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First Time Home Buyer Cheat Sheet

- FTHB definition - Cinfed considers a First Time Home Buyer as someone that has never owned a home, or hasn't owned a home in the last 3 years. With 10% down and a 660 or above credit score, we've got a unique first time home buyer product.
- Timeframe - The loan process itself takes about 30 days. Our top priority is meeting closing date deadlines.
- How much money do I need to have? This is a common question that often depends on multiple factors like credit, income vs amount borrowed, and loan products. Cinfed offers as little as 10% down for qualifying borrowers. In addition to the down payment, you'll need to plan for closing costs and prepaid items, home inspections, and furnishings or repairs.
- Escrow - In addition to your mortgage payment, you will have to pay property taxes and home owner's insurance. The cost varies based on where your new home is, and how much the home is worth. Cinfed offers an escrow account that allows you to make one monthly payment. You will make a payment that covers the principle, interest, taxes, and insurance and we will pay the tax and insurance bills for you as they come due.
- Inspection- A whole house inspection is important when purchasing a home. They will spend several hours at the home ensuring there are no major flaws. Typically, your realtor will negotiate with the sellers to fix any issues with the home, before you take ownership.
- Appraisal – This is a report that is ordered by Cinfed. Appraisers will visit the home and take pictures of the inside and outside. They use comparable homes that have recently sold in your area to give an opinion on what the value of the home is. This helps ensure you are not paying too much for the home.
- Rent vs Own – Have you thought about what would be most cost effective? Do the pros outweigh the cons when considering buying versus renting? Some additional costs to consider that you may not have had to pay while renting are trash, water, electric, and sewage.
- Closing Costs – In most cases Cinfed charges a flat fee closing cost of \$499. This includes the appraisal, title work, settlement fee, credit report fee, flood certification, and recording fees, to name a few. Other financial institutions have much higher closing costs.
- Prepaid Costs – These are the funds you'll bring to close that you are paying in advance, such as taxes, insurance, and pre-paid interest. If you are setting up an escrow, account we will calculate how much for each individual bill is needed up front. Pre-paid interest is determined by what day your loan closes, and when your first payment is due.

- Things to avoid – While in the process of purchasing a new home you should avoid applying for new credit/obtaining new debts, purchasing furnishings before the loan closing, changing jobs, missing loan payments, spending savings, and moving funds without a paper trail.
- Loan types- There are 4 main loan types available. Conventional, FHA, VA, and USDA. Cinfed offers Conventional financing with just 10% down, and no PMI. We currently do not offer FHA, VA, or USDA. FHA can offer lower down payment requirements, such as 3.5-5% down, and may have down payment assistance programs available. VA loans are for veterans only, and offer no money down. USDA has specific property guidelines and also requires no money down. With FHA, VA, USDA, and some other conventional loan products, you will likely have higher closing costs, and may be required to pay private mortgage insurance.
- Earnest money – an upfront deposit that gets credited to the amount of money needed at closing. You negotiate this in the contract when you make an offer on the home you want to buy.
- PMI – Acronym for Private Mortgage Insurance. Cinfed does not require PMI, which allows you to save money.