



**What you
need to know
to turn a house
into a home.**

**Your First-Time
Homebuyers' Kit.**



America's Most Convenient Bank®

Make your home-buying dreams a reality.

Buying your first home is an exciting time and we're here to help make the experience as rewarding as possible.

We understand this is one of the most significant purchases you'll make so we want to help you find the right loan for your situation.

This First-Time Homebuyer Kit is designed to help you learn about the home-buying process and provide the advice and information you need to choose a home and a mortgage that fit your needs. If you have questions or need help as you go through the process, our mortgage advisors are always here for you.

As America's Most Convenient Bank[®], we make it easy for you when you're ready to apply:



By phone

Call one of our mortgage advisors today at 1-800-822-6761.



At home

One of our mortgage advisors can pay you a visit.



Step 1 – Learn about home ownership

Home-buyer education courses

Owning a home is a significant investment so you'll want to make your decision carefully. If you're looking for more detailed information, it may be helpful to participate in a First-Time Homebuyer class offered by a non-profit agency in your community.

Finding a local non-profit agency can help you prepare for the home-buying process. Most agencies provide group seminars and one-on-one interviews. It is important that you find a certified education program to ensure the information you receive is accurate.

Below are three organizations that provide accreditation for non-profit home-buying programs. These links will direct you to agencies in your community:

- National Foundation for Credit Counseling – the nation's largest and longest serving national non-profit credit counseling network, with more than 100 member agencies and nearly 850 offices throughout the country. nfcc.org
- NeighborWorks America – a national network of more than 240 community development and affordable-housing organizations throughout the country. nw.org
- The US Department of Housing and Urban Development (HUD) – certifies non-profit home ownership programs ensuring consistency and quality. There are many certified programs throughout the country. hud.gov/offices/hsg/sfh/hcc/hcs.cfm

Deciding if home ownership is right for you

Buying a home isn't for everyone and it's important to know the benefits of owning a home vs. renting in order to determine what's right for you.

Reasons to rent:

- **Flexibility** – by not being locked into the equity of a home, you can explore different areas without committing to just one, as well as have the flexibility to react more quickly to unexpected career or income changes
- **Improving your Credit** – by making on-time rental payments and building a positive credit history, you can build the credit you need to qualify for a mortgage
- **No Maintenance** – household maintenance is the responsibility of the landlord
- **Incidental Expenses** – when renting, many utilities may be covered by the landlord such as water, sewerage, garbage and, in some cases, heat and hot water

When renting, it's important to be aware of unpredictable rent fluctuations. This can often make long-term budgeting more difficult.

Reasons to buy:

- **Pride of Ownership** – having your own home to enjoy with family and friends creates unparalleled pride
- **Creative Control** – feel free to paint or remodel as you wish to make your house into a home
- **Equity** – with every mortgage payment, you increase the degree of ownership in your home. Also, you can borrow against your ownership (or equity) in the home to pay for major purchases, refinance your home at favorable rates, or once you've paid the entire mortgage off, borrow to fund major purchases like a second home or your child's education
- **Tax Deductions** – as a homeowner, you may deduct mortgage interest as well as your property taxes (consult a tax advisor about tax deductability)

Step 2 – Determine how much home you can afford

Determining what you can afford is an important step for every homebuyer. One easy way to determine your price range is to get pre-qualified.

Pre-Qualified*

To get pre-qualified, we'll need information about your debt, income and assets. We'll also need to check your credit score. Using this information, we'll discuss your ideal monthly mortgage payments, including down payments and other up-front costs in your calculations.

By the end of the conversation, you'll know how much you pre-qualify for so you can narrow the focus of your house hunt to homes in your price range and shop with confidence.

For more help in determining just how much you could potentially afford, visit your nearest TD Bank Store or use our mortgage calculator at [tdbank.com](https://www.tdbank.com). Your TD Bank mortgage advisor can also help you get pre-qualified.



*Pre-qualification is not a commitment to lend.

Types of Homes

With all the homes out there, it can be tough to know which is the best fit for you. Many factors determine the ideal house for each buyer including desired features and benefits, life stage and how many improvements you're willing to make. Here's a look at common types of houses and their associated benefits and drawbacks:

Single-family homes

These detached homes (houses that sit on their own lot) come in one (ranch), two and three-level styles. Their exterior appearance can be Contemporary, Colonial, Tudor, Victorian or Georgian. As the name implies, single-family homes are ideal for families, especially those with children. Privacy is an attractive characteristic of these homes, which may have a fenced back yard. On the other hand, you'll have to keep up with more maintenance than with other home types.

Condominiums (condos)

Condos are individually owned homes attached to one another in a building (like apartments), and feature common facilities, such as recreation areas and fitness rooms. Each condominium building belongs to an association of all its owners. The association determines the monthly assessment fees along with rules and regulations that govern the entire building. The association also decides on maintenance and improvements to the condo building. Like a single-family home, you build equity when you own a condo, but unlike a house, you have less maintenance. One drawback to a condo is that you typically have less privacy.

Cooperative apartments (Co-ops)

Similar to condos but usually less expensive, co-ops are popular in large urban areas. New York City is known for them. A co-op is different from a condo, in that instead of buying the unit, you buy shares in a corporation that owns the building. Before you can buy shares, you have to be approved by the building's co-op board. Each shareholder has the right to lease a specific unit in the building. Keep in mind that you may have a

more difficult time selling your co-op unit because of the board-approval process.

