3% down, and only \$500 of the down payment must be your own cash. The rest can come from family members or through down payment assistance programs from local governments or non-profit organizations.
- **Lower monthly payments** – When making a down payment of less than 20%, private mortgage insurance (PMI) is a common requirement. But, because a PNC Community Mortgage does not require PMI, you avoid this added expense.
- **Relaxed loan terms** – Many find it easier to qualify for a PNC Community Mortgage than a traditional one.

*PNC Community Mortgage is offered to borrowers who are financing a property located in a low- to moderate-income census tract or whose household income is 80% or less than the median household income for the Metropolitan Statistical Area (MSA). Consult a PNC Mortgage Loan Officer to determine eligibility and for full details.

AFFORDABLE LENDING

GOVERNMENT LOAN OPTIONS

PNC Mortgage participates in several federal loan programs that can help make buying a home a reality:

- Federal Housing Administration (FHA) loans:
 - » Require a low down payment
 - » Offer more flexible qualification criteria than conventional loans
- Veterans Affairs (VA) loans:
 - » Available to veterans, active-duty service personnel, reservists, National Guard members and spouses
 - » Guaranteed by the U.S. Department of Veterans Affairs
 - » Low or even NO down payment required

PNC HOMEOWNERSHIP GRANT

You may qualify for a grant of up to \$1,500* from PNC that you can use toward closing costs or to help fund an escrow account to cover property taxes, insurance or other expenses that may need to be prepaid. Unlike a loan, a grant never needs to be paid back!

*The PNC grant is available in select markets only.

AFFORDABLE LENDING

PRIVATE MORTGAGE INSURANCE (PMI) OPTIONS


PMI is a special insurance policy that allows borrowers the flexibility to make down payments smaller than 20%. It protects your lender in case you default on the payments. If your mortgage requires PMI, PNC Mortgage gives you the option of paying the PMI premium in a single lump sum at closing or as part of your monthly mortgage payment.

Contact a PNC Mortgage Loan Officer today to explore your affordable lending options.


CONTINUE YOUR RELATIONSHIP WITH PNC

Congratulations! We hope you enjoy your new home. To help you make the most of it and to keep your financial house in order, PNC Mortgage continues to provide you with ongoing services that include:

- **Establishing an escrow account** for paying property taxes and insurance
- **Producing your annual mortgage statement** for tax purposes
- **Mortgage refinancing** if and when rates go down



In addition, we offer you a variety of financial services that can help with your everyday expenses, your future financial plans and other aspects of your life, such as:



- Checking and savings accounts
- Credit card services
- Auto loans
- Home equity lines of credit

At PNC, we're always here to help with advice and assistance to help you reach your financial goals and dreams.

HOME-BUYING HELP IS ALWAYS HERE

PNC Mortgage offers you a variety of helpful resources, including [PNC HomeHQ](#), an enhanced online lending experience.

This site features calculators to help you determine what you can afford and possible closing costs, along with an application checklist and other organizational tools.

From estimating payments, to learning about different mortgages, to improving your credit, and even locating the nearest PNC home lending branch or PNC Mortgage Loan Officer, it's the ideal place to fully prepare and educate yourself about home ownership.

» [Find a loan officer](#)

» Call toll-free 1-855-762-9523



PNC
MORTGAGESM