



The Next Stage[®]

Your Relocation Homebuyer's Guide

**Moving To Advance Your Personal,
Professional, And Financial Well Being**



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America Is On The Move

People are really going places today. Americans are constantly looking for better opportunities, better climates, and better lifestyles. A recent government report says that during a one-year period, 16% of the American population pulled up stakes and moved.

Whatever type of move you're considering — a career relocation or a personally motivated move, it's going to require a lot of decision making and logistics. This guide is designed to help you ask the right questions and do the right kind of planning to make your relocation hassle-free.

Career Relocations

Putting The Right People In The Right Places

If you've been offered a new job in a different area, you've probably got some important questions on your mind. Your company does, too. Employers who ask people to relocate are interested in "win-win" results. They want the right people in the right places. And part of doing that is making sure people are happy with where they need to live. So, consider the prospect of relocation carefully and candidly.

A good way to start sorting through what it'll take to relocate is by talking to your employer. Medium to large companies tend to have standard relocation programs they use as a guideline. In most cases, they also have a team of people who specialize in working with relocating employees. This team can answer your questions, put you in contact with the company's preferred resources, and help you navigate your relocation smoothly.

Here are some of the top questions voiced by relocating employees:

What Will This Move Mean For My Career?

Relocating for a new job can often be a springboard to new levels of career success. This is especially true if the new position helps to elevate your status in the company or prepare you for future advancement. Relocation can also involve moving to a more prestigious company whose name elevates your own prestige and marketability within your profession. Here are some questions to ask yourself about any potential new assignment:

- How will this new job prepare me for further advancement in either my company or my profession?
- What's the job security in this new position?
- What new skills can this job give me or teach me that will make me more valuable as an employee?
- How does the potential for advancement in the new job compare to what's available in my current situation?

What Does It Cost To Relocate And How Will I Pay For It?

Every company has its own rules about relocation benefits, that's why the perfect place to start your relocation research is with your hiring manager or HR representative. They'll most likely be able to get you a package of relocation materials that can help you map out the costs of moving and understand which ones the company will cover.

What Type Of Assistance Can I Expect When It Comes To A Home Purchase?

As we mentioned before, benefits vary from employer to employer. Just know that if your company works with Wells Fargo Home Mortgage, you'll be in highly qualified hands.

Wells Fargo Home Mortgage is the premier provider of relocation mortgage programs nationally. Over 800 companies and organizations, including the majority of Fortune 100 companies, conduct their employee relocation business with Wells Fargo Home Mortgage. With more than 20 years experience in providing relocation financing, Wells Fargo Home Mortgage offers one of the broadest selections of product in the business. Our financing options include programs requiring little or no documentation, programs to assist foreign nationals in purchasing property, and programs requiring low down payments and even no down payments.

Here's a quick overview of what our relocation program offers to busy transferees and their families:

- Approved reimbursable closing costs that can be billed directly to your company. This helps you manage your out-of-pocket expenses and reduce the amount of cash you need for closing.
- Your loan agreement can include a 100% credit for your co-borrower's income even before he or she has found a new job.¹
- Qualified buyers may be eligible for reduced interest rates or cash to close.
- Customized relocation Web sites detail your relocation benefits and list your service providers.
- If you don't close on the date stated in your purchase contract due solely to Wells Fargo Home Mortgage's delay, we'll pay you \$1,000.² That's our **\$1,000 First Close Guarantee**.SM
(Not available on all loan transactions. Minimum number of days required, see below for details).

Relocating For A Better Quality Of Life

Longing For Greener Pastures

Looking for more career opportunities? Dreaming about returning to your beloved hometown? Wishing you lived closer to majestic hiking trails? Hungering for sidewalk cafes, fine art museums, theaters, and nightclubs?

You're not alone. There seem to be a lot of stories these days about people who've decided to pack up and move to a new locale for a better lifestyle — or just a different one. Maybe it's the telecommuting options of the digital age or the ability to use air travel to maintain relationships with friends and family. Whatever the reason, people are deciding to make changes.

If you're longing for something your current location just can't give you, moving may be the answer. And the great thing about a self-motivated move is that you get to decide where you're going to live and when the move will happen. What can be more exciting and challenging than that?

¹ Not available for self-employed, contract, or temporary employment situations. Must be greater than or equal to a 90% loan-to-value ratio (between 90.01 and 95.00% LTV, we will use 75% of income for qualified accompanying co-borrowers). Income credit subject to appraisal. Other underwriting conditions may apply.

² Not available on refinance loans, FHA, VA, or other government loans. The purchase contract must be received by the loan processor within 72 hours of the customer obtaining a signed agreement and the purchase contract must provide for, at minimum, a 14-business-day period within which to close from the date of loan approval. Does not apply to Wells Fargo Bank home equity financing.

Finding That Great Town

If you're moving back to the security of your family roots or returning to your alma mater for an advanced degree, your relocation will be much easier than if you decide to go someplace you've never been before. You may need to get used to some changes, like more development and new faces running familiar businesses. But odds are you've chosen to go back because you know the place still holds something for you. That's a good position to be in.

If you've decided that your current location is limiting your job potential, you may choose to jumpstart your career by heading for a place where your field is booming. Trade magazines and Web sites are great places to find out where the "hot" locations are for any given line of work.

If you haven't already pinpointed the area you want live in, research should be your first step. Start with your root reason for wanting to move. What exactly are you looking for? Someplace that's far from metropolitan hustle and bustle? A great place to raise a family? Your local bookstore and library have a wide variety of books and magazines that rate cities on their desirability. Just keep in mind that any rating of cities is based on what the author of the book thinks is important, which may or may not be important to you. Be sure to look beyond the ratings to find out what parameters were used to create their rating system.

Look For What's Important To You

The great thing about people is that while we all share many similarities, we're all unique. We have vastly different needs, wants, and priorities. If you don't have a clear idea of where you'd like to live, start writing down what's important in your life. Here are some questions to get you started:

- Am I just scraping by? Do I need an area with a lower cost of living?
- Am I looking for relief from the heat or the cold?
- Am I a city person at heart, or am I longing for a small town where the nights are quiet?
- What recreation and cultural events are important to me?
- How comfortable am I with the idea of being away from family and friends?
- How do my family and friends feel about the idea of me leaving?
- Is the type of work I do regionally centered, or can I find a job anywhere?

Once you list the things that matter most, try to rank them in order of importance. With that done, it's much easier to find the kind of location you need.

The Personal Side Of Any Relocation

Moving involves adjusting to change, whether you're moving across country or across town — even switching units in an apartment building means redirecting mail and setting up utilities at the new location. There are personal considerations that will more than likely be the same regardless of why you're moving. Once again, asking yourself some questions can help you put those considerations into perspective.

How Far Away Will I Be Going?

One way to gauge the level of adjustment a move is going to require is by looking at how far away it's going to take you. If you're moving someplace that's a reasonable driving distance from your current home, the promise of coming back for occasional visits can reduce anxiety and help speed the transition after the move takes place. For instance, it can be easier for children to adjust if you can tell them, "We can always jump in the car and in a few hours we can be at Grandma's."

