

# Buyer's GUIDE



RELIANCE REALTY & INVESTMENTS, INC

352-232-4274

# THE *Process*

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# HOME BUYER'S *Roadmap*



# 10 STEPS TO *Buying a home*

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FIND THE RIGHT AGENT

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PREPARE FINANCES

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GET PRE-APPROVED

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START HOME SHOPPING

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MAKE AN OFFER

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NEGOTIATE ANY NEEDED REPAIRS

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APPRAISAL ORDERED

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SCHEDULE THE MOVE

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CLOSING DAY

# 01

## FINDING THE *Right agent*

### GETTING YOU IN THE DOOR

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Finding the right buyer real estate agent is crucial to ensuring a smooth and successful home-buying experience.

Look for an agent with experience, knowledge, strong communication skills, and a professional demeanor. They should have a deep understanding of the local market and be able to provide you with personalized guidance and support tailored to your unique needs and preferences. It's also important to find an agent you feel comfortable working with and who is committed to providing exceptional customer service. With the right agent by your side, you can find the home of your dreams with confidence and ease.

### STAYING ON TOP OF THE PAPERWORK

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As a real estate buyer agent, staying on top of the paperwork is essential to ensure a smooth and timely transaction. I am highly organized and detail-oriented, and I pride myself on my ability to manage and track all necessary documents and deadlines with precision and efficiency.

### ON YOUR SIDE

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As a real estate buyer agent, I am dedicated to representing your best interests throughout the entire buying process, from property search to negotiation and closing.



### AFFORDABILITY

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As a real estate buyer agent, I focus on finding affordable properties that meet my clients' needs and budget.

### PROBLEM SOLVER

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As a real estate buyer agent, I am a skilled problem solver, able to anticipate and address any challenges that may arise during the buying process. I work tirelessly to find creative solutions that meet my clients' needs and achieve their real estate goals.

### NEIGHBORHOOD EXPERT

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As a real estate buyer agent, I am a neighborhood expert, knowledgeable about the local community, schools, amenities, and property values. I use this expertise to help my clients find the right neighborhood that meets their lifestyle and investment needs, while ensuring they get the best possible value for their money.

# 02 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
- ✓ Avoid making big purchases until after closing day
- ✓ If possible, avoid job changes

## 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 can run between 2% & 5% of the loan amount
- ✓ A Home Inspection costs approximately \$300 to \$500

# 03 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*

| TYPE OF LOAN      | CREDIT SCORE | DOWN PAYMENT    |
|-------------------|--------------|-----------------|
| VA LOAN           | 580          | NO DOWN PAYMENT |
| USDA LOAN         | 620          | NO DOWN PAYMENT |
| FHA LOAN          | 580+         | 3.5%            |
|                   | 500-579      | 10%             |
| 203K LOAN         | 640          | 3.5%            |
| CONVENTIONAL 97   | 620          | 3%              |
| CONVENTIONAL LOAN | 620          | 5-20%           |



## *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)



### NON-QUALIFYING INCOME

- ✓ Income from the lottery
- ✓ Gambling
- ✓ Unemployment pay
- ✓ Single bonuses
- ✓ Non-occupying co-signer income
- ✓ Unverifiable income
- ✓ Income from rental properties

### 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*

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| TYPES OF LOANS                         | WHO QUALIFIES   | DOWN PAYMENT   | UPFRONT MORTGAGE INSURANCE                             | MONTHLY MORTGAGE INSURANCE | MINIMUM CREDIT SCORE |
|--|---|--|--|----------------------------|----------------------|
| VA<br>Department of Veteran Affairs    | Veterans<br><br>Personnel with honorable discharge<br><br>Reservists & National Guard<br><br>Surviving Spouses  | NONE   | NONE   | NONE                       | 580                  |
| USDA<br>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<br>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              |
| 203K<br>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                  |

# *Start* HOME SHOPPING

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# 04

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

- ✓ Test the plumbing
- ✓ Test the electrical system
- ✓ Open and close the windows & doors to make sure they work properly

### EVALUATE THE NEIGHBORHOOD AND SURROUNDING AREAS

- ✓ Are the surrounding homes well maintained?
- ✓ How much traffic is on the street?
- ✓ Is it conveniently located to schools, shopping, restaurants, & parks



# *Make an* OFFER

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# 05 MAKE *an offer*

## WHEN TO MAKE AN OFFER:

So you have found THE house! Congrats! In today's market 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 discover options and create your best offer. Depending on the circumstances, you may have only one chance to make a good impression.
- ✓ **Shorter Inspection Periods**  
Try shortening the inspection period to 5-10 days
- ✓ **Offer to Close Quickly**  
Many sellers prefer to close within 30- 45 days.



- ✓ **Put Down a Healthy Earnest Deposit**  
A large earnest money deposit shows the seller you are serious.
- ✓ **Cash Talks**  
A transaction that is not dependent on receiving loan approval is more attractive to a seller
- ✓ **Write the Seller a Letter**  
We will make your offer stand out by writing a personal letter to the seller, explaining why you fell in love with their home.

