



DELAWARE'S
+FINEST+



SCAN ME

Watch Me on YouTube



6 STEP GUIDE TO BUYING A HOME IN DELAWARE

Moving Your Family To Delaware
Can Be Overwhelming. With
Delaware's Finest Realty I Take
The Confusion Out of Making
Delaware Your Home And Help You
Achieve The Delaware Lifestyle

Making Delaware Your Home

732 266-2669

www.DelawaresFinestRealty.com

Cheryl.Babey@exprealty.com



DELAWARE'S
+FINEST+
— REALTY —



DELAWARE'S
+FINEST+
— REALTY —



CONTACT ME : 732 266-2669

Financial Considerations

Closing costs are easy to overlook when you're buying your first home, as you're probably most concerned about the house purchase price, your down payment and the mortgage interest rate. But it's a mistake to forget about closing costs, Delaware's Transfer Tax (4%), a sometimes-mysterious mix of fees, charges and advance payments that, if not handled well, can make closing day a scramble.

Here are some tips on how to plan ahead for closing costs.

What Are Closing Costs?

Closing costs fees and expenses that all you to finalize a home purchase, including mortgage-related fee's, property title insurance and taxes.

As you stay in communication with your lender leading up to the closing, you'll find out if any of the anticipated costs change. Then, a few days before the closing date, you'll get a closing disclosure that will confirm the fees you will pay. All of the payments on the form will be due at closing. It is vitally important that you prepare to cover the closing costs, which will likely come out of your down payment.

I tell my clients to budget between \$3000 - \$8000 or 2-5% of homes price for closing costs on average.

Pre-qualify for a mortgage

Generally, you must establish a few things in order to quality for a mortgage loan; for example, adequate income to support the continuing loan obligations and credit worthiness to demonstrate persistence in meeting credit obligations.

- The lender will consider your income to determine the amount of loan. Lenders look at your debt-to-income ratio to determine the amount of loan you will qualify for. In other words, the balances on your credit and other loans will reduce the amount of the mortgage loan you will qualify for. Your credit score determines the amount of interest and type of loan you can qualify for.
- The down payment is equally important. This is the amount of money you must reduce the amount you need to borrow or increase the value of the house you can purchase. Some of your down payment can be applied to your loan to decrease your loan interest; this is called buying down points.



DELAWARE'S
+FINEST+
— REALTY —

CONTACT ME : 732 266-2669

Pre-approval letters

Before you put an offer on a home, a seller will generally want to see a pre-approval letter. This letter tells the seller and their agent how much of a loan you qualify for. This approval letter excludes the amount you have available for a down payment or have to bring to the closing table. Most realtors like to see a pre-approval letter before they will agree to represent a buyer and begin showing them homes.

How do I know what type of mortgage is right for me?

The type of loan you qualify for will determine your monthly payment amounts, the length of the loan and other terms of the mortgage.



A Conventional loan is a type of mortgage loan that is customarily made by a bank, savings and loan association or other financial institution that is without governmental underwriting (such as the Federal Housing Administration (FHA) insurance or a Department of Veterans Affairs, (VA Guarantee). Here the lender looks at your debt-to-income ratio, credit history and credit score to determine the terms of the loan. Conventional loans can be adjustable-rate mortgage (ARM) or fixed rate loans. Just be aware the you will be required to have PMI which is private mortgage insurance if you do not put the 20% down as required by the loan.



An FHA loan is a mortgage that is insured by the Federal Housing Administration. The credit requirements are less stringent than with a conventional loan.

To qualify for an FHA loan, you need two years of steady income, and your new mortgage must be 30 percent of your gross income. If you have filed for bankruptcy, your discharged must be at least two years old. If you have gone through foreclosure, it must be four years old. FHA loans tend to be fixed rate loans.



A VA loan is a mortgage guaranteed by the Department of Veterans Affairs. Generally, veterans, National Guard, reserve and some surviving spouses can apply for VA loans. The major VA requirements are steady income and at least two years of military service. VA loans tend to be fixed rate loans.



DELAWARE'S
+FINEST+
— REALTY —

CONTACT ME : 732 266-2669

Step 1: Know What You Can Afford

Are you ready to own a home?

One of the first things you'll need to do is decide how much home you can afford. Take an honest look at your current income and expenses so you understand how much you can afford to spend on the home. You'll also need a rough idea of how much down payment you'll have and what current interest rates are for different types of homes.

