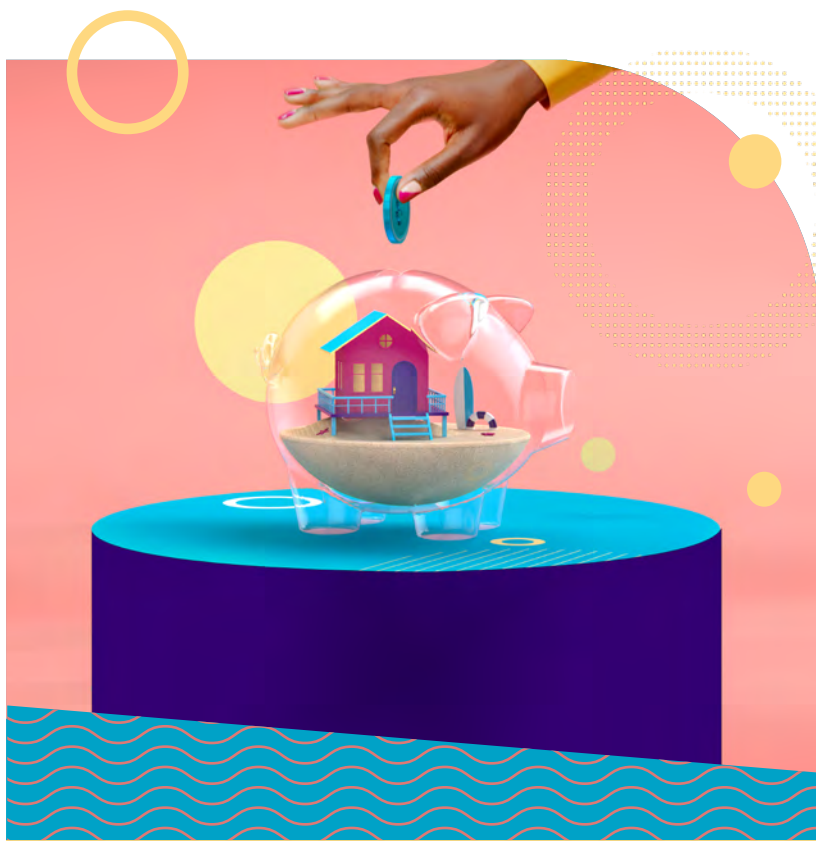


# The SoFi at Work guide for the first-time homebuyer.

Five steps to homeownership.





# Your step-by-step roadmap to buying a home.

Buying a home is an exciting journey. As journeys go, there are bound to be some twists and turns along the way. To make your trip as smooth as possible, we've mapped out this 5-step guide.

1. Make sure you're ready.

2. Get everything in order.

3. Decide on mortgage terms.

4. Pick the right lender.

5. Navigate buying and closing.



## Let the home-buying journey begin—you ready?

Buying a home is one of the biggest purchases you'll make in your lifetime—if not **the biggest**. It can be a pretty emotional decision but, above all, it has to be logical. So even though you want that dream home and all the joy that comes with it, make sure you can **check YES to these questions first**:

- ☐ **You have the budget** to cover the down payment, mortgage payments, and associated homeownership costs, including property taxes and maintenance fees. See how much you can afford with our [Mortgage Calculator](#).
- ☐ **You don't plan on moving any time soon** and you want to make an investment in a community. You also want to see your home grow in value over time.
- ☐ **You have good credit**, which can be a big help with getting better loan terms.
- ☐ **Rents in your area are high** relative to what a house payment may be (which indicates buying could be a better financial option than renting).
- ☐ **You write off deductions on your taxes (or you can)** — you could potentially write off your mortgage interest.