Townhouses

A townhouse is a type of architecture. A townhouse may be owned fee simple (city row house), may be in a Planned Unit Development (HOA fees for some common areas but owner is responsible for exterior maintenance), or be a condominium.

Whether they're one, two or three stories tall, townhouses (also called townhomes or row homes) are typically vertical in design. Some even come with attached garages. They offer the privacy of a single-family home and some may have the added benefit of exterior condo maintenance, which may be done by a homeowners' association. Row houses are common in cities or urban areas where they sometimes even offer historical value. Many townhouses are built in what are called Planned Unit Developments (PUD), clustered communities that have areas for residential and commercial use, and public areas such as schools, parks and the like.

Fixer-uppers

These are usually condos and single-family homes that are in need of extensive repairs, maintenance or updating. Fixer-uppers can usually provide good value to buyers who want to put some "sweat equity" into a property and add some personal touches. On the other hand, there can be additional costs due to defects in the home, such as foundation cracks or defective heating and air conditioning units. Have a professional home inspector check the home from top to bottom before you decide to buy it.

New-construction homes

New construction housing allows you to design a home from top to bottom. You can pick your finishes, cabinets, bath fixtures and more. Some builders also allow you to move walls in pre-designed models and pick the lot within their community. Pre-construction typically offers you reduced pricing before a development or building gets under way. You need to be fairly creative to visualize your new home from floor plans, because there usually aren't models to view until the project gets underway. If you decide to purchase new construction, make sure you research the developer or builder's track record before you sign the purchase contract.

Green homes

Green, or eco-friendly living, is blooming everywhere. No less in the world of real estate, where green building and renovation are becoming mainstream. According to the U.S. Green Building Council (USGBC), a green home uses building materials from recycled products, including woods such as bamboo that are quickly renewable. A green home uses less energy, water and other natural resources, and it should generate some of its own energy with photovoltaic cells (solar panels) or wind turbines. Inside, a green home's windows and doors are well-insulated, and paints, carpets and other materials do not emit volatile organic compounds. A green household also has cost-saving Energy Star lighting and appliances, and showerheads and toilets that use less water. Look for the USGBC's LEED certification in a green home, which means that it meets sustainable constructions standards.

Selecting a real estate professional

The majority of real estate transactions take place with the assistance of a real estate professional — and for good reason. Working with a real estate professional is an efficient means of shopping for a home and can help make the home-buying process an easy, hassle-free experience.

A real estate professional:

- Helps you assess your wants and needs to find a home that you can afford and that best suits you.
- Accesses the properties on the market in your desired area and price range that fit your individual home needs.
- May help you get a better price. Your real estate professional is a specialist in your area and knows the market well, which may help you better negotiate pricing.
- Negotiates for you. Once you have found the home you want to buy, your real estate professional will write up your purchase offer and present it to the seller. This gives you the best opportunity to have your contract accepted.
- Can help protect your rights. Real estate transactions have become increasingly complicated. Your real estate agent is there to assist you as a trained professional.

Making an offer

A written proposal is the foundation of a real estate transaction. When you're ready to take the leap toward homeownership, you'll need to enter into a written contract, which starts with your written proposal. This proposal not only specifies price, but all the terms and conditions of the purchase. For example, if the sellers offer \$2,000 toward your closing costs, be sure that's included in your written offer and in the final completed contract, or you won't have grounds for collecting it later.

If you work with a real estate professional, he or she will answer any questions you may have and write up your purchase offer. If you are not working with a real estate professional, you'll need to draw up a purchase offer or contract that conforms to state and local laws and incorporates all of the terms of the purchase. State laws vary and certain provisions may be required in your area.

After the offer is drawn up and signed, it will usually be presented to the seller by your real estate professional,

by the seller's real estate professional (if a different agent) or often by the two together. In a few areas, sales contracts are drawn up by the parties' lawyers.

What the offer contains

The purchase offer you submit, if accepted as it stands, will become a binding sales contract (known in some areas as a purchase agreement, earnest money agreement or deposit receipt). Therefore, it's important that your purchase offer includes the following information:

- Address and sometimes a legal description of the property
- Sale price
- Terms – for example, all cash or subject to your obtaining a mortgage for a given amount
- Seller's promise to provide clear title (ownership)
- Target date for closing (the actual sale)
- Amount of earnest money deposit accompanying the offer, and whether it's a check, cash or promissory note, and how it's to be returned to you if the offer is rejected — or kept as damages if you later back out without good reason
- Method by which real estate taxes, rents, fuel, water bills and utilities are to be adjusted (pro-rated) between buyer and seller
- Provisions about who will pay for title insurance, survey, termite inspections and other related expenses
- Type of deed to be given
- Other requirements specific to your state, which might include a chance for attorney review of the contract, disclosure of specific environmental hazards or other state-specific clauses
- A provision that the buyer may make a last-minute walk-through inspection of the property just before the closing
- A time limit (preferably short) after which the offer will expire

Earnest money

This is a deposit you give when making an offer on a house. A seller is understandably suspicious of a written offer that is not accompanied by a cash deposit to show "good faith." A real estate professional or an attorney usually holds the deposit. This will become part of your down payment, or returned to you if your offer is declined.

The seller's response to your offer

If the seller signs an acceptance of your written offer, as soon as you're notified, you will have a binding contract. If the offer is rejected, be sure to find out what the specific issues were with the offer and use your knowledge as you continue your search.