The same goes for your own ties to family and friends.

Bigger moves bring bigger challenges, especially for close-knit families, since traveling back for visits is likely to involve expensive air travel. But instead of focusing on that, look for answers in your new locale. Find tourist attractions and other exclusive-to-the-area fun that can tempt family and friends to visit you. That way, you're not always on the more costly side of the visit.

Will I Feel Like I Belong In This New Place?

The way of life in your new location is also incredibly important. A move between Chicago and New York is a long one, but the rhythms of city life will remain essentially the same. A much shorter move between an urban and a rural county, however, could change your way of life completely. You need to think about whether you'll miss the ability to run down the street for a newspaper and coffee, or whether you won't be able to sleep because of traffic noise (or the lack of it) outside your window.

How Will The Move Affect My Family And Friends?

Moving can be an exciting adventure filled with new places to explore and new people to meet. But exciting though it can be, moving has been ranked as one of the most stressful events in people's lives. The moment you even begin discussing the possibility of a move, chances are you'll see an immediate impact on your friends and family, especially if you have children. It's very important to carefully consider the potential effect of a move on everyone involved — and that includes pets. Here are a few of the things to consider before relocating.

Will There Be Good Opportunities For Everyone?

More than likely, if someone else is relocating with you, you'll have some concerns about how to make it a positive experience for everyone involved. It may not be easy, but working through the issues can help.

Work: As we mentioned earlier, if yours is a two-career household, you need to consider what this career-advancing move will mean for both careers. Here are some of the questions you may want to discuss:

- Are there opportunities for both of you in the new locale? If not, what will happen if you put one set of career aspirations on hold?
- What would a reduction in household income, even for a short time, do to your budget?
- Are there other career doors that may be opened with the move?
- Could this move be the perfect opportunity for your spouse to become a stay-at-home parent?
- Is this an opportunity to return to school, or explore a beneficial career change?

School: American school systems can vary quite a bit — not just in things like class size and teacher quality, but also in the range of classes and activities they offer. Are your children heavily involved in a regional sport like hockey? Does 4H mean everything to them? Does a love of science make them long for sophisticated lab facilities? Are the computer resources they currently have far above average and hard to find elsewhere? If so, be sure to consider whether the school system you're moving to can meet your needs. If you're in love with an area but find the schools to be lacking, you may want to explore private schools or lessons or even homeschooling as alternatives to supplement or replace your public school choices.

Cultural Interests: No location is 100% perfect for everybody, but it's important to do whatever you can to make sure activities that have high emotional significance for you are available in your new area. Does your spouse love major league sports? Will you get the shakes without an occasional dose of Will Shakespeare? If certain cultural and entertainment options are a big part of your life, make sure you keep them in mind when you're looking for a new location.

Lifestyle: Some people's idea of heaven is a quiet evening at home in a community that offers a relaxed pace. Others need a varied selection of restaurants and nightly entertainment options. Think about the type of lifestyle and community that suits you best. With a little research, you should be able to find a place that fits the bill. Even in remote areas, you can often find nearby cultural or shopping districts that provide a satisfying amount of action. And metropolitan areas sometimes have outlying neighborhoods that offer peace and quiet without making you drive two hours to your job. To test the waters, spend a weekend in the neighborhood you're considering and try to do what you would normally do at home.

What's The Cost Of Living Like?

It's in your best interest to make sure you know as much about your new local economy as possible, especially how much it costs to live there day-to-day. This can be the biggest shock for most people. The 50 states may be one country, but local economies can differ quite a bit. While we all spend the same dollars, what those dollars buy can vary dramatically. Here are some things to consider:

- How much does it cost to heat and cool a house throughout the year?
- How much does a gallon of milk cost in both places?
- What purchases are taxed (e.g., groceries, clothing, etc.)? And what's the tax rate?
- How much does it cost to insure a car? Is there property tax related to owning a car in the area?

What Does Housing Cost?

Whether you want to be a renter or a homeowner, the price of keeping a roof over your head can differ widely from place to place. It's a good idea to compare housing costs in your new location to those in your current location. The same thing goes for rents. If you're renting now, how much are people asking for comparable apartments to yours in neighborhoods like yours? Go online and read real estate listings, check descriptions and sales prices. If you're looking to rent, check classified listings on local newspaper Web sites, then research the neighborhoods you see mentioned.

Hunting For Your New Home

You've factored in everything you need to consider. You've looked at all the possibilities for you and your family. You've done the math and everything points toward making a change. Now, it's time to make that move happen.

Is It Better To Rent Or To Buy?

Owning your own home is like having a savings account that you can live in. Every month, the payment you make on your mortgage increases your share in the home asset. Money paid for rent simply evaporates each month. Plus, research has shown that real estate has proven to deliver a highly reliable increase in value compared to other types of investing. If you're renting, those reliable returns are going into your landlord's pocket — not yours. When you add in the federal tax deductions for mortgage interest and real estate taxes, homeownership becomes an even more attractive idea.

There are, however, some advantages to renting. If you need to move frequently, if you're not at a stage of your life where you want to commit to the responsibilities or costs of maintaining a home, or if your future income is extremely uncertain, renting may be the best option. Just don't assume that renting is more affordable than owning. In fact, sometimes owning actually costs less.

Get An Edge — Become A Priority BuyerSM

If you've made the commitment to buy, the first step in any home purchase should be becoming preapproved. That means you know exactly how much you can afford to spend on your new home. And, you won't waste time and energy falling in love with properties that are out of your price range.

A preapproval or commitment letter from Wells Fargo Home Mortgage makes you a **Priority Buyer** in the eyes of real estate agents and sellers. You'll have an edge over the competition because sellers will know that you're a serious, committed buyer whose financing won't fall apart.

If you'd like to become preapproved for your home loan, call 1-877-937-9357, contact a local Wells Fargo Home Mortgage office, or visit us online at <http://www.wellsfargo.com/mortgage> and a trained home mortgage consultant will be happy to get you started.

Choose The Right Real Estate Agent

If you've become a **Priority Buyer** at Wells Fargo, your home mortgage consultant will be happy to recommend a few real estate agents who can help smooth your transition into the new neighborhood. Your real estate agent can:

- Help you establish what you want in a home.
- Search the Multiple Listing Service (MLS) and other resources for homes that match your needs.
- Show you appropriate homes.
- Provide valuable information on communities, comparable values of neighboring homes, tax rates, and building code regulations.
- Help you formulate an offer on the home you want to buy.
- Act as an intermediary between you and the seller, smoothing the negotiating process.

Interview at least two or three real estate agents over the phone. Tell them what you're interested in and ask if they can provide some additional information about area schools, taxes or some other special interest. Then see how quickly they respond and how accurately they follow your request.

In addition to having experience in the area where you hope to buy your home, the real estate agent you choose should be easy to talk to and show that he or she understands your wants and needs.

