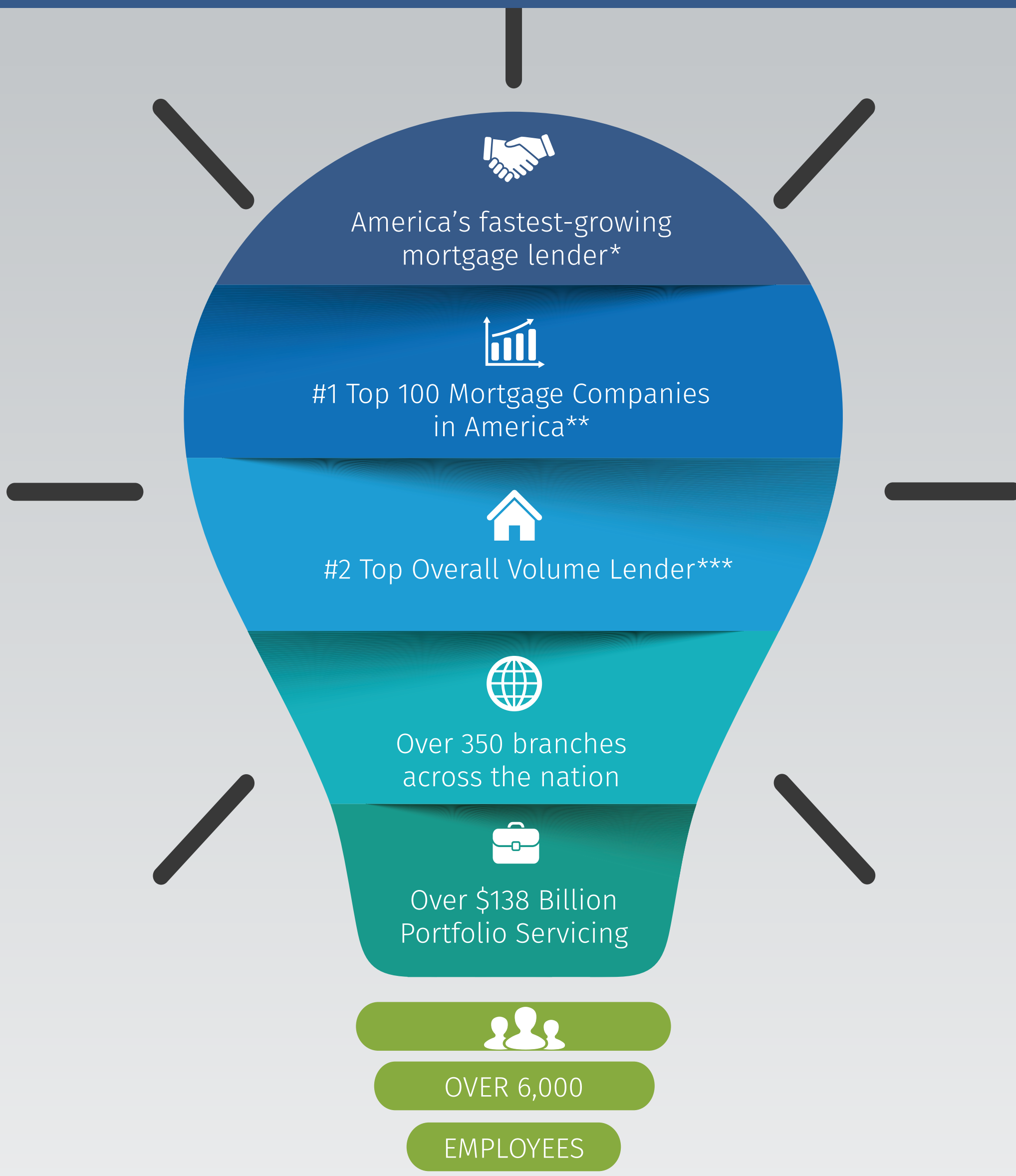
CALIBER
HOME LOANS

LET US GUIDE YOU HOME

Things To Know When Buying A Home

Imagine your next home financed by a lender with **proven strength and stability**. Caliber Home Loans, Inc. is a national mortgage lender and servicer with a uniquely innovative approach to customer service. This has enabled us to become **the fastest-growing lender** in the country.



Our numbers tell the story... **our people** make the difference.

To learn more, contact me today.

CALIBER HOME LOANS

*We do not service Jumbo or Bond Loans

What Sets Us Apart?

Caliber's status as a dedicated lender, combined with our strong financial backing, gives us more control over the products we offer. What's in it for you? Plenty!