If the seller likes everything except the sale price, the proposed closing date, etc., you may receive a written counteroffer. You can accept or reject it or even make your own counteroffer. For example, "We accept the counteroffer with the higher price, except that we'd like the closing date to stay the same."

Each time either party makes any change in the terms, the other side is free to accept or reject it, or counter again. The document becomes a binding contract only when one party finally signs an unconditional acceptance of the other side's proposal.

Step 4 – Find the right mortgage

The TD Bank Difference

We pride ourselves on making the mortgage process as straightforward as possible—from application through closing and beyond. We offer a range of flexible and affordable home financing options to fit your needs. Our expert mortgage advisors will help find the borrowing solution that's right for you.

Documentation you may need

Types of Mortgages	
Fixed Rate Mortgages	<p>If you plan to own your home for several years and prefer the stability of fixed monthly payments, a fixed rate mortgage may be the right choice for you.</p> <ul style="list-style-type: none">• Lock in a fixed interest rate for the life of your loan• Take advantage of low down payment options• Choose from a variety of terms to fit your needs• Rest easy knowing that your monthly principal and interest payments will never increase
Adjustable Rate Mortgages	<p>Adjustable rate mortgages work best if you plan to stay in your home a few years or if you're looking for lower up-front payments.</p> <ul style="list-style-type: none">• Receive a lower initial interest rate• Be assured that, although your payments may increase as rates fluctuate, there is a limit on the amount your interest rate can increase or decrease over time
Affordable Housing Programs	<p>As an alternative to traditional mortgages, we offer affordable programs such as HomeReady®, TD Right Step Mortgage®, FHA and VA loans for low-to-moderate-income borrowers. These programs provide unique and flexible options for funding, down payments, and mortgage insurance while offering competitive interest rates compared to traditional mortgages. We also offer USDA Rural Development loans.</p>
Construction Mortgages	<p>Build your home from the ground up in a complete package.</p> <ul style="list-style-type: none">• Keep expenses low with interest-only monthly payments during the construction phase• Your monthly payment is automatically converted to principle and interest at the end of the construction period or once your home is completed.¹
Jumbo Mortgages	<p>Whether you need substantial financing for a primary residence or second home, our jumbo mortgages are ideally suited – and competitively priced.</p> <ul style="list-style-type: none">• Cash-out refinancing available• Down payment alternatives• Available in both fixed and adjustable rate options

¹Construction draw period of 12 months for loans up to \$750,000. Loans above \$750,000 construction draw period either 12 or 18 months to be determined once application submitted. HomeReady is a registered trademark of Fannie Mae.

Personal identification

- Passport
- Driver's license
- Voter's ID card
- Birth certificate
- Social Security number or tax identification number
- A copy of divorce decree or bankruptcy papers, if applicable

Financial and income documentation

- **Proof of Income/Pay Stubs** – a copy of your most recent pay stubs or awards letters for any Social Security income received
- **W-2's** – W-2 forms for the past two years will be requested from each employer you receive income from
- **If you own a business, work on a commission basis or have other income outside of your primary employment** – the last two years of tax returns will be required

Additional documentation of income may be required:

- If your business is a corporation, include IRS Form 1120
- If your business is an S Corporation, include IRS Form 1120s and Schedule K1
- If your business is a partnership, include IRS Form 1065 and Schedule K1

- **Investment/retirement income** – account statements showing current market value of any investments you may have such as stocks, bonds, 401(k)s, IRAs or certificates of deposits
- **Recent bank statements** – bank account statements for the past few months may also be requested. If you have both checking and savings accounts, statements for both accounts should be submitted
- **Copy of lease or rental verification** – if you're a renter, a current lease or a form signed by the landlord may also be requested. As part of the underwriting process, TD Bank may contact the landlord to verify rent paid and whether or not it was paid on time

Property documentation

- **Copy of sales contract or purchase agreement** – this will include address and description of the property and explain the major terms of sale

Proof of insurance

- **A copy of your homeowner's insurance declaration** – this should be the first page of your homeowner's insurance policy packet with your information as well as the information of the insurer

What to Expect During The Application Process

Application	A TD Bank mortgage advisor will meet with you to discuss your personal goals and financial situation. You'll review your mortgage options, discuss the mortgage application process and get answers to questions you may have.
Processing	We'll assign a loan processor to your account to see your transaction through to closing. This includes the verification of your financial information and collection of documents to satisfy the conditions of the approval. Your loan processor will be happy to answer any questions you may have. You'll be able to view the status of your application online.
Appraisal	We'll order the appraisal from a licensed appraiser who is familiar with home values in your purchase area. The appraiser will complete a full interior/exterior appraisal of the property being financed.
Underwriting/ Commitment	A mortgage loan underwriter reviews your financial profile and compares it to the guidelines for your chosen loan. Upon approval, you will receive a conditional approval of the mortgage terms and conditions.
Closing	A "closing" is a meeting of all the related parties to finalize the transaction. Prior to the closing, the closing agent will provide a copy of your Closing Disclosure three (3) business days prior to your closing, so there won't be any surprises at closing. At closing, paperwork associated with the transaction is signed and witnessed, and arrangements are made for the disbursement of the loan proceeds.

