WELLS FARGO HOME MORTGAGE

Homebuying options to help you move forward

Your repeat homebuyer's guide

Together we'll go far

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Moving up

Whether you're ready or not, as life changes, so do your housing needs. Families grow. Careers unfold. Lifestyles shift. One way or another, your circumstances change, and you may find yourself looking for a more comfortable home, one that's in a new locale, or just a better place for your current living pattern.

At Wells Fargo Home Mortgage, the home financing process has changed, too. Our vast menu of home financing options includes fast approval decisions, low down payment programs, and flexible rate, term, and closing cost options. Start the application process when and how it's convenient for you—online, over the phone, or in person.

Financing a home is not a once-in-a-lifetime decision, and the financing package you used to buy your first home may not meet your needs the next time around. Our experienced home mortgage consultants will help you find a home financing option that supports your current and future homeownership goals.

The majority of American homeowners purchase multiple homes in their lifetimes. Each time you buy a home, you need to reevaluate your needs and goals. So whether you are trading in your first home for a larger one nearby, relocating for the tenth time, or looking to move to a new area for a lifestyle change Wells Fargo Home Mortgage is here to help. As the nation's #1 residential mortgage lender, providing funds for approximately one out of every seven homes financed in America, we have the products and the knowledge to help you reach your dreams.[1]

1. Based on 2010 year-end statistics by *Inside Mortgage Finance* 1/28/11.

Finding the right home

Should I buy or build?

One of the first decisions you will have to make in your home search is whether to purchase an existing home or build a new one. Each approach provides unique advantages, and your individual lifestyle, financial goals, and schedule will determine which works for you.

Common reasons for moving up to a newly built home include:

- New homes are built with new materials and appliances, so they typically require less maintenance than resale homes.
- They often must provide more safety features and fewer health hazards in order to conform to today's building codes.
- New homes are usually well-insulated due to better windows, more efficient heating and cooling equipment, and greater use of insulation.
- They can be easier to customize than resale homes because you choose many details ranging from floor plans and paint colors to faucets and light fixtures.
- New homes are more likely to be wired with new technologies in mind, such as multiple phone lines, high-speed Internet connections and extra cable outlets.

Existing homes, on the other hand, are attractive to many buyers for the following reasons:

- Older houses and neighborhoods may have more character and charm.
- They typically have more land than newer properties due to changes in land-use patterns.
- The homes are often in older, more convenient metro areas rather than in outlying suburbs.
- They tend to be less expensive than new properties and more likely to include items that may cost extra with a new home, such as blinds, landscaping, built-ins, etc.

Depending on the state, resale homes may have lower property tax rates. Consult your tax advisor.

If you decide that a newly built home is right for you, remember that a construction project requires careful planning. To make sure yours goes smoothly, keep a few basic tips in mind:

- Decide which features you want in advance. Consider whether you want to customize the floor plan or even order particular home appliances through the builder.
- Check the builder's reputation. Your local Better Business Bureau, builders association, and newspaper all provide listings for builders. You can check out prospective builders by visiting their construction sites, getting references from previous clients, talking to real estate agents, or even hiring a general contractor for an assessment.
- Consider signing a written contract. Many homebuyers sign contracts with builders that detail the house model, building options, materials, payment schedules, timing for completion of construction and how to resolve disputes. Consult with your real estate professional and lawyer to help you through the contract and negotiation process.

Wells Fargo Home Mortgage is the nation's #1 lender to buyers of newly constructed homes with a variety of financing programs designed for borrowers who are building their homes from scratch.[2] Once you decide to build a home, our Wells Fargo Home Mortgage consultants can help you find a financing program to match your needs.

Ask about one of our most popular construction loans:
With the **Builder Best®** program, you can protect yourself from rising interest rates while your home is under construction and enjoy the flexibility of our adjustable-rate loan products.

- **Large loan amounts.** To $2 million on intermediate adjustable-rate mortgages
- **Safety.** Lock-in option up to 12 months[3]

2. Based 2010 year-end **MarkeTrac®** data.
3. A non-refundable participation fee or an extended lock fee will be required for participation in a **Builder Best®** program. The **Builder Best** program is allowed with qualified products with lock features ranging from 3 months to 12 months. Due to daily pricing variations between products, you are encouraged to work with your home mortgage consultant to ensure that pricing available on the **Builder Best** lock feature that you choose is the most advantageously priced **Builder Best** lock feature for you.

