

HOMEOWNER'S GUIDE

A homeowner's handbook to financial well-being and maintaining your beautiful home.



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WELCOME HOME

We want to personally thank you for entrusting Vanderbilt Mortgage and Finance with the financing of your new home. We are honored you have chosen Vanderbilt to be with you on your homeownership journey. We are committed to bringing you the highest level of customer experience, and our team will be with you every step of the way! We wish you and your family many years of great memories in your new home.

Congratulations!

Your Vanderbilt Team



TIPS TO MAINTAIN AND PRESERVE YOUR HOME

Becoming a homeowner is exciting! This milestone is a big accomplishment – but it is also a big commitment. Owning a home is work and comes with many responsibilities. It can be full of unexpected surprises, if you are not prepared. To help you prepare for your role as a homeowner, let's look at some of the key responsibilities to care for your new home. We will focus on how to both maintain and preserve the condition of your home.

Let's start with homeowner maintenance.

Scheduling regular maintenance for your home is a great practice! Start by writing down when each task should be completed so you have a running list. The condition of your home is largely impacted by how well you perform maintenance. If you notice something out of the ordinary, address it as soon as possible. Proper attention to seasonal maintenance can help fix small issues before they become major issues for your home. Talk about a money and time saver!



Here are some maintenance tips for the interior and exterior of your home:

Interior Maintenance

- Change Air Filters & Light Bulbs
- Clean Floors, Bathrooms and Surfaces
- Deep Clean Appliances

Interior maintenance as a homeowner is not much different from renting, but the importance of it is amplified. As a homeowner you inherit the condition of your home and are solely responsible for it. Neglecting periodic upkeep of the furnace can, in some cases, impact the energy efficiency of your home, causing problems in the long run. So it's important to stay up to date on these quick and simple tasks to maintain the interior of your home.



Exterior Maintenance

- Cleaning Siding & Lawn Care
- Cleaning & Repairing Skirting
- Roof Repair & Coating
- Sump Pump Installation



Maintaining the exterior of your home can boost its curb appeal and save you from more costly

issues down the road. Pressure washing your siding can make it look like new, while regularly coating your roof may prevent leaks.

We do not recommend repairing your gutters, roof or crawl space on your own. All of these jobs can be dangerous. Hire a professional contractor who is trained to complete these jobs safely. If you must enter a crawl space, never do so without having someone wait for you outside the crawl space who can call for help if you are injured.

While maintenance will help in many aspects of your home's health, issues may arise nonetheless. One of the responsibilities that comes with owning a home includes paying for the cost of repairs. Therefore, it's important to have home insurance. Some homeowners establish a savings account or fund for home repairs. Consider building a fund so you are prepared to address routine maintenance and unexpected repairs. Examples of repairs that could be needed: plumbing, electrical and tree damage.

Next, let's look at a few potential issues to consider when it comes to home preservation: water damage and settling of your home.

Water can cause many issues in a home. Water damage that is left untreated can deteriorate your home over time and cause health issues. Be especially mindful of water affecting your ceiling and floors. Simply painting over the damage or covering it is not a true fix. Don't ignore dampness; rather, address any water issues as quickly as possible. For example, your windows may need caulk for a leak, or you may need to redo a section of flooring affected by water damage.

Pay attention to potential settling over time. As time goes on, any home can become uneven as the result of settling. If this happens, a professional can re-level your home. If you have a pier and beam system, they measure the height of the beams and raise the home to the needed level. This correction could potentially prevent cracks in the walls and other structural damage.

We hope this information better equips you to prepare a great maintenance plan for your home.

Want help learning how to maintain your home in every season? Check out our Home Care Video Tips series to keep your home maintained throughout the whole year. We've included a checklist in this guide on pages 9 and 10.



HOW TO BEST CARE FOR YOUR WINDOWS

Windows leave an important first impression of a home. We see the outside world from our windows and into the heart of our home through them. Windows also play a role in the energy efficiency of your home. Here are a few ideas to keep your windows looking good and sealing properly.

