

First-Time Homebuyer Guide

WE MAKE BANKING ABOUT YOU



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Welcome to Homeownership!

Revised 2/12/26

Introduction

Buying your first home is an exciting milestone and we are here to help make the process easier. Whether you are just starting to explore your options or you are ready to take the next step, this guide is designed to walk you through the journey of becoming a homeowner.

At AbbyBank, we know that purchasing a home is one of the biggest financial decisions you'll ever make. That's why we created this resource to give you clear, step-by-step information on what to expect, how to prepare, and the role we'll play in supporting you along the way.

Inside the guide you will find:

- Easy to follow steps in the homebuying process
- Tips for choosing the right loan and budgeting wisely
- What to expect during pre-approval and application
- Answers to common first-time buyer questions

Our goal is to give you the confidence and tools you need to navigate the process from dreaming about your first home to turning the key in the front door.

We look forward to helping you every step of the way!



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Homebuyer Checklist: 10 Steps to Owning a Home

Revised 3/18/26

Buying your first home is an exciting milestone — and you don't have to navigate it alone. At AbbyBank, we make banking about you, helping you understand your options, prepare financially, and move forward with confidence. By knowing what to expect ahead of time, you can feel prepared and supported every step of the way.

- 1. Check Your Finances and Credit**
 - Review your credit score at www.annualcreditreport.com.
 - Save for a down payment, closing costs, and an emergency fund.
 - a. You may qualify for Secondary Market programs offering lower down payment options:
 - Conventional mortgages with as low as 5% down
 - HomeOne®, HomePossible®, and HomePossible® VLIP programs with 3% down payment.
 - Check eligibility for Downpayment Plus® (DPP) or similar programs that can help make your down payment more affordable.
 - b. Otherwise, 20% down is typically needed to avoid Private Mortgage Insurance (PMI)
- 2. Set a Realistic Budget**
 - Determine how much home you can afford (use the 28/36 rule: no more than 28% of income on housing, 36% on total debt).
 - Factor in property taxes, insurance and maintenance.
- 3. Get Preapproved for a Mortgage**
 - Shop around with different lenders.
 - A preapproval shows realtors and sellers you are serious and defines your price range.

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- 4. Work with a Real Estate Agent**
 - Choose an agent that's knowledgeable about the area you are looking to buy your home.
 - Your agent will guide you through listings, negotiations, and paperwork.
- 5. Start House Hunting**
 - Tour homes in your budget.
 - Consider location, schools, work commute, and neighborhood.
- 6. Make an Offer**
 - Your agent will help you craft a competitive offer.
 - Be prepared for counteroffers and negotiations.
- 7. Get a Home Inspection**
 - Identify potential issues before closing.
 - Use results to negotiate repairs or price adjustments.
- 8. Finalize Financing**
 - Finalize the mortgage application with your lender.
 - Lock in your interest rate.
 - Talk with insurance agent to get proper homeowners' coverage.
- 9. Close on the Home**
 - Review and sign all closing documents.
 - Receive your keys and celebrate!
- 10. Move In and Maintain Your Investment**
 - Set up utilities.
 - Plan for ongoing maintenance and repairs to protect your home.



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Choosing the Right Bank: A Guide for First-Time Homebuyers

Revised 3/18/26

Selecting the right bank or lender is one of the most important decisions you'll make during the home buying process. Your banking partner will guide you through financing options, explain mortgage programs, and help you feel confident from preapproval to closing. With several types of lenders available, it's important to evaluate your options based on your personal goals and comfort level.

Understanding Your Options

Local Community Banks: Local expertise, more personalized guidance, strong community ties, competitive interest rates.

Big Banks: wide range of loans, sometimes less personal services.

Online Lenders: fast application, competitive rates, limited in person support.

