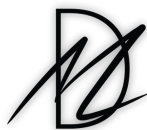


Re-Sale | New Construction | Investment | Condo | Townhome | Multi-Family

HOME *Buyer's* GUIDE

MICHAEL "DANNY" LESTER, CEO | MDL HOMES & LUXURY



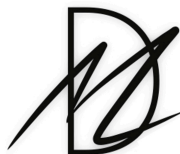
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BUYER'S GUIDE

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Homes & Luxury

MEET YOUR AGENT

Michael "Danny" Lester



Michael D. Lester

CEO | MDL HOMES & LUXURY

KW Productivity Coach

2024 KW Associate Leadership Council (ALC)

2024 NAHREP Member

Voted "2019 Rookie of the Year"
by *Keller Williams Realty*

Received the "**2021 Rising Star**"
Award by *Real Producers Magazine*

Voted one of the "**Top Real Estate Agents**"
for 2020, 2021, 2022, 2023 & 2024
by *New Orleans Magazine*

Nominated for
"**2022 Realtor of the Year**" by
the *New Orleans Metropolitan Area of Realtors (NOMAR)*

MDL Homes & Luxury is the top agency in helping Sellers & Buyers make the move in NOLA, Metairie, and all of the Greater New Orleans Areas.

We pride ourselves on thorough market research, pricing analysis, being a neighborhood translation expert, and also attending weekly meetings with the top lenders and insurance agents to stay fully up to date with mortgage rates, insurances and changes upcoming in the GNO real estate market.

With over \$100M sold in less than a decade, we have the experience to fight for you to get the best deal on a home sale, and the emotional bandwidth to take the majority of the stress off of your plate.

Let's Get to Work



504.559.4652



Mdlester1@kw.com



mdl-homes.com



3500 N. Causeway Blvd #350
Metairie, LA 70002



You can also find me on:



THE HOME BUYING PROCESS

Steps to Finding Your Dream Home



Where to Start

- » DETERMINE HOW MUCH YOU CAN SPEND
- » SAVE FOR A DOWN PAYMENT
- » CHECK YOUR CREDIT
- » GET PRE-APPROVED FOR A HOME LOAN

BUT 1ST, GET PRE-APPROVED!

Be Ready to Make an Offer

House shopping is an exciting time!

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

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.

VS

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.

MORTGAGE GUIDE

Which Type of 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

Not all lenders are the same.

The type of loans available, interest rates, and fees can vary. Interviewing lenders is an important step in determining what type of home loan is best for you.

QUESTIONS TO ASK LENDERS

- » Which types of home loans do you offer?
- » What will my interest and annual percentage rates be?
- » 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?

TRUSTED LENDERS

ALEX WOOD, RELIANT MORTGAGE

504-247-5675

Awood@reliantapproval.com

www.reliantapproval.com/

4114 Toulouse St., New Orleans, LA, United States, Louisiana

WALT HERSCHEDE/POWER MORTGAGE

504-453-7718

walth@goldwaterbank.com

<https://power-mortgage.com/>

568 Belle Terre Boulevard, La Place, Louisiana 70068

HUNG LE/ MOVEMENT MORTGAGE

504-210-6697

hung.le@movement.com

www.yournolalender.com

3525 Causeway Blvd #101, Metairie, LA 70002

NATHAN DEAN/BAY EQUITY HOME LOANS

504-259-8840

ndean@bayeq.com

<https://bayequityhomeloans.com/home-loans/>

One Galleria Blvd Suite 1900, Office 1959 Metairie, LA 70001

JON TEAGUE, KELLER HOME LOANS

504-430-7443

jon.teague@kwlends.com

<https://kwlends.com/loan-officer/jon-teague/>

3500 N Causeway Blvd #350, Metairie, LA 70002

LOAN APPLICATION CHECKLIST

Documents Typically Required by Lenders

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

INCOME DOCUMENTS

- ☐ 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

ASSET DOCUMENTS

- ☐ 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 DOCUMENTS

- ☐ 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

HOUSE WANTS & NEEDS LIST

Important Features You're Looking for in a Home

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 ☐ Other _____

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

Tips for Finding Your Ideal Home



Investigate the Area

Drive-By's! Drive around neighborhoods that interest you to get a feel of the area, how the homes are cared for, what traffic is like, 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

Factors that can Make an Offer More Enticing

When we have found a home that you're interested in buying, we will quickly and strategically place an offer.

PUT IN A COMPETITIVE OFFER

We will decide on a reasonable offer price based on:

- Current market conditions of the specific neighborhood the home is in
- 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. Generally 1% of the sales price is used as a deposit which is deposited into escrow, and used towards your down payment at closing.

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 with a loan is 30-45 days; with cash you can close as soon as the inspections and title work are completed (minimum recommended time is 14 days).

OFFER ACCEPTED!

What's Next

When a seller has accepted your offer, both parties have signed a Purchase Agreement and you're officially under contract.

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), or the brokerage of the listing agent, 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 **highly** recommended to make sure that the home is in the condition for which it appears. Inspections include the Plumbing, Electrical, Structural and Safety of a home, cost between \$450-\$750, and 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

When *and only when* inspections have been agreed upon, 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 to do any of the following until after the home buying process is complete:

DO NOT



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

You're Almost There!

Insurance Requirements

Most lenders require both **homeowner's insurance** and **title insurance**. If the property is not in an *X-Flood Zone*, **flood insurance** is required. **Homeowners insurance** protects your home and possessions against damage and theft, while **title insurance** protects the lender and/or homeowner from financial loss against claims regarding the legal ownership of a home. Policies have increased as of 2023, so it's recommended to get quotes from multiple companies during the inspection period to compare price, coverage and limits to make sure these policies do not substantially increase your monthly payments.

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 Day!

CLOSING DAY

Congratulations, You Made it to Closing!

Closing is the final step of the buying process.

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.

Property ownership is then officially transferred from the seller to the buyer.

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!

SUCCESS STORIES

Here's what our Clients are Saying :

“

I just bought my dream home and I know that the only reason we were able to pull off the deal is that Danny went above and beyond to get it done. I can't recommend him highly enough.

• *Logan & Amanda*



”



“

Danny, was exactly what we needed in an agent! He treats people like family. He was extremely knowledgeable in the crazy market that we faced. We worked with him since January on our home purchase, and when it seemed like the market was so grim he kept us encouraged throughout seeing 50 plus homes. We finally closed on our dream house and absolutely love it! Couldn't be more thankful of his encouragement and unrelenting patience.

• *Chey & Matthew*



”

“

Buying a home for the first time was an intimidating process, but Michael was there to help answer every question at every step of the process. I am so thankful for him and the top notch service he provided. He had great information, was responsive, and made sure to follow up after the entire process was done to make sure I was settled in and had everything I needed. I really felt that Michael went the extra mile and would recommend him to anyone buying or selling in the New Orleans area.

• *Dan*



”





Buy with Confidence