How about shutters? Adding shutters to frame your windows can add dimension and flair. If you don't want to spend the money, you might research how to make your own with painted pallet pieces. However, installing shutters incorrectly could damage your siding. Be sure to consult your homeowner's manual and hire a professional installer rather than hanging shutters yourself. Make those windows stand out.



Weather stripping & caulk. To seal air leaks, cracks, and gaps, you can apply weather stripping and caulk to your windows, usually on the interior. Both of these items are relatively inexpensive and may increase your home's energy efficiency.

Clean your blinds. This may sound silly and easy, but this is a big help to improve your space. Blinds can get so dirty and need a good wipe down, strip by strip. It freshens up your space, and it's amazing how much light you didn't know could come in after those blinds are clean. Plus, removing dust will help everyone breathe a little easier.

We hope this helps you improve the maintenance and appearance of your windows.



SEASONAL MAINTENANCE

WINTER

Outdoor

- Check home exterior crawl space*
- Clean and store garden tools
- Place shovels in a convenient location in case of snow
- Mend any cracks in driveways and walkways
- Clean gutters and spouts*

Indoor

- Clean all kitchen appliances
- Flush drains
- Clean dryer vent
- Check cords and wires for damage
- Tune up all home appliances before the holidays
- Check door handles
- Repair any loose or tight handles
- Rotate mattresses
- Clean behind and under furniture
- Wash curtains, drapes and shower curtains

Watch our home care video series.



SUMMER

Outdoor

- Check home exterior crawl space*
- Clean and check pool for maintenance
- Trim trees and shrubs
- Pressure wash windows, siding and decks
- Clean gutters and spouts*

Indoor

- Clean all kitchen appliances
- Flush drains
- Clean dryer vent
- Check door handles
- Drain or flush water heater
- Change heating and air filters
- Rotate mattresses
- Clean behind and under furniture
- Wash curtains, drapes and shower curtains

SPRING

Outdoor

- Service lawn mower*
- Inspect roof for damage*
- Check door and window screens for holes or tears
- Wash all windows, inside and out
- Fertilize lawn
- Pressure wash windows, siding and decks
- Refinish the deck
- Touch up peeling or damaged paint
- Clean gutters and spouts*

Indoor

- Wash and change seasonal bedding
- Test smoke and carbon monoxide detectors
- Dust blinds
- Clean out cabinets and throw away outdated products
- Clean behind fridge and oven
- Rotate mattresses
- Clean behind and under furniture
- Wash curtains, drapes and shower curtains

FALL

Outdoor

- Inspect roof for damage*
- Rake leaves and dispose of them using local guidelines
- Drain and winterize exterior plumbing
- Make sure windows and doors are sealed around the framing
- Touch up peeling or damaged paint
- Clean gutters and spouts*

Indoor

- Test smoke and carbon monoxide detectors
- Dust blinds
- Clean out cabinets and throw away outdated products
- Clean behind fridge and oven
- Rotate mattresses
- Clean behind and under furniture
- Wash curtains, drapes and shower curtains

WHAT IS ESCROW?

