



2026 EDITION

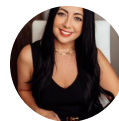
ALIGN LENDING GUIDE · NO. 05

Your Michigan Homebuyer Guide

From the first conversation to your first year in the house, including the Michigan rules that change your numbers.

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Samantha Shelton

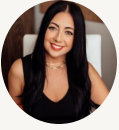
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From first call to keys



“The biggest thing I want you to know is you do not have to be ready to buy a house before you talk to me. That’s actually the reason to talk early.”

Samantha Shelton

Here is the order a purchase happens in, how long each stage usually takes, and what is yours to do in each one. Six months out is a good place to start. A year out is better. Nobody is rushing.

1	Talk first Can be 10 to 15 minutes	We figure out where you are: a monthly number that feels comfortable, your cash, your credit picture and your paperwork. No application, no credit pull, no obligation to go further.	YOUR PART Tell Samantha what you are trying to do, not which mortgage you want.
2	Prepare and get preapproved 1 to 6 months	The documents that actually apply to you, a credit review, and a preapproval with real work behind it, done before your heart is attached to a house.	YOUR PART Send whole documents, every page. Ask how long the letter is good for.
3	Look at houses 2 weeks to 6 months	You tour with your agent knowing your range, so the homes you see are homes you would actually be comfortable buying.	YOUR PART Agree how your agent is paid, in writing, before you start touring.
4	Offer and agreement 1 to 7 days	Offer, counteroffers, a signed purchase agreement and your earnest money deposit. The agreement sets the price, the closing date and every deadline.	YOUR PART Pay the earnest money from your own account and keep the receipt.
5	Under contract 2 to 4 weeks	The inspection and appraisal come first, then title work and underwriting. Conditions are the documents or explanations still needed before closing.	YOUR PART Answer requests as they come in and keep your finances still.
6	Closing week 3 to 7 days	Clear to close, your Closing Disclosure at least three business days before you sign, the final walk-through, then signing and keys.	YOUR PART Compare the Closing Disclosure with your Loan Estimate, line by line.

From an accepted offer to keys usually runs 30 to 45 days on a financed purchase. These are typical ranges, not promises: the property, the paperwork and every other party set the pace. When it feels slow, it is usually because someone is waiting on something. A document, an outside party, an answer, a condition.

Who does what

A purchase has more people in it than most buyers expect. Here is what each one is there to do.



You

Decide what feels comfortable, gather the documents that apply to you, hire the home inspector and keep your finances steady until closing. And ask: the questions people apologize for are usually the useful ones.



Samantha, your broker

Takes one application and shops your scenario across multiple wholesale lenders, works out which documents you need, and keeps you told where things stand.



Your real estate agent

Finds homes that fit your range, writes and negotiates the offer and works the contract deadlines. Since August 2024, how your agent is paid is agreed in writing between the two of you before you tour.



The title company

In Michigan, usually runs the closing: searches the title, holds the funds, prepares the settlement figures, records the deed and the mortgage, and pays everyone.



The appraiser

A licensed appraiser gives an opinion of what the home is worth, ordered through the lender. The loan is set on the lower of the appraised value or the purchase price.



The underwriter

Works for the lender and reviews the whole file: income, assets, credit, debts, the appraisal and the title. Most delays come from conditions that arrive late.

Two federal clocks that protect you

3

BUSINESS DAYS

Loan Estimate

Every lender must give you one within three business days of an application, in the same three-page layout, so offers compare line by line. It commits you to nothing.

3

BUSINESS DAYS

Closing Disclosure

The final terms and costs must reach you at least three business days before you sign. Use the time to compare it with your Loan Estimate.

Your first week

1

Pull your three credit reports

AnnualCreditReport.com is the federally authorized source. Read them first.

3

Start one folder

Two years of W-2s or tax returns, thirty days of paystubs, complete bank statements.

5

Keep your credit still

No new accounts, no big purchases, no closed cards until you have keys.

2

Write down a monthly number that feels comfortable

Not the maximum. Start with what you pay now.

4

Have one conversation with Samantha

Before you tour anything. It changes what you look at.

Your document checklist

Send whole documents, every page, even the pages that look blank. A statement missing page 4 of 5 is the single most common reason a file stalls at the start. Samantha will tell you which of these apply to you.

If you are paid on a W-2

- ☐ W-2s for the two most recent years
- ☐ The most recent 30 consecutive days of paystubs
- ☐ Government issued photo ID
- ☐ Most recent checking, savings and 401K statements All pages.