Once you've selected a real estate agent, stick with that agent even when you're looking at homes listed by others. Your real estate agent will cull through the local listings and is familiar with the homes available in your chosen area, even if they are listed by another real estate agency. Contacting a different real estate agent simply because you're attracted to a home with a "For Sale" sign or advertisement listing their name is counterproductive when you've built a level of familiarity and trust with your selected agent.

Choose Your New Neighborhood

Location is an extremely important factor in determining your long-term happiness with your new home. The right real estate agent should be able to give you a lot of information in this area. Here are a few things to think about on your own, so you'll be able to discuss them with your agent.

- Do the schools meet my needs?
- Is the commuting time acceptable?
- Are there good public recreation areas nearby?
- Will I like the nearby grocery stores or services? Am I willing to drive out of my way regularly if I don't?

Getting The Right House

Know What You Want And Need

Before you start looking for a house, think about what's most important to you. If you have a family, include everyone in this process and consider their priorities. While it's unlikely you'll find a house that satisfies every item on your dream list, it will help you and your real estate agent to know what's most important.

In addition to your family's basic needs and desires, you should also write down any strong preference you have about home styles, exterior finishes, and other aesthetics. If you absolutely don't like the flow of ranch-style houses or the size of rooms in Tudors, make a note of it. Your edited wish list will make it much easier for a real estate agent to find the perfect house for you.

Depending on available housing stock, how "hot" the market is, and how much you have to spend, you may need to make some concessions in order to purchase a home. Making a purchase, even if nothing on the market entirely fits your wants, is recommended. From an economic standpoint, it's important to make some compromises and take the leap. Once in your first home, and given time, it will be easier to move up later on.

Make The Most Of House-Hunting Trips

There never seems to be enough time during house-hunting trips, so having a clear and concise idea of what you're looking for is a great help. It's also extremely important to clear up any areas of disagreement before you visit your new location. You don't want to waste valuable house-hunting time working out differences of opinion.

If your time is limited, it's a good idea to spend most of your trip looking at different areas, rather than focusing on looking at houses first. If you only have a couple of days to look, spend the first day and a half looking at areas and the last half-day looking at houses. When you find an area you're especially interested in, try to visit the area at several different times of day. A neighborhood that looks good at noon may have a totally different feel at night.

A house-hunting trip is also a great time to test out various commuting lengths to get an idea of how far you'll be willing to travel every day in your new location. Let your real estate agent know the location of your new office before you arrive and discuss your maximum commuting time. That way, your agent can create a search radius based on that location and your maximum preferred commute time. Remember to think in terms of minutes, not miles, when you're establishing your commuting preference. Distances can be deceiving. A 30-mile commute in one area may actually take less time than a 10-mile commute in another area.

When you begin your search in a new area, it's common to feel overwhelmed by the choices you find. Considering all of the different housing alternatives available to you is a good idea.

Existing Resale Homes

This is the easiest, fastest way to find a home — and they have some great advantages. These are just a few of them:

- Mature trees and landscaping.
- Established neighborhoods with devoted long-time residents.
- More likely to be closer to metropolitan areas than new homes.
- More room to negotiate price and terms than a new home.
- No waiting for building to be finished before you can move in.

As with just about anything in life, there are also some possible drawbacks to an existing resale home. For instance, if previous owners haven't made certain upgrades over the years, you may find that the house doesn't have a lot of the things today's building codes require new houses to have (e.g., a good number of grounded electrical outlets).

Newly Built Homes

This is the choice that gives you the greatest amount of control over getting exactly what you want. Here are some other advantages:

- Conform to today's building codes.
- Reflect the latest in modern architecture and layout.
- More energy efficient in design.
- Have the ability to be customized fairly easily.
- Can offer the opportunity to build friendships based on sharing the new-to-the-neighborhood experience with other newcomers.

This option also presents the greatest possibility for inconvenience. Longer time lines, cost overruns, and delayed move-in dates can all be part of building a new home. Plus, you may also have a period of time where you'll need temporary housing while waiting for the home to be completed.

Renovating An Existing Home

Renovation is an excellent choice if you find a house that "could be perfect, if only...." By adding a bedroom or remodeling a kitchen, a so-so house can become the home of your dreams. This is especially attractive from a financial standpoint if you can move into the house and live there during renovations. This path also offers a way to go if you're handy with home repair and can't quite afford the area you've chosen.

Home Financing Options

Which Option Is Right For You?

Today it seems there are as many different types of home financing as there are different types of homes. And Wells Fargo Home Mortgage offers one of the widest selections of home financing options available in the industry. In fact, we provide funding for one out of every eight³ homes financed in the United States.

Whether you're all set to buy or just trying to figure out what you can afford in your new location, we can help. We are a leading resource for relocating homeowners, and we can help you make all the right choices. Our home mortgage consultants can customize a mortgage to your unique needs, drawing from one of the industry's broadest selections of products — including our exclusive **Home Asset Management**SM Account which combines a first mortgage with an expandable home equity line of credit⁴.

³ Based on 2003 year-end statistics by *Inside Mortgage Finance* 1/30/04.

⁴ Home equity line of credit in **Home Asset Management** Account offered by Consumer Credit Group, Wells Fargo Bank, N.A.



In addition to all the conventional loan options, we offer special programs that overcome obstacles such as credit issues, hard-to-document income, or lack of savings. Whatever your financial profile, **Personalized SolutionsSM** from our home mortgage consultants can help you capitalize on purchase opportunities through faster approvals, higher loan-to-value (LTV) ratios, and streamlined processing. We also have an attractive menu of innovative programs that include new construction financing, specialized options for homes that require renovation, and programs designed specifically to benefit our valued current Wells Fargo customers. Your Wells Fargo Home Mortgage consultant can recommend the financing solution that's exactly right for you.

Payment Alternatives

Several decades ago, lenders required homebuyers to provide a 20% down payment as protection against the possibility of the homebuyers defaulting on their loans. The invention of mortgage insurance for home purchases made with less of a down payment means that today's lenders can offer a variety of low and no-money-down options. That's useful for a range of buyers such as:

- First-time buyers who don't have the funds to invest.
- Buyers who want to keep their investment whole and use less cash upfront for their purchase.
- Buyers who need to use their cash for renovations or other move-related expenses.

Whatever your financial reasoning, there are a number of ways to finance your down payment. Your Wells Fargo Home Mortgage consultant can work with you to structure a home financing package that takes into consideration your total financial outlook.

Bridge Loans

When you relocate, you're often put into a situation where you need to buy your new home before your old home sells. This can stretch your budget, not to mention make it difficult to come up with the down payment needed to purchase the new home. A bridge loan can help.

Bridge loans typically give you up to six months to sell the current property, with interest due at the end of that period. The bridge loan can make sales contingencies, which can be deal breakers for some sellers, unnecessary by permitting buyers to use the equity in their current home for a down payment and closing costs.

Applying For Your Loan

Information And Documentation

Your home mortgage consultant will walk through the application process with you. It's a simple question-and-answer interview to complete the application. We can usually pull most of the information from your credit report and just have you validate it. The amount of information you'll actually need to provide on your own isn't overwhelming.