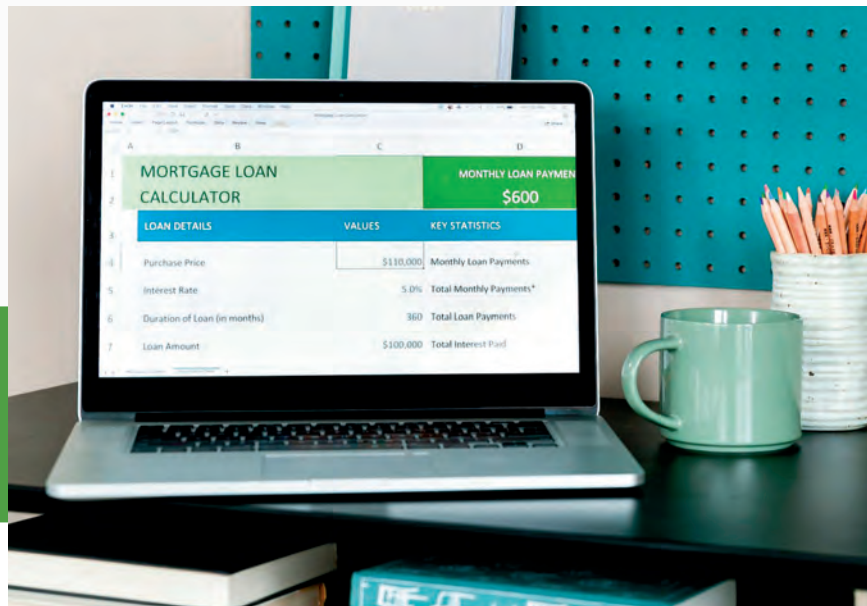
Escrow can be a confusing concept. Whether it's a term you've heard before or not, it might still feel a little intimidating.

We want to provide answers to the following frequently asked questions to give you a better understanding of escrow:

What is escrow?

Escrow is a process where additional money is collected, along with the periodic mortgage payment, and specifically used to pay taxes and home insurance premiums. This additional payment amount is deposited into a separate account established for this purpose called an escrow account. Funds held in an escrow account can only be used to pay specific property costs such as property taxes and home insurance premiums.

What are the benefits of having an escrow account?



An escrow account ensures that the homeowner has enough money to pay property taxes and home insurance premiums. Holding these funds in escrow keeps the homeowner from having to separately save and pay large lump sums at one time since taxes and insurance payments may add up to large amounts.

How is the escrow amount calculated?

The formula for calculating escrow is fairly simple. The tax and insurance bills for the upcoming year are added together, and the sum is divided by the number of payments per year. This amount is then added to each mortgage payment. Any changes in insurance premiums or property tax rates that occur after this calculation will alter the amount of escrow added to the mortgage payment after your next escrow analysis.

How are taxes and insurance paid through escrow?

The mortgage company deposits the additional money collected into the escrow account and uses those funds to pay the insurance premium and property taxes on behalf of the homeowner when they become due. Typically, the insurance company will bill the lender directly for home insurance premiums. For property taxes, the local taxing authority will send the tax bill to the mortgage company, which then pays the bill. Having an escrow account helps ensure that insurance payments and property taxes are paid on time.

For more details on escrow, scan the QR code.



BUDGETING TIPS FOR HOMEOWNERS

A budget is an important tool for homeowners. Throw out any negative feeling you may have toward budgeting. We're here to tell you that budgeting is a great exercise and can free your mind from financial stress. A budget is meant to be a guide to where you should spend your monthly income.