Check your credit report

Lenders will look at your credit report to determine what interest rate they can offer you. A higher score generally means you are lower credit risk and will qualify for a lower interest rate. Check your credit report for any inaccurate details before you start to shop for loans. If your credit score is low, you may want to take steps to improve it before taking on a mortgage. You will need to have a credit score of at least 620 for a conventional loan.

How much will I need for a down payment?

Most mortgage companies require 3-20% of the purchase price as a down payment for financing. If you don't have the 3-20% down, you may pay a higher interest rate. You'll also need to set up an escrow account. An escrow account is an account held in the borrower's name to pay obligations such as property taxes and insurance premiums. The escrow account will be set up during the closing process by the closing attorney. If you do not put the 20% down for a conventional loan, you will be charged PMI insurance. (Private Mortgage Insurance)

VA loans will require 0% down in most cases.

BEST WAYS TO MAINTAIN CREDIT

- 1 Avoid opening new credit accounts
- 2 Don't close any accounts that have been open for a long time
- 3 Make all of your credit card payments on time

MINIMUM CREDIT SCORES

500

VA Loan

523

FHA Loan

620

Conventional Loan



DELAWARE'S
+FINEST+
— REALTY —

CONTACT ME : 732 266-2669

Immerse Yourself in DE

DELAWARE TOP LOCAL RECOMMENDATIONS

RESTAURANTS

AGAVE DELAWARE (SUSSEX)
BIG FISH (NEW CASTLE/SUSSEX)
COOL SPRINGS FISH BAR/GRILL (KENT)
CRABBY DICKS (NEW CASTLE/SUSSEX)
DOG FISH HEAD BREWERY (SUSSEX)
GRAIN H2O (ALL COUNTIES)
HARRY'S SAVOY GRILL (NEW CASTLE)
HENLOPEN OYSTER HOUSE (SUSSEX)
LA CASA PASTA (NEW CASTLE)

RESTAURANTS (CONTINUED)

LONG HORN STEAKHOUSE (NEW CASTLE)
MCGLYNN'S PUB (NEW CASTLE/KENT)
MICHELLE'S @ DOVER DOWNS (KENT)
MILLER'S ALE HOUSE (NEW CASTLE)
MISSION BBQ (NEW CASTLE/KENT)
SEAFOOD CITY (KENT)
THE STARBOARD (SUSSEX)
THE FESTIVAL BUFFET @ DOVER DOWNS (KENT)
TREVI RESTAURANT (NEW CASTLE)

MUSEUMS/PARKS

BRECKNOCK PARK (KENT)
CAPE HENLOPEN STATE PARK (SUSSEX)
DELAWARE ART MUSEUM (NEW CASTLE)
FORT DUPONT STATE PARK (NEW CASTLE)
HAGLEY MUSEUM & LIBRARY (NEW CASTLE)
HOLTS LANDING STATE PARK (SUSSEX)
KILLENS POND STATE PARK (KENT)
LUMS POND STATE PARK (NEW CASTLE)
WINTERTHUR MUSEUM (NEW CASTLE)

SHOPPING

CHRISTIANA MALL (NEW CASTLE)
CHRISTIANA FASHION CENTER (NEW CASTLE)
DOVER MALL (KENT)
HAASS' BUTCHER SHOP (KENT)
LEWES MERCHANTILE ANTIQUES (SUSSEX)
PRICES CORNER SHOPPING CENTER (NEW CASTLE)
TANGER OUTLETS (SUSSEX)
THE WEDDING BOUTIQUE (KENT)
TRADER JOE'S (NEW CASTLE)

MEDICAL CARE

BEE BEE MEDICAL CENTER (SUSSEX)
CHRISTIANA HOSPITAL (NEW CASTLE)
HELEN F. GRAHAM CANCER CENTER (NEW CASTLE)
KENT GENERAL (KENT)
NOVA CARE REHABILITATION (SUSSEX)
VA HOSPITAL (NEW CASTLE)

THINGS TO DO

DELAWARE CHILDRENS MUSEUM (NEW CASTLE)
DELAWARE PARK (NEW CASTLE)
DOVER DOWNS CASINO/NASCAR (KENT)
GO APE AT LUMS POND STATE PARK (NEW CASTLE)
HARRINGTON CASINO (KENT)
MIDDLETOWN PEACH FESTIVAL (NEW CASTLE)
REHOBETH~DEWEY BEACHES (SUSSEX)
LEWES FERRY TO NEW JERSEY (SUSSEX)

*WALK IN EMERGENCY CENTERS (ALL)

Making Delaware Your Home...