Key Factors to Consider When Choosing the Right Banking Partner

1. Identify Your Home Financing Needs

- Are you looking for conventional, FHA, USDA, or other specialized loan programs?
- Do you qualify for first-time home buyer or secondary market programs with low down payment options?
- Do you want assistance understanding down payments, closing costs, and private mortgage insurance (PMI)?
- Will you benefit from in-person guidance throughout the process?

2. Compare Loan Programs and Interest Rates

- Ask about available loan terms (15-year, 20-year, 30-year, fixed or adjustable rates).
- Understand the full cost of the loan — including fees, points, and closing costs.
- Look for transparency and clear explanations of your options.
- Consider whether the lender services your loan locally or sells it after closing.

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3. Evaluate Personalized Support and Communication

- Will you work with a dedicated mortgage lender who knows your situation?
- How accessible is your lender for questions during the process?
- Does the bank take time to explain each step in clear, understandable terms?
- Do they offer local expertise in the communities where you're looking to buy?

4. Review Digital Tools and Convenience

- Can you securely upload documents online?
- Is there an easy-to-use mobile or online banking platform?
- Do they provide clear updates throughout the approval and underwriting process?
- Are branch locations available if you prefer in-person meetings?

5. Consider Reputation and Community Commitment

- Does the bank have strong ties to the local community?
- Are they known for responsive customer service?
- Do they focus on long-term relationships rather than just transactions?

The right banking partner should provide not only competitive financing options, but also guidance, transparency, and support tailored to your needs. Take time to compare your options and choose a lender that makes you feel confident in your home buying journey.

At AbbyBank, ***We Make Banking About You*** — and we're here to help you feel at home every step of the way.



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Homebuyer Tips & Common Questions

Revised 2/26/26

Buying your first home comes with a lot of questions—and that’s completely normal. From down payments to closing day, these tips and FAQs are designed to help you understand what to expect, feel more confident in the process, and take the next steps toward homeownership with clarity.

How much do I need for a down payment?

It depends on your loan type, but they typically range from **3% to 20%** of the purchase price. Some programs allow lower down payments.

What is included in my mortgage payment?

Your monthly mortgage payment usually includes:

- **Principal and interest**
- **Escrow items** (if your lender offers escrow accounts), which may include:
 - Property taxes
 - Homeowners insurance
 - Flood insurance, if applicable

Escrow accounts are typically required when putting less than 20% down.

What is flood insurance?

Flood insurance is separate from a standard homeowners insurance policy.

- During the application process, your lender will order a flood determination to see if the property is in a designated flood zone.
- You can also check **Federal Emergency Management Agency (FEMA)** flood maps.
- If the property is in a flood zone, required coverage is generally the **lesser of**:
 1. The loan balance
 2. The maximum allowable flood coverage (\$250,000)
 3. The replacement cost of the home

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What to expect when completing an application?

The mortgage application—often called the **Uniform Residential Loan Application (1003)**—collects important financial and property details, including:

- Borrower and co-borrower information and finances
- Loan and property information
- Declarations about property ownership and financial history
- Military service information, if applicable, including for co-borrower
- Demographic information, including for co-borrower

What is the typical timeline to close on a loan?

From application to closing, the process typically takes **30–45 days**, though timelines may vary depending on the loan type and required documentation.

What are typical closing costs?

Closing costs may include:

- **Origination fees** (credit score can impact this cost)
- **Appraisal fee** to determine the home's value
- **Credit report fee** to allow the bank to access your credit score and credit history
- **Title insurance** (including owner's title and lender's policies)
- **Government recording fees** for the deed and mortgage
- **Homeowners insurance premium** to protect the property from loss (often the first year is paid at closing by borrower)
- **Initial escrow deposit** for taxes and insurance

What should I expect at closing?

At closing, you'll review and sign your final documents, including:

- Final loan application
- Promissory note
- Real estate mortgage
- Deed
- Closing disclosures

Once everything is signed and complete—you'll receive the **keys to your new home**.