Low Down Payment Options — Buy sooner without waiting to save for a big down payment or spending your savings.

Ability to Retain Servicing — When your loan closes, Caliber will manage your loan's monthly payments*.

Fast Turn Times — We process and underwrite our own loans with our proprietary loan origination system.

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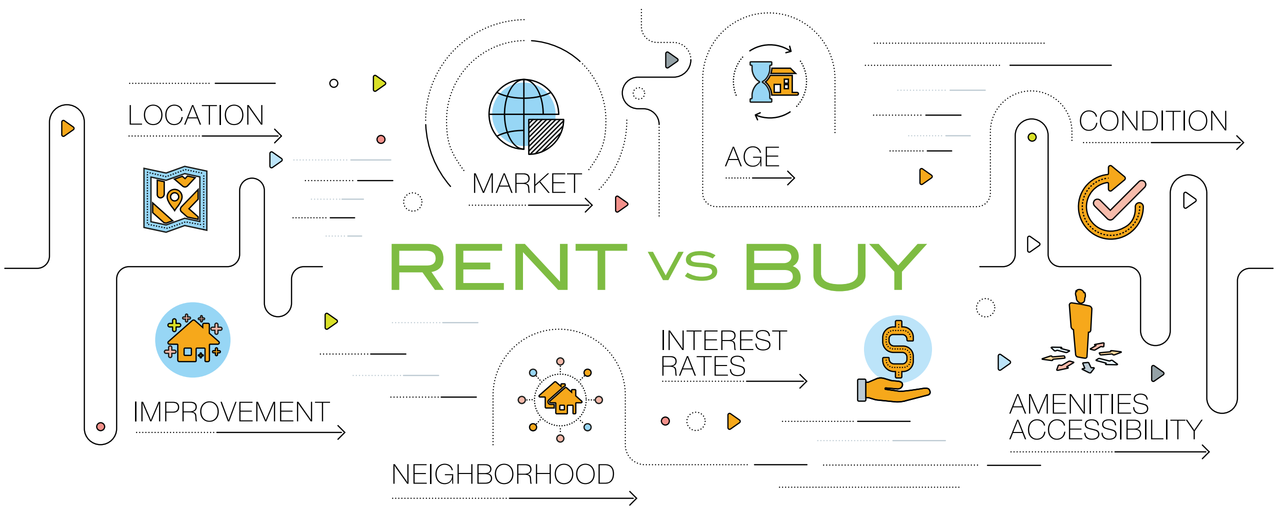
Why it’s always a smart time to consider buying a home



Mortgage interest rates dropped to historic lows in late 2012, and they’re still low – which makes it an ideal time to think about buying a home. However, there are plenty of additional reasons to buy a home of your own. Check out the table below:

Home Ownership	Life in a Rental
You’ll begin to build equity immediately	Your rent increases your landlord’s equity
Your home’s value may increase over time	If your rental property’s value increases, your rent may increase as well
Stable monthly housing costs*	Rent may increase each year
You may qualify to deduct mortgage interest and real estate taxes on your Federal tax return	You may not take these deductions
Enjoy a stable, permanent environment	Your lease may not be renewed
More privacy, plus the option to add safety features like alarm systems	Landlord may visit your rental when you’re not there. Neighbors may be too close for comfort
Personalize your home’s décor to reflect your tastes and personality	Must negotiate certain changes with landlord
Keep one or more pets	Your landlord may not permit pets, or charge additional rent and/or deposits

Caliber Home Loans, Inc. is a national lender with a growing inventory of home financing options. They include conventional, FHA, VA, and our own Portfolio loans designed to assist buyers who need non-traditional loan options.

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*Fixed payment amount does not include taxes, mortgage or homeowner’s insurance costs which may change your monthly payment over the life of the loan.

FICO® Scores, Credit Reporting and Mortgage Lending

Together with your income and assets, your credit score is an essential part of your loan application. However, credit scoring methods for mortgages are different than for credit cards and other consumer accounts.

FICO® Scores for Mortgage Lending

FICO® stands for Fair Isaac Corporation, the inventor of the analytics software that produces most credit scores. A person has three FICO® scores, one for each of the three major credit bureaus – Equifax®, Experian® and TransUnion®.

Many consumers are led to believe that they only have one FICO® score, but this isn't true. Currently, 55 different FICO® scoring models are in use. Many are industry-specific and not available to the public.* You may be able to find more information about industry-specific scoring models at www.myfico.com.

If you recently purchased your FICO® score online, it may be vastly different than your FICO® score used for mortgage loan qualification. This is because some consumer FICO® scoring models are designed to predict risk for smaller debts than the average mortgage loan.