DELAWARE'S
+FINEST+
— REALTY —

N.ighborhood MAP

CONTACT ME : 732 266-2669



New Castle County

- Population: 570, 072 (2023)
- Avg Home Price \$ 348k (2023)
- Newark Senior Center
- Wilmington Senior Center
- MOT Senior Center
 - (MOT: Middletown, Odessa & Townsend)
- 55 and Older Communities

Kent County

- Population: 181, 085 (2023)
- Avg Home Price \$ 349k (2023)
- Mami A. Warrant Senior Ctr
- Modern Maturity Center
- 55 and Older Communities

Sussex County

- Population: 237, 286 (2023)
- Avg Home Price \$ 480k (2023)
- Sussex County Senior Center
- Cape Henlopen Senior Center
- 55 and Older Communities

Delaware is 96 Miles from North to South. Varies in width by 9 miles to 35 miles



DELAWARE'S
+FINEST+
— REALTY —

CONTACT ME : 732 266-2669

E.ducate Yourself

Active – A property that is on the market and available for sale. It may have received offers, but none have been accepted.

Appraisal – An estimate of the market value of a property based on comparable recent sales of homes nearby. It is done by a licensed appraiser for a lender

Closing Costs – The expenses and fees associated with the purchase and sale of a home, such as taxes, title insurance, appraisal fees and lender fees.

Commission – As a buyer, commission is paid 100% buy the sell the seller. Good news for you! Commission is a fee charged by a real estate agent for their services.

Contingency – A contingent offer is when a buyer has a home to sell before they can get a loan and close on a property. Contingencies are tough in our current housing market. Ask me today about some strategies I use to help!

DTI – Debt-to-Income The total percent of a borrower's income that is paid toward debt each month calculated as a ratio of a borrower's gross monthly income over their debts including car payments, student loans and credit card bills. A borrower's DTI affects their credit rating.

Down Payment – The amount of money a buyer pays at closing toward a home purchase. It is also called good faith monies and shows the seller that you are serious.

Earnest money deposit – A partial payment by a buyer when submitting a contract that demonstrates the buyer's commitment to the deal. The money, which is held in an escrow account, goes toward closing costs. There are several points within the contract that a buyer can get their earnest money returned to them if the contract is not be fulfilled.

Equity – The amount remaining after subtracting the amount of a mortgage loan from the sales price of the home.

Making Delaware Your Home...



DELAWARE'S
+FINEST+
— REALTY —

CONTACT ME : 732 266-2669

Escalation clause – A tool used by buyers to outbid competitors for a property. In the contract offer submitted by the buyer to the seller, the buyer states they would increase their offer by a certain amount if the seller received offers higher than theirs.

Pending – An offer has been accepted, a contract has been executed and the contingencies have been met.

Preapproved – A buyer completes an application, pays a fee and supplies the necessary documentation to the lender who performs an extensive financial background check. The lender will issue a conditional commitment in writing for an exact loan amount. Preapproval does not guarantee a loan.

Prequalified – An informal estimate of how much a buyer can afford to borrow for a mortgage. It does not include an analysis of a buyer's credit report or an in-depth look at their ability to purchase a home.

PITI – Principal, Interest, Taxes and Insurance. The major homeownership costs included in many monthly mortgage payments.

PMI – Private Mortgage Insurance. Insurance that protects the lender against loss if a borrower defaults on a loan. PMI is required for conventional loans that have less than a 20 percent down payment.

Rate lock – An agreement between a borrower and a lender that allows the borrower to lock in an interest rate on a mortgage for a specified period of time.

Transfer Tax – There is a standard 4% transfer tax. This can be paid by the seller or buyer or create an agreement to share the expense. Add this information to your offer to the seller.

Title Insurance – Compensates the buyer or lender if title defects, liens or competing claims of ownership on a property arise after closing.