Getting ready to buy

Down payment strategies

If you are like most move-up buyers, the down payment on your new home will probably come from two sources—proceeds from the sale of your current home, and any savings you've built up in bank or investment accounts.

To maximize the cash you can put toward your home purchase, make saving a priority. If you set realistic goals and adhere to a few key principles, you can pull together the cash you need.

- **Pay yourself first.** Figure out how much you need to put away each month in order to reach your savings goal, and set that aside before attending to other expenses. Reach your goals faster with **My Savings Plan**℠, a free online tool for Wells Fargo Savings customers, that allows you to save for your goals and monitor your savings progress.
- **Avoid large purchases.** Before buying big-ticket items, ask yourself how it will affect your home purchase. If a non-essential item puts your goals at risk, put off buying it until after you've bought your home.
- **Invest wisely.** Financial investment always carries some degree of risk, and it's important to weigh that risk carefully against your goals. Wells Fargo has the products and knowledge to help you build an investment strategy that works for you.

Proceeds from the sale of your current home can also contribute to your down payment. How much you profit from your home sale depends mainly on how much you have built up your equity, which is the difference between the value of your home and how much you owe on it. To learn how much you owe on your Wells Fargo Home Mortgage loan, you may request a pay-off by calling the customer service number listed on your monthly statement. Your real estate agent can help you determine the current market value of your home.

If you're concerned that you don't have enough cash or equity to make a down payment—or even if you do have the money, but want to keep it in higher-yielding investments—we have low down payment programs that may help.

Maintaining good credit

As you know from your previous home financing experience, credit plays an important role in the mortgage approval process. Responsible credit use is an important part of the mortgage equation, no matter what your homeownership goals. A strong credit profile works to your advantage in trying to secure more favorable loan terms. Even if you have a history of paying your current mortgage on time, there are some additional steps you can take to make sure you are on solid footing:

- **Check for errors on your credit report.** You may obtain a free credit report from each of the three major credit agencies once a year online at *annualcreditreport.com*. Inspect it for incorrect or outdated entries, and report any mistakes to the credit agency.
- **Buy with cash or checks instead of credit.** If you don't have the money on hand for a large purchase, consider delaying it until you do.
- **Get rid of cards you don't use.** Having more than a few credit cards may work against you, so close any accounts that you don't need.
- **Contact creditors immediately if you have a problem.** Many creditors are willing to work with clients to help relieve difficult financial situations.

Even if you have a less-than-perfect credit history, it may not mean you have to put your homeownership plans on hold. Wells Fargo Home Mortgage provides products and programs that may help you achieve your goals.

Selling your current home

Selling a home can take just as much planning and effort as buying one. Familiarize yourself with the home-selling process ahead of time, so you can focus on getting into your next home instead of getting rid of your last.

- **Find a real estate agent.** Interview a few listing agents and find one you're comfortable with. A good agent can be the difference between a smooth sale and a stressful one.
- **Develop a home-selling plan.** It's important to set clear goals and decide at the outset how involved you want to be in the selling process. Ask about your agent's marketing plans for your home, discuss your expectations about their role and your role in selling the home, and work together to make the sale.
- **Make necessary repairs.** Walk through your home as a prospective buyer would. Check flooring, plumbing and lighting fixtures, heating and ventilation systems, roofing, and any other major features.
- **Make minor improvements.** Add small cosmetic touches that might help you sell the home. You could spruce up the entryway to make it more inviting, plant flowers in the front yard, and send belongings to storage that clutter up rooms.
- **Price your home.** Settle on a realistic price—you want your home to sell in a timely fashion, and not make buyers speculate on why it is just sitting on the market. Check sales prices of comparable homes and consider getting an appraisal to assess the market value of your home.
- **Market your home.** Work with your listing agent to attract as many potential buyers as possible. Advertise with "for sale" signs along with print and online listings, and host open houses to show off your home.
- **Close the sale.** After working through any remaining considerations, you simply need to get through all the paperwork. Your listing agent should help you compile all the necessary documents, and arrange to meet with the buyers to complete the transaction.