The Big Five Credit Score Factors

Here's a short description of the five most important factors in a FICO® score, and how each one may affect your overall credit-worthiness.**

1. Payment History

This makes up 35% of your mortgage FICO® score, and is the single most important factor. It is based on your payment history, plus any actions taken by creditors. Payment history factors include:

- A variety of accounts, including credit cards, car loans, mortgages and any second liens (home equity loans and lines of credit).
- Events like bankruptcies, judgments, liens, lawsuits and any unpaid accounts put into collections or transferred to a debt collection firm.
- Details of any late payments. Two general rules apply: the length of time a payment was late, and how long ago the late payment occurred. For example, a 30-day late credit card payment will lower your score less than a 60-day late payment. And a late payment from five years ago is not as damaging to your score as a late payment made two months ago.

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2. Amounts Owed

Around 30% of your credit score falls within this category. Reviewing this can be complex, especially since many consumers carry several credit cards with varying balances, plus an auto or student loan. Generally, your score will be higher if you pay off credit cards and installment loans quickly and avoid "maxing out" your credit cards.

3. Length of Credit History

This category is equal to around 15% of your total credit score. Generally, a longer credit score will increase your score, although borrowers with shorter credit histories can still receive a high FICO® score if they've been carefully managing their credit.

4. New Credit Accounts

Although this category only affects about 10% of a FICO® score, it's best to avoid opening new accounts if you're preparing to apply for a home loan. If you've been doing some interest rate shopping, these should not affect your FICO® score as long as you did not apply for a new account.

5. Types of Credit in Use

This score accounts for the remaining 10% of your score. It looks at the types of credit accounts you've held, and how many of each. Too many accounts can have a negative impact.

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* Source: myfico.com, March 2017, http://www.myfico.com/CreditEducation/FICO-Score-Versions.aspx
**Source: myfico.com, March 2017, http://www.myfico.com/credit-education/whats-in-your-credit-score/

Factors that can affect your home loan's interest rate

Wondering what interest rate you'll be offered after you complete your loan application? This guide can help you end up with a lower interest rate by explaining how your financial and employment history affects it. Your loan's rate will be largely determined by:

SCORE

Your credit score

Higher scores earn lower rates, so be sure to check your credit reports for errors before applying for financing.

The type of property you're buying

Expensive homes may require a Jumbo loan with a slightly higher rate.

Your down payment

Higher down payments lower your loan amount and our risk.

Your debt to income ratio (DTI)

Borrowers with higher levels of monthly debt represent a higher risk to lenders, so it's smart to pay down credit card and personal debt before applying for a mortgage.

The difference between an interest rate and an Annual Percentage Rate (APR)

The Consumer Financial Protection Bureau (CFPB) defines an APR as "costs over your loan term expressed as a rate". An interest rate can be described as the "starting point" of what you'll pay for your home financing as the cost you will pay each year to borrower money. An APR is a broader measure of the cost to you of borrowing money. In general, the APR reflects not only the interest rate, but also any points, mortgage broker fees, and other charges that you pay to get the loan. For that reason, your APR is usually higher than your interest rate.

Rates go up, rates go down. Wondering why?

Your guide to national interest rate indicators

Indicator	Movement Example	Effect on Bond Market	Effect on Interest Rates	Explanation
Consumer Price Index/Producer Price Index	Index is up from previous month	Market moves down	Interest rates move up	When prices of goods increase, this is considered inflationary. This prompts the Fed to raise rates to curb inflation.
Unemployment	Figures are down from previous month	Market moves up	Interest rates move down	High unemployment indicates lack of economic expansion (anti-inflationary). This is positive for the Bond market as the Fed may allow rates to recover.
Retail Sales	Figures are down from the previous month	Market moves up	Interest rates move down	Lower retail sales are an indication of slowing economic growth, so the Fed may lower interest rates.
Gross National Product (GNP)	Index is down from the previous month	Market moves up	Interest rates move down	Lower GNP suggests that economic growth is slow. The Fed allows rates to come down to encourage spending.

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Indicator	Movement Example	Effect on Bond Market	Effect on Interest Rates	Explanation
Housing Starts	New home sales increase from the previous month	Market moves down	Interest rates move up	An increase in housing starts reflect economic growth. Prices and mortgage rates rise because of new housing demand.
Federal Reserve Lowers the Discount Rate	Discount Rate decreases	Market moves up	Interest rates move down	A decrease in the discount rate (the rate at which member banks can borrow from the Fed) decreases most other rates, as this is used by the Fed to help curb inflation.
Money Supply Figures	Figures are up from the previous week	Market moves down	Interest rates move up	Excessive growth in money supply will cause inflationary fears. In response, the Fed may tighten the growth by allowing short-term interest rates to rise.