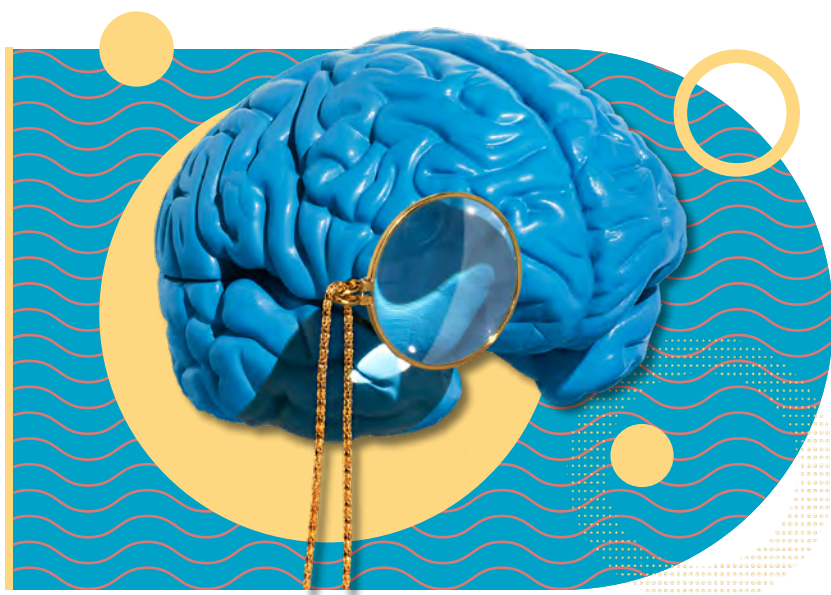
**The average credit score for a first-time homebuyer is 746.\***



**Median Home Price: \$388,100\*\***

\*Begley, Jaclene, and Mark Palim. "Mortgage Costs as a Share of Housing Costs—placing the Cost of Credit in Broader Context." <https://www.fanniemae.com/media/43026/display>, Fannie Mae, Economic and Strategic Research Group, 9 Mar. 2022, [www.fanniemae.com/media/43026/display](https://www.fanniemae.com/media/43026/display).

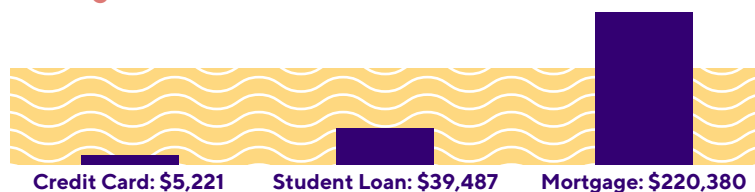
\*\*Redfin. "House Prices and Trends." Redfin, [www.redfin.com/us-housing-market](https://www.redfin.com/us-housing-market).



## Review your home-buying itinerary.

Some road trips only require a toothbrush and some beef jerky. But the home-buying journey requires more serious planning and all the right supplies. Rest assured, the details are worth it. Because, as you check off these boxes, you'll be well on your way.

### Average American Household Debt



<https://www.bankrate.com/personal-finance/debt/average-american-debt/>



### Get your credit reports and study them.

Get your credit report [here](#). Check for errors and dispute any you find from all three credit bureaus. Your entire financial history is a determining factor in getting approved for—and getting the best terms—on a mortgage loan.



### Figure out exactly how much you can afford.

Guessing won't cut it. A [home affordability calculator](#) can help estimate the cost of purchasing a home and the monthly payment.



**Be frugal and watch your spending.** Lenders look at your credit history and accounts months up to your buying a house. So don't dip into your savings or get any new hard inquiries on your credit, because your credit score could nosedive. Staying steady will help your approval odds.



### Gather your financial documents.

Lenders need to verify your (and a co-signer's, if you have one) credit history, income, and assets. Be prepared with your W-2s, paystubs, two years of tax returns, bank statements, student loan docs, and credit card statements.



### Get pre-approved.

This is not the same as getting "pre-qualified." [Pre-approval](#) means when you're ready to make an offer, realtors know what you can afford, and sellers know you're serious. Pre-approval also gives you an advantage in a hot market.



### Find a savvy agent who'll work hard for you.

You want to find someone who not only understands your taste and budget, but who can help navigate the process to your benefit—from money-saving negotiations to time-consuming contracts, legalities, and paperwork.





## Pick the right lender.

Mortgages can last a long time—decades in most cases—so be sure to pick your lender carefully. They'll be approving your loan and determining the size of your mortgage, so you want to ensure they have your best financial interests at heart.