The documentation you'll be required to produce can vary, depending on the type of loan program you need, your credit, and the size of your requested loan in relation to your income and the home's value. If you're an excellent credit risk and your loan request is relatively small, your application for certain products may breeze through with very little documentation required. If you're already a Wells Fargo Home Mortgage customer, you may not be asked for any documentation at all.

What Happens Next

Your Wells Fargo Home Mortgage specialist will send you a commitment letter detailing the conditions of your loan approval and documenting any requirements you'll need to meet prior to closing. At the same time, the mortgage specialist will order an appraisal, if one is required. At this point, you'll have the option to lock in your interest rate or float it. Discussing these options with your home mortgage consultant is important.

Floating The Rate: You've applied for your loan but you've also decided to wait before committing to an interest rate, perhaps because you think interest rates stand a chance of going down in the short-term. Your loan can stay in a float status up until five days before closing, in most cases. During any float period, you can stay up-to-date on interest rates by signing up for the daily interest rate e-mail available on our Web site at <http://www.wellsfargo.com/mortgage>.

Locking In: You and your lender commit to a range of interest rates for a specified period of time, up to 360 days for new construction loans. During that period, your interest rate range is protected. If you close on the loan during that period, you get the rate. If you go beyond the lock-in period without closing, your loan will revert to a "float" status and be priced again based on current market rates. The rate range you get may be lower, higher, or equal to your lock-in rate range.

There are also some reasons why a rate could change even during a lock-in period. For instance, a change in your credit profile could occur, you might decide to change your down payment, or you might change your mind on how many discount points you want to pay.

Whether you decide to float or lock, you'll be taking a calculated risk. It's a tough decision, and you're the only one who can make it. Talk with your home mortgage consultant to get an idea of what interest rates have been doing recently. You should also find out if there are any economic events coming up that could affect mortgage rates in the short term.

Preparing For Closing

This simple, five-step walk-through to loan closing will help you understand the procedure and give you an idea of what to expect.

1. Appraisal

Your lender will find a professional appraiser to determine the value of the home you want to purchase. The appraisal will provide an estimate of the home's value by comparing it to others that have recently sold in the area. Lenders generally require an appraisal to ensure that the property backing the loan will cover the loan amount in case of default.

2. Home Inspection

A professional home inspection is recommended for every homebuyer. In some cases, a home inspection may be required as part of your home financing approval process. At minimum, the inspection should cover all the home's major systems and structural elements, including the foundation, electrical system, heating and cooling systems, insulation, roofing, plumbing, and all exterior features.

3. Title Insurance

There are two types of title insurance: one protects the lender and one protects the borrower from claims against your ownership of the property.

Such claims may be made by: undisclosed spouses, heirs of previous owners, creditors holding liens against previous owners, or other parties. Your lender will most likely require you to purchase a title policy, which will cover their interest in the property.

It's up to you if you would like to purchase a policy to protect your interest in the home. Your home mortgage consultant will be able to recommend a title insurance company who can provide you with additional information about the policies available in your area.

4. Homeowners Insurance

Did you know that most mortgage lenders, at closing, require proof that you've purchased homeowners insurance? Wells Fargo Insurance, Inc. is ready to help you protect your home with customized insurance through the **Wells Fargo Select[®]** Homeowners Insurance Program.⁵

In the event of a loss such as a fire, tornado, or burglary, homeowners insurance can pay for damages to the home, as well as for costs to repair or replace contents. If the home is damaged and becomes uninhabitable, homeowners insurance can cover additional living expenses for a period of time while your home is being repaired. Homeowners insurance can also protect you from loss if someone is injured or their personal belongings are damaged while on your property.

It's protection that's just right for you, because it's tailored to your individual needs.

Call 1-800-237-1515 for a free, no obligation consultation and price quote. Wells Fargo Insurance will customize a program and provide proof of insurance in time for your closing.

5. Closing

At your closing, you'll go through all the final steps of securing your new loan. The most important thing to know is that all closing costs must be paid in full at this time. Make sure you work closely with your attorney and home mortgage consultant to find out exactly how much you'll have to pay at closing. At Wells Fargo Home Mortgage, we'll work to make sure no last-second surprises affect your closing.

⁵ Wells Fargo makes insurance available through Wells Fargo Insurance, Inc. or licensed affiliates. CA license #0831603.

- **Not insured by FDIC or any federal government agency.**
- **Not deposits of or guaranteed by any bank.**

Coverage may not be available in all states or for all properties.

Selling Your Current House

Choosing A Listing Agent

When you are relocating, you'll probably need to sell as quickly and efficiently as possible. Most people can't afford to buy a new home until they sell their current one. A good home sale starts in the same place as a good home purchase — with a top-notch real estate agent.

Start by asking your home mortgage consultant, friends, family, and co-workers for recommendations. Pay attention to the “For Sale” signs on homes in your area. Look through the ads in the paper to see if there are a couple of names that appear consistently.

As you get your list of prospective agents together, you'll want to select a few to interview. You need to be comfortable with your agent. They'll be an excellent resource for you to help you get the most out of your home sale. Make certain you have an aggressive listing agent who knows your market, can price your home well, and will work at marketing your home.

Sprucing Up For Buyers

If you've been putting off any small cosmetic jobs around the house, now's the time to do them. Touch up the paint and repair any minor holes or cracks. You want to show people that your home is well maintained. Pay special attention to the outside front of the house and the front entryway. Those areas have the biggest emotional impact on potential buyers. If you have a place to store little-used items, get them out of sight. Clutter and excess stuff make your home look smaller and unappealing. And finally, clean the house from top to bottom — especially bathrooms and kitchens.

Building A Time Line For Your Move

Establishing a time line involves striking a balancing act between when you'd like to move and how much time you need to get ready.

If your move is job-related, you'll need to start with your job start date and work backwards. You may be able to negotiate some time for your move before you start, but if you need to begin work right away, you may want to consider moving into temporary housing in order to give yourself enough time to get to know the area and find a home.

In addition to job start dates, consider these things in timing your move.

Where Will My Children Finish The School Year?

It's fairly typical for families to move at the end of a school year, but some experts actually recommend moving during the school session to avoid the possibility of a “friendless summer” and two months of anxiety leading up to the first day at a new school. Moving during or just before the start of the school year also means the possibility of immediate access to activities your children enjoy.

How Quickly Can We Get Into Our New Home?

If you are buying a newly constructed home or a home where the sellers need to find a new home, the closing date may be delayed. Also, the time line between offer acceptance and closing can vary from state to state. Check with the real estate agent in your new area to get a realistic estimate of how long it will take to close your purchase deal and take possession of the house.

How Quickly Can We Sell Our Current House?

Real estate agents have access to very accurate figures on how long a typical house in your area takes to sell. Tell your listing agent your ideal time line for the sale. Depending on the market, there may be things you can do with your asking price and marketing strategy that can lead to a faster closing.

Should We Consider Temporary Housing?

