



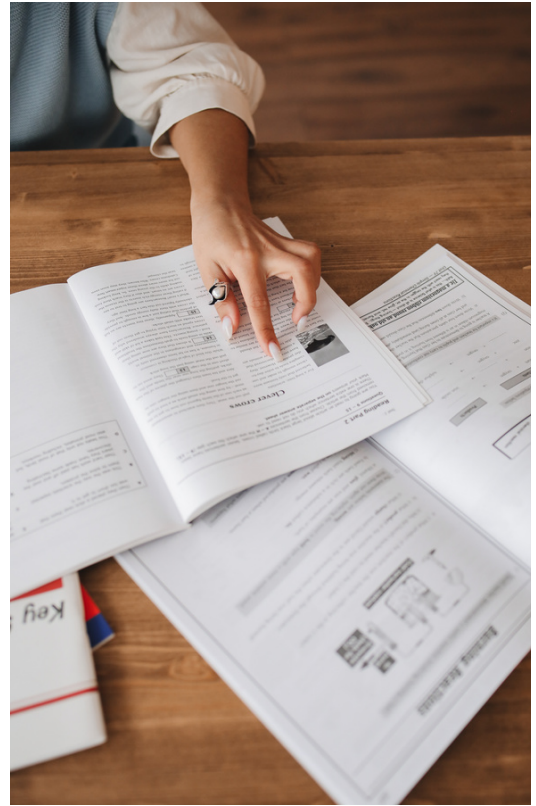
YOUR GUIDE TO  
*Buying A Home*

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[www.realestatetamika.com](http://www.realestatetamika.com)

## WELCOME,

This guide was created to make the home buying process easier for homebuyers by outlining and explaining each step of the homebuying process. Buying a home is likely one of the largest investments you'll make, so you want to do so armed with the necessary knowledge that will enable you to make the best purchase decision.



*Tamika Burris*

**LET'S GET YOU HOME!**

My involvement and passion for real estate started well beyond me becoming a licensed agent almost 10 years ago. Having the experience of being a buyer, seller, renter and landlord, I have first-hand insight into the needs of my clients and I proactively work to meet them.

I pride myself on being knowledgeable, trustworthy and dependable so my clients walk away 100% satisfied!

I can help you buy, sell, rent or lease-to-own!





# *Introduction*

The following pages provide an overview of the homebuying process as well as an explanation of what you, the buyer, should expect and