Your mortgage advisor and mortgage processor

Your mortgage advisor and mortgage processor play an important role in your homeownership journey. The mortgage advisor is often your initial contact at the bank and can provide information and advice to help determine which mortgage product best suits you. The mortgage advisor will run initial calculations to determine if your borrowing power is within the lender's guidelines. Then, once you've applied, your mortgage advisor will collect your personal documents and turn them over to your mortgage processor. Your mortgage processor interacts with all the parties involved in the transaction. The primary function of the mortgage processor is to ensure that mortgages originated by loan officers are processed accurately in a timely manner.

Completing the Application

The mortgage processor orders the appraisal and title work from third-party companies and might work with the real estate agent to obtain the signed contract for purchase and other details about the property. Once the mortgage processor has the documentation, appraisal and title work together, he or she sends the file to the mortgage underwriter who makes the final lending decision based on the information in the file and the lender's guidelines.

Finishing The Process

If the file is approved by the underwriter, the closing department works with all the parties involved to schedule the closing date and prepare the documents for closing. After the closing, it is the closing department's responsibility to make sure that the signed documentation and paperwork is processed.

Anticipating Required Funds

The amount of money you'll need up-front to close your loan is typically comprised of your down payment, the cost of the home inspection and your closing costs,

as well as the pre-paid items for your initial taxes and insurance escrow accounts. To assist you with this determination, we're required to send you a Loan Estimate within three days of your application. Also, at least 3 business days prior to your closing, you will be sent the Closing Disclosure that will provide you with the final sum of money required for the closing.

Down Payment

Down payment requirements typically range from 3% to 20%, of the cost of the house. The more you can put down, the greater equity you'll have in your home and the lower your monthly payment will be. For down payments less than 20% you may also be required to pay mortgage insurance. Please see Frequently Asked Questions or Mortgage Glossary for details on mortgage insurance.

Closing Costs

Closing costs typically range from 2% to 6% of the loan amount, depending on your area. These costs include fees that you'll need to pay to state and local governments as well as fees associated with obtaining and originating your mortgage.



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Step 5 – Close the loan and move in

Closing your loan

Once your home has been inspected, your contingencies have been met and your mortgage has been approved, it's time to close the deal! While every closing is a little different, there are certain elements that each closing has in common.

Who is involved at closing?

You of course will be in attendance along with (in most cases) a representative of your lender, called a closing officer, or a representative of the title insurance company.

The closing officer's job is to make sure that all necessary documents are signed and verified and that the money from the sale is properly distributed.

In some cases, you may also have your own attorney attend the closing. Sometimes, the sellers will be present, along with any real estate agents involved in the sale.

It is common for buyers and sellers to complete their paperwork in separate rooms and never see each other on the day of closing.

What to bring to closing

As the buyer, you should bring the following documents to the closing:

- Binder for homeowners insurance and paid receipt. Before going through with the closing, the closing officer will contact you to confirm that you have your binder for homeowners insurance and your paid receipt for the first-year's premium. A binder is a document that proves you have adequate homeowners insurance for the home you are buying. Your lender will not issue the mortgage loan without it
- Certified or cashier's check for your down payment and closing costs. You can find out the exact amount you will need by contacting your lender a day or two before the closing

How to prepare for closing

Review all of your closing documents (with your attorney if you choose to use one) to be sure there are no errors or problems before the closing begins. These documents will include:

- The Mortgage, a separate document that you sign at closing, in which you pledge your home as security for the loan. In some states, buyer(s) sign a Deed of Trust rather than a mortgage, but both documents serve the same purpose
- The Mortgage Note, your promise to repay your loan. It indicates the terms and conditions of your loan and how it will be repaid (the amount of your monthly mortgage payment for principal and interest, when it is due, the length of the mortgage, etc.)
- The Closing Disclosure, created by the Federal Department of Housing and Urban Development (HUD) is used in most residential real estate closings in the United States to itemize the costs associated with the loan

During closing

Once the closing gets underway and the closing officer has verified that you have your binder and your paid receipt for homeowners insurance, he or she will explain each closing document and ask you to sign each of them. Your closing officer will answer any questions you have about the documents before you sign them, so don't hesitate to ask.

Reviewing closing documents

Typically, the closing officer will begin by reviewing the mortgage note and the mortgage document and ask you to sign them. Then, he or she will move on to the Closing Disclosure. Beginning on the back of the form, where each of the costs being paid by the sellers and the buyers is itemized, you will find a breakdown of the costs, including:

- All the buyers' and sellers' closing costs
- Loan information: Rate, APR, loan term, projected payment, total finance charge and important loan disclosures
- A summary of both parties' transactions by showing how funds are transferred among the buyer, seller, lender and any other parties involved in the sale
- The net amount due from the buyers and the net amount that will be paid to the sellers
- Commissions to real estate agents involved in the sale
- Any lender's charges made in connection with the loan, such as points and other fees
- Items that the lender may require to be paid in advance, such as interest due from the date of the closing until the first mortgage payment
- Amounts deposited in escrow to cover insurance and property taxes
- Title charges for the title search required by the lender and title insurance policies for the lender and the buyer
- Charges to cover recording the mortgage and deed at the county courthouse
- Tax service fee to cover the lender's cost of researching the tax rate for the property

The closing officer will then go over the summary of each party's transaction (on the front of the form). The left column summarizes the buyer's transaction and the right side summarizes the seller's. The sales price of the home is listed at the top of both columns. Amounts are added or subtracted in both columns to arrive at the net amounts due from the buyer to the seller.

After the closing officer has covered the entire Closing Disclosure, he or she will ask for a check for the down payment and closing costs. When all of the buyer's documents have been explained and signed, the closing officer will move on to the seller's documents.

