

BUYER'S GUIDE

Let's find your dream home!



REASONS TO OWN

Appreciation: Real estate has long-term, stable increase in value. Median existing home sale prices have increased on average 6.5% each year; and increased 88.5% over the last 10 years according to the National Association of Realtors. In addition, the quantity of new homes coming to the market is expected to rise at least 15% over the next decade. Creating high and long lasting demand.

Tax Breaks: U.S. Tax Code allows you to deduct the interest you pay on your mortgage, property taxes, and some costs associated with buying your home.

Equity: When you pay rent you won't see that money again, but when you pay your mortgage it builds equity ownership in your home. Building equity is a savings plan in itself. When you sell, you can generally take up to \$250,000 as a gain without owing federal income tax on the profit.

Predictability: Your fixed mortgage payments don't rise over the years and your housing costs may actually decline over the years if you continue to own your same home. Keep in mind, property taxes and insurance costs do increase which can affect your monthly payment.

Freedom: The home is yours, decorate how you like! Enjoy the benefits of your investment by making it exactly what you want.

THE HOME BUYING PROCESS



PREPARING TO BUY

TIPS FOR YOUR HOME SEARCH:

Get your finances in order: Review your credit report, check your savings and be sure you have enough money for your down payment and closing costs. Talk to a lender and get prequalified! You don't want to find your dream home and later realize its unaffordable.

Research before you look: Figure out what features are most important to you, which neighborhoods you prefer, and what your monthly budget is for a mortgage payment.

Decide on your moving timeline: When is your lease up? Can you afford a lease break? Are you allowed to sublet? What does the market look like? These can all affect your timeline to move.

Be realistic: There's no such thing as a perfect home. Fine tune your priorities, but don't be unrealistic.

Think long term: Do you want a starter house or do you plan to stay in this home long term? This will dictate the home you buy as well as the type of mortgage that will best suit you.

Get help from a Realtor: Hire a professional who specializes in buyer representation. A buyers representative is focused solely on you and are usually paid out of the Seller's commission.

BUY FIRST OR SELL FIRST?

Reasons to Buy First



- There is a lot of competition and prices are rising quickly.
- You can negotiate the sale of your current home.
- You're confident in the demand for your home.

Reasons to Sell First



- You want more certainty on how much you can spend on your next property.
- You're moving to a slower market.
- Prices are flat or declining.
- You can negotiate a longer settlement.



1ST THINGS 1ST- GET PRE-APPROVED!

House shopping is an exciting time! But homes go quickly. Get pre-approved for a loan first so you can be ready to make an offer when you find a home you love.

PRE-QUALIFIED VS PRE-APPROVED

What's the difference between being pre-qualified and pre-approved?

Pre-Qualified

In order to be pre-qualified, a lender may or may not check your credit score and won't require documentation, only going off what you tell them. This will give you an idea of what you could qualify for, but when you're serious about buying, you'll need to get pre-approved.

Pre-Approved

To be pre-approved, the lender will pull your credit and ask you for documentation to verify your finances. Before making an offer on a house, it is best to get pre-approved to show sellers your offer is serious and that a lender has already approved you for enough money to purchase the home.

WHICH LOAN IS RIGHT FOR YOU?

CONVENTIONAL LOAN

The most common type of home loan, which is offered through private lenders.

FHA LOAN

Loans designed for those with high debt-to-income ratios and low credit scores, and most commonly issued to first-time homebuyers. Offered by FHA-approved lenders only and backed by the Federal Housing Administration.

VA LOAN

Loans designated for veterans, spouses, and reservists, offered through private lenders and guaranteed by the U.S. Department of Veteran Affairs.

USDA LOAN

Loans for homebuyers in designated rural areas, backed by the U.S. Department of Agriculture.

TYPE OF LOAN	DOWN PAYMENT	TERMS	MORTGAGE INSURANCE	MINIMUM CREDIT SCORE
CONVENTIONAL	3 - 20%	15-30 Years	On down payments under 20%	620
FHA	3.5 - 20%	15-30 Years	For 11 years or life of the loan	500
VA	None	15-30 Years	None	640
USDA	None	15-30 Years	None	640

QUESTIONS TO ASK WHEN CHOOSING A LENDER

Interviewing lenders is an important step in determining what type of home loan is best for you. Not all lenders are the same. The type of loans available, interest rates, and fees can vary. Here are some questions to consider when interviewing lenders:

- Which types of home loans do you offer?
- Which type of mortgage plan would work best for me? Why?
- Are your rates, terms, fees, and closing costs negotiable?
- Who will service the loan? You or another company?
- What escrow requirements do you have?
- What will my interest and annual percentage rates be?
- How long will this loan be in a lock period? Will I be able to obtain a lower rate if it drops during this period?
- Do I qualify for any special programs or discounts?
- What estimated closing costs can I expect to pay?
- What is your average loan processing time?
- Are there any charges or penalties for pre-paying the loan?