Mortgage essentials

Basic loan types

As you probably remember from your first round of home financing, mortgages come in a variety of types and sizes to meet a wide range of needs. Here's an overview of the most common types of mortgage programs that you can use as a reference.

Mortgage type	Key features	Customer benefits	Homebuyer profile
30-Year Fixed Rate	Interest rate remains the same for the life of the loan.	Provides protection against rising interest payments. Predictable principal and interest payments make budgeting for the future easy.	Especially attractive in a low interest rate environment and ideal if you plan to stay in your new home for at least 7 years.
15-Year Fixed Rate	Same as 30-year, but with slightly lower interest rates.	Principal is paid off sooner, saving money in interest payments	Investment-minded homebuyers who can or wish to make higher mortgage payments can build **equity** faster.
Adjustable Rate (1-Year ARM) For further ARM information, see the ***index, margin*** and ***rate cap*** glossary entries at the end of this workbook.	Interest rate (and monthly payments) can rise or fall as a result of annual rate adjustment, which occurs throughout the term of the loan in response to a changing economy.	Initial interest rate and monthly payment may be lower than that of a fixed rate mortgage.	May be a good choice in a higher interest rate environment if you need a lower rate.
Intermediate ARM	Available loan rate that provides a fixed interest rate for a designated period (3, 5, 7 or 10 years) then adjusts annually. Often referred to as 3/1, 5/1, 7/1, and 10/1 ARMs.	Initial interest rate and monthly payment may be lower than that of a fixed rate, so payments are more manageable during the introductory period. Rate is usually higher than the 1-year ARM, but payments are fixed for a longer period.	Can be a practical financial-planning tool for forward-thinking homebuyers who intend to move or refinance in 3, 5, 7 or 10 years.
Convertible ARM	Provides an option to convert your loan to a fixed rate mortgage after a certain period of time.	Advantage of a lower initial interest rate with an opportunity to change to a fixed rate when the time is right.	Good choice for homebuyers who need a lower qualifying rate today, but who may want a future without refinancing.
Renovation loan	Finances the purchase of a home and provides the additional funds to improve or renovate it.	Amount of money that can be borrowed is based on the future value of the home after improvement.	Good for the homebuyer looking to purchase a "fixer-upper" or a house that requires remodeling to accommodate family needs.
New Construction Loan	Provides two types of programs: one that finances the purchase of a newly constructed home and one that finances the interim construction plus the permanent loan.	Loans for new construction present options such as an extended rate lock.	Homebuyers purchasing a newly constructed home from a builder, or building their own home.

Customizing your home financing package

Wells Fargo Home Mortgage has an extensive array of home financing features that can help meet your needs. Your Wells Fargo Home Mortgage consultant can help you create **Personalized Solutions®** to achieve your goals.

Personalized Solutions	Key features	Homebuyer benefits
Home Opportunities℠ program	Can assist homebuyers with non-traditional or less-than-perfect credit backgrounds by requiring a low down payment, as well as expanded income, credit and debt guidelines. Additional incentives are provided for qualified public employees, such as teachers, health care workers, fire fighters, police officers, and EMTs.	Enables prospective homebuyers who might not otherwise be able to qualify for a home to buy one.
Purchase & Renovate℠ loan	Combine the costs of buying and repairing or improving a home into a single loan, in an amount based on the post-renovation value of the property.	Enables homebuyers to purchase and renovate the home of their dreams.
Blended Jumbo	First mortgage up to current conforming loan limits and second mortgage in an additional amount are used to finance the home up to 80% of the purchase price.	May enable a homebuyer to avoid a higher interest rate of a jumbo loan.
Builder Best® program	Interest rate locks of up to 12 months are available, a one-time float down option to obtain new pricing on your loan subject to our approval.[4]	Protects homebuyers against rising rates during lengthy construction time frames.