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Mortgage Options for First-Time Homebuyers

Revised 3/19/26

When choosing a mortgage, there's no one-size-fits-all answer — the right loan depends on your credit, savings, future plans, and the type of home you're buying. Below are common home loan options with helpful descriptions to guide your decision.

Loan Program Types

Loan programs describe who backs the loan and basic eligibility requirements. These programs determine things like down payment minimums, credit flexibility, and location requirements.

Conventional Loan

A standard mortgage not backed by the government, with flexible down payment options typically as low as 5%. Often best for buyers with good credit and stable income.

FHA Loan *(Not offered by AbbyBank)*

An FHA loan, backed by the Federal Housing Administration, is a government-backed loan option designed to make homeownership more accessible. It allows for lower down payments (as low as 3.5%) and more flexible credit requirements. Ideal for buyers who may not have large savings or perfect credit.

USDA Loan

The USDA Guaranteed Rural Housing loan is a government-backed option for buyers in eligible rural or certain suburban areas. Often requires no down payment and offers competitive interest rates. Borrowers must meet certain income limits and property eligibility requirements.

VA Loan *(Not offered by AbbyBank)*

A VA loan is backed by the U.S. Department of Veterans Affairs and is available to eligible veterans, active-duty service members, certain National Guard and Reserve members, and qualifying surviving spouses. Often requires no down payment and does not require private mortgage insurance.

Jumbo Loan *(Not offered by AbbyBank)*

Designed for homes that exceed conventional loan limits. Often requires higher credit scores and larger down payments, but allows financing for higher-priced homes.

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First-Time Homebuyer & Affordable Mortgage Programs

Some mortgage solutions are designed to help qualified buyers with lower down payments and expanded eligibility. These options may be especially helpful for first-time homebuyers, though income and other criteria also determine eligibility.

HomeOne®

Designed for first-time homebuyers, this program allows down payments as low as 3% and offers flexible income options for qualified borrowers.

Home Possible®

Available to qualified low- and very low-income borrowers, this program offers 3% down payment options and reduced mortgage insurance costs for eligible applicants. While commonly used by first-time buyers, eligibility is based on income requirements.

Home Possible® Very Low Income Purchase

A Home Possible® option designed for very low-income borrowers. At least one borrower must be a first-time homebuyer to qualify. This program offers down payments as low as 3% and additional affordability features for eligible buyers.

A mortgage loan officer can help determine eligibility and which program may be the best fit.

Interest Rate Options

Interest rate options explain how your mortgage is structured over time. These options may be available with several loan programs, including conventional loans.

Fixed-Rate Mortgage

The interest rate stays the same for the life of the loan, providing predictable monthly payments. A popular choice for buyers who plan to stay in their home long-term.

Adjustable-Rate Mortgage (ARM)

Offers a lower initial interest rate for a set period, after which the rate may adjust based on market conditions. This option may be a good fit if you plan to move or refinance before the adjustment period begins.

Helpful Tip

Good to know: *Many loan programs offer both fixed-rate and adjustable-rate options. A mortgage loan officer can help you determine which combination best fits your goals and budget.*



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Home Buying Budget Worksheet

Revised 2/13/26

Use this worksheet to estimate your finances and plan for the costs of homeownership. AbbyBank is here to help you plan with confidence.

Monthly Income

Total Monthly Household Income: \$ _____

Current Monthly Expenses

Total Current Monthly Expenses (debt, utilities, insurance, etc.): \$ _____

Estimated Monthly Housing Costs

Estimated Mortgage Payment (principal & interest): \$ _____

Property Taxes & Homeowners Insurance: \$ _____

HOA/PMI (if applicable): \$ _____

Estimated Total Monthly Housing Cost: \$ _____

Upfront Costs to Plan For

Down payment: \$ _____

Closing Costs (if not financed): \$ _____

Moving Expenses: \$ _____

Emergency Savings

Emergency Fund Goal (3-6 months of expenses): \$ _____

Budget Snapshot

Total Monthly Income: \$ _____

Estimated Monthly Expenses (including housing): \$ _____

Estimated Monthly Cushion: \$ _____



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Another way to say "One-Stop Shop"

Manage all your financial needs¹ in one place with AbbyBank!