If it becomes obvious that your moving time line isn't going according to plan, you may need to consider looking into temporary housing in your new location. This is a good idea to look into if:

- There's a substantial gap between the time you want to move and the time your new house can be ready.
- You don't feel that you know the area well enough to choose the right neighborhood yet.
- The cost of temporary housing isn't prohibitively expensive.
- Temporary housing is available in a size large enough for your family.
- Temporary housing is available in an area you're willing to live in.
- There are a lot of rentals on the market — this means you can probably negotiate less than a one-year lease or could find a sublease from someone else.
- It's taking a long time to sell your current house.

Making The Move

Once you find a home in your new community, you can start concentrating more on the move itself. If you are doing a corporate relocation, the work of finding a moving company may be taken care of for you. But that doesn't mean that everything will be handled. Here are some of the things to think about:

- Who will do the packing and unpacking?
- Will I need additional insurance on my household goods?
- How long will those household goods be in transit, and what will we do without them?

Choosing A Professional Mover

You need to be able to trust your mover. In a corporate relocation, your company often chooses the moving firm you'll be using — a vendor with a vested interest in providing good service that generates repeat relocation business. But if the choice is up to you, here are some things you can do to increase the odds of hiring a reputable mover:

- Use a moving company with a long history in the moving business.
- Use a company that has a considerable supply of equipment, manpower, and facilities.
- Check them out with the Better Business Bureau.[®]
- Ask for 3 to 6 references of people they've recently helped, and call the references.
- Find out what, if anything, the company does to screen its employees.
- Find out if there is a professional association for moving companies in your state that can recommend a member company that meets their standards. If you're moving between states, look for a household goods mover registered with the Federal Motor Carrier Safety Administration, <http://www.fmcsa.dot.gov>.

Packing

If your moving company is handling your packing, they should arrive prepared with plenty of good quality materials for the job. If you choose to pack your own belongings, treat the packing job as if you were a professional. Here are some quick tips:

- Don't skimp on box quality or padding.
- Number your boxes and keep a good list of what's in each one.
- When you're deciding which things can be packed together, take a careful look at how breakable each item might be.

Moving Insurance

Don't assume that standard moving insurance will be adequate. The basic plans only offer a few cents per pound for coverage. Get a realistic level of protection for your belongings by upgrading your moving insurance to declared value or full value protection.

A Few Moving-Day Tips

The most important thing you'll need on moving day is a sense of humor. Things are bound to go wrong, and there's little if anything to be gained by getting upset when they do. Just roll with the punches. This is especially important if you have young children moving with you. If you're feeling edgy and upset, they can very easily pick up on that mood, making an already challenging day just that much tougher.

You should also pre-pack your car and bags the way you would for any long trip. Take a cell phone, plenty of snacks and beverages, a first aid kit, a blanket, and any other survival supplies you might need. If you're moving in winter, make sure you bring along enough cold-weather gear for everybody and snow gear if there's a chance of hitting snowy weather while you're traveling.

You may also want to bring along anything you don't feel comfortable entrusting to the movers, like rare antiques, jewelry, cash, expensive collectibles, or works of art. You may also want to carry some of your most cherished family photographs with you, just in case anything happens to your belongings in transit.

Finally, if you can't ship them securely in advance, you'll want to take along a collection of important papers such as passports and medical records.

Special Considerations For Pets

If you're moving with pets, there are a few things you should do to prepare them for the move:

- No more than a week before the move, take your pets for a complete checkup by a veterinarian certified by the U.S. Department of Agriculture. This certified checkup is sometimes required before taking pets on an airplane or before crossing certain state lines.
- Feed your pet a very light meal before traveling.
- Keep your pet in a snug and secure carrier both for its protection and to help it have a greater sense of security.
- Be sure to always have plenty of fresh water available.
- Plan to give dogs exercise every couple of hours.
- Be wary of giving pets tranquilizers to keep them calm during the trip. Such medications can sometimes have the opposite effect and make pets excitable.

Making Yourself At Home

Don't Put Your Life On Hold: The best way to adapt to a new place is to jump in with both feet. Even if you're biding your time in temporary housing, try to make new friends and get involved in the community right away. Finding playgroups for your children, places of worship, and volunteer opportunities are all good ways of starting to connect with a new community.

Find Your Way Around: Make it your mission to become an expert on your new locality. Buy a really good map of the area. Visit community Web sites. Talk to "welcome wagon" groups. Make it a point to explore at least one new area each week. Before you know it, locals may be asking you what's going on around town.

Enjoy The Adventure: Moving is the beginning of a new chapter in life. Relocation can be a change that leads to great success and exciting discoveries. Most important — it can lead to new levels of happiness for you and your family.

Getting Help From The Tax Man

Consult a tax advisor about ways the IRS may be able to help you deal with moving expenses.

If you take a new job in your new location within one year of moving, chances are very good that much of your moving expenses will be deductible. Even if you move in advance, and the rest of the family follows after the first year, you should still be able to deduct the family's moving expenses.

Generally, you can deduct any move if your new job is at least 50 miles further away from your old home than your old job was. In other words, if you used to live three miles from work, you would have to take a job that was at least 53 miles away from your old home to be able to deduct moving expenses.

Plant New Roots With The Help Of Wells Fargo Products

If you're getting a mortgage at Wells Fargo Home Mortgage, we encourage you to explore the significant discounts you can get on a variety of bank products and services by moving your bank accounts to Wells Fargo as well. Wells Fargo Bank has 3,000 stores throughout the country. If your move is into a state outside these areas, we can help you with our award-winning online banking site.

Wells Fargo Portfolio Management Account®

To make good financial decisions, you need financial information that's easily accessible and simple to understand. Our top-of-the-line relationship account — the **Wells Fargo Portfolio Management Account (PMA®)**⁶ — saves our most valued customers time and money with unmatched benefits.

- No monthly fees on PMA-linked checking and savings accounts.
- Bonus interest rates on select PMA-linked savings and time accounts.
- No annual fee on a Wells Fargo credit card with **Wells Fargo Rewards®** program.
- Free online statements.
- Discounts on safe deposit boxes (where available).
- And more!

Our **PMA** also features a combined monthly statement that will simplify financial management by putting all of your vital account information in one place.

⁶Wells Fargo Portfolio Management Account is offered through Wells Fargo Bank, NA. Member FDIC.

Get A Home Equity Loan Or Line Of Credit Along With Your Mortgage

Home equity is a powerful financial resource. It can help you finance home improvements, pay college tuition, or meet other large expenses. It's quite common for new homebuyers to spend upward of \$10,000 during the first few months after purchasing their home.

If you're unsure of your cash flow, you may want to set up a home equity line of credit⁷ at the same time you close on your home mortgage. The interest you pay may be tax deductible,⁸ unlike most credit cards and other loans.

If you know you'll be making major improvements on your new home right away, you may want to consider a home equity loan. An additional, and very common, use of a home equity loan is to eliminate the need for mortgage insurance, which you'll need to pay on your first mortgage if you're putting down less than 20%. By obtaining a home equity loan in combination with your first mortgage, you can avoid the insurance. A Wells Fargo Home Mortgage consultant will be happy to tell you whether a home equity program is right for your homeownership goals.