### Here are some great questions to ask:

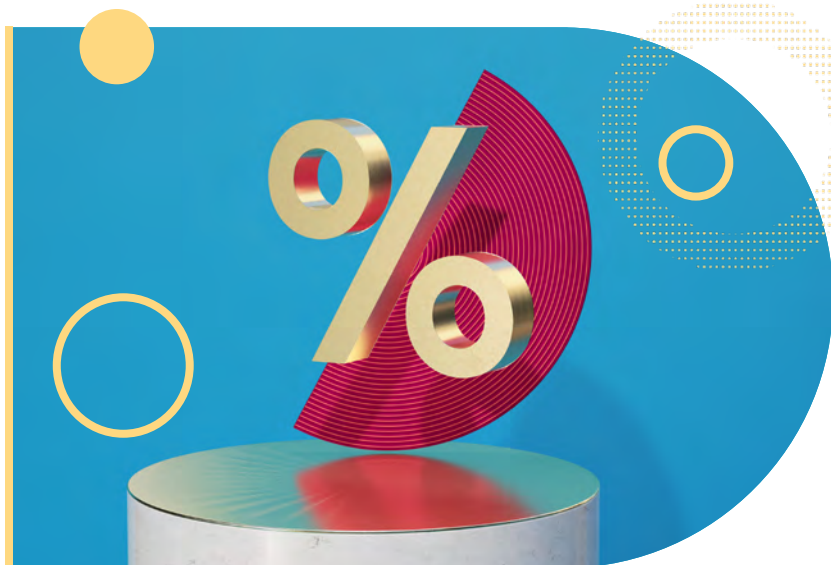
- ? Does the lender offer competitive interest rates?**
  - Check out the competition by comparing rates and fees that various lenders advertise.

- ? Does the lender offer terms and products that suit your needs?**
  - Some lenders require a 20% down payment. If you can't pay 20%, you could still qualify for an FHA loan. But some lenders require private mortgage insurance, which adds to your monthly payment.
- ? How much of the process is online versus on paper—or in person?**
  - Applying for a mortgage used to require a lot of physical paperwork, but now you can do most of it online. Choose a lender who offers your preferred process and communication.
- ? What type of origination, lender, and other fees are you responsible for?**
  - Request a loan estimate for any mortgage you're considering and an estimate of additional costs and fees. Have your lender explain any fees that you don't understand—keep in mind some fees are negotiable or can be waived.
- ? How quickly can the lender close once you're in contract?**
  - Closing times can vary based on inspections, appraisals, and paperwork. Ask your lender how much time their closing process usually takes and what you can do to expedite it.

**SoFi offers mortgage loan options with as little as 3% down for first-time homebuyers.\***

[View your rate](#)





## Determine your mortgage terms.

Once your search begins in earnest, one of your first decisions will be to decide the type of mortgage loan that works best for you. Here we break down some of the pros and cons.

### Home loan rates

#### Fixed-rate mortgage loans

A fixed-rate mortgage has an interest rate that remains the same for the entire term of the loan. If your interest rate is fixed, your monthly payments stay the same.

- + Pros**
  - Good for long-term homeownership
  - Stability and predictability
- Cons**
  - Higher interest rate than most ARM introductory rates

#### Adjustable-rate mortgage loans

Adjustable-rate mortgages have interest rates that change periodically. These loans have an introductory period of low, fixed rates, after which they vary, depending on an adjustment index.

- + Pros**
  - Good for short-term homeownership
  - Lower initial rates
- Cons**
  - Risk of rising interest rates after a fixed-rate period



### Home loan lengths

#### 30-year mortgages

A 30-year fixed-rate loan is common. Because of the longer terms, these mortgages come with a lower monthly payment than loans with a shorter term. Borrowers pay more interest over the life of the loan, but have lower payments each month.

#### 5-, 10-, 15-year mortgages

Because of the shorter term, these mortgages come with a higher monthly payment than loans with a longer term. Borrowers may pay less interest over the life of the loan, but have higher payments each month.

**30-YEAR Payment Example:** The payment for a 30-year term, loan amount \$325000, Rate 5.875%, LTV 80% is \$1922.5 for full Principal and Interest Payments with \$6334.25 due at closing. The Annual Percentage Rate is 6.102%. No prepayment penalty. Payment shown does not include taxes and insurance. The actual payment amount will be greater. Interest rates and annual percentage rates (APRs) are for informational purposes only and are subject to change without notice.

**20-YEAR Payment Example:** The payment for a 20-year term, loan amount \$325000, Rate 5.625%, LTV 80% is \$2258.64 for full Principal and Interest Payments with \$6054.75 due at closing. The Annual Percentage Rate is 5.914%. No prepayment penalty. Payment shown does not include taxes and insurance. The actual payment amount will be greater. Interest rates and annual percentage rates (APRs) are for informational purposes only and are subject to change without notice.

