

MORTGAGE F.A.Q.



Presented By:



Greg Oppenorth
Realtor®
(720) 295-9241
greg.livingthedreamhomes@gmail.com
onerealestate.com/greg-oppenorth



Brandon Doza
Loan Officer
970-389-2278
brandon@mpahomeloans.com
www.homeloanswithbrandon.com
NMLS 1991912



Mortgage FAQs

1. How much home can I afford?

We typically follow the 30/42 rule as a general guide:

Your housing costs (including mortgage, taxes, insurance) generally shouldn't exceed 30% of your gross monthly income

Your total debt payments (including car loans, student loans, credit cards) should stay below 42%

Why it matters:

This helps make sure your home is a blessing, not a burden. Just because you are approved up to a certain amount doesn't mean it's the right number for you. I'll work with you to find a monthly payment that feels comfortable based on your full financial picture — not just the numbers on paper.

2. What credit score do I need ?

The short answer: it depends on the loan program.

Conventional loans: Usually require at least a 620–640 score, but 720 and above is better.

FHA loans: Often allow down to 580

VA/USDA loans: Can be more flexible, depending on your situation

Why it matters:

Your credit score affects both your loan eligibility and the interest rate you're offered. A higher score can save you tens of thousands over the life of the loan. The good news? I'll pull your score for free and help you improve it if needed — no judgment, just solutions.





Mortgage FAQs



3. How much do I need for a down payment?

You do not need 20%!

Conventional loans: As little as 3%–5% down

FHA loans: 3.5% minimum

VA/USDA loans: 0% down (if eligible)



Why it matters:

A larger down payment means a smaller loan, which can lower your monthly payment and help avoid PMI. But many buyers successfully purchase with low or no money down — and there are down payment assistance programs available. Don't let this part overwhelm you — we'll work through your options together.



4. What is PMI — and do I have to pay it?

Private Mortgage Insurance (PMI) is typically required when your down payment is less than 20%.

It protects the lender in case you default on the loan

Cost varies, but usually around 0.5–1.5% of your loan amount annually



Why it matters:

PMI can feel like a nuisance, but it's what allows many buyers to purchase sooner without saving 20%. The good news: you can remove it once you reach 20% equity — either through payments or rising home value.





Mortgage FAQs

5. What are mortgage points?

Mortgage points are optional fees you can pay at closing to lower your interest rate.

1 point = 1% of your loan amount

1 point typically reduces your rate by about 0.25%, but can vary by program.

Why it matters:

Paying points upfront can save you money long-term — especially if you plan to stay in the home for many years. It's a tradeoff between upfront cost vs. monthly savings. We'll calculate whether buying points makes sense for your situation, as points can add a significant amount to the money you need to bring to the table at closing.

6. What is escrow?

Escrow is an account your lender uses to collect and pay your property taxes and homeowner's insurance on your behalf.

You pay a portion monthly of these costs as part of your mortgage, and the lender makes the full payments when they're due.

Why it matters:

Most buyers appreciate the convenience of escrow — no big tax or insurance bills to worry about. In most cases, it's required unless you put 20% or more down. I'll let you know your options.

7. Fixed vs. Adjustable Rate — What's the Difference?

- A fixed-rate mortgage has the same interest rate (and monthly payment) for the life of the loan
- An adjustable-rate mortgage (ARM) starts with a lower fixed rate for 5–10 years, then adjusts annually

Why it matters:

Fixed-rate loans offer long-term stability and peace of mind. ARMs may be attractive if you plan to sell or refinance within a few years — but they carry more risk if rates rise.





Mortgage FAQs

8. What does my monthly mortgage payment include?

Most monthly mortgage payments include four key parts — often called PITI:

Principal – the portion that pays down your loan balance

Interest – what you pay to borrow the money

Taxes – property taxes, often escrowed

Insurance – homeowner's insurance (plus PMI if required)

Why it matters:

Understanding your full payment breakdown helps you budget better and avoid surprises. I'll provide a Loan Estimate that shows everything — including any escrowed costs.

9. Does running my credit for a pre-approval hurt my score?

When we pull your credit for a mortgage pre-approval, it's considered a "hard inquiry." This can cause your score to dip slightly — usually less than 5 points, and often not at all if you have a solid credit history.

Here's what to know:

 The impact is temporary. Your score typically starts to rebound within 30–60 days.

 The inquiry stays on your report for 2 years, but only affects your score for 12 months.

Why it matters:

A mortgage inquiry has minimal impact compared to the benefits of buying a home. And a pre-approval is the key to getting serious offers accepted.





Mortgage FAQs

10. Can I pay off my mortgage early?

Yes — and it's a great strategy if it fits your goals.

You can:

Make extra payments toward principal

Set up biweekly payments

Refinance into a shorter term (like 15 or 20 years)



Why it matters:

Every extra dollar you put toward your loan goes directly to principal, not interest. That means faster equity, less interest paid over time, and the freedom to be mortgage-free sooner.



Let's Connect

Thinking about buying a home — or just want to talk through your options? Let's chat. The conversation is always free, with no pressure or obligation.

We're here to help whenever you're ready.

Greg Opgenorth

Your Local Real Estate Expert

 (720) 295-9241 |  greg.livingthedreamhomes@gmail.com

 onereal.com/greg-opgenorth

Brandon Doza

Your Local Mortgage Loan Officer

 970-389-2278 |  brandon@mpahomeloans.com

 www.homeloanswithbrandon.com