After the Closing Disclosure, the closing officer will review both the Deed and the Commitment for Title Insurance, making sure that the legal descriptions on each document match exactly.

The final activity at closing involves the distribution of the money generated by the sale. It's the closing agent's responsibility to present checks to:

- The sellers
- The sellers' lender, if there is an existing mortgage on the property
- The real estate agents involved in the sale
- Any others who may be indicated on the Settlement Statement

After closing

After you have signed all the necessary documents and paid your closing costs and down payment, the closing is finished. Your possession date, the day you can move into your new home, is stated in the purchase agreement. If your possession date is the same day as your closing, you will receive the keys to your new home before you leave! If your possession date is different than the closing date, arrangements will be made to secure the keys on the possession date.

Congratulations on buying your first home!



Mortgage Glossary

Adjustable Rate Mortgage (ARM)

A mortgage in which the loan rate changes during the life of the loan. Changes are governed by the movement of an index – such as the treasury bill, treasury securities index, or London Inter-Bank Offered Rate (LIBOR) – and the margin and caps of the particular ARM program.

Amortization

The gradual repayment of a mortgage by scheduled installments.

Annual Percentage Rate (APR)

The actual interest rate, annualized, that a borrower pays when certain costs of financing are included.

Appraisal

A professional estimate of a property's market value.

Assessed Valuation

The value placed on a property to determine property taxes.

Cap

A limit placed on the upward movement of the payments and interest rates of a loan.

Closing

The meeting to finalize your financing by signing all documents and making the appropriate payments, including closing costs.

Closing Costs

Costs, in addition to the property price or loan payoff, that are due at the closing. Closing costs often include: origination fees; discount points; attorney's fees; costs for title insurance, survey and recording documents; and prepayments of real estate taxes and insurance premiums. Closing costs may include other fees, such as appraisal credit report cost and underwriting fees. Sometimes the seller will help the borrower pay some of these costs.

Closing Disclosure

The closing disclosure is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction. This form must be provided to consumers at least three business days before consummation of the loan.

Collateral

Property pledged as security for a debt, such as real estate securing a mortgage.

Consumer Financial Protection Bureau

The Consumer Financial Protection Bureau (CFPB) is a U.S. government agency responsible for regulating mortgage lenders/banks that lend to consumers for home purposes.

Discount Points

A type of prepaid interest, charged at closing, that lowers the interest rate and subsequent payments. Each discount point generally costs 1% of the total loan amount.

Down Payment

The portion of the purchase price that the buyer pays and does not finance with a mortgage.

Escrow Account

An account held by the servicer to which the borrower pays monthly installments for property taxes and insurance. The servicer disburses funds as they become due.

Fannie Mae (Federal National Mortgage Association)

A private, shareholder-owned corporation created by Congress to support the secondary mortgage market by purchasing and selling residential mortgages insured by the Federal Housing Administration (FHA) or guaranteed by the Veterans Administration (VA), as well as conventional home mortgages.

Fixed Rate Mortgage

A mortgage in which the interest rate does not change throughout the loan term.

Freddie Mac (Federal Home Loan Mortgage Corporation)

A stockholder-owned corporation chartered by Congress to increase the supply of funds mortgage lenders can make available to homebuyers and multi-family investors.

Gift Letter

A letter or form verifying that part of the down payment is supplied by someone other than the borrower as a gift that does not have to be repaid.

Hazard Insurance

A broad form of real estate casualty insurance coverage that includes protection against loss from fire, certain natural causes and vandalism.

Homestead Exemption

A state exemption that protects homestead property, usually to a set amount, against the attachment rights of creditors.

Index

For an adjustable rate loan, a measure of current market interest rates is used to determine a new interest rate at the time of adjustment. If the index increases, the interest rate increases until an interest rate cap is reached. An index must be readily verifiable by the borrower and is beyond the control of the lender.

Loan Estimate

A loan estimate is designed to provide disclosures that will be helpful to consumers in understanding the key features, costs, and risks of the mortgage loan for which they are applying, and must be provided to consumers no later than the third business day after they submit a loan application.



Loan-To-Value Ratio

The ratio of a loan amount to the value or selling price of real property, usually expressed as a percentage.

Margin

The amount added to the index to determine the rate on an adjustable rate mortgage.

Market Value

An estimate of the price a property would sell for within a reasonable period of time on the open market under normal conditions.

Mortgage

A legal document that pledges a property to the lender as security for payment of debt.

Mortgage Insurance (MI)

Insurance written by an independent mortgage insurance company protecting the mortgage lender against loss if a borrower does not pay the loan.

Pre-Approval

The process used to determine how much money a homebuyer is eligible to borrow. Generally, the borrower's credit report is obtained.

Pre-Qualification

Compared to pre-approval, a less formal process used to estimate how much money a homebuyer may be eligible to borrow.

Rate Lock

A written agreement that guarantees the borrower a specified interest rate as long as the loan is closed within a set period of time.

Refinancing

The process of paying off one loan with the proceeds of a new one and using the same property as security.

Secondary Market

The financial market where mortgages are bought and sold.

Servicer

The institution that collects loan payments and administers the loan after closing. This may or may not be the same company as the initial lender.

Title Insurance – Lender's

Insurance protecting the lender against loss arising from disputes over lien priority and ownership.

Title Insurance – Owner's

Insurance protecting the buyer against loss from disputes over rights to the property and ownership.