**15-YEAR Payment Example:** The payment for a 15-year term, loan amount \$325000, Rate 5%, LTV 80% is \$2570.08 for full Principal and Interest Payments with \$6493.5 due at closing. The Annual Percentage Rate is 5.38%. No prepayment penalty. Payment shown does not include taxes and insurance. The actual payment amount will be greater. Interest rates and annual percentage rates (APRs) are for informational purposes only and are subject to change without notice.

**10-YEAR Payment Example:** The payment for a 10-year term, loan amount \$325000, Rate 5%, LTV 80% is \$3447.13 for full Principal and Interest Payments with \$7081.75 due at closing. The Annual Percentage Rate is 5.583%. No prepayment penalty. Payment shown does not include taxes and insurance. The actual payment amount will be greater. Interest rates and annual percentage rates (APRs) are for informational purposes only and are subject to change without notice.

All information in the primary residence payment examples listed above — including interest rates, payments, terms, and availability — is for informational purposes only and is subject to change without notice.



## All that's left are inspection and closing costs.

Those house keys are almost yours. You just need to factor in the inspection and closing costs—and then you're in.

### The inspection process

If there's an inspection contingency, the next step is to hire a professional home inspector. They'll assess the plumbing, mechanical systems, and structural aspects of the home.

Once the inspection is complete, you should receive a report detailing any necessary repairs and negotiations regarding the price of the home. You may decide to schedule additional inspections that are specialized—if you choose to do so, be sure this is done within the inspection period. This is your opportunity

to pull out of the buying process if you determine the cost of repairs is too high for your budget, or if you and the seller cannot reach an agreement.

### The closing process

Generally, the closing process is relatively simple for both buyers and sellers. The complicated part comes in understanding the players involved and who will do what during the process.

Here's a breakdown of the various entities participating in the transaction:

- The **escrow company/closing agent** will calculate legal fees, transfer taxes, and **closing costs**, as well as coordinate the transfer of ownership via the deed.
- The **lender** provides documentation of the loan, including the note, the mortgage, closing fees, and other disclosures.
- The **title company** will furnish documentation of clear ownership in the form of a title insurance policy.

Prior to closing, you will need to schedule a final walkthrough. During this period, you will receive a **closing disclosure** outlining the loan terms, closing costs, etc., which you should read in detail. After you review the fees and terms, and compare the closing disclosure to the loan estimate, it can be signed by the sellers and the buyers.

## AVERAGE COSTS

### Closing costs: \$6,905\*

\*Caporal, Jack. "Average Closing Costs: What Will You Pay?" The Motley Fool, 18 Nov. 2022. [www.fool.com/the-ascent/research/average-closing-costs](http://www.fool.com/the-ascent/research/average-closing-costs).

### Inspection costs: \$300-\$500\*\*

\*\*Ten Important Questions to Ask Your Home Inspector." HUD.gov / U.S. Department of Housing And Urban Development (HUD). [www.hud.gov/program\\_offices/housing/sfh/insp/inspfaq](http://www.hud.gov/program_offices/housing/sfh/insp/inspfaq).

### Purchase closing time: 48 days\*\*\*

\*\*\*McMaster, Jody. "How Long Does It Take to Close on a House?" SoFi Learn, 7 Sept. 2022. [www.sofi.com/learn/content/how-long-does-it-take-to-close-on-a-house](http://www.sofi.com/learn/content/how-long-does-it-take-to-close-on-a-house).



## SoFi at Work makes mortgages easier.

SoFi at Work is all about making the hard stuff seem easy—and getting a mortgage is no exception. From paperwork, fees, and unexpected payments, your SoFi at Work membership can help streamline the whole process—and save you money.

### Enjoy exclusive SoFi at Work benefits

- **\$0 processing fee<sup>1</sup>**

A \$1,495 discount—only for SoFi at Work members.

- **\$500 welcome bonus<sup>2</sup>**

Enjoy a housewarming gift from us when your loan funds.

- **Platinum service**

Get the help you need, when you need it, from our dedicated team of loan officers—call us at **844-763-4466** or email **support-plus@SoFi.com**.

A **SoFi mortgage loan** isn't like every other loan out there because we realize people are as unique as the homes they buy.

### SoFi Mortgage Loan benefits

- **Your company equity counts toward your rate.**

We consider your employee restricted stock units when calculating your rate.

