

THE ROAD
TO
Home

A HOME BUYER'S GUIDE

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hello,

I AM MELISSA HELMS

YOUR LOCAL REAL ESTATE EXPERT

Nice to meet you!

LET'S CONNECT

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steps TO BUYING A HOME

- 1 FIND THE RIGHT AGENT
- 2 PREPARE FINANCES
- 3 GET PRE-APPROVED
- 4 START HOME SHOPPING
- 5 MAKE AN OFFER
- 6 ORDER AN INSPECTION
- 7 NEGOTIATE FINAL OFFER
- 8 SCHEDULE THE MOVE
- 9 CLOSING DAY



1 FINDING THE RIGHT

agent

Buying a home is one of the most significant purchases in a lifetime. It is essential to have an experienced agent in your corner, always looking out for your best interest. A buyer agent's responsibility is to represent the buyer and to ensure that they are protected.

After all, a seller has someone in their corner. A listing agent has an allegiance to the seller. Their goal is to get the seller top dollar for their home. There is incredible value in having someone working for YOUR best interests when buying a home.



GETTING YOU IN THE DOOR

We will narrow down the homes that fit your unique wants and needs and see properties that fit your budget.

When repairs or changes in price need to be made, I will be your guide and handle requesting any repairs or changes in price to the sellers.

STAYING ON TOP OF THE PAPERWORK

Buying a home involves many types of documentation. I have the experience and knowledge to navigate real estate contracts. Ensuring that nothing is overlooked, and that you truly understand what a paper means before ever signing on the dotted line.

ON YOUR SIDE

A buyer's agent will represent your best interests. With a pulse on the local market and a sound understanding of how various amenities effect the value of a home, we will make sure we submit a competitive offer on the right house for you.

NEIGHBORHOOD EXPERT

I work daily in neighborhoods with inspectors, contractors, and negotiating with sellers. I have the market knowledge you need to get you the home of your dreams at the best price! Understanding the local real estate market is essential when it comes time to make an offer on a house.

PROBLEM SOLVER

I will work hard to protect all of your interests and take on any issues that may arise throughout the entire process. I work tirelessly to make sure buying a home is a fun and stress-free process.



2 *prepare* FINANCING

HOW MUCH HOUSE CAN YOU AFFORD?

Mortgage lenders recommend you do not buy a home that is more than 3 to 5 times your annual household income. If you are not purchasing a home with cash, you will need a mortgage pre-approval provided by your mortgage lender. A lender will work with you to get a loan that meets your needs. Some buyers are concerned with keeping their monthly payments as low as possible, others want to make sure that their monthly payments never increase.

CHECK YOUR CREDIT

A mortgage requires a good credit score. You can improve your score by:

- Paying down credit card balances
- Continuing to make payments on time
- Avoid applying for a new credit card or car loan until you have been approved
- Avoid making big purchases until you have closed on your new home
- If possible, avoid job changes until you have closed on your new home

SAVE CASH FOR A DOWN PAYMENT & OTHER EXPENSES

In order to make your dream of buying a home a reality, you will need to save cash for your down payment, earnest money, closing costs & home inspector.

- A down payment is typically between 3.5% & 20% of the purchase price
- Earnest money is money you put down to show you're serious about purchasing a home. It's also known as a good faith deposit.
- Closing costs for the buyer run between 2% & 5% of the loan amount
- A home inspection can start at \$500 and run higher depending on the property



3 *get* PRE-APPROVED

Being pre-approved, unlike being pre-qualified, means you've actually been approved by a lender for a specific loan amount. You will need to provide documented financial information (income, statements, assets, debt & credit reports, etc.) to be reviewed & verified by the lender.



GET
qualified



INCOME QUALIFICATIONS

QUALIFYING INCOME

W-2 Income/Salary
Income from part-time jobs
Income from a second Job
Overtime & Bonuses
Seasonal jobs
Self-employed Income
Alimony & child support (Documentation required)
Social Security income

NEEDED *documents*

W2'S FROM THE PAST 2 YEARS
3 MONTHS WORTH OF PAY-STUBS
BANK STATEMENTS (PAST 3 MONTHS)
PREVIOUS 2 YEARS OF TAX RETURNS
LIST OF YOUR DEBTS & ASSETS
DIVORCE DECREE
ADDITIONAL INCOME DOCUMENTS