4. Change of loan product or program, change in loan to value ratio, float down or re-lock of rate will require underwriting approval. One-time float down option is available within 60-days of closing to any Lender program or relock your existing product at the current available price range. Re-lock is not allowed within 30 days of the original lock. If re-lock period exceeds 60 days, applicable extended lock fees will be assessed.

Jumbo mortgages for more expensive homes

If you are looking for a larger home, you most likely will need a larger mortgage. If you need to borrow more than $417,000, a jumbo or blended jumbo mortgage may be a good option. Jumbo mortgage programs can give you the extra borrowing power you need, but the costs and guidelines may differ from those that apply to standard mortgage loans.

Jumbo mortgages are often described as "non-conforming" loans. This term applies to any mortgage that does not conform to the standard underwriting guidelines set by Fannie Mae or Freddie Mac, the two government-sponsored agencies charged with providing funds to the mortgage industry. The guidelines, which must be met for a loan to be guaranteed by one of these two entities, for single-family home mortgages is currently $417,000 ($625,500 in Alaska and Hawaii). This limit is adjusted annually. Conforming loan amounts for certain loan products have increased in federally designated metropolitan areas.

Jumbo mortgages usually carry a higher interest rate than conforming loans. Because of the larger loan amount, and because the loan can't be guaranteed by Fannie Mae or Freddie Mac, the lender absorbs a greater degree of risk. Also contributing to the lender's risk is the fact that homes secured by jumbo mortgages may be more difficult to sell than less-expensive homes.

If the higher interest costs make jumbo mortgages unappealing, but you still need to borrow more than the conforming loan limit, you do have another option. One relatively common variation of the jumbo loan is known as a "blended jumbo" mortgage. This financing method allows you to take out a fixed-rate mortgage up to the loan limit, along with an adjustable-rate second mortgage to cover the difference. The resulting "blended" payment is often lower than what would be required for a jumbo mortgage of the same total amount.

While the lowest possible dollar amount of a jumbo loan is uniform among lenders (just a dollar more than the Fannie Mae and Freddie Mac loan limit), the highest possible amount is not as distinct. Different lenders are willing to absorb different levels of risk, and establish their own "ceiling" for jumbo mortgages. In addition to differentiating between conventional and jumbo loans, many lenders have a separate category for "super-jumbo" loans. Where the line is drawn between jumbo and super-jumbo, and how the costs and loan requirements differ, also depends upon the lender. Before you apply, ask what category your desired loan amount fits into.

Get an edge—get a *Priority*Buyer® preapproval

Before you begin working with a real estate agent or a builder, ask your Wells Fargo Home Mortgage consultant about getting preapproved.[5] As you may remember, a preapproval is a letter from us that lets you and others know exactly how much home you may be able to purchase. Getting preapproved is a smart move for serious homebuyers because it shows sellers that you come to the negotiating table ready to complete the transaction.

Preapproval provides these benefits:

- It meets the expectation of real estate agents and home sellers, who rely increasingly on preapproval to identify serious buyers.
- You know your approved amount and the price range of homes you can shop for.
- It can provide an advantage over other buyers who haven't been preapproved.
- It makes the final mortgage process go more quickly and easily, since much of the work has already been done.

It's a good idea to get approved for the maximum amount that you can qualify for, so you're prepared. However, don't let the knowledge that you *could* borrow a certain amount lead you to believe that you *should* borrow that amount.[5]

Keep in mind that you are not locked into these assumptions. Naturally, a switch to another loan type or a change in mortgage rates may affect the maximum loan amount on your preapproval.

5. 5. A ***Priority*Buyer®** preapproval is based on our preliminary review of credit information only and is not a commitment to lend. We will be able to offer a loan commitment upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal and title report. Not available on nonconforming products.

From application to closing

Once you've submitted your mortgage application and received a decision, the steps leading up to your closing will probably seem quite familiar. But it is a good idea to review them so you remember what to expect. Prior to closing on your new home, you'll need an *appraisal*, a *home inspection*, *home owners insurance*, and *title insurance*.

