

Buying your first home?

We can offer you expert advice and affordable mortgage options.

Buying a home is the single largest purchase most people make. That's why we've put together this helpful guide. The more you know about your options, the easier it is to arrange financing that suits your needs. KeyBank is here to help you find the best solutions.

Where do I start?

The first thing you should do is determine your budget. What is a monthly payment amount you're comfortable with? Remember to include taxes and insurance.

Next, speak with a KeyBank Loan Officer about prequalification to determine what loan program and mortgage amount you may likely qualify for. This can help to set expectations and save time when you begin your home search.

The basics: Q&A

Q: What is a mortgage?

A mortgage is a debt instrument secured by collateral, in this case, the real estate property being purchased with the loan. The borrower is obligated to repay the loan with a predetermined set of payments.

Q: How do I qualify?

Generally, lenders consider the following main criteria to see if you qualify for a mortgage: income, credit history, your savings, your debt-to-income ratio, and the value of the property you're buying compared to others in the area.

Q: How is debt-to-income ratio calculated?

Debt-to-income ratio (DTI) divides the total of all your monthly debt payments by your gross monthly (pretax) income. This will give a percentage that lenders use to determine whether a borrower can qualify for a loan.

Q: How much can I afford?

Lenders will consider your credit history, monthly gross (pretax) income, and down payment. By taking into account the current interest rate, a lender can give you an estimate of the maximum mortgage amount you can afford to repay. Be sure to take into account other costs of homeownership, such as appliances, repairs, and maintenance. Also be aware that if you default or can no longer repay the loan, the lender may take over the property as the owner.

Q: How much do I need for a down payment?

Depending on the type of loan, you may be required to have a 20% down payment. However, there are other options that require lower or no down payment. Ask your KeyBank Loan Officer for details.

Q: What does a mortgage payment include?

Principal – the amount in the monthly payment that reduces the original amount borrowed.

Interest – the fee charged to borrow on the remaining balance.

Mortgage insurance (if applicable) – provides lender protection in the event of default.

Real estate taxes (if escrowed) – a percentage of the assessed property value.

Homeowner's insurance (if escrowed) – financial protection in case of loss.

Homeowner's Association Fees (if applicable) – dues typically to cover property maintenance and amenities.



The loan process

These are some of the steps you'll have to take to secure your mortgage:

Step 1: Get conditionally approved

Step 2: House hunt and make an offer

Step 3: Submit your loan application

Step 4: Application processing

Step 5: Receive initial loan approval

Step 6: Prepare for your loan closing

Step 7: Close and sign final paperwork

Step 8: Get the keys to your new home!

Buying your first home?

We can offer you expert advice and affordable mortgage options.

Q: What are closing costs?

This is the amount you'll pay to close the loan in addition to the down payment. Costs may include third-party services (appraisals, title, tax services, etc.), prepaid items (homeowner's insurance, Private Mortgage Insurance (PMI), escrow fees, etc.), and points (a percentage of your mortgage amount you pay to a lender to receive a lower interest rate).

Mortgage options

Fixed-rate vs. adjustable-rate

Each has its own advantages, and your choice depends on factors such as the current interest rate, how long you expect to own your home, your down payment, and your cash flow.

Fixed-rate mortgage features

- Predetermined payment
- Rate remains the same for the term of the loan to allow for easier budgeting
- Well suited for those who plan to stay in their homes for a longer period

Adjustable-rate mortgage features¹

- Interest rate adjusts periodically to reflect market conditions; there may not be a cap on rate increases
- Initial period offers a lower interest rate; at end of initial period the rate and monthly payments may increase
- Initial rate can be locked in for different time periods; contact your KeyBank Loan Officer for details
- Well suited for those who may want to sell or refinance early and can afford to make larger monthly payments

Learn more about how you can realize your dream of owning your own home.

Call 1-888-539-0018
Dial 711 for TTY/TRS

Types of mortgages

Conventional Mortgage / Fannie Mae HomeReady Mortgage / Freddie Mac Home Possible Mortgage	These home loans are not backed by the federal government. They conform to the limits set by Fannie Mae or Freddie Mac and can be either fixed or adjustable rate. HomeReady and Home Possible can have a combined loan-to-value (CLT) ratio up to 105% of purchase price.
FHA (Federal Housing Administration) Loan	A mortgage home loan that is insured by the Federal Housing Administration (FHA). Also known as a government loan. FHA mortgage insurance protects the lender if a borrower defaults on the FHA loan. This insurance enables a lender to provide loan options and benefits often not available through conventional financing.
VA (Veterans Affairs) Loan	These loans offer great benefits to qualified veterans and reservists. These loans offer up to 100% financing with no mortgage insurance.
Key Community Mortgage²	A Key Community Mortgage loan helps low- to moderate-income borrowers become homeowners. Features include low down payments that can come from gifts or grants, all or part of the points and closing costs can be financed as part of the loan, fixed-rate terms, and no PMI required.



¹ Adjustable rate mortgage (ARM) interest rates and payments are subject to increase after the initial fixed-rate period (5 years for a 5/6-month ARM, 7 years for a 7/6-month ARM, 10 years for a 10/6-month ARM) and assume a 30-year repayment term.

² Property must be located in a KeyBank Assessment Area. No income limitations if property is located in low- or moderate-income census tracts. For all other census tracts, income must be less than 80% of the Federal Financial Institutions Examination Council (FFIEC) Estimated MSA/MD Median Family Income. Completion of a HUD-approved prepurchase homebuyer education workshop may be required prior to closing. Landlord counseling may be required prior to closing on all two-unit transactions. Borrowers are not permitted to own any other real estate at the time of closing.

NOTICE: This is not a commitment to lend or extend credit. Conditions and restrictions may apply. All home lending products, including mortgage, home equity loans and home equity lines of credit, are subject to credit and collateral approval. Not all home lending products are available in all states. Hazard insurance and, if applicable, flood insurance are required on collateral property. Actual rates, fees, and terms are based on those offered as of the date of application and are subject to change without notice.

