EHG MORTGAGE
INDEPENDENT MORTGAGE ADVISORS

A PRACTICAL GUIDE FOR HOMEBUYERS

Plan the cash behind your home purchase.

Understand the major categories, organize your estimates, and keep an appropriate cushion beyond closing day.

THE COMPLETE PICTURE

Cash needs extend beyond the down payment.

Your final amount depends on the loan, property, contract, credits, taxes, insurance, timing, and other transaction details.

01

Down payment

The portion of the purchase price not financed. The required amount varies by loan program and borrower profile.

02

Closing costs

Loan, appraisal, title, settlement, recording, and other transaction charges shown on your Loan Estimate.

03

Prepaids and escrow

Items such as prepaid interest, homeowners insurance, property taxes, and initial escrow deposits.

04

Earnest money

A good-faith deposit paid after contract acceptance. If the purchase closes, it is generally credited in the transaction.

05

Due diligence

Inspections and optional specialist evaluations may be paid before closing and may not appear in cash to close.

06

Post-closing cushion

Funds for reserves, moving, utilities, maintenance, and immediate home needs after the transaction closes.

CASH PLANNING CHECKLIST

Organize each part before you shop.

Use these prompts with your mortgage advisor and real estate agent. Check an item once you have an estimate, supporting document, or clear plan.

Purchase and down payment

- ☐ Set a target purchase-price range.
- ☐ Compare eligible down-payment options.
- ☐ Decide how much cash you want to contribute.
- ☐ Keep funds accessible and documentable.
- ☐ Confirm gift-fund rules before transferring money.

Contract deposits

- ☐ Ask about customary earnest-money amounts.
- ☐ Know when the deposit will be due.
- ☐ Save proof of payment and account withdrawal.
- ☐ Review refund terms and contract deadlines.
- ☐ Understand how the deposit affects cash to close.

Closing costs

- ☐ Review lender and third-party charges.
- ☐ Account for appraisal and credit-report fees.
- ☐ Review title, escrow, and recording charges.
- ☐ Discuss seller and lender credits, if available.
- ☐ Compare estimates using the same loan structure.

Prepaids and escrow

- ☐ Estimate the first homeowners-insurance premium.
- ☐ Review prepaid interest based on closing date.
- ☐ Estimate initial tax and insurance deposits.
- ☐ Account for HOA charges when applicable.
- ☐ Update estimates when timing or property changes.

Before-closing expenses

- ☐ Budget for general and specialist inspections.
- ☐ Plan for moving and utility setup.
- ☐ Avoid spending funds reserved for closing.
- ☐ Keep records for transfers and large deposits.
- ☐ Confirm acceptable payment or wire instructions.

After-closing cushion

- ☐ Set an emergency-reserve goal.
- ☐ Plan for repairs and immediate maintenance.
- ☐ Budget for furnishings without new credit.
- ☐ Keep required reserves available through closing.
- ☐ Leave room for taxes, insurance, and HOA changes.

KEEP THE FUNDS TRACEABLE

Your mortgage team may need to verify the source of funds used in the transaction. Before moving money, accepting a gift, selling an asset, or making a large deposit, ask what records should be retained.

WHEN YOU MAY NEED THE MONEY

Prepare for the sequence, not just the total.

Homebuying expenses do not all occur on closing day. Understanding the typical sequence helps you keep the right funds available and avoid surprises.

01 BEFORE SHOPPING **Plan your starting point**	• Review funds available for the purchase. • Choose what you want to contribute and retain. • Ask about documentation and gift-fund rules before moving money.
02 AFTER OFFER ACCEPTANCE **Prepare the deposit**	• Earnest money is generally due according to the purchase contract. • Follow the payment instructions and save proof of the transaction. • If the purchase closes, the deposit is generally credited in the transaction.
03 DURING THE LOAN PROCESS **Complete due diligence**	• Inspections and specialist evaluations may be paid before closing. • An appraisal or other third-party charge may also be collected earlier. • These expenses may not all appear in the final cash-to-close amount.
04 BEFORE CLOSING **Confirm cash to close**	• Review the final figures and ask about anything that changed. • Confirm the required payment method with a trusted contact. • Independently verify wire instructions before sending funds.
05 AFTER CLOSING **Protect your cushion**	• Keep funds available for moving, utilities, maintenance, and repairs. • Preserve any reserves required by the loan through closing. • Avoid treating the approval limit as the same as a comfortable budget.

THE NUMBER TO VERIFY

Your Loan Estimate provides an estimated cash-to-close figure. Before signing, compare it with the final Cash to Close on your Closing Disclosure and ask your mortgage or settlement team to explain material differences.

READY FOR A PERSONALIZED ESTIMATE?

Review your numbers with an EHG Mortgage advisor.

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Educational planning tool only. Actual cash requirements vary by loan, lender, property, contract, credits, insurance, taxes, and closing date.