Appraisal

Most loan programs require an appraisal. An appraiser will give a professional assessment of the property's value based on a number of factors, including:

- Square footage, overall condition, special features, and amenities
- Home improvements
- Property location
- A review of the sales prices of comparable properties that have sold recently in your area

Home inspection

A professional home inspection can help put your mind at ease by identifying any potential issues with the home. In some cases, a home inspection may be required as part of your loan approval process. A home inspector will give a professional assessment of the property's physical condition and notify you of any existing or potential problems. 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.

You should make every effort to be present during the inspection, so you can see any problems first hand. Accompanying the inspector can make the inspection report easier to understand, and you may even get some valuable maintenance tips.

Home owners insurance

Home owners insurance will protect the investment you've made in your home. Your policy will compensate you and your lender for damage done to your home or its contents by natural hazards such as fire and wind, and will protect you from liability if someone is injured on your property.

Before you close on your mortgage, you'll be required to show proof that you have purchased home insurance. Your lender will probably require you to purchase a minimum amount of coverage, usually equal to your loan amount. You may, however, want to purchase a larger policy to make sure you're protected from additional losses.

Title insurance

There are two types of title insurance: one protects the lender and one protects the borrower.

Title insurance is purchased as protection 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 interests in the property. It's up to you to purchase a policy to protect your interest in the home. Your home mortgage consultant will be able to recommend several title insurance companies that can provide additional information about the policies available in your area.

Making your move

Relocation considerations

Deciding to relocate yourself or your family can be a major event. If you have a job transfer, you'll need to gather as much information about your new locale as soon as possible. If you're planning a retirement move, you may have more time to explore possibilities. Whether you're moving across town or across the country, it can be an exciting, but hectic experience. You're real estate agent can introduce you to the new area and help you identify the best town for your personal needs.

If you're moving with a family it's a good idea to involve them in the process as early as possible. Set aside time for family discussions to share feelings about the move, and include them in decisions over decorating and furniture purchases. To alleviate their distress over leaving friends behind, host a "goodbye old friends" party.

As you plan your move, keep these tips in mind:

- Four to six weeks before moving, take an inventory of your possessions and decide what you'll move to your new home.
- Consider donating goods you're not taking. Make sure to obtain receipts for tax purposes, and then consult your tax advisor regarding the deductibility of the donation.
- You might also want to hold a garage sale, or sell the items to the buyer of your new home — he or she could be your best customer!
- Take care of documents and valuables. Empty your safe deposit box and gather all valuables and important papers for safe transportation to your new location.
- Keep a detailed record and receipts of moving expenses and reimbursements. You might be able to deduct your moving expenses, including professional moving costs, transportation, lodging, and meals. Consult your tax advisor.
- Take your Wells Fargo accounts with you. By keeping your Wells Fargo accounts, you'll have no interruption in service, and no banking hassles. Review your accounts — at no charge — with a Wells Fargo banker to ensure they still meet your lifestyle needs. If you're also changing jobs, a banker can help you set up Direct Deposit.

Managing your investment

Building equity

As you make your mortgage principal and interest payments each month, you build equity in your home. As noted earlier in the *Down Payment Strategies* section, the term "equity" refers to the difference between the fair market value of your home and what you owe on it. For example, someone whose home has a fair market value of $200,000 and whose mortgage balance is $180,000 has $20,000 of equity.

Growth in home equity comes from two sources:

- **Paying down the principal** means that your outstanding balance declines with each monthly mortgage principal and interest payment. The amount of principal paid each month is adding to your home's equity. At the beginning of your loan term a larger part of the monthly payment goes towards interest and less principal. As your loan term continues, a larger portion of each payment goes towards principal and less to interest.

- **Home price appreciation**, or the increase in the market value of your home, also adds to your home equity.

Consider the illustration of a borrower with a $180,000 mortgage. Paying as scheduled on a 5.50% (APR 5.63%) 30-year mortgage, the outstanding mortgage balance at the end of 5 years would be $166,428.41. Now assume that the value of the house had appreciated at a 3.3% annual rate each year. The property would be worth $243,331 at the end of five years, leaving the owner's equity position at $74,831.

Building equity

Through assumed 3.3% appreciation and payment of principal and interest

	At purchase	After 5 years	Difference
Market value of the home	$200,000	$243,331	$43,331
Mortgage balance	($180,000)	($166,428.41)	$13,572
Equity	**$40,000**	**$74,831**	**$54,831**

Assumptions: 5.5% rate on a 30-year fixed-rate mortgage with a 20% down payment. No additional payments to principal. 3.3% annual rate of home price appreciation.