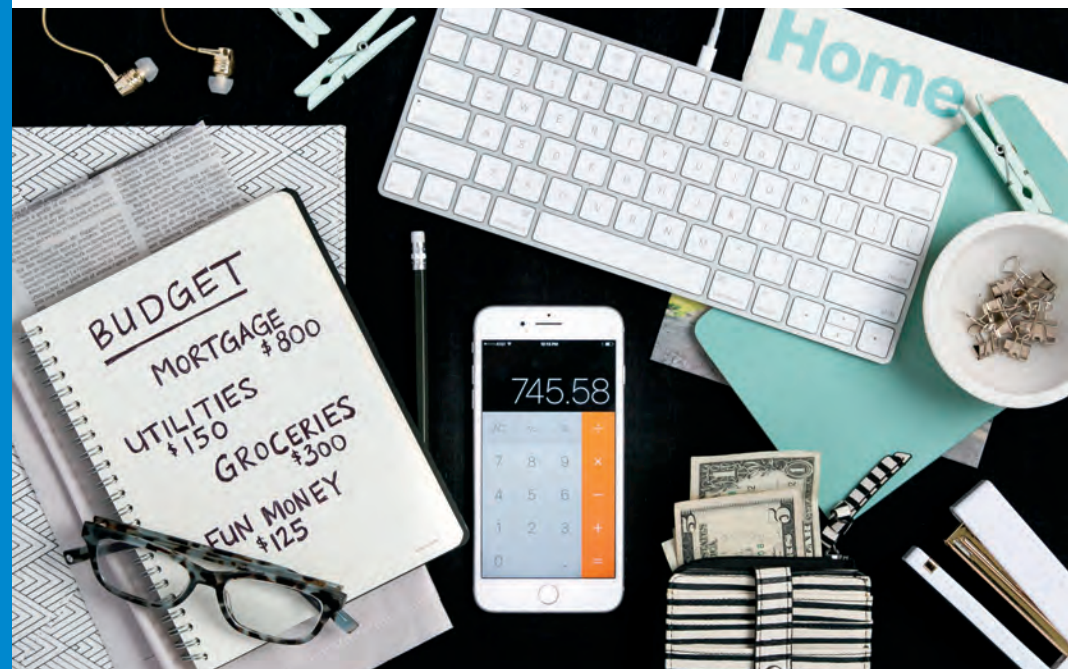
Budgeting can mean guilt-free fun. By making and sticking to your budget, you can spend money knowing exactly how much you need to set aside for necessities, and how much you can spend on other activities. Budgets are an important tool for homebuyers because they can help you make your move into a home with a payment that fits your lifestyle and circumstances. For existing homeowners, budgets can help you achieve or maintain financial freedom.

Budgeting can be done by anyone — it just takes time initially to set it up correctly. Gather paychecks, bills and bank statements to get started. You can write down all this information or use a budget tool. Start by calculating your monthly income, which includes not only the amount you may get from a regular paycheck, but also any money you get in government aid, child support or pensions. The next step is to look at your bills and bank statements to find out what you truly spend in each category. This information will empower you to take control of your finances.

Do you see a surplus? That's great. You can take that surplus and contribute to your financial goals, whether it's making an extra mortgage payment, taking a vacation or building a nest egg.

Do you see a deficit? If so, you can make the changes needed to balance your budget. You can cut back on nonessential items, like eating out for dinner, to get financially fit. Having this knowledge is powerful and can help you take the right steps toward financial stability.

A budget is crucial for homeownership. A sound budget can relieve stress and help you feel confident in the way you spend your hard-earned income.



TIPS FOR BUILDING AN EMERGENCY FUND

Emergencies by nature happen when we least expect them and often at an inconvenient time. From a minor emergency like a car or home repair, to more serious emergencies like a medical issue or unemployment, handling the emergency becomes easier when you're prepared financially. If going into debt — or further into debt — is the only way you can handle one of life's curveballs, then it's time to find a solution before one small emergency creates further problems down the road. There's nothing worse than adding a financial burden to an already difficult situation.

Fortunately, it is possible to help your future self and reduce the impact a potential emergency can have by creating an emergency fund. This means saving money that you will only use toward that "rainy day," when you really need it — not for pricey concert tickets or a vacation splurge.



Here are a few tips for building an emergency fund.

Decide how much to save. How much money do you need to set aside for your emergency fund? Many financial experts recommend saving about three to six months' worth of total expenses. In other words, save enough money to pay all the bills for a few months to half a year, in case you are unable to work or have a sudden, large expense. That may seem like a lot of money, but it's possible to achieve this savings goal if you save a little at a time.



Start small. Consider depositing your emergency funds in a separate, easily accessible — but not too accessible — account. Make sure it is not an account that you can easily dip into for daily expenses. Creating a budget and finding areas you can save are essential to determining how much money can be tucked away each month. Then, set a goal that is not out of reach for you, and conquer it. For example, try to have \$500 saved in your emergency fund in one year; that comes out to only about \$42 a month — or about \$1.50 a day. That seems entirely doable. Skipping a coffee shop latte every other day should do the trick.