Easy Account Management

The following convenient special services are designed to make your investment life easier...and they're free!

Online Account Access from Wells Fargo Home Mortgage allows you to get personalized information about your loan, including details on your balance, interest rate, escrow, tax and interest data, and more.

Automatic Mortgage PaymentSM service enables you to focus on enjoying your home, knowing your mortgage payment is automatically deducted from your checking or savings account each month.

Wells Fargo Online[®] offers you the convenience and control to manage your finances anytime, anywhere you have Internet access. With free access to Online Banking, you can:

- ✓ Manage checking, savings, investments, and loans or lines of credit (including mortgage and home equity).
- ✓ Check balances and review account activity.
- ✓ Transfer funds between accounts.
- ✓ Receive your monthly statements online.
- ✓ Reorder checks.

Online Bill Pay

This service allows you to pay any individual or company in the U.S. And it's free for the first two months.⁹

- ✓ Schedule one-time or recurring payments.
- ✓ Receive your bills online (eBills) from select companies.
- ✓ Schedule e-mail alerts to notify you when eBills are received, when they're due, or when any payments have been sent.
- ✓ Organize bills by payment category, and track spending.

⁷ Home equity financing is offered by Consumer Credit Group, Wells Fargo Bank, N.A. Not all programs available in all areas.

⁸ Subject to certain limitations. Consult your tax advisor for details.

⁹ Bill Pay is free for the first two months for new customers. It remains free in any month that the combined balances in your qualifying personal accounts are at least \$5,000 at all times. Otherwise, Bill Pay is \$6.95 per month, which includes up to 25 payments per month; each additional payment costs \$0.40. Separate pricing applies to business customers. For a list of qualified accounts, please refer to http://www.wellsfargo.com/bp_waiver.



Service — How, When, And Where You Prefer

Locally: Whether you visit us in a mortgage office or at a Wells Fargo Bank branch, our home mortgage consultants are available in more than 1,800 locations doing business in 50 states. Wells Fargo Home Mortgage operates the leading retail mortgage-lending network in the country, and we are ready to meet your financing needs.

By Phone: If you're someone who prefers to apply by phone, Wells Fargo Home Mortgage can handle your mortgage application entirely by phone. Call us at 1-877-937-9357.

Internet: Visit our Web site at <http://www.wellsfargo.com/mortgage> to find out about our extensive array of products, explore mortgage options, or even begin the application process. Or simply use our

Web site for research and information and then speak to a home mortgage consultant in person or by phone. No matter how you choose to work with us, you can depend on our staff to provide you the best home-loan solutions.

Wells Fargo — The Next Stage®

For nearly six generations, the Wells Fargo name has stood for reliability, integrity, and pioneering products and services that help people manage their money and grow their assets.

Wells Fargo & Company is a multibillion-dollar diversified financial investment and consumer financial services company.

As part of the Wells Fargo family, Wells Fargo Home Mortgage, Inc. can provide easy customer access to additional products and services to help achieve new goals and realize new dreams, today and in the future. From a wide choice of mortgage options to hardworking home equity products, you'll find we're here with solutions. Give us a call, and let us know what we can do for you.

Relocation Home Wish List

Use this page to decide upon the features you want at your next address. There are many points to consider, but it's a worthwhile endeavor.

1. Style Of Home

<input type="checkbox"/> Rambler/Ranch	<input type="checkbox"/> Traditional	<input type="checkbox"/> Two Story	<input type="checkbox"/> Split Level
<input type="checkbox"/> Contemporary	<input type="checkbox"/> Modular	<input type="checkbox"/> Other _____	
2. Exterior Type

<input type="checkbox"/> Wood Siding	<input type="checkbox"/> Vinyl Siding	<input type="checkbox"/> Aluminum Siding	<input type="checkbox"/> Brick
<input type="checkbox"/> Stucco	<input type="checkbox"/> Stone	<input type="checkbox"/> Other _____	
3. Lot Size

<input type="checkbox"/> Small	<input type="checkbox"/> Medium	<input type="checkbox"/> Large	<input type="checkbox"/> Not Important
--------------------------------	---------------------------------	--------------------------------	--
4. Foundation Type

<input type="checkbox"/> Slab	<input type="checkbox"/> Crawl Space	<input type="checkbox"/> Basement	<input type="checkbox"/> Walkout
-------------------------------	--------------------------------------	-----------------------------------	----------------------------------
5. Square Feet Of Living Space? _____
6. Number Of Levels?

<input type="checkbox"/> 1-2	<input type="checkbox"/> 2-3	<input type="checkbox"/> Other _____
------------------------------	------------------------------	--------------------------------------
7. Number Of Bedrooms?

<input type="checkbox"/> 1-2	<input type="checkbox"/> 2-4	<input type="checkbox"/> Other _____
------------------------------	------------------------------	--------------------------------------
8. Number Of Bathrooms?

<input type="checkbox"/> 1-2	<input type="checkbox"/> 2-3	<input type="checkbox"/> Other _____
------------------------------	------------------------------	--------------------------------------
9. Laundry Room Location?

<input type="checkbox"/> Basement	<input type="checkbox"/> Main level	<input type="checkbox"/> Bedroom level
-----------------------------------	-------------------------------------	--
10. Separate Dining Room? ☐ Yes ☐ No
11. Fireplace? ☐ No ☐ Wood-Burning ☐ Gas ☐ Wood Stove
12. Exterior Features

<input type="checkbox"/> Deck	<input type="checkbox"/> Patio	<input type="checkbox"/> Front Porch	<input type="checkbox"/> Screened Porch
<input type="checkbox"/> Sunroom	<input type="checkbox"/> Fenced Yard		
13. Garage

<input type="checkbox"/> None	<input type="checkbox"/> 1 Car	<input type="checkbox"/> 2 Car	<input type="checkbox"/> 3 Car
<input type="checkbox"/> Attached	<input type="checkbox"/> Detached	<input type="checkbox"/> Workstation Included	
14. Central Air Conditioning

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Wall Units Okay	<input type="checkbox"/> Window Units Okay
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15. Heating

<input type="checkbox"/> Gas	<input type="checkbox"/> Oil	<input type="checkbox"/> Electric	<input type="checkbox"/> Doesn't Matter
------------------------------	------------------------------	-----------------------------------	---
16. Near Public Transportation? ☐ Yes ☐ No
17. Specific School District? ☐ Yes ☐ No ☐ Not Important

☐ If yes, name of school: _____
18. Distance To Place Of Employment? _____ Miles _____ Hours _____ Not Important

Potential Home Checklist

Print out a few copies of this checklist to use as you visit prospective homes.
Having a record of what each home offers can make your final decision much easier.