TRUSTED LENDERS

HOME TRUST FINANCIAL - IDAHO BRANCH

208-605-3661
support@hometrustedidaho.com
hometrustedidaho.com
1882 W Frederic Ln. Boise, ID 83705
NMLS: 1761573

GINA MOON - LOAN ORIGINATOR

208-724-5136
gina.moon@hometrustedloans.com
NMLS: 400370
1882 W Frederic Ln. Boise, ID 83705

KATELYNN WILDMAN - LOAN ORIGINATOR

208-724-5136
katie.wildman@hometrustedloans.com
NMLS: 1003735
1882 W Frederic Ln. Boise, ID 83705

ERIK VALENCIA - LOAN OFFICER - MOVEMENT MORTGAGE

208-421-0011
www.movement.com/erik.valencia
NMLS: 674724
2965 E Tarpon, Suite 190 Meridian, ID 83642

DARREN MILTON - LOAN ORIGINATOR - US

BANK
208-506-4543
darren.milton@usbank.com
NMLS: 1890673
2775 W Navigator St Suite 115 Meridian, ID 83642

HOME LOAN APPLICATION DOCUMENTS CHECKLIST

To determine loan eligibility, lenders typically require the following types of documents from each applicant:

INCOME:

- ☐ Federal tax returns: last 2 years
- ☐ W-2s: last 2 years
- ☐ Pay stubs: last 2 months
- ☐ Any additional income documentation: pension, retirement, child support, Social Security/disability income award letters, etc

ASSETS:

- ☐ Bank statements: 2 most recent checking and savings account statements
- ☐ 401(k) or retirement account statement and summary
- ☐ Other assets: statements and summaries of IRAs, stocks, bonds, etc.

OTHER:

- ☐ Copy of driver's license or ID and Social Security card
- ☐ Addresses for the past 2-5 years and landlord's contact info if applicable
- ☐ Student loan statements: showing current and future payment amounts
- ☐ Documents relating to any of the following if applicable: divorce, bankruptcy, collections, judgements or pending lawsuits

FINDING YOUR DREAM HOME



Create a list of what you want in your new home. Include must haves as well as what you would like to have but aren't deal breakers.

HOUSE WANTS & NEEDS LIST

Determine the features you are looking for in your ideal home and prioritize which items are most important to you. No house is perfect, but this will help us find the best match for you.

TYPE OF HOME:

- ☐ Single Family Home ☐ Townhouse ☐ Condo

CONDITION OF HOME:

- ☐ Move-In Ready ☐ Some Work Needed is OK ☐ Fixer Upper

DESIRED FEATURES:

(Circle)

____ Bedrooms ____ Bathrooms ____ Car Garage Small or Large Yard

Ideal Square Footage: _____

Desired Location/Neighborhood/School District: _____

MUST HAVE

WOULD LIKE TO HAVE

HOUSE HUNTING TIPS



INVESTIGATE THE AREA

Drive around neighborhoods that interest you to get a feel of the area, how the homes are cared for, what traffic is like, how far your commute would be etc.



ASK AROUND

Talk to family, friends and co-workers to see if anyone might know of a house for sale in an area you're interested in. One of them may even know of someone that's thinking about selling but hasn't put the house on the market yet.



KEEP AN OPEN MIND

Finding your dream home isn't always an easy task! Have a priorities list but keep an open mind when viewing houses.



TAKE PICTURES & NOTES

When you visit multiple houses it gets difficult to remember specific details about each one. Take photos and notes while touring houses so that you can reference them later when comparing the properties that you've seen.



BE READY TO MAKE AN OFFER

When you find a home you want to buy, keep in mind there may be others interested in it as well. Be ready to make a solid offer quickly in order to have the best chance at getting that home.