Checking Accounts

Everyday options to fit your lifestyle and spending habits.



Savings/Money Market Accounts

Smart savings options for every stage of life.



Health Savings Accounts

Save for medical expenses tax-free with flexible access.



Certificates of Deposit (CDs)

Lock in your term and watch your savings grow.



Individual Retirement Accounts (IRAs)

Save smart. Retire your way.



Home Loans

Helping you buy, build, or refinance — from first home to forever home.



Personal Loans

From cars to college, we've got flexible loan options for where life takes you.



Credit Cards

From building credit to cash back or rewards, find the card that fits you.



Digital Banking

Bank anytime, anywhere with our online and mobile banking tools.



Prepaid Cards

A card for every purpose — easy for gifts, travel, or everyday spending.



Overdraft Solutions

Life happens — stay protected from overdraft fees.



Increased FDIC Insurance

Expanded coverage made simple. Your deposits, protected.

¹All accounts and loans may be subject to credit approval.

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Revised 2/17/26

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We Make Banking About You!

Make everyday banking effortless with AbbyBank's digital banking tools!



eBanking

Manage your accounts online at any time, safely and easily.



Mobile Banking

Bank on the go with our mobile app — your accounts at your fingertips, 24/7.



Mobile Deposit

Deposit checks anytime, anywhere — right from your mobile banking app.



Bill Pay

Pay bills online in just a few clicks — no checks or stamps required.



Card Controls

Lock, unlock, and manage your debit card right from our mobile banking app.



Personal Finance

See your full financial picture — track spending, set goals, and stay on budget.



People Pay

Send money safely to friends and family in seconds through eBanking.



Mobile Wallet

Add your AbbyBank debit card to your phone for fast, secure checkout.



Email & Text Alerts

Stay on top of balances, payments, and account activity.



eStatements

Go paperless! Stay organized with secure online statements.



Automatic Transfer Service

An easy way to automate savings and loan payments.

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Revised 2/17/26

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Mortgage Loans



You make the memories. We help make home happen.

Buying a home is a big step, but you don't have to do it alone. AbbyBank's experienced mortgage lenders will walk you through your options and help you find the home loan¹ that fits your goals.

Get Preapproved First

Before you fall in love with your dream home, start with a free mortgage¹ preapproval.

- Free and easy online application
- Know what you can afford before you start house hunting
- Stronger purchase offers when you're ready to buy
- Faster closings once you find the right home

Apply online anytime or connect with an AbbyBank Mortgage Loan Officer to get started.

¹All loans are subject to credit approval.

²Program eligibility requirements apply

NMLS #476859

Home Loan Options

- **Fixed Rate Mortgages** lock in your interest rate for the life of the loan and offer a variety of loan terms and down payment options.
- **Adjustable-Rate Mortgages (ARM)** start with a fixed rate for an initial period, then the rate adjusts periodically based on market conditions.
- **USDA Rural Housing Loans** help eligible buyers in rural communities achieve homeownership through a government-backed program.
- **Down Payment Assistance Programs²** may help eligible homebuyers with funds for down payment and closing costs.
- **Construction Loans** provide financing for building a new home or major remodel, with interest-only payments during construction.
- **Land Purchase Loans** help finance the purchase of land for a future building site or recreational property.

Home Equity Options

- **Home Equity Loans** allow you to borrow up to 90% of your homes value with a one-time lump sum and predictable monthly payments.
- **Home Equity Lines of Credit (HELOC)** provide a revolving line of credit secured by your home, allowing you to borrow, repay, and reuse funds as needed.