Using your home's equity

Because a home can represent one of the largest investments most Americans will make, it may also represent one of the largest assets. Managing your home and the equity associated with it, may provide you with a financial opportunity as your equity grows.

Borrowing against your home equity can provide you funds to make home improvements, pay college tuition, purchase a new car, or consolidate other expenses. Using your home's equity can be a smart way to borrow because the interest you pay may be tax-deductible.[6]

Home equity is usually accessed with either a *cash-out refinance* or a *home equity loan or line of credit*.

- **Cash-out refinancing** involves getting a new mortgage for an amount greater than your current mortgage balance, and taking the difference in cash. That difference is deducted from your equity. The percentage of your equity you can borrow against depends on your financial profile and on the loan program you choose.

6. Consult your tax advisor regarding the deductibility of interest.

- **Home equity loans and lines of credit** involve financing a second loan or line of credit in addition to your original mortgage, taken out against a portion of the equity in your home.[7] Like a cash-out refinance, a home equity loan gives you a single lump sum. A home equity line of credit, on the other hand, establishes an account that you can draw from as needed up to an approved maximum amount. The advantage of a home equity line of credit is that instead of paying interest on the total amount of the line, you pay interest only on what you actually borrow.

Get more from your Wells Fargo Home Mortgage relationship

Wells Fargo provides the exclusive opportunity to realize more from your Wells Fargo Home Mortgage relationship. Now, discover the convenience of managing your mortgage account with FREE access to ***Wells Fargo Online***®.

Sign on at yourwellsfargomortgage.com now, and you can:

- View your balance, payment history and escrow information
- Make a payment online, or set up automatic payments on a schedule that works for you
- Go green by moving to online-only statements
- Choose alerts delivered to your email or wireless device
- Manage your other Wells Fargo accounts using the same username and password.

Wells Fargo Online is your free, convenient, comprehensive, and secure source for the information you need to manage your home investment.

Plus, for added convenience, you can manage your other Wells Fargo accounts at ***Wells Fargo Online***, using your same username and password.

Make mortgage payments your way

Wells Fargo Online makes it easier to manage your mortgage payments. You can:

- Make a one-time transfer from checking or savings to your mortgage account.
- Set up payments to transfer automatically on a schedule that matches your payday cycle. Options include weekly, ever other week, twice a month, or monthly.
- With a Wells Fargo checking or savings account, mortgage payments can be made through a simple money transfer between your Wells Fargo banking and mortgage accounts. To transfer funds between your accounts, sign on to ***Wells Fargo Online*** and click "Transfer."

Pay your other bills through 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.[8] After that, the cost is $6.95 per month. Even better, there's no monthly service charge if you have an eligible checking account or keep a combined minimum balance of $5,000 in qualifying accounts at all times.

- 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.

Place your home mortgage needs in

7. Home equity loans and lines of credit are available through Wells Fargo Home Equity Group, a division of Wells Fargo Bank, N.A. Equal Housing Lender.
8. Bill Pay is free of monthly service fees if you have an eligible checking account. For customers who do not have an eligible account, Bill Pay is free for the first two months for new customers only, and remains free of monthly service fees if you maintain at least $5,000 in your qualifying personal accounts at all times. Otherwise, Bill Pay is $6.95 per month (includes up to 25 payments per month; each additional payment costs $0.40). For more information about eligible and qualifying accounts, read our Bill Pay Fee Waiver at www.wellsfargo.com/bp_waiver.

Helping hands

experienced hands

Your team of real estate and mortgage lending professionals wish you many happy, healthy years in your new home. We hope you'll stay in touch and let us know how you're doing. If we may be of service to you, your friends or family members in the future, please give us a call!

At your service

Benefit from the strengths of the company that provides funding for one out of every seven homes financed in the United States — Wells Fargo Home Mortgage. We're committed to providing one of the most extensive product lines in the mortgage lending industry. Whether you visit us in a mortgage office or a Wells Fargo Bank branch, our home mortgage consultants are available in nearly 2,000 locations doing business in 50 states. We are ready to help you meet your financing needs. Contact your local Wells Fargo Home Mortgage consultant today.