Date Seen _____
Address _____ Price _____ Property Taxes _____
Seller _____ Age of Home _____ Neighborhood _____

Style of Home

☐ Two Story ☐ Ranch ☐ Split Level ☐ Traditional
☐ Contemporary ☐ Cape Cod ☐ Townhouse ☐ Condo

Type of Construction

☐ Wood ☐ Brick ☐ Stone ☐ Stucco
☐ Vinyl Siding ☐ Aluminum Siding

Exterior Features

Roof _____ Landscape _____ Fenced _____ Porch _____
Paint _____ Trees _____ Patio _____ Deck _____
Expansion Ability _____ Other _____
Garage ☐ 1 Car ☐ 2 Car ☐ 3 Car ☐ Detached
Roof Condition ☐ Good ☐ Fair ☐ Poor
Sidewalks ☐ Yes ☐ No
Well-Maintained Neighborhood ☐ Yes ☐ No

Interior Features

Kitchen Eat-In _____ Size _____ Walls _____ Floor _____ Appliances _____
 Cabinets _____ Ceiling _____ Windows _____ Other _____

Dining Room Size _____ Walls _____ Carpet _____ Ceiling _____ Lighting Fixtures _____
 Other _____

Living Room Size _____ Walls _____ Carpet _____ Ceiling _____ Lighting Fixtures _____
 Fireplace _____ Other _____

Den Size _____ Walls _____ Carpet _____ Ceiling _____ Lighting Fixtures _____
 Fireplace _____ Other _____

Hallway Walls _____ Carpet _____ Linen Closet _____ Other _____

Total Bedrooms _____

Bedroom 1 Size _____ Walls _____ Carpet _____ Ceiling _____ Closet _____
 Other _____

Bedroom 2 Size _____ Walls _____ Carpet _____ Ceiling _____ Closet _____
 Other _____

Bedroom 3 Size _____ Walls _____ Carpet _____ Ceiling _____ Closet _____
 Other _____

Total Bathrooms _____
Master Bath Size _____ Walls _____ Floor _____ Tub _____ Fixtures _____
Guest Bath Size _____ Walls _____ Floor _____ Tub _____ Fixtures _____
Laundry Room Location _____ Washer _____ Dryer _____ Other _____

Good Closet Space ☐ Yes ☐ No
Basement ☐ Yes ☐ No ☐ Finished
Flooring ☐ Carpet ☐ Hardwood ☐ Tile

Utilities

Type of Heating
☐ Hot Water ☐ Gas ☐ Electric ☐ Oil

Insulation
☐ Fiberglass ☐ Cellulose ☐ Foam ☐ None

Central Air ☐ Yes ☐ No
Plumbing Condition ☐ Good ☐ Fair ☐ Poor
Sump Pump/Drainage System ☐ Yes ☐ No
Connected to Sewer System ☐ Yes ☐ No

Age of Heating System _____ Age/Capacity of Water Heater _____ Age of Electrical Wiring _____

Easy Proximity To:

☐ Work ☐ Schools ☐ Shopping ☐ Airport Area ☐ Industry
☐ Highways ☐ Houses of Worship ☐ Train Station ☐ Public Transportation
☐ Doctors/Dentists

Recent Sales In Neighborhood:

Address _____ Size _____ Price _____ Terms _____
Address _____ Size _____ Price _____ Terms _____
Address _____ Size _____ Price _____ Terms _____
Address _____ Size _____ Price _____ Terms _____

Pre-Move Checklist

- **Mail Delivery:** Get a change of address form from the post office and fill it out early. The change won't become effective until the date you specify.
- **Credit Cards:** As you pay your bills, look for the space for change of address. If they're contacted early enough, you won't face late charges or extra interest payments later.
- **Utilities:** Arrange to have your utilities turned off at the end of your moving day — phone, electric, gas, and cable. Also check to see if you have any deposits owed to you.
- **Deliveries:** Fuel oil, newspaper, milk, diapers, bread, and bottled water are some of the items people have delivered. Make sure you cancel them before you leave.
- **Services:** Cable TV, water softener, lawn care, garbage collection — if these are private services for you, cancel them before you leave. If they involve equipment, you may be able to save the charge for a pickup by returning it yourself.
- **Financial Institutions:** Talk to your bank about closing accounts, transferring funds, and obtaining safe deposit box contents and credit information. Make sure to cancel any direct deposit or automatic payment arrangements on accounts you're closing.
- **School:** Telephone your children's schools and find out how they handle the transfer of records. If your move is during the school year, those records could be vital.
- **Medical:** Telephone your doctor, dentist, and any other healthcare professionals you've used. Find out if you can take your medical records with you or if they will be transferred directly to your new doctor.
- **Insurance:** Let your agent know you're moving. Decide which coverage to keep and which to cancel. Since many homeowners' policies are paid ahead of time, you may be eligible for a refund. Make sure the company has your new address to expedite processing.
- **Civic/Religious/Charitable Organizations:** Let them know you're moving if you want to continue your involvement.

Glossary¹⁰

Adjustable-Rate Mortgage (ARM) – A mortgage in which the interest rate is adjusted periodically according to a preselected index.

Alternative Financing – A home financing program that accommodates borrowers with special qualifying factors, including poor credit histories.

Annual Percentage Rate (APR) – A yearly percentage rate that expresses the total finance charge on a loan over its entire term. The APR includes the interest rate, fees, points, and mortgage insurance, and is therefore a more complete measure of a loan's cost than the interest rate alone. The loan's interest rate, not its APR, is used to calculate the monthly principal and interest payment.

Appraisal – A report made by a qualified person setting forth an opinion or estimate of property value. The term also refers to the process by which this estimate is obtained.

Appreciation/Depreciation – “Appreciation” refers to the increase in a property's value, except for inflation. When a property decreases in value it is called “depreciation.”

Assessed Value – The value that a taxing authority places on real or personal property for the purpose of taxation.

Automated Underwriting – A computerized method of reviewing home mortgage applications for loan approval.

Bridge Loan – A form of second deed of trust or mortgage that is collateralized by the borrower's present home (which is usually for sale) in a manner that allows the proceeds to be used for closing on a new house before the present home is sold.

Capital Gains – Used for tax purposes, this is the capital gain you make when you sell your home. For example if you purchase a property for \$100,000 and sell it some years later for \$150,000 your capital gain is \$50,000.

Closing – The consummation of a real estate transaction. The closing includes the delivery of a deed, financial adjustments, the signing of notes, and the disbursement of funds necessary to complete the sale and loan transaction.

Closing Agent – Usually an attorney or title agency representative who oversees the closing and witnesses the signing of the closing documents.

Closing Costs – The costs paid by the mortgage borrower (and sometimes the seller) in addition to the purchase price of the property. These include the origination fee, discount points, appraisal, credit report, title insurance, attorney's fees, survey, and pre-paid items such as tax and insurance escrow payments.

Commission – Compensation for negotiating a real estate or loan transaction, often expressed as a percentage of the selling price or loan amount.

Commitment Letter – A formal offer by a lender stating the terms under which it agrees to loan money to a homebuyer.

Comparable Market Analysis (CMA) – A written analysis of houses having similar characteristics currently being offered for sale as well as comparable houses sold in the past six months. This enables you to determine if you are paying market value for a home and to identify whether market prices are rising or falling.

Contingency – A condition that must be met.