If you are self-employed

- ☐ Current business license
- ☐ Two most recent years of business and personal tax returns All schedules and all pages.
- ☐ Year to date profit and loss statement
- ☐ Two most recent years of 1099s If applicable.
- ☐ Government issued photo ID
- ☐ Most recent checking, savings and 401K statements All pages.

IF YOU OWN A HOME NOW, ADD

- ☐ Most recent mortgage statement
- ☐ Declaration page for homeowner's insurance
- ☐ Most recent property tax bill
- ☐ HOA invoice, if applicable

Situations to bring up on the first call

Selling your current home

Equity in a house you still live in is not the same as money you can use. Bring the mortgage statement and say whether the sale must come first.

Gift funds

Tell Samantha before any money moves. A gift needs a signed gift letter and a paper trail from the donor's account to yours.

Relocating to Michigan

If your new job starts after closing, bring the signed offer letter. Many loan programs can work from one, within limits each sets.

A VA benefit

Have your service information and anything from a previous VA loan nearby. If you cannot find it, still call. Used it before? That is not always the end of it.

Divorce or separation

Mention it even if it is long finished, and have the decree and any settlement or support paperwork nearby. Samantha will tell you which parts matter.

A past bankruptcy

Say so at the start, with the dates and any discharge paperwork. Do not decide for yourself what it means. Let Samantha look at the actual situation.

"I love when somebody starts the call with, 'Mine is complicated.' Because a lot of the time it really isn't. There are just more pieces."

Samantha Shelton

If you wonder whether to tell us, tell us.

"If you're thinking, 'I wonder if I should tell my loan officer about this,' tell us. You're not bothering us. I'd rather have the two-minute conversation before something changes than the twenty-minute conversation afterward trying to understand it."

Samantha Shelton

The loan is built on a financial picture. Change the picture halfway through and it may have to be looked at again. That does not mean you are forbidden from living your life. It means call before you do something major: a new car, new debt, a job change, or moving money around in an unusual way. Sometimes somebody makes a move thinking it helps when they did not need to do it at all.

✓ Do

✓ Pay your earnest money from your own account

A personal account you can produce statements for. Keep the receipt, because the lender will ask where the money came from.

✓ Tell Samantha early about gift funds

Before the money moves. It needs a signed gift letter and a documented transfer from the donor's account.

✓ Keep paying everything on time

Rent, cards, car and student loans. On-time payments keep counting right up to closing.

✓ Send whole documents, every page

Including the pages that say this page intentionally left blank.

✓ Answer follow-up requests as they come

A request for one more document is normal. It is not a sign something is wrong.

✓ Keep everything in one folder

You will be asked for updated versions of the same documents later.

✗ Don't

✗ Open new credit

Not a store card, not a furniture plan, not a car. Credit is checked again before closing.

✗ Close accounts either

Changing your utilization in either direction can move the numbers your file was built on.

✗ Move money between accounts

Money that appears with no paper trail has to be sourced, which slows the file down. Leave it where it is and ask first.

✗ Make large unexplained deposits

Lenders want the source of any large deposit on your recent statements. Ask before it lands.

✗ Change jobs without talking first

Sometimes it is fine. Sometimes it is not. The problem is finding out late.

✗ Decide for us whether something matters

Ask. It is usually a two-minute call.

Not sure whether something matters? That is the two-minute call. 7 days a week, evenings included.

CALL OR TEXT SAMANTHA

248-506-5727

04 MICHIGAN

Why you cannot use the seller's tax bill

In Michigan, a home's taxable value is capped while one owner holds it. The year after it sells, that cap comes off and taxable value resets to the state equalized value, which is half of the assessor's estimate of market value, not automatically half of what you paid.

"Don't build your budget around somebody else's tax bill."

Samantha Shelton

Their bill tells you something about the property, not what you will pay as the new owner. So Samantha estimates your taxes as the new owner from the first conversation, deliberately on the high side, and never from a county alone. She needs the actual property and its millage.

HOW THE BILL IS FIGURED

Taxable value ÷ 1,000

× your millage

= your yearly tax

A mill is one dollar of tax for every \$1,000 of taxable value. Each local unit levies its own mills, so homes at the same price a few miles apart can carry very different bills.

Your first tax year, in order

Within 45 days of closing

Property Transfer Affidavit

Form 2766 tells the local assessor that ownership changed. Title companies often file it, but confirm it was filed. A late filing carries a daily penalty.

By June 1, or November 1

Principal Residence Exemption

Often called the homestead exemption, it cuts up to 18 mills of school operating tax on the home you live in. It does not carry over from the seller: file your own affidavit with the local assessor by June 1 for that year's summer and winter bills, or by November 1 for the winter bill.