For over 155 years, the Wells Fargo name has stood for reliability, integrity and pioneering innovations that help people manage their money and grow their assets.

As part of the Wells Fargo & Company family, Wells Fargo Home Mortgage can provide easy access to banking, insurance, investment and consumer finance services to help our valued customers achieve their current and long-term financial goals.

What to look for in a home

Your experience as a homeowner has probably given you a good idea of what features you like and don't like in a house. Your personal tastes, and those of your family, are what will inspire your choice of homes, so the first step is to recognize those preferences and make sure you start your home search with everyone's needs in mind. Even if you're taking the "I'll know it when I see it" approach to selecting a home, it's helpful to think about what features are most important to you.

Begin by considering the factors below, and understanding the priorities of everyone who will share the house with you. Use this wish list to help clarify what you value most in a home, and give more direction to your search.

Age of home	☐ Older home	☐ New home	☐ Other		
Style of home	☐ Rambler/ranch ☐ Contemporary	☐ Traditional ☐ Modular	☐ Two story ☐ Other____________________	☐ Split level	
Exterior type	☐ Wood siding ☐ Stucco	☐ Vinyl siding ☐ Aluminum siding	☐ Brick	☐ Stone ☐ Other____________________	
Lot size	☐ Small	☐ Medium	☐ Large	☐ Not important	
Foundation type	☐ Slab	☐ Crawl space	☐ Basement	☐ Walkout	
Square feet of living space	__________________________				
Number of levels	☐ 1-2	☐ 2-3	☐ Other____________________		
Number of bedrooms	☐ 1-2	☐ 2-3	☐ Other____________________		
Number of bathrooms	☐ 1-2	☐ 2-3	☐ Other____________________		
Laundry room location	☐ Basement	☐ Main level	☐ Bedroom level		
Separate dining room	☐ Yes	☐ No			
Fireplace	☐ Yes	☐ No	☐ Wood stove	☐ Gas	☐ Wood-burning
Exterior features	☐ Deck ☐ Sunroom	☐ Patio ☐ Fenced yard	☐ Front porch ☐ Screened porch		
Garage	☐ None ☐ Attached	☐ 1 car ☐ Detached	☐ 2 car ☐ Workstation included	☐ 3 car	
Central air conditioning	☐ Yes	☐ No	☐ Wall units okay	☐ Window units okay	
Heating	☐ Gas	☐ Oil	☐ Electric	☐ Doesn't matter	
Near public transportation	☐ Yes	☐ No			
Specific school district	☐ Yes ☐ If yes, name of school____	☐ No	☐ Not important		
Distance to place of employment	________Miles	________Hours	________Not important		

House tour

Once you've identified what features you're looking for, print a few copies of this House Tour checklist to bring along as you visit prospective homes. Having a record of each home's features 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 ______________________

Interior features continued

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 ☐ Foam ☐ Cellulose ☐ 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___________

Real estate listings decoder

Browsing through real estate ads sprinkled with unfamiliar abbreviations can be a challenge. Translate home features and selling points easily with this handy Listings Decoder.

Exterior house/yard

AC	Acre
ALUM	Aluminum siding
ANQ	Antique house
ATT	Attached garage
CLPD	Clapboard
COL	Colonial
CONT	Contemporary
CRPT	Carport
DET	Detached garage
DK	Deck(s)
FEN	Fenced yard
GZBO	Gazebo
IGPL	Inground pool
MED	Mediterranean
RNCH	Ranch
RR	Raised ranch
SCPD	Landscaped
SHNGL	Shingle
SPLT	Split level
STY	Style of house
TWNHS	Townhouse

Interior rooms

BA	Bath (with #BA)
1/2B	Half bath
BR	Bedrooms (with #BR)
BSMT	Basement
DR	Dining room
FIN	Finished (attic, basement)
FOY	Foyer
FR	Family room
GTRM	Great room
KIT	Kitchen
LAW	In-law apartment
LDY/UT	Laundry/utility room
LIB	Library
LR	Living room
MBR	Master bedroom
MBRB	Master bedroom bath
OFF	In-home office
PT/FIN	Partially finished
REC/PL	Recreation/play room
RM	Room
UNFIN	Unfinished (attic, basement)