Transfer Tax

State or local tax paid when real estate passes from one owner to another.

Underwriting

The process of reviewing a loan, including an evaluation of the property, a review of the applicant's creditworthiness and compliance with program guidelines.



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Many people have questions about mortgages, including the type of loan that is right for them. You'll find answers to the most common questions below. Your TD Bank mortgage advisor is always available to answer these or other questions in more detail.

Q. What are "closing costs"?

A. Closing costs are the fees paid at the meeting that completes your transaction, also known as the "closing." Closing costs often include: origination fees; discount points; attorney's fees; costs for title insurance, survey and recording documents; prepayments of real estate taxes and insurance premiums; appraisal fee, credit report cost and underwriting fees. Sometimes the seller will help the borrower pay some of these costs. For an estimate on fees and closing costs for your mortgage loan, get an official Loan Estimate before choosing a loan.

Q. Should I choose a fixed rate or adjustable rate mortgage?

A. There is no simple answer to this question, but choosing the right mortgage for you largely depends on your financial profile and how long you intend to keep the house. We recommend reviewing the features of each kind of mortgage, then speaking with your mortgage advisor, so you can feel entirely comfortable with your decision.

Q. How do I determine what price home I can qualify for?

A. How much home you can afford depends on how much you earn and how much you owe, as well as your savings and the type of loan you choose. To help you determine what you can afford, speak with a mortgage advisor at your nearest TD Bank or at 1-800-822-6761. We will consider your expenses in relation to your income to determine your maximum payment.

Q. When should I refinance?

A. When you own your home, you may have the opportunity to manage this important asset by refinancing your current mortgage. Perhaps you need extra money for college expenses or a major purchase, or perhaps you are considering an addition or remodeling. Refinancing may be the best choice for obtaining the lowest interest rate. You may not need to pay any out-of-pocket cash in the process. In addition, when rates are favorable, you may be able to lower your monthly mortgage payment or shorten your loan term.

Q. What is mortgage insurance, and who pays it?

A. Mortgage insurance enables a borrower to purchase a home with less than a 20 percent down payment. Mortgage insurance protects the mortgage lender against loss if a borrower does not repay the loan. It is the responsibility of the borrower to pay the premiums for this insurance. Your TD Bank mortgage advisor will be happy to discuss mortgage insurance and available government-insured programs.

Q. As a First-Time Homebuyer, what do I need to know?

A. A professional and experienced mortgage advisor is your greatest asset when financing a home. Your TD Bank mortgage advisor is familiar with all of our mortgage programs and is committed to partnering with you to best meet your goals and needs throughout the mortgage process.

Q. Should I include homeowners insurance in my estimated monthly payment?

A. Insurance is an essential part of every homeowners costs, but it is easy to overlook these additional costs when considering what is affordable in a house. It is important that you consider these necessary costs when calculating your monthly mortgage payments and that you understand the role insurance plays in the overall mortgage process. Insurance provides important protection for both you and the lender.

Visit tdbank.com/mortgage for more information, including calculators and frequently asked questions. Or, call us at 1-800-822-6761 to speak with a mortgage advisor.



Home Comparison Checklist

You'll want to make several copies of this checklist and fill one out for each home you tour. Then, comparing your ratings later will be easy.

The Home	Good	Average	Poor
Square footage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of bedrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of baths	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Practicality of floor plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior walls condition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closet/storage space	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Basement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fireplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cable TV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Basement: dampness or odors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exterior appearance, condition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lawn/yard space	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Patio or deck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy efficiency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Screens, storm windows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roof: age and condition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gutters and downspouts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Neighborhood			
Appearance/condition of nearby homes/businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Traffic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Noise level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safety/security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mix of neighbors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pet restrictions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Zoning regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Neighborhood (cont'd)	Good	Average	Poor
Neighborhood restrictions/covenants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fire protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Snow removal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Garbage service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schools			
Age/condition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of teachers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Achievement test scores	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Play areas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Curriculum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class size	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Busing distance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to:			
Supermarket	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Schools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shopping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hospitals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Doctor/dentist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreation/parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Restaurants/entertainment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Church/synagogue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Airport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Highways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Address _____



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Mortgage Checklist

Please bring the following paperwork to your initial meeting with a TD Bank mortgage advisor. You will also be required to attach copies of most of these documents to your mortgage applications for processing.

Income	
<input type="checkbox"/>	W-2 income statements for prior year
<input type="checkbox"/>	Most recent pay stubs reflecting at least 30 days of year-to-date earnings
<input type="checkbox"/>	If your source of income is from commissions, dividends, interest or rental property, provide a complete copy of your filed and signed tax returns for the prior year
<input type="checkbox"/>	If self-employed, provide a complete copy of your filed and signed personal tax returns with all schedules for the previous two years
<input type="checkbox"/>	If you are a sole owner or share ownership in a corporation, provide the most recent two years of business tax returns along with your personal tax returns
<input type="checkbox"/>	Proof of receipt of alimony or child support, if needed to qualify for this loan
<input type="checkbox"/>	If you receive a fixed income, e.g. Social Security, Retirement/Pension or Disability, please provide a copy of the awards letter or proof of receipt of income; depending on source of income, more information could be requested
Assets	
<input type="checkbox"/>	Complete checking and savings account statements for the last two months
<input type="checkbox"/>	Most recent complete retirement accounts, 401(k) and/or investment account statements
<input type="checkbox"/>	If you are receiving gift funds for your closing, a copy of the deposited check along with a letter detailing the terms for repayment, if any, from the grantor