Your guide to national interest rate indicators

Although it often seems that interest rate movements are erratic at best, these factors described in the table above can be helpful in predicting short-term interest rate movements.

However, you'll need to keep in mind that other factors not mentioned here may also affect rates, such as political and economic events in other countries. For example, when the UK's population voted to leave the European Union – aka Brexit – this affected some market rates.

Let me guide you home

Although nobody knows for sure where interest rates are headed, keep in mind that the ideal home loan will provide more than a favorable interest rate. I have the training and experience to help you make informed decisions about your home loan.

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Gather Your Documents!

ALL BORROWERS:

- W-2's for the previous two years
- Paycheck stubs for the last 30 days (most current)
- Employment history for the last two years—be sure to address any gaps of employment
- Checking and saving account statements for last 2 months, all pages; all non-payroll deposits must be documented — please make a copy of the check before you deposit it
- Most recent 2 months or 1 quarterly statements for 401(k)s, stocks, and other investments, including terms and conditions for withdrawal
- Residency history over the last two years, with name, phone number, address and account number of landlord or mortgage company
- Photo identification (valid Driver's License or Passport) for applicant and co-applicant
- Check or credit card information for appraisal fee

SELF-EMPLOYED BORROWERS ADDITIONAL DOCUMENTS:

- Copies of most recent 2 years business tax returns (with all schedules)
- YTD profit & loss statement and balance sheet
- Copy of business license or CPA contact information
- 1099s or K1 forms
- Signed tax returns from the last 2 years, all pages/ schedules

BONUS/COMMISSION/OVERTIME

- Signed tax returns from the last 2 years, all pages/ schedules

DOCUMENTS NEEDED FOR VA LOANS:

- Veteran DD214 or Veteran Reservists DD256. Additional items may be requested during the loan underwriting phase if more information is required to guarantee your loan
- Original COE (Certificate of Eligibility) if provided by VA previously

COMMON DOCUMENTS WHICH MAY BE REQUIRED IF APPLICABLE:

- For Refinances: Copy of Note, Deed of Trust or Mortgage, and Homeowner's Insurance information
- Previous Bankruptcy: Copies of Petition and Discharge, including supporting schedules A—K
- Divorce Decree and Property Settlement if applicable
- Relocation Agreement: If relocation move is financed by employer, i.e. buyout agreement plus documentation outlining company paid closing costs benefits
- Documentation supporting moneys received from social security/retirement/disability, i.e. copies of direct deposit bank statements, awards letter
- Rental property: Copies of leases, plus mortgage statement, homeowner's insurance and property tax statements

Here's some helpful tips when applying for a mortgage

Mortgage Tips

DO

Keep originals of your paystubs, bank statements and other important financial documents for the past six months. If you've gone paperless, make a new folder for your computer and keep these documents in the same place.

DON'T

Deposit any cash into your main bank account without first notifying your Loan Consultant. Any deposits that are not automated payroll deposits may require detailed documentation before we can process your loan application.

DO

Provide your Earnest Money Deposit from your personal bank account or another acceptable source of "gift funds". Your Loan Consultant can tell you all about gift funds, including acceptable sources of funds and how to manage them during a home purchase.

DON'T

Open new credit accounts or loans while Caliber processes your loan application. These include credit cards, auto financing, student loans and other lines of credit. In addition, closing a credit account can temporarily lower your credit score. This is because this reduces amounts of available credit.

DO

Provide your Loan Consultant with all documents related to your current home's sale. These may include your sales contract, closing statement, and details of your employer's relocation or buyout program if applicable.

DON'T

Close or open any new bank or investment accounts, or transfer funds between two accounts, before asking your Loan Consultant if this will adversely affect your loan's processing.

DO

Notify your Loan Consultant if you plan to receive gift funds from family members or others to help you during closing. Gift funds are acceptable with certain loan programs only if certain criteria are met. Cash advances from credit cards are never acceptable sources of closing funds.

DON'T

Make a major purchase while we're processing your loan application. It doesn't matter if these are financed, charged or paid for in cash, as all of these may put your loan application at risk. Instead, postpone these purchases until after your loan is closed.

DO

Notify your Loan Consultant if your income changes. Here are some examples: a salary raise, promotion, transfer or change of pay status. An example of a change in pay status is moving from salary to commission.

DON'T

Change your job or employer without consulting your Caliber Loan Consultant. Even if your new job promises to pays more, the move to a new employer may have a negative impact on your loan application.