DELAWARE'S
+FINEST+
—REALTY—

Search Factors

CONTACT ME : 732 266-2669

BUYER QUESTIONNAIRE

Finding the perfect home rarely happens, as compromises are inherent in the home purchase process. But with my help, I work to get you as close as I can to your ideal home. Please take a minute and help me by answering the following questions. Your feedback will provide information I can use to simplify your property search and save you time. If there are any details that aren't addressed in the questions, feel free to add them.

Where do you want to buy property? _____

Is there any specific part of the state that you prefer? _____

Do you have children? YES NO

Is there a specific school or school district you'd prefer to live in/near? YES NO

If yes, which school district(s)? _____

Do you have pets? YES NO What kind, and how many? _____

Have you bought or sold a home in the past? YES NO

If yes, how long ago and where? _____

Do you need to sell a property before you can purchase another? YES NO ON MARKET

Are you currently in a lease? YES NO If yes, when does it expire? _____

How soon do you want/need to be in a home? _____

Are you interested in a new home, a resale home, or both? NEW RESALE BOTH

Do you or any member of your family have any disabilities, conditions, or other circumstances that would require specific home features? YES NO

If yes, which features do you or your family member(s) require? _____



DELAWARE'S
+FINEST+
— REALTY —

Dream House!



CONTACT ME : 732 266-2669

Financing and pricing

Have you arranged financing yet? YES NO

Do you need assistance in locating financing? YES NO

Have you been pre-qualified, pre-approved, or otherwise informed as to what your maximum purchase amount is? YES NO

If yes, what amount have you been pre-qualified/pre-approved for? _____

If yes, will your financial company issue a pre-qualified/pre-approval letter stating this amount? YES NO

Do you have enough funds in your account to cover earnest money (typically 1 percent of the purchase price)? YES NO

What monthly payment range would you feel comfortable with? _____

Your new home

What style of home would you prefer? _____

Are stair acceptable? _____

Is main level living important to you? YES NO

What square footage do you prefer? UNDER 1,000 1,000-2,000 2,000-3,000 OR OVER 3,000

Do you want a basement YES NO NO PREFERENCE

If yes, which style? UNFINISHED PARTIALLY FINISHED TOTALLY FINISHED WALK OUT

Is air conditioning important to you? YES NO

Open floor plan? YES NO An office or study? YES NO



DELAWARE'S
+FINEST+
—REALTY—

Thank you!

CONTACT ME : 732 266-2669

Your new home (continued)

Formal dining room? YES NO

Patio/deck? YES NO Sprinkler system? YES NO

Do you want a pool? YES NO Above ground? YES NO Inground? YES NO

Do you want a garage? YES NO NO PREFERENCE

If yes, how many garage spaces 1 2 3 4+ NO PREFERENCE

If yes, do you want a heated garage? YES NO NO PREFERENCE

What size lot would you prefer? SMALL MEDIUM LARGE SPECIFIC ACREAGE

Is mature landscaping important to you? YES NO

Are there any other specific features that were not addressed in this questionnaire that you would like to be factored into your property search?

CONTACT INFORMATION

Daytime Phone: _____

Evening Phone: _____

Mobile Phone: _____

Text: _____

Email address: _____

Thank you for taking the time to complete this questionnaire!



DELAWARE'S
+FINEST+
—REALTY—

Timeline

CONTACT ME : 732 266-2669

HOME BUYING TIMELINE



6+ months out

Assess your situation and get your financials in order. Before jumping into your home search and the home buying process. The first step in the timeline for buying a house is to determine how much you can afford. You may have saved enough for your down payment, but don't forget to account for closing costs, taxes, insurance, and any other unforeseen expenses that may arise when buying a house. This is also the time to make sure you've paid down your credit cards and that your credit score is in good condition. Ensure you've filed your taxes and that you have a paper trail for all recent major financial transactions.

1-3 months out

Find a buyer's agent. A buyer's agent is a licensed real estate agent who will represent you throughout your buying journey. A good buyer's agent will be an expert on the home buying process, know your area inside and out, be familiar with local listing agents, and be a skilled negotiator.

Get pre-approved and find a mortgage lender. It's important to apply for a mortgage pre-approval before you begin house hunting in earnest. Not only will this help keep you realistic about your options, but it also shows sellers that you're a qualified and serious buyer. Don't be tempted to just go with your current bank. It's best to shop around to find the best rate and determine which mortgage and mortgage lender are right for you. Pre-approval letters do have an expiration date, so be aware of when yours is. It's okay if you have to apply again later.