¹⁰ The terms in this glossary refer to your primary mortgage loan and do not necessarily apply to your home equity loans and home equity lines of credit.

Conventional Loan – A mortgage not obtained under a government insured program (such as FHA or VA).

Credit Report – A report detailing an individual's credit history.

Debt-To-Income Ratio – A formula lenders use to determine the loan amount for which you may qualify. Also known as the “back-end ratio.” Guidelines may vary, depending on the loan program.

Down Payment – Money paid to make up the difference between the purchase price and the mortgage amount.

Equity – The ownership interest; i.e., portion of a property's value over and above the liens against it.

Escrow – An item of value, money or documents, deposited with a third party, to be delivered upon the fulfillment of a condition. For example, the deposit by a borrower with the lender of funds to pay taxes and insurance premiums when they become due, or the deposit of funds or documents with an attorney or escrow agent to be disbursed upon the closing of a sale of real estate. In some parts of the country, escrows of taxes and insurance premiums are called impounds or reserves.

Fixed-Rate Mortgage – A mortgage in which the interest rate and payments remain the same for the life of the loan.

FICO Score – A numerical rating developed and maintained by Fair Isaac and Company that indicates a borrower's creditworthiness based on a number of criteria.

Float The Rate – This term is used when a mortgage applicant chooses not to secure a rate lock, but instead allows the note rate pricing to fluctuate until the applicant decides to lock in, usually no later than five days prior to closing.

Foreclosure – A legal procedure in which property mortgaged as security for a loan is sold to pay the defaulting borrower's debt.

Front-End Ratio – Also known as the housing expense-to-income ratio, it compares your proposed monthly house payment (PITI) to your total household gross monthly income.

Good Faith Estimate – A document which tells borrowers the approximate costs they will pay at or before settlement, based on common practice in the locality. Under requirements of the Real Estate Settlement Procedures Act (RESPA), the mortgage banker or mortgage broker, if any, must deliver or mail the GFE to the applicant.

Government Loan – A mortgage insured by a government agency, such as FHA, VA, Farmers Home Administration, or a state bond program. The loans are generally made by private lenders, such as Wells Fargo Home Mortgage.

Home Mortgage Consultant – The Wells Fargo Home Mortgage representative a homebuyer initially consults about a mortgage loan. Sometimes called a loan officer, account executive, or sales representative.

Homeowners Insurance (also called Hazard Insurance) – A real estate insurance policy required of the buyer protecting the property against loss caused by fire, some natural causes, vandalism, etc. May also include added coverage such as personal liability and theft away from the home.

House Inspection – A thorough evaluation and written report of a home's condition both inside and out. The inspection is valuable in locating any problems in a property and helps you determine the extent of renovation needed. You can use the report to have the seller make repairs or reduce the purchase price. Always use your own inspector, and do not rely solely on the seller's inspection reports.

HUD-1 Settlement Statement – A standard form used to disclose costs at closing.

Index – A published interest rate, such as the prime rate, LIBOR, T-Bill rate, or the 11th District COFI. Lenders use indexes to establish interest rates charged on mortgages or to compare investment returns. On ARMs, a predetermined margin is added to the index to compute the interest rate adjustment.

Interest Rate – The percentage of an amount of money which is paid for its use for a specified time.

Interim Interest – The interest that accrues, on a per diem basis, from the day of closing until the end of the month.

Loan Conditions – These are terms under which the lender agrees to make the loan. They include the interest rate, length of loan agreement and any requirements the borrower must meet prior to closing.

Loan Payment Reserves – A requirement of many loan programs that, in addition to funds for the down payment and other purchase-related costs, you have saved enough money to cover one or two months of mortgage payments after your closing.

Loan Settlement – The conclusion of the mortgage transaction. This includes the delivery of a deed, the signing of notes and the disbursement of funds necessary to the mortgage loan transaction.

Loan-To-Value (LTV) – The ratio between the amount of a given mortgage loan and the lower of sales price or appraised value.

Margin – The set percentage the lender adds to the index rate to determine the interest rate of an ARM.

Mortgage – The conveyance of an interest in real property given as security for the payment of a loan.

Mortgagee – The lender on a mortgage transaction.

Mortgage Insurance (MI) – See Private Mortgage Insurance (PMI).

Mortgage Specialist – The Wells Fargo Home Mortgage employee responsible for collecting the completed application and all supporting documents before the entire loan packet is submitted to underwriting. Also known as a processor.

Mortgagor – The borrower in a mortgage transaction who pledges property as security for a debt.

Multiple Listing Service – A computer-based shared listing service for real estate agents that provides descriptions of most of the houses for sale in an area.

Nonconforming Loan – Conventional home mortgages not eligible for sale and delivery to either FNMA or FHLMC because of various reasons, including loan amount, loan characteristics or underwriting guidelines.

Note – A general term for any kind of paper or document signed by a borrower that is an acknowledgment of the debt, and is, by inference, a promise to pay. When the note is secured by a mortgage, it is called a mortgage note and the mortgagee (lender) is named as the payee.

Origination Fee – The amount charged for services performed by the company handling the initial application and processing of the loan.

Points – A one-time charge by the lender to increase the yield of the loan; a point is 1% of the amount of the mortgage.

Preapproval – A written commitment from a lender, subject to a property appraisal and other stated conditions, that lets you know exactly how much home you can afford.

Prepays – Closing costs related to the mortgage loan which are collected at loan closing, including per diem prepaid interest and initial deposits of monthly escrows of taxes and insurance.

Principal – The amount borrowed or remaining unpaid; also, that part of the monthly payment that reduces the outstanding balance of a mortgage.

Priority BuyerSM – A Wells Fargo Home Mortgage customer who has been preapproved for their mortgage loan amount.

Private Mortgage Insurance (PMI) – Insurance written by a private company protecting the mortgage lender against loss resulting from a mortgage default.

Processing – The preparation of a mortgage loan application and supporting documentation for consideration by a lender or insurer.

Rate Cap – The limit of how much the interest rate may change on an ARM at each adjustment and over the life of the loan.

Rate Lock – The borrower and the lender agree to protect the interest rates, points, and term of the loan while it is processed.

Real Estate Agent – A salesperson, usually licensed by the state and supervised by a broker. Agents work solely on commissions earned by selling properties.

Realtor[®] – Person licensed to sell or lease real property acting as an agent for others and who is a member of a local real estate board affiliated with the National Association of Realtors.[®]

Return On Investment – The percentage of capital gain that you make on an investment. For example, say you invest \$1,000 into a property and a year later it is worth \$1,500. Your return on investment equals the profit (\$500) divided by the initial investment (\$1,000) or 50%.

Title Insurance – An insurance policy that protects a lender and/or homebuyer (only if homebuyer purchases a separate policy, called owner's coverage) against any loss resulting from a title error or dispute.

Truth-In-Lending Statement – A federal law requiring full disclosure of credit terms using a standard format. This is intended to facilitate comparisons between the lending terms and financial institutions.

Underwriting – Analysis of risk, determination of loan eligibility, and setting of an appropriate rate and terms for a mortgage on a given property for given borrowers.

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