Appliances/utilities

APPL	Appliances
CAC	Central air conditioning
CK/TP	Cooktop
CMPT	Compactor
C/VAC	Central vacuum
DRY	Dryer
DSP	Disposal
D/W	Dishwasher
ELEC	Electric (with #amps)
FRZ	Freezer
HT/PMP	Heat pump
HT/WTR	Hot water heater
ICE	Ice maker
MICRO	Microwave
RAD/HT	Radiant heat
REF	Refrigerator
RNG	Range
SEC/SYS	Security system
SWR	Sewer or septic
WAR	Warranty
WASH	Washer
WHLPL	Whirlpool tub
W/OVN	Wall oven(s)
WTR	Water (city or well)

Interior features

BAL	Balcony
BLT	Built-ins
BRK	Brick
CER	Ceramic tile floors, walls
CLST	Closet (often with #)
FLR	Floors
FML	Formal (often DR)
FPL	Fireplace
HDWD	Hardwood floors
HMOD	Handicap modifications
PNLD	Paneled
SKYLT	Skylight(s)
SP/ENT	Separate entrance
VLT/CL	Vaulted ceiling(s)
WI/CLST	Walk-in closet
WU/ATT	Walk-up attic
WBF	Wood-burning fireplace

Mortgage terms

ASMT	Tax assessment
ASSUM	Assumable mortgage
FHA/VA	Financing available

Moving checklist

Fill out	☐ U.S. Postal Service change-of-address forms			
Redirect	☐ Newspaper subscriptions		☐ Magazine subscriptions	
Advise	☐ Catalog companies		☐ Book, music, and video clubs	
	☐ Educational, religious, charitable and fraternal organizations			
Arrange to turn off, or change over	☐ Water	☐ Sewer	☐ Garbage	☐ Gas
	☐ Electric	☐ Phone	☐ Cable/satellite TV	
Notify	☐ Banks	☐ Credit card companies		
	Insurance agents	**Service providers**	**Delivery services**	
	☐ Homeowners	☐ Internet	☐ Grocery	
	☐ Auto	☐ Cellular phone	☐ Pharmacy	
	☐ Life	☐ Paging service		
	☐ Health			
Contact	☐ Doctors	☐ Dentist	☐ Veterinarian	☐ Accountant ___________
	☐ Financial advisor	☐ Stock broker		
	If you are moving a great distance away, you may need to have records transferred.			
Inform	☐ City, State and Federal government agencies			
	☐ Income and property tax authorities			
Update	☐ Driver, pet and other license data			
	☐ Voter, vehicle and vessel registrations			
	☐ Business permits			

Mortgage terms

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

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 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.

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.

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 prepaid items such as tax and insurance escrow payments.

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

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

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

Credit score – A numerical rating developed that indicates a borrower's creditworthiness based on a number of criteria.

Debt-to-income ratio – A formula that compares a mortgage applicant's gross income to his/her total debt. The lender uses this to help determine the loan amount for which you may qualify. Also known as the "back-end ratio." Guidelines may vary, depending on the loan program.

Deed – The legal document conveying title to a real property.

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 account – A holding account for the amount a mortgage borrower pays each month and which the lender uses to pay for the borrower's taxes, other periodic debts against the property, homeowner's insurance and, if applicable, mortgage insurance.

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

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 ten days prior to closing.

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.

Funding fee – The amount charged on VA mortgages to cover administrative costs.

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 available through 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 meets with 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.

HUD-1 settlement statement – A standard form used to disclose all loan 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.

Mortgagee – The lender on a mortgage transaction.

Mortgage insurance (MI) – See ***private mortgage insurance (PMI)***.

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

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."

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 how much home you can purchase.

Prepaids – Closing costs related to the mortgage loan which are collected at or before 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.

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 interest rate 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.

Truth-in-lending disclosure – A full disclosure of credit terms using a standard format required by Federal law. 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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