- **Our rates are competitive.**

Your dream home deserves real savings.

- **View your rates in minutes.**

For all mortgage—even jumbo loans—up to \$3 million.

**Get started**

[Learn more at SoFi.com/ActivisionBlizzard](https://www.sofi.com/ActivisionBlizzard)

Checking your rate will not affect your credit score.<sup>†</sup>



Products available from SoFi on the Dashboard may vary depending on your employer preferences.

**Terms, conditions, and state restrictions apply.** Before you apply for a SoFi Mortgage, please note that not all products are offered in all states, and all loans are subject to eligibility restrictions and limitations, including requirements related to loan applicant's credit, income, property, and loan amount. SoFi Mortgages may be available for primary or second home residences or investment properties. **Lowest rates are reserved for the most creditworthy borrowers.** Products, rates, benefits, terms, and conditions are subject to change without notice. Learn more at [SoFi.com/eligibility-criteria](https://www.sofi.com/eligibility-criteria). Information current as of 1/20/23.

SoFi Mortgages originated through SoFi Bank, N.A., NMLS #696891 (Member FDIC), ([www.nmlsconsumeraccess.org](https://www.nmlsconsumeraccess.org)). Equal Housing Lender. **SoFi Bank, N.A. is currently able to issue and refinance mortgages in all states except Hawaii and purchase only for New York.**

ARM interest rates and payments are subject to increase after the initial fixed-rate period (5 years for a 5y/6m ARM, 7 years for a 7y/6m ARM, and 10 years for a 10y/6m ARM; the 6m shows that the interest rate is subject to adjustment once every six months thereafter).

**At the end of 60 months (5y/6m ARM), 84 months (7y/6m ARM), or 120 months (10y/6m ARM), the interest rate and monthly payment adjust.** At adjustment, the new mortgage rate will be the average of the Interbank offered rates for one-year, U.S. dollar-denominated deposits in the Secure Overnight Financing Rate (SOFR) as published on the New York Fed website, plus a margin of 2.75% subject to annual and lifetime adjustment caps.

\*SoFi requires PMI for conforming home loans with a loan-to-value (LTV) ratio greater than 80%.

†To check the rates and terms you may qualify for, SoFi conducts a soft credit pull that will not affect your credit score. However, if you choose a product and continue your application, we will request your full credit report from one or more consumer reporting agencies, which is considered a hard credit pull and may affect your credit.

<sup>1</sup>Offer available only for customers who begin a SoFi Mortgage application through the unique landing page after 10/8/21. While the \$1,495 processing fee may appear within the application and on initial disclosures, the full \$1,495 processing fee discount will be applied and reflected accurately on disclosures at closing. SoFi reserves the right to change or terminate this offer at any time with or without notice.

**<sup>2</sup>\$500 SoFi at Work Mortgage Welcome Bonus Offer:** Terms and conditions apply. Offer is subject to lender approval. To receive the offer, you must: (1) register and/or apply through the SoFi at Work portal; (2) complete a loan application with SoFi; (3) have and provide a valid US bank account to receive bonus; (4) and meet SoFi's underwriting criteria. Once conditions are met and the loan has been disbursed, you will receive your welcome bonus via automated clearing house (ACH) into your checking account within 30 calendar days. Bonuses that are not redeemed within 180 calendar days of the date they were made available to the recipient may be subject to forfeit. Bonus amounts of \$600 or greater in a single calendar year will be reported to the Internal Revenue Service (IRS) as miscellaneous income to the recipient on Form 1099-MISC in the year received as required by applicable law. Recipient is responsible for any applicable federal, state or local taxes associated with receiving the bonus offer; consult your tax advisor to determine applicable tax consequences. SoFi reserves the right to change or terminate the offer at any time with or without notice.

Advisory tools and services are offered through SoFi Wealth LLC, an SEC-registered investment adviser. 234 1st Street San Francisco, CA 94105.

SoFi Student Loan Refinance Loans, Personal Loans, Private Student Loans, and Mortgage Loans are originated through SoFi Bank, N.A., NMLS #696891 (Member FDIC), ([www.nmlsconsumeraccess.org](https://www.nmlsconsumeraccess.org)). For additional product-specific legal and licensing information, see [SoFi.com/legal](https://www.sofi.com/legal). 2750 E. Cottonwood Parkway #300 Cottonwood Heights, UT 84121.  
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