Begin search for homes. Ask the questions that will help set parameters for your home search. Are you set on buying a house in a particular school district or neighborhood? How many bedrooms do you need? Do you want a single-family home or are you open to a townhouse, or maybe even a condo?



DELAWARE'S
+FINEST+
— REALTY —

Timeline

CONTACT ME : 732 266-2669

1-2 months out

- Submit, or resubmit your pre-approval application. If you didn't get a pre-approval letter, now is the time. Most letters last for 60 to 90 days. If your search extends beyond that, reapply.
- Make an offer. You've found the home you want to call yours. The next step in the timeline for buying a home is to submit your offer as soon after possible after touring the home. Speed is of the essence in a competitive housing market with limited inventory. Talk with your agent about the terms of your deal and the competition you face to determine an offer price. You and your agent will work together to write and submit the offer to the seller's agent.
- Negotiate Home Price. Counter-offers are common and should even be expected when buying a house. Common counter-offers can include proposed changes to the price, closing date, or purchase contract contingencies. You may go back and forth with the seller, through the seller's agent a few times before you come to terms you both agree on.
- Going Under Contract. Once you and the seller agree on the terms, you'll enter the closing process, which usually takes 30 to 45 days. You'll likely be in a very close communication with your agent, lender, and escrow agency during this time. This is also the time to have all of the home inspections done. If there are any issues, this is another part of the negotiations process. Your agent should be able to help you through this process in its entirety.

Delaware's Finest Realty will help walk you through the entire process and ensure a smooth transaction and communication between title, closing attorney, loan, insurance and seller agent.

Deposit earnest money. Once the seller has accepted the offer, the earnest money will be deposited into an escrow account held by the closing attorney. Once the sale of the home has been completed, the earnest money you paid will be applied towards your closing costs.

Line up a home inspection. This step is critical in the timeline for buying a house as it allows you as the homebuyer to discover any material defects or necessary repairs before purchasing the home. Also, if there is an inspection contingency, you can negotiate with the sellers to cover the costs of certain repairs, ask for concessions, or back out of the sale. A typical home inspection will cost the buyer about \$ 350 to \$ 500. During inspection you have the option to add on sewer, septic, water (if there is a well), pool (if applicable) and radon testing for additional charges.

Complete the mortgage application and book an appraisal. While you have been pre-approved, you still need to meet with your lender and finalize your mortgage application. The lender will also request an appraisal at this time.

Order your title. You'll receive a preliminary title report from your closing attorney within a week after you reach mutual acceptance on an offer. Once the transaction closes, you will receive a final title policy.

Finalize the home sale. Now that you've completed all negotiations, it's time to finalize and sign the purchase agreement with the seller.



DELAWARE'S
+FINEST+
—REALTY—

Timeline

CONTACT ME : 732 266-2669

1-2 weeks prior to closing

Receive Loan Approval. A licensed appraiser will determine the home's market value based on comparable recent sales of homes in the neighborhood. After the appraisal has been completed, it will typically take about two weeks for the lender to get all of the paperwork and approvals completed. Contact the utility companies as well as cable companies to set up service with date of proposed closing.

Final walk-through. This is when you can verify that the condition of the house hasn't changed and that all updates and repairs have been made if applicable. The final walk-through usually takes place on the scheduled closing day.

Closing day

Get ready to meet with your closing attorney to sign all paperwork. It is customary that your agent, the seller's and the seller's agent are all in attendance. Come to closing day prepared with the government-issued ID and any requested documents. Bring a cashier's check for your down payment and be prepared to pay any closing costs. You're finally near the end of the timeline for buying a home. Now all that's left to do is close escrow and sign the required paperwork.

Get your keys. Congratulations on your new Home!

YOU'VE COMPLETED THE HOME BUYING PROCESS TIMELINE

Depending on if your house is turnkey ready or not, there might be some maintenance and remodeling you want to complete before moving in. You'll also want to think about hiring movers, buying new furniture and appliances, starting the day of possession. You'll pay for these after the house is yours but may want to factor them into your budget or create a separate post-move budget.

DELAWARE'S FINEST REALTY



Confused about real estate? I can help!
Cheryl Babey 732-266-2669

BROKERED BY
exp
REALTY