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Revised 3/5/26

First-Time Homebuyer Resources

Revised 2/27/26

Buying your first home is an exciting milestone, and having the right tools and guidance can make the process feel more manageable and less overwhelming. The following trusted resources offer free education, planning tools, and step-by-step guidance to help you feel confident as you prepare for homeownership.

1. eHome America – Homebuyer Education

eHome America offers online homebuying and financial education courses for first-time homebuyers, covering budgeting, credit, and the buying process.

eHome America: Scan the QR code or visit:

<https://www.ehomeamerica.org/homebuyers#homebuyereducation>



2. Freddie Mac CreditSmart®

Freddie Mac's CreditSmart® provides free homebuying and financial education resources to help you build credit knowledge, understand mortgage basics, and prepare for responsible homeownership.

Freddie Mac CreditSmart®: Scan the QR code or visit:

<https://creditsmart.freddiemac.com/free-homebuying-education>



3. AbbyBank Financial Calculators

AbbyBank offers easy-to-use financial calculators that can help you estimate mortgage payments and explore what fits comfortably within your budget.

AbbyBank Calculators: Scan the QR code or visit:

<https://www.abbybank.com/financial-calculators>



4. Consumer Financial Protection Bureau - Home Loan Toolkit

The Consumer Financial Protection Bureau (CFPB) Home Loan Toolkit offers step-by-step guidance to help you understand loan options and navigate the homebuying process.

CFPB Home Loan Toolkit: Scan the QR code or visit:

<https://www.consumerfinance.gov/owning-a-home/explore/home-loan-toolkit/>



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AbbyBank Locations

As of March 4, 2026

ABBOTSFORD* (MAIN OFFICE)

401 E. Spruce Street
PO Box 648
Abbotsford, WI 54405
715-223-2345

LOBBY HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: 8:00 am - 12 pm

DRIVE-UP HOURS

Monday - Thursday: 8 am - 5:30 pm
Friday: 8 am - 6 pm
Saturday: 8 am - 12 pm

APPLETON

1500 N. Casaloma Drive
Suite 103
Appleton, WI 54913
920-993-1234

LOBBY HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: Closed

DRIVE-UP HOURS

Monday - Friday: 8 am - 5 pm
Saturday: Closed

GREEN BAY COMMERCIAL LOAN OFFICE

480 Pilgrim Way
Suite 1510
Green Bay, WI 54304
920-283-4587

OFFICE HOURS

Monday - Friday: **By Appointment**
— Please call Brittany Helf at
920-884-1530 to schedule.

GRESHAM*

801 Main Street
PO Box 169
Gresham, WI 54128
715-787-3201

LOBBY HOURS

Monday - Friday: 8:30 am - 4 pm
Saturday: Closed

DRIVE-UP HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: Closed

*On-site ATM

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MEDFORD*

215 S. 8th Street
PO Box 359
Medford, WI 54451
715-748-5333

LOBBY HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: Closed

DRIVE-UP HOURS

Monday - Friday: 8 am - 5:30 pm
Saturday: 8 am - 12 pm

SHAWANO*

1213 E. Green Bay Street
PO Box 239
Shawano, WI 54166
715-526-2265

LOBBY HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: Closed

DRIVE-UP HOURS

Monday - Friday: 8 am - 5 pm
Saturday: Closed

WAUSAU*

305 S. 18th Avenue
Suite 100
Wausau, WI 54401
715-848-1610

LOBBY HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: Closed

DRIVE-UP HOURS

Monday - Friday: 8 am - 5:30 pm
Saturday: 8 am - 12 pm

WESTON*

2405 Schofield Avenue
Suite 100
Wausau, WI 54476
715-241-6336

LOBBY HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: Closed

DRIVE-UP HOURS

Monday - Friday: 8 am - 5:30 pm
Saturday: Closed

WITHEE*

N14570 County Road O
Withee, WI 54498
715-229-3500

LOBBY HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: Closed

DRIVE-UP HOURS

Monday - Friday: 8:30 am - 5 pm
Saturday: Closed

*On-site ATM



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