Credit	
<input type="checkbox"/>	Letters of explanation for any recent credit inquiries from the past 60 days
<input type="checkbox"/>	Divorce decree (if applicable)
<input type="checkbox"/>	Address, mortgage statement and tax and insurance costs for other real estate owned; if rental properties, also include pages 1 and 2 and Schedule E of your tax returns for the prior year
Property	
<input type="checkbox"/>	Fully executed purchase and sales contract
<input type="checkbox"/>	Copy of the Earnest Money Deposit check (will need to show that these funds have been cleared by your bank)
<input type="checkbox"/>	Contact information for broker(s)
<input type="checkbox"/>	Legal description of property
<input type="checkbox"/>	Copy of homeowners and flood insurance (if applicable)



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Moving Checklist (page 3)

4 Weeks Prior to Moving Day (cont'd)

Category	Priority	Check when done	Task	Note
Resources	A	<input type="checkbox"/>	Hire movers or reserve the truck.	Visit www.Movers-Edge.com to find professional movers near you.
Resources	A	<input type="checkbox"/>	Recruit help for the move.	If moving yourself, start recruiting friends, family, neighbors and co-workers well in advance. Offer free breakfast, lunch, snacks and drinks for your workforce, and be sure to deliver as promised!
Resources	A	<input type="checkbox"/>	Get essential moving supplies.	At minimum, you'll need: <input type="checkbox"/> Markers to label boxes (preferably wide tip, dark color) <input type="checkbox"/> Moving boxes <input type="checkbox"/> Newsprint, packing peanuts or other cushioning material <input type="checkbox"/> Packing tape <input type="checkbox"/> Scissors or utility knife
Resources	B	<input type="checkbox"/>	Get or make a moving organizer.	Make a moving organizer for all your important notes, receipts and important information with: <input type="checkbox"/> Binder <input type="checkbox"/> Pocket dividers to separate sections and hold important receipts <input type="checkbox"/> Paper for keeping all your notes (3-holed graph paper is ideal for this)
Packing	A	<input type="checkbox"/>	Start packing!	NOTE: Almost everyone underestimates how much time it takes to pack, so start early and leave plenty of extra time.
Packing	B	<input type="checkbox"/>	Start separating cherished items from the non-essential.	One of the biggest secrets to moving success is eliminating as many items from the move as possible. Donate items to charity, give them to friends, prepare them for a yard sale or throw them out.



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Moving Checklist (page 4)

2 Weeks Prior to Moving Day														
Category	Priority	Check when done	Task	Note										
Organizing	A	<input type="checkbox"/>	Make arrangements to return items.	<p>Here are some critical items to return prior to moving:</p> <table border="0"> <tr> <td><input type="checkbox"/> Cable/satellite receiver boxes, remote controls, dishes</td> <td><input type="checkbox"/> Library books (neighborhood and school)</td> </tr> <tr> <td><input type="checkbox"/> Cable/DSL modems</td> <td><input type="checkbox"/> Tools (borrowed or rented)</td> </tr> <tr> <td><input type="checkbox"/> Carpet shampooer</td> <td><input type="checkbox"/> Trash cans/recycle bins</td> </tr> <tr> <td><input type="checkbox"/> Clothing (borrowed)</td> <td><input type="checkbox"/> Unwanted purchases</td> </tr> <tr> <td><input type="checkbox"/> DVD and video game rentals</td> <td></td> </tr> </table>	<input type="checkbox"/> Cable/satellite receiver boxes, remote controls, dishes	<input type="checkbox"/> Library books (neighborhood and school)	<input type="checkbox"/> Cable/DSL modems	<input type="checkbox"/> Tools (borrowed or rented)	<input type="checkbox"/> Carpet shampooer	<input type="checkbox"/> Trash cans/recycle bins	<input type="checkbox"/> Clothing (borrowed)	<input type="checkbox"/> Unwanted purchases	<input type="checkbox"/> DVD and video game rentals	
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<input type="checkbox"/> Carpet shampooer	<input type="checkbox"/> Trash cans/recycle bins													
<input type="checkbox"/> Clothing (borrowed)	<input type="checkbox"/> Unwanted purchases													
<input type="checkbox"/> DVD and video game rentals														
Organizing	A	<input type="checkbox"/>	Make arrangements to retrieve items.	<p>Be sure to retrieve any of the following items:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Clothing at dry cleaners, tailors or in storage <input type="checkbox"/> Clothing lent to friends <input type="checkbox"/> Items at repair shops <input type="checkbox"/> Tools lent to neighbors or friends 										
Organizing	A	<input type="checkbox"/>	Open bank accounts near your new address	<p>You may want to open a new safe deposit box at the same time, and move all vital papers and/or jewelry into the box in advance. That way you don't have to worry about them on moving day.</p>										
Organizing	A	<input type="checkbox"/>	Create one "Open Me First" box for specific rooms.	<p>You'll need to access certain packed items almost immediately after you arrive, and they need to be packed together in special boxes (one per room) and marked with either bright red markers or special stickers so you can spot them easily. The specific rooms are:</p> <p>Kitchen:</p> <table border="0"> <tr> <td><input type="checkbox"/> Aluminum foil</td> <td><input type="checkbox"/> Frying pan and spatula</td> </tr> <tr> <td><input type="checkbox"/> Break-proof or disposable flatware, cups and plates</td> <td><input type="checkbox"/> Pet food and bowls</td> </tr> <tr> <td><input type="checkbox"/> Coffee maker (don't forget the filters!)</td> <td><input type="checkbox"/> Scissors</td> </tr> <tr> <td><input type="checkbox"/> Dish detergent</td> <td><input type="checkbox"/> Tea kettle</td> </tr> </table>	<input type="checkbox"/> Aluminum foil	<input type="checkbox"/> Frying pan and spatula	<input type="checkbox"/> Break-proof or disposable flatware, cups and plates	<input type="checkbox"/> Pet food and bowls	<input type="checkbox"/> Coffee maker (don't forget the filters!)	<input type="checkbox"/> Scissors	<input type="checkbox"/> Dish detergent	<input type="checkbox"/> Tea kettle		
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Moving Checklist (page 5)

