

# Buyer's Guide



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# BUYER'S GUIDE

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# MEET OUR TEAM

*We're here to guide you through the process!*

*Michele Rumbley*



REALTOR®  
Broker Associate

*Danielle David*



REALTOR®

## WHAT YOU CAN EXPECT FROM US

Honesty & Integrity  
Loyalty & Respect  
Responsive & Timely  
Expert Guidance





# MEET YOUR AGENT

*Hi, I'm Danielle*



I have a passion for real estate, and helping clients achieve their selling goals. I have been a licensed REALTOR® since 2021 and a top-producing agent. I am dedicated to helping clients buy and sell property within the state of Mississippi. I have extensive knowledge and experience in the Madison market.

During my short time in real estate, I have closed over \$8.3 million in sales. I would be honored to work with you and help you with all of your real estate needs!

*Let's Connect*



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You can also find me on:



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# 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

## CADANCE BANK / DIANNA BULLOCK

601-968-1579

dianna.bullock@bxs.com

## FIRST COMMERCIAL BANK / ADAM BLACK

601-540-0302

ablack@firstcommercialbk.com

## TRUSTMARK BANK / RICHARD BURGARDT

601-898-5496

rburgardt@trustmark.com

## BANKPLUS / KATIE BOYDE

601-952-2552

katieboyd@bankplus.net

## AMS MORTGAGE / DAN D'AMICO

601-607-4727

dan@amsmort.com

# 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*

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*Would Like to Have*

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# HOUSE HUNTING TIPS

## *Tips for Finding Your Ideal Home*



### *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, 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
- 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.



# OFFER ACCEPTED!

## *What's Next*

*Once the seller has accepted your offer, both parties sign a sales 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) 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

*You're Almost There!*

## *Insurance Requirements*

Most lenders require both homeowner's insurance and title insurance. 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 vary so it's recommended to get quotes from multiple companies to compare price, coverage and limits.

## *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!*

# 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!*



Buy with Confidence



*Reddy Rumbley*  
REAL ESTATE