TYPES OF mortgage loans

TYPES OF LOANS

	WHO QUALIFIES	DOWN PAYMENT	UPFRONT MORTGAGE INSURANCE	MONTHLY MORTGAGE INSURANCE	MINIMUM CREDIT SCORE
VA Department of Veteran Affairs	Veterans Personnel with honorable discharge Reservists & National Guard Surviving Spouses	NONE	NONE	NONE	580 can be less in certain circumstances
USDA Department of Agriculture	Someone who is buying a home in a USDA -designated rural area.	NONE	2% of the loan amount. Can be rolled into loan amount.	REQUIRED	640
FHA Federal Housing Administration	Anyone who meets the minimum credit and income levels.	At least 3.5% of purchase price	1.75% of loan amount	REQUIRED	580-640 can be less in certain circumstances
203K Federal Housing Administration	Anyone who plans to purchase a fixer-upper or needs to renovate their home and meets credit & income requirements	At least 3.5% of purchase price	1.75% of loan amount	REQUIRED	580-640
CONVENTIONAL 97	Depending on the program, available first time home buyers (a buyer who hasn't owned in the last three years) can put 3% down with a Conventional 97 program.	Varies from 3%-20% of purchase price	NONE	REQUIRED	620
SELECT SMART PLUS	Anyone who meets lenders credit, income & debt level requirements	Varies from 3% -20%, but typically ranges from 5-20%	NONE	REQUIRED	620



4

start HOME SHOPPING

START TOURING HOMES IN YOUR PRICE RANGE

Time to start shopping! We will take notes on all the homes we visit. It can be hard to remember all the details of each home, so take pictures or videos to help you remember each home, and review the notes you have written. Once we have found THE house for you, we will present an appropriate offer based on recent sales and current buyer activity in the area, as well as the value of the property in its current condition. Negotiations may take place after the offer is presented.



tip

- We will make sure to check every little detail of each house.
- Evaluate the neighborhood and surrounding areas.
- Are the surrounding homes well maintained?
- How much traffic is on the street?
- Is it conveniently located to services that are important to you?



WHEN TO MAKE AN OFFER:

So you have found THE house! Congrats! In markets when the demand is higher than the amount of homes available it is important to act fast!

HOW MUCH TO OFFER:

We will sit down and look at recent sales and current buyer activity in the area, as well as the value of the property in its present condition. Putting all this information together, we will determine the price that you would like to offer.

SUBMITTING AN OFFER

There are some components to an offer that makes it more appealing to the sellers.

•Put Your Best Foot Forward

We will work together to discuss your options and create your very best offer. Depending on the circumstances, you may have only one chance to make a good impression.

•Put Down an Appropriate Earnest Deposit

I will help you determine your deposit amount for the home.

•Cash Talks

A transaction that is not dependent on receiving loan approval is more attractive to a seller

•Shorter Inspection Periods

Try shortening the inspection periods to expedite process once contract is accepted

•Offer to Close Quickly

Choose to close on the home quickly BUT with enough time for your mortgage and title to be processed, if applicable.

**AFTER YOU SUBMIT AN OFFER****THE SELLER COULD****•ACCEPT THE OFFER****•DECLINE THE OFFER**

This happens if the seller thinks your offer isn't close enough to their expectations to further negotiate.

•COUNTER-OFFER

A counter-offer is when the seller offers you different terms. If this happens, you can:

•ACCEPT THE SELLER'S COUNTER-OFFER**•DECLINE THE SELLER'S COUNTER-OFFER****•COUNTER THE SELLER'S COUNTER-OFFER**

You can negotiate back and forth as many times as needed until you reach an agreement or someone chooses to walk away.

OFFER IS ACCEPTED - CONGRATS!

You will sign the purchase agreement and you are now officially under contract! Now inspections, appraisals, or anything else built into your purchase agreement will take place.





6 *order* AN INSPECTION

During the inspection period, we will schedule an inspection with a reputable home inspector to do a thorough investigation of the home. Once this is complete, the inspector will provide us with a list of their findings. You can take the issues as-is or request the seller to address some or all of the findings. We will be mindful and reasonable on smaller items while being very cautious and vigilant of potentially significant issues.

7 *negotiate* FINAL OFFER

Issues typically arise after the home inspection, and those issues tend to result in another round of negotiations for credits or fixes.

1. Ask for credit for the work that needs to be done.

Likely, the last thing the seller wants to do is repair work.

2. Think “big picture” and don’t sweat the small stuff.

A tile that needs some caulking or a leaky faucet can easily be fixed. Repairs are still up for negotiation and perhaps a small credit would help with closing costs.



APPRAISAL *ordered*

If you are financing your purchase - your lender will arrange for a third party appraiser to provide an independent estimate of the value of the house you are buying. The appraisal lets all parties involved know that the price is fair. The loan file then moves on to the mortgage underwriter.

If approved you will receive your final commitment letter that includes the final loan terms & percentage rates.

PROPERTY TITLE SEARCH

This ensures that the seller truly owns the property and that all existing liens, loans or judgments are disclosed.