## 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!

Sign the purchase agreement and you are now officially under contract and in escrow! There are usually several contingency periods while in escrow. Now inspections, appraisals, or anything else built into your purchase agreement will take place.

# *Escrow* PERIOD

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## 06 ORDER AN *inspection*

During the inspection period, we will schedule a licensed home inspector to do a thorough inspection of the home. Once this is complete, the inspector will provide us with a detailed report. 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.



## 07 NEGOTIATE *final offer*

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

- ✓ You may decide to ask for credit for the work that needs to be done.

Be mindful if the repairs that are needed will affect you getting insurance on the home.

- ✓ 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.

# 08 APPRAISAL *ordered*

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.



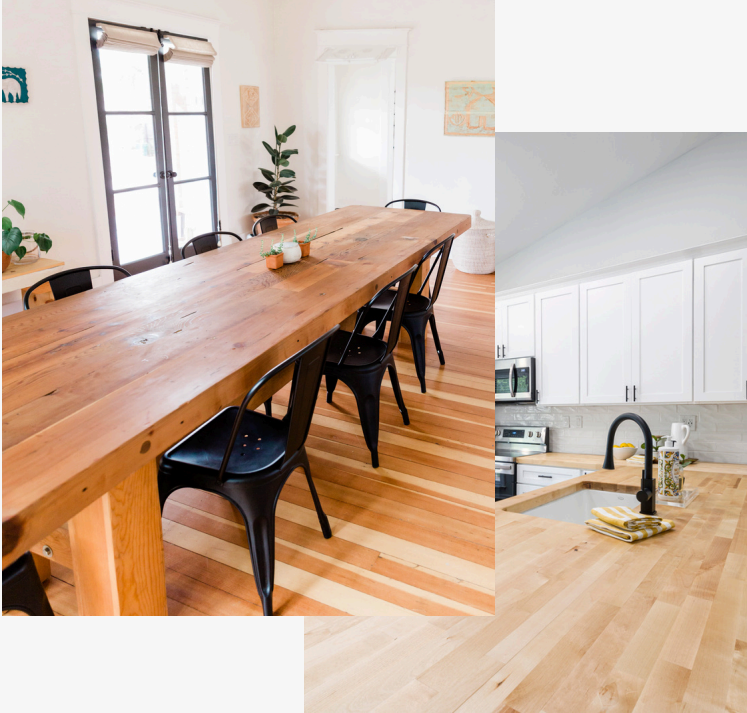
## PROPERTY TITLE SEARCH

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. This will protect against things like fire, storms, and flooding.

# 09 SCHEDULING *your move*



## AFTER SIGNING

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- ✓ 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
- ✓ Get copies of medical records and store them with your other important documents
- ✓ Create an inventory of anything valuable that you plan to take
- ✓ Get estimates from moving companies

## 4 WEEKS TO MOVE

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- ✓ Give 30 days notice if you are currently renting
- ✓ Schedule movers/moving truck
- ✓ Buy/find packing materials
- ✓ START PACKING

## 2 WEEKS TO MOVE

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

## 3 WEEKS TO MOVE

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- ✓ Arrange appraisal
- ✓ Complete title search (Title company will do this)
- ✓ Keep on packing

## 1 WEEK TO MOVE

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- ✓ Obtain certified checks for closing
- ✓ 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

# 10 CLOSING *day*

## CLOSING DAY

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Closing is when you sign ownership and insurance paperwork and you receive your new home's keys!

## CLOSING DISCLOSURE

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Lenders are required to provide you with a closing disclosure, at least three days before closing. This will show you what your final loan terms and closing costs will be. You will have three days 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

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We will do a final walk through 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
- Make sure the heating and air conditioning are working properly



# CLOSING TABLE

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Who will be there:

- ✓ Your agent
- ✓ The seller
- ✓ A title company representative
- ✓ Any real estate attorneys involved in the transaction
- ✓ The seller's agent

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

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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 5% of the home's purchase price. These closing costs can sometimes be shared with the seller.

## BRING TO CLOSING

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

## RECEIVE YOUR KEYS

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Congratulations! It was a journey but you are now officially a homeowner!! Time to celebrate!



# Client Testimonials

## DANA ALDRICH

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"Lindsay was amazing! She dealt with my seller panics like a pro and always answered my calls, texts and million questions with promptness. I highly recommend Lindsay Stewart as your realtor!"

## DUANNA & DALE G.

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"Lindsay was very efficient and personable. I couldn't ask for a more qualified Agent. She was always available when I needed her and helped me through the journey of buying a home. "

## BILL & THERESA

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"I came from out of state to purchase a seasonable home. Unfamiliar with the real estate or agents, I picked one out of the hat. Luckily it was Lindsay, she was knowledgeable, prompt, knew the type of property we were looking for and a delight to work with on this important purchase."

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# *What to* EXPECT

GREAT COMMUNICATION

HONESTY & TRANSPARENCY

INTEGRITY & RESPECT

LOCAL MARKET KNOWLEDGE

REACH YOUR REAL ESTATE GOALS



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