



Purchasing a New Home: What do I need to Know?

Buying a New Home is a significant decision, and so is choosing a mortgage lender. Caviness & Cates works with a group of Participating Lenders that offer a variety of mortgage options at competitive rates to help you buy your home.

What are the benefits of Buying vs. Renting a home?

There are many benefits to buying a home rather than paying rent. Depending on the home you purchase, your monthly house payment could be higher, the same as or less than the rent you're paying depending upon the loan amount and the type of loan you may qualify for. Buying a home may also help you avoid the ups and downs of the rental market.

I am a first time buyer. How much do I need for a down payment?

Down payment requirements vary by mortgage product. Our Participating Lenders offer various down payment options, including zero down payment mortgage options.

What are my first steps to prequalify for a mortgage?

Before shopping for your new home, talk to one of our Participating Lenders. Here is what they will need from you. Applicant name(s), current address, estimated annual household income, estimated monthly household debt. Mortgage pre-qualification is an assessment to determine whether your income and debt-ratio may fit a current mortgage loan program and provides an estimated amount you may be able to borrow. If you prequalify, a letter is provided and can be given to your New Homes Sales Specialist as a sign of confidence that you are a serious homebuyer. This is not a mortgage loan approval or commitment to lend.

What else other than principal and interest is included in my mortgage payment?

Homeowners Insurance – As a condition of your loan closing, you will be required to purchase homeowner's insurance which protects you against loss as a result of property damage. Your Participating Lender Loan Originator will inform you of the type of coverage you need to meet this requirement. Be sure to share this information when you shop for homeowner's insurance to ensure your coverage is adequate and that all policy and loss information is accurate.

Property Taxes – Local governments assess taxes on residential properties based on the property evaluation for their area. Homeowners are responsible for paying their property taxes when billed unless they have established an escrow account with the mortgage lender, who will collect payments from the homeowner on a monthly basis as part of the monthly loan payment and make them on the borrower's behalf. When you apply for your mortgage, talk with a Participating Lender Loan Originator about which option is best for you.

How much can I borrow?

One of the first steps in buying a house is determining your budget. Our Participating Lender Loan Originator helps to determine how much you may be able to borrow.

Facts to consider when choosing a lender:

Performance at closing: Loans on a new construction home take additional care and handling. Unfortunately, 90% of all loans that do not close on time occur with non-participating lenders. This is typically because of individual lender guidelines and lack of communication. Caviness & Cates' Participating Lenders, closing Attorneys and staff are trained in our processes, have regular and constant communication with Caviness & Cates and are committed to your customer experience.

Participating Lender Commitment: When you choose to work with a Participating Lender, not only do you receive financial concessions but you receive the additional benefit in a lender who is working for you and committed to Caviness and Cates. If a problem arises with a Participating Lender, Caviness & Cates has the relationship in place to assist in helping clarify and resolve issues to get you in your home on time. With a non-participating lender, Caviness & Cates does not have a communication structure in place that can assist you. If you are considering working with a lender that is a large corporate entity, or does not have local processing staff that can assist you at time of closing and adequately support the closing process, you may receive customer service that is less than desired when it is most needed.

Caviness & Cates does not receive any financial gain when a customer chooses to use a Participating Lender. The only financial gain is to the buyer. The Participating Lender available for your community shares a common goal with Caviness & Cates, and is committed to providing our customers with a competitive value and an exceptional customer service experience.

Please consult with a Caviness & Cates New Homes Sales Specialist to get a list of Participating Lenders for your area.