MAKING AN OFFER

When we have found a home that you're interested in buying, we will quickly and strategically place an offer. There are several factors to consider that can make your offer more enticing than other offers:

PUT IN A COMPETITIVE OFFER

You and your Realtor will decide on a reasonable offer price based on:

- › Current market conditions
- › Comparable properties recently sold in the area
- › The property value of the house
- › The current condition of the house

PAY IN CASH VS. LOAN

Paying in cash versus taking out a loan offers a faster closing timeline and less chances of issues arising, making it more appealing to sellers.

PUT DOWN A LARGER DEPOSIT

An offer that includes a larger earnest money deposit presents a more serious and competitive offer.

ADD A PERSONAL TOUCH

Include a letter to the sellers with your offer, letting them know what you love about their home. Adding this personal touch can give you an advantage over other offers by making yours stand out from the rest.

OFFER A SHORTER CLOSING TIMELINE

An offer with a shorter timeframe for closing is generally more attractive to sellers over one with an extended time period with a house sale contingency. A typical closing timeframe is 30-45 days.

NEGOTIATIONS

A seller can accept or decline your offer, or come back with a counter offer. If they send you a counter offer, be prepared to negotiate to come up with reasonable terms for both parties. This process can go back and forth until an agreement is made.



UNDER CONTRACT & IN ESCROW

Once you and the seller have agreed on terms, a sales agreement is signed and the house is officially under contract and in escrow. Here are the steps that follow:

PUT YOUR DEPOSIT INTO AN ESCROW ACCOUNT

Your earnest money deposit will be put into an escrow account that is managed by a neutral third party (typically a title company or bank) who holds the money for the duration of the escrow period. They will manage all the funds and documents required for closing, and your deposit will go towards your down payment which is paid at closing.

SCHEDULE A HOME INSPECTION

Home inspections are optional but **highly recommended** to make sure that the home is in the condition for which it appears. Inspections are typically completed within 10-14 days after signing the sales agreement.

RENEGOTIATE IF NECESSARY

The home inspection will tell you if there are any dangerous or costly defects in the home that need to be addressed. You can then choose to either back out of the deal completely, ask for the seller to make repairs, or negotiate a lower price and handle the repairs yourself.

COMPLETE YOUR MORTGAGE APPLICATION

Once you've come to an agreement on the final offer, it's time to finalize your loan application and lock in your interest rate if you haven't done so already. You may need to provide additional documentation to your lender upon request.

ORDER AN APPRAISAL

An appraisal will be required by your lender to confirm that the home is indeed worth the loan amount. The appraisal takes into account factors such as similar property values, the home's age, location, size and condition to determine the current value of the property.

WHAT NOT TO DO DURING THE HOME BUYING PROCESS

It's extremely important not do any of the following until after the home buying process is complete:

- ✗ Buy or Lease a Car
- ✗ Change Jobs
- ✗ Miss a Bill Payment
- ✗ Open a Line of Credit
- ✗ Move Money Around
- ✗ Make a Major Purchase



Any of these types of changes could jeopardize your loan approval. It's standard procedure for lenders to also do a final credit check before closing.

FINAL STEPS BEFORE CLOSING

Insurance Requirements

Most lenders require both homeowner's insurance and title insurance. See following pages for more detailed information on each of these.

Closing Disclosure

At least 3 days before closing, lenders are required to provide you with a Closing Disclosure with your final loan terms and closing costs for you to review. Closing costs for the buyer typically range from 2-5% of the purchase price, which can include lender fees, lender's title insurance, and HOA dues if applicable.

Final Walk Through

Within 24 hours of closing we will do a final walk through of the home before signing the final paperwork. This last step is to verify that no damage has been done to the property since the inspection, that any agreed upon repairs have been completed, and that nothing from the purchase agreement has been removed from the home.

Next Step: Closing!

CLEARED TO CLOSE

Closing is the final step of the buying process. On the day of closing, both parties sign documents, funds are dispersed, and property ownership is formally transferred from the seller to the buyer.



CLOSING DAY

Congratulations, you made it to Closing!

On the day of closing you'll be going over and signing the final paperwork, and submitting a cashier's check (or previously arranged wire transfer) to pay the remaining down payment and closing costs.

ITEMS TO BRING TO CLOSING:

- ✓ Government Issued Photo ID
- ✓ Homeowner's Insurance Certificate
- ✓ Certified Funds or Cashier's Check
- ✓ Final Purchase Agreement

Enjoy your new home!