Conquer one goal at a time. Celebrate when you reach a goal but not by spending. Make a special at-home dinner with your family and talk about the good feeling you have knowing that you'll be able to handle a minor emergency because of budgeting well. Then, set your next goal right away. Over time, your \$500 will become \$1,000, then \$2,000. Soon, your emergency fund will be sufficiently filled. You'll have the peace of mind knowing that you'll be financially prepared if the unexpected comes your way.

Most of us don't like to think about emergencies because we don't want to believe that they will happen. But, if you have the discipline to save for those unexpected surprises, your future self will be thanking you for that emergency fund on that "rainy day."



BUILD A BUDGET

THAT'S RIGHT FOR YOUR FAMILY

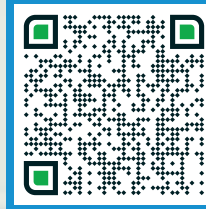
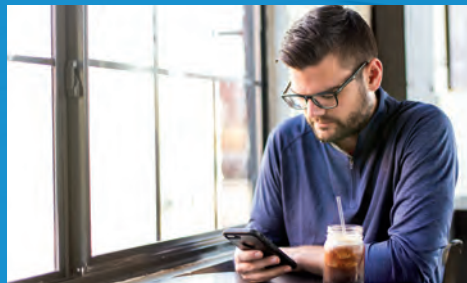
Effective money management is an important responsibility for all families charting a roadmap to financial success.

Whether you're calculating the amount of money needed to live month to month or saving for a specific purpose like buying a home, a budget can help you plan.

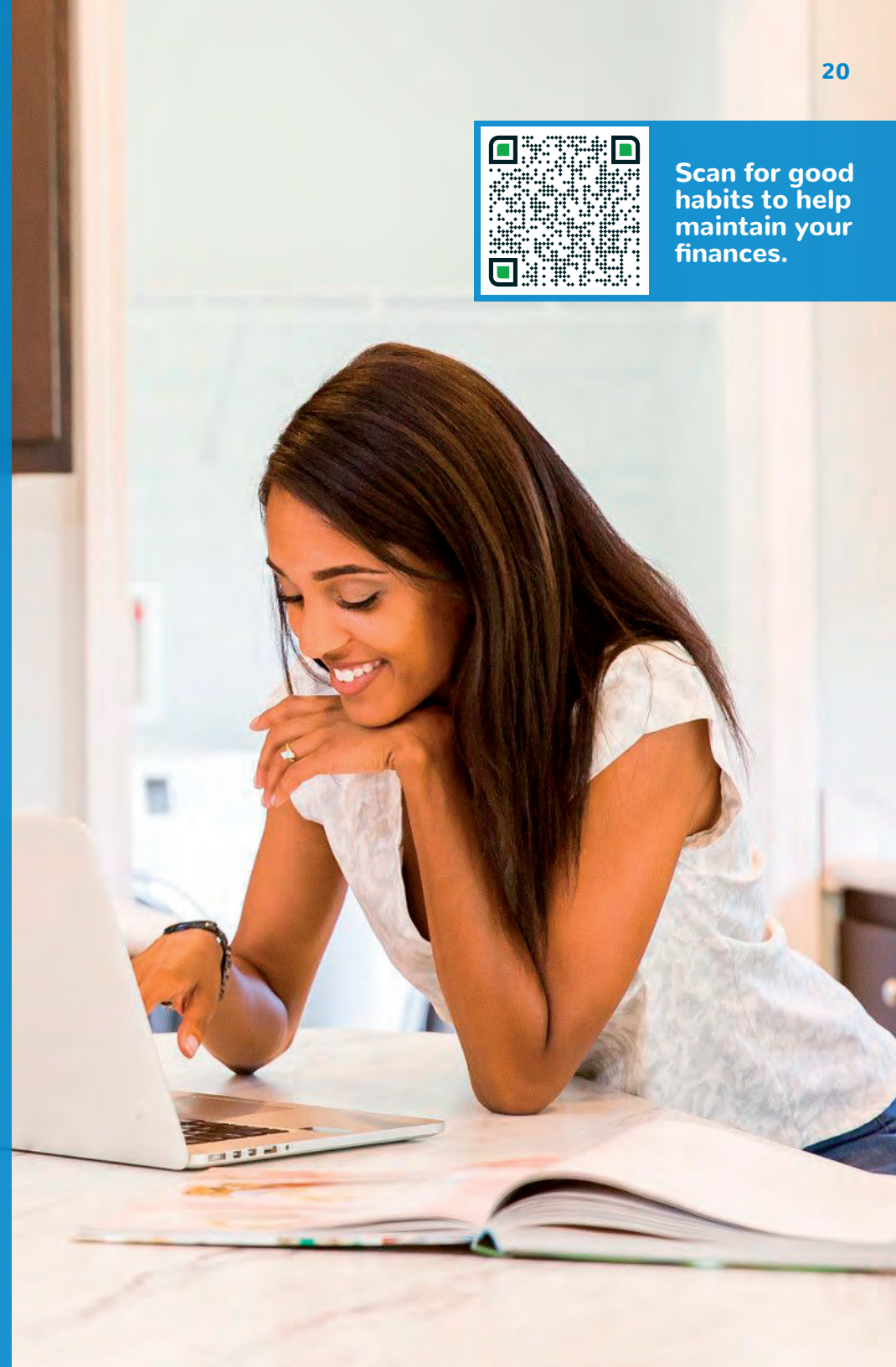
How much do you spend monthly? Calculate all monthly expenses including your rent or a house payment, utilities, car and medical. Don't forget about costs associated with children, food, personal items or any additional debts.