The year after you buy

The new bills arrive

The uncapped taxable value shows up on the summer bill, around July, and the winter bill, around December. Your escrow account catches up at its next yearly review.

Not the Homestead Property Tax Credit

A separate income tax credit, claimed on your state return each year, for households under an income limit.

If the value looks too high

The uncapping follows state law. The assessor's estimate of market value can be appealed at the March Board of Review in your city or township.

THE DATA BEHIND THIS

Align's Property Tax Uncapping Study tracks the reset in every Michigan community, from State Tax Commission records.

alignlending.com/research/michigan-property-tax-uncapping-study/



Three more Michigan things worth knowing

TRANSFER TAX

Usually the seller's, not yours

\$3.75 + \$0.55 state and county tax for every \$500 of the price

Michigan charges a real estate transfer tax when property changes hands. By custom the seller pays it at closing, though the purchase agreement can say otherwise, so read the clause.

For a buyer it is usually not a cost at all. The tax change that matters on your side is the uncapping. A refinance owes no transfer tax.

MSHDA

The state's homebuyer programs

The Michigan State Housing Development Authority runs the MI Home Loan mortgage and the MI 10K DPA, an interest-free deferred loan paired with a MI Home Loan. It is repaid when the home is sold, refinanced or paid off, or stops being owner-occupied.

The programs come through participating lenders, carry purchase price and income limits, and usually ask for a homebuyer education course. The limits change, so ask Samantha for the current figures before you plan around them.

WELLS AND SEPTIC

Buying a home that is not on city water and sewer



Michigan regulates wells and septic through local health departments, each under its own sanitary code. Several counties require a well and septic evaluation before a sale can close, and others do not. Call the county health department for the property's address before you write the offer.

- ☐ **Order a well inspection and a water test** Two separate orders inside your inspection contingency, the water test from a state-certified laboratory. A standard home inspection usually covers neither.
- ☐ **Order a dedicated septic inspection** Read the pumping records, and ask early who orders any county evaluation and what the report has to show.
- ☐ **Ask for enough inspection time** County evaluations, lab turnaround and any fix take calendar days. On a well and septic property a 7 to 10 day window is often too tight, so negotiate before you are under contract.
- ☐ **Ask what your loan may require** Every major loan program finances homes on wells and septic, and most defer to the local health authority. Ask Samantha which inspections your loan may require.
- ☐ **Keep the paperwork** The well log, pump receipts and every lab report. A folder of clean tests protects your resale value.

SIMPLY NORMAL HERE

Basements. Seasonal property issues. Winter. And boundaries: sometimes you cross a road and you are in another city or township, with its own millage. If you are relocating, those lines matter more than you would expect.

Programs worth asking about

Start with what you are trying to do, not with a product. Which loans actually fit depends on you, the property and each program's rules, so treat this page as a list of questions to bring, not answers.

GOAL 01

A payment that stays put

Fixed-rate mortgage

The rate is set for the life of the loan, so principal and interest never change. Taxes and insurance still can, which in Michigan matters.

Ask: How long you expect to keep the home, and how an adjustable-rate loan would look at its caps.

GOAL 02

A smaller down payment

FHA

HomeReady

Home Possible

MSHDA

Programs built for buyers putting less down. They carry mortgage insurance, and some have income limits or ask for a homebuyer education course.

Who told you that you need a large down payment? Check before you spend another year saving toward it.

GOAL 03

Using your VA benefit

VA loan

For eligible veterans, service members and some surviving spouses. Eligibility shows on a Certificate of Eligibility, and a benefit used before is not always used up.

You do not need to apologize for using a benefit you earned.

GOAL 04

A rural or small-town home

USDA loan

Backed by the U.S. Department of Agriculture for homes in eligible rural and suburban areas, with household income limits for the area.

Ask: Whether the address is in an eligible area. Large parts of Michigan outside the bigger cities are, which surprises many buyers.

GOAL 05

Self-employed income

Conventional

FHA

Bank statement loan

Tax returns document most self-employed income. If write-offs make it look low, a bank statement loan uses deposits instead, usually with higher pricing.

Self-employed is different, not harder. Let Samantha look at the real documents first.

GOAL 06

A house that needs work

FHA 203(k)

HomeStyle

VA renovation

The purchase and the planned work in one loan. It needs contractor bids and a scope before closing, and the money is paid out in stages as the work is done.

You are not just financing the house. You are financing a plan for it.

GOAL 07

A higher-priced home

Jumbo loan

A loan above the conforming limit for its county. Jumbo depends on the loan amount, not the price, and each lender sets its own rules.

Pricing varies widely between lenders, which is what shopping multiple wholesale lenders is for.