2 Weeks Prior to Moving Day (cont'd)

Category	Priority	Check when done	Task	Note
Organizing	A	<input type="checkbox"/>		Main Bathroom: <input type="checkbox"/> Bath mat <input type="checkbox"/> Bath towels <input type="checkbox"/> First-aid kit (aspirin, band-aids, hydrogen peroxide) <input type="checkbox"/> Hair dryer <input type="checkbox"/> Shampoo <input type="checkbox"/> Shower curtain and rings <input type="checkbox"/> Soap <input type="checkbox"/> Toothbrushes and toothpaste
Organizing	A	<input type="checkbox"/>		Tool room or drawer: <input type="checkbox"/> Batteries <input type="checkbox"/> Duct tape <input type="checkbox"/> Flashlight <input type="checkbox"/> Flat-head screwdriver <input type="checkbox"/> Hammer <input type="checkbox"/> Level <input type="checkbox"/> Phillips-head screwdriver <input type="checkbox"/> Picture hangers <input type="checkbox"/> Tape measure <input type="checkbox"/> Utility knife
Organizing	A	<input type="checkbox"/>	Finish packing non-living rooms.	Complete packing non-essential rooms first such as the basement, garage, attic, utility rooms, etc. so you can focus on main living areas in the last weeks.
Organizing	A	<input type="checkbox"/>	Start eating perishable food from freezer and refrigerator.	
Organizing	A	<input type="checkbox"/>	Consider holding a Packing Party.	Invite trusted friends over for a Farewell Packing Party. Provide free food and drinks, provide upbeat background music and allow friends to tackle projects that require little supervision, such as packing books or pots and pans. Have friends take pictures and send you copies.
Organizing	A	<input type="checkbox"/>	Hold a yard sale.	You might be surprised to learn that you can earn a few hundred dollars by selling non-essential items — earning cash and making your move more efficient.



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Moving Checklist (page 6)

1 Week Prior to Moving Day

Category	Priority	Check when done	Task	Note
Organizing	A	<input type="checkbox"/>	Confirm start time, current home address and future home address with movers.	Even if you already have this information, it's a good idea to double-check.
Organizing	A	<input type="checkbox"/>	Recruit friends for moving day madness.	Having extra help for last-minute errands or to help watch movers and answer questions can be invaluable.
Organizing	B	<input type="checkbox"/>	Make arrangements for child and/or pet sitting.	Having small children and pets watched on Moving Day can eliminate a lot of stress and confusion on the big day, especially when you're taking care of all the other important details.

1 Day Prior to Moving Day

Category	Priority	Check when done	Task	Note
Organizing	A	<input type="checkbox"/>	Make sure everyone's cell phone is fully charged.	This would be a bad day to be out of contact.
Packing	A	<input type="checkbox"/>	Have everyone pack one or two suitcases (no more).	<p>Even if you're only moving across the street, having a suitcase with the following items with you will make things easier once you move in:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Eyeglasses <input type="checkbox"/> Favorite toy for the kids <input type="checkbox"/> Prescriptions <input type="checkbox"/> Something to read <input type="checkbox"/> Three days worth of changes of clothes <input type="checkbox"/> Toothbrush and toothpaste (if not in "Open Me First" box)



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Moving Checklist (page 7)

Moving Day				
Category	Priority	Check when done	Task	Note
Moving Day	A	<input type="checkbox"/>	Start early.	Moving is stressful enough without waking up late with movers waiting outside.
Moving Day	A	<input type="checkbox"/>	Take all garbage out of the house.	Movers get into huge trouble for leaving anything behind. Many people have been shocked to find their garbage packed into their garbage cans and sent along for the move!
Moving Day	A	<input type="checkbox"/>	Make sure drivers have your cell phone number and you have theirs, along with their names.	Things come up on moving day — make sure you have a way to stay in contact.
Moving Day	A	<input type="checkbox"/>	Be available for movers' questions.	You need to be visible and available at all times — near the door is usually a good spot.
Moving Day	A	<input type="checkbox"/>	Perform final checks before leaving current home.	<p>Here are some final items to verify before shutting the door for the last time:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Are air conditioning, fans and heat turned off? <input type="checkbox"/> Is the water shut off, including to hoses? <input type="checkbox"/> Are the light switches turned off? <input type="checkbox"/> Are the keys and garage door openers for current home turned in or left on the kitchen counter? <input type="checkbox"/> Is anything left in refrigerator, freezer, stove, drawer under stove, in closets, in bathroom, under porch, in garage, in attic or in crawlway? <input type="checkbox"/> Did you pack your hoses and sprinklers?

Congratulations on buying your first home – happy moving!



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