HOME OWNERS INSURANCE

You'll need insurance for the new home before closing. Start getting quotes as soon as your inspections are complete. This will protect against things like fire, storms, and flooding



scheduling YOUR MOVE

AFTER SIGNING

- Finalize Home Mortgage
- Schedule Home Inspection
- Declutter! Sort through every drawer, closet, cupboard & shelf, removing items you no longer need or like. Donate or sell items that are in good condition
- Create an inventory of anything valuable that you plan to move
- Get estimates from moving companies

4 WEEKS TO MOVE

- Get quotes for home insurance
- Give 30 days notice if you are currently renting
- Schedule movers/moving truck
- Buy/find packing materials
- START PACKING

3 WEEKS TO MOVE

- Check the status of your loan and title search

2 WEEKS TO MOVE

- Secure Home Warranty
- Schedule time for closing
- Contact utility companies (water, electric, cable)
- Change address: mailing, subscriptions, etc.
- Minimize grocery shopping
- Keep on packing

1 WEEK TO MOVE

- Look for wiring instructions for payment from title company
- Schedule and attend a final walkthrough
- Finish packing
- Clean
- Pack essentials for a few nights in new home
- Confirm delivery date with the moving company. Write directions to the new home, along with your cell phone number



9

closing DAY

✓ CLOSING DAY

Closing is when you sign ownership and insurance paperwork and you receive your new home's keys! Typically, closing takes four to six weeks. During this time, purchase funds are held in escrow, where your money is held safe until the transaction is complete.

✓ CLOSING DISCLOSURE

Lenders are required to provide you with a closing disclosure before closing. This will show you what your final loan terms and closing costs will be. You will have time to review the statement. This is done to ensure that there are no surprises at the closing table. If there is a significant discrepancy between the loan estimate and the closing disclosure, we must notify your lender and title company immediately.

✓ FINAL WALKTHROUGH

We will do a final walk through of the home within 24 hours of closing to check the property's condition. This final inspection takes about an hour. We will make sure any repair work that the seller agreed to make has been done.

We will be sure to:

- Make sure all appliances are working properly
- Run the water in all the faucets and check for any possible leaks
- Open and close garage doors with opener
- Flush toilets
- Run the garbage disposal and exhaust fans

✓ CLOSING TABLE

Who will be there:

- Your agent
- The seller
- The seller's agent
- A title company representative

The closing typically happens at the title company. You will be signing lots of paperwork so get your writing hand warmed up! Some of the papers you will be signing include: the deed of trust, promissory note, and other documents

✓ CLOSING COSTS

Closing costs can vary depending on your home's purchase price and where you are located. You can generally expect your closing costs to be around 3% to 4% of the home's sales price. These closing costs can sometimes be shared with the seller.

✓ BRING TO CLOSING

- Government-issued photo ID
- Copy of the sales contract
- Homeowner's insurance certificate
- Proof of funds to cover the remainder of the costs

✓ RECEIVE YOUR KEYS

Congratulations! It was a lot of hard work but you are now officially homeowners!! Time to throw a party and get to know your new neighbors!



buyer QUESTIONNAIRE

contact info

Name:

Address:

Email:

Phone Number:

Would you prefer a text or phone call with questions:

general questions

Date you need to obtain a property:

Do you currently own a property you need to sell:

Are you leasing and when does lease end:

Are you a first time homebuyer:

How long have you been looking:

Who will be living in the home:

Any pets to accommodate:

location

Where do you want to purchase:

Specific part of the city you prefer:

What is important to you when selecting a location:

financing

Preferred budget range for home:

Maximum HOA preferred, if applicable:

Are you pre-approved for a mortgage or paying cash:

If pre-approved how much did you qualify for:

Do you need to sell a property in order to purchase a new one:

Do you need to be set up with a lender to discuss lending options:

home features

Number of bedrooms desired:

Number of bathrooms:

Ideal square footage:

Other rooms requested (i.e. space for home office):

Existing home or new construction:

If new construction: Spec/model home or custom build:

Single family home or condominium:

Single floor or two story:

Are you interested in manufactured homes:

If requesting a condo: Do you prefer a specific floor level:

If requesting a condo: If not on ground floor is an elevator required:

Any disabilities that need to be accommodated in this home:

Would you like to have a pool already installed:

Garage? One car, two car, 3+ car:

Are you interested in 55+ plus communities?:

Community features desired: (i.e. Gated access, clubhouse, community pool, etc.):

misc.

Are you currently working with a real estate agent or have any signed agreements with another real estate agent:

How did you hear about us:

Is there any thing I need to know that was not covered in this questionnaire:

Thank you so much for taking the time to fill out this questionnaire so I can pinpoint a great property for you. If anything changes in your search criteria, please let me know as soon as possible! I can always change specifications to fit your needs and goals.