GOAL 08

Buying before you sell

Home sale contingency

Bridge loan

Sell first

Ways to handle owning one home while buying the next. Each fits a different situation, and the order matters more than the product.

You are coordinating two houses, not one.

Program rules, limits and pricing change. Naming a program here is not an offer, a quote, or a statement that it fits you.

Closing day and the first year

AT LEAST 3 BUSINESS DAYS BEFORE

Read your Closing Disclosure

The five-page form with the final terms and costs. Compare it line by line with your Loan Estimate. Some charges cannot increase at all, and some only within a set limit.

BEFORE YOU SEND ANY MONEY

Call to verify the wire

Criminals send fake wiring instructions from hacked or look-alike email. Call the title company at a number you already know, not one in the email, and confirm. Changed instructions by email are a warning sign.

A DAY OR TWO BEFORE

The final walk-through

Confirm agreed repairs are done, included items are still there and nothing was damaged in the move out. Problems are far easier to fix before you sign.

CLOSING DAY

Bring these

Government-issued photo ID, proof of homeowners insurance if the title company does not have it, your cashier's check or wire confirmation, and your Closing Disclosure. Everyone taking title generally signs.

YOUR FIRST PAYMENT

Usually the first of the second month

Interest is paid in arrears, so the first payment is usually due on the first of the second month after closing. If your loan servicing is sold, both companies must tell you, and for 60 days an on-time payment to the old servicer cannot be treated as late.

ABOUT A YEAR IN

The escrow review

Once a year your servicer reviews the escrow account. In Michigan, the uncapped tax bill usually shows up here, as a higher payment or as a shortage spread over the next 12 payments or paid at once.

EVERY YEAR

A check-in with Samantha

A short call about your loan and your plans. Often the honest answer is that nothing needs to change, and she will say so.



Papers to keep

- ☐ Your Closing Disclosure and settlement statement
- ☐ The full signed closing package
- ☐ Your owner's title insurance policy
- ☐ Your Principal Residence Exemption affidavit and the Property Transfer Affidavit
- ☐ The home inspection report
- ☐ Well, septic and water test records, if the home has them
- ☐ Your homeowners insurance declaration page

Keep the closing package for tax time and any future title claim. An owner's title policy lasts as long as you own the home.

"I don't think somebody should refinance just because somebody called them and told them they could."

Samantha Shelton

Your numbers

Fill this in before your first call and bring it. A preapproval tells you what you may be able to borrow. What you should spend is a different question, and it is yours to answer.

A monthly housing number that feels comfortable

\$ _____ a month, all in

Taxes and insurance belong in it, and association dues where there are any. In Michigan, use your tax number as the new owner, not the seller's.

What I pay for housing now

Does that feel comfortable?

Already committed every month

What I am not willing to give up

The cash buckets

Down payment is not the only money involved. These are the buckets, and they do not all come due at once.

BUCKET	WHAT IT COVERS	AMOUNT	WHERE IT COMES FROM
Earnest money	Your deposit when the offer is accepted, credited back at closing		
Down payment	The part of the price you pay up front		
Closing costs	Lender charges, appraisal, title insurance, recording fees		
Prepaid items	Interest to month end, first year of insurance, the opening escrow deposit for taxes		
Inspections	The home inspection, plus well, septic and water tests where they apply		
Moving and first month	Movers, utility deposits, what a new house needs on day one		
Reserves	What is left after closing, for the things that break		
Total cash I want available			

Questions to ask Samantha

- ☐ What are my actual scores, and what do they change?
 ☐ What is included in the monthly number you are using?
- ☐ Are my taxes estimated as the new owner, not from the seller's bill?
 ☐ Which documents apply to me, and which do not?
- ☐ What would change this number?
 ☐ How long is my preapproval letter good for, and can it be reissued at my offer amount?

Notes

Your people

Samantha Shelton, your broker

248-506-5727

Your real estate agent

Title company

Home inspector

Insurance agent

County health department wells and septic

Local assessor exemption affidavit

Write the title company's number down from a source you already trust, so you never rely on a number in an email at closing.

Your dates

Offer accepted

Earnest money delivered

Inspection deadline

Appraisal

Homeowners insurance in place

Closing Disclosure received

Final walk-through

Closing

Property Transfer Affidavit filed

Exemption affidavit filed

First payment due



You do not have to be ready to talk to us.

The first conversation does not have to turn into anything. No application, no credit pull, and no obligation to go further.

Tell Samantha what you are trying to do and she will tell you what actually matters in your situation. If the answer is that you should wait, she will say that too.

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Web alignlending.com



Build your homebuyer game plan

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