Once your total income and expenses are established, it's time to set some goals and build a budget around them. Setting priorities will help achieve your financial goal.

Staying on budget is a family affair and sometimes requires sacrifice. Committing to a plan can be challenging, but stick with it, and your financial goals can be achieved.



Scan for good habits to help maintain your finances.



Owning a Home:



Set up and maintain a budget to support your monthly mortgage payment.

Monthly Income After Taxes: \$ _____ (+)

(All forms of income including government aid, child support, etc.)

Calculate Monthly Expenses (-)

UTILITIES

COST

- Electric \$ _____
- Water/Sewer/Gas \$ _____
- Internet/TV/Cable \$ _____
- Phone \$ _____
- Other \$ _____
- TOTAL** \$ _____

AUTO

COST

- Car Payment \$ _____
- Car Insurance \$ _____
- Gas \$ _____
- Maintenance \$ _____
- Other \$ _____
- TOTAL** \$ _____

CHILDREN

COST

- Child Support \$ _____
- School Lunches \$ _____
- Extracurriculars \$ _____
- Child Care \$ _____
- Other \$ _____
- TOTAL** \$ _____

PERSONAL

COST

- Groceries \$ _____
- Clothing \$ _____
- Entertainment \$ _____
- Savings \$ _____
- TOTAL** \$ _____

MEDICAL

COST

- Insurance \$ _____
- Doctor Bills \$ _____
- Medication \$ _____
- Other \$ _____
- TOTAL** \$ _____

DEBTS

COST

- Credit Card \$ _____
- Personal Loan \$ _____
- Medical \$ _____
- Other \$ _____
- TOTAL** \$ _____

Calculate Funds Available for a Monthly Mortgage Payment, Taxes and Insurance

$$\begin{array}{r}
 \$ \text{ _____} - \$ \text{ _____} = \$ \text{ _____} \\
 \text{Total Monthly Income} \qquad \text{Total Monthly Expenses}
 \end{array}$$



Scan for ideas
to keep your
home fresh &
beautiful!