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Your Mortgage Loan Steps

Steps required for a typical residential mortgage.
Timing and steps vary according to your personal circumstances.

Step 1

- Credit Pre-qualification Review
- Credit Report Ordered
- Income, Assets, Credit Documents Requested & Received.
- Pre-Qualification Provided

Step 2

- Purchase Contract Received
- Submit Loan Application
- Borrower Receives Loan Estimates
- Home Inspection Completed
- Appraisal & Title Ordered

Step 3

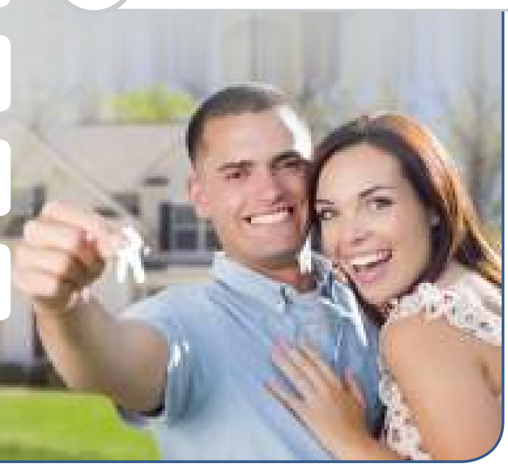
- Lock Interest Rate
- Appraisal & Title Work Received
- File Reviewed by Loan Processor
- Loan Package Submitted to Underwriting
- Gather Conditions
- Receive Final Loan Approval
- Borrower Receives Closing Disclosures
- Notify Realtors, Borrowers & Escrow
- Loan Documents Ordered

Step 4

- Loan Documents Prepared & Sent to Escrow
- Loan Documents Signed & Returned
- Loan Funds
- Loan Records

Move in

Congratulations!
You're a homeowner!



What you need to know about an Escrow Account

Home ownership not only brings joy and a place to create new memories, but also new responsibilities. As a first-time homebuyer, one of the many questions you might have is “How does an escrow account work, and why do I need it?”

What — An escrow account (also known as an “impound account”) is a separate account set up by your lender to collect the funds needed to pay property taxes and insurance premiums on your behalf. These amounts are typically paid in a lump sum to your taxing authority and insurance company once or twice a year. With an escrow account, instead of you making a large payment at that time, your lender divides the annual cost into a monthly amount that is collected along with your mortgage payment. Since taxes and insurance premiums often change annually, your lender will collect an additional amount of money each month to cover any temporary shortfall when the premiums are due.

When the tax or insurance bill is due, your lender will make this payment on your behalf from the escrow account funds that were collected each month. Most homeowners appreciate the convenience of an escrow account, as its monthly premiums can be easily incorporated into a monthly budget.

When — An escrow account is necessary for most first-time homebuyers. This is a common requirement when a loan’s down payment amount is less than 20% of the home’s appraised value. An escrow account may also be a legal requirement for certain types of home loans, or if your home requires flood insurance.

Why — Most lenders charge an additional 0.25 point fee for borrowers who opt out of an escrow account. Having an escrow account ensures that a sufficient reserve has been built up to pay the amounts due for taxes and insurance. Because they realize that making large tax and insurance payments once or twice a year can be a substantial burden on homeowners, lenders are concerned about the additional risks assumed by both homeowner and lender when the homeowner opts out of an escrow account.

Who — Although your lender is collecting the funds to pay the taxes and insurance on your behalf and is obligated to make the payments on time, you are still legally responsible for these payments. For this reason, you should ensure that your lender is aware of any changes to your property tax obligations or insurance premiums so that your escrow account can be effectively managed.

In addition, federal law requires that your lender review your escrow account each year and provide you with a detailed analysis. This helps to ensure that your taxes and insurance premiums are being paid correctly. If required, your monthly escrow payments will be adjusted, based on changes to your taxes and/or insurance premium.

- If your annual escrow statement reflects overpayments made during the year, you will receive a refund for these.
- If your annual escrow statement reflects any shortages, your lender may add an additional payment amount to cover any shortfalls caused by unanticipated increases in the tax or insurance premium amount due.

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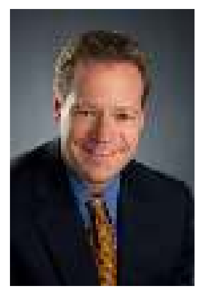

Pat Fox
Area Sales Manager
NMLS# 199779
4900 SW Meadows Road
Suite 200
Lake Oswego, OR 97035
503.539.2974
pat.fox@caliberhomeloans.com
www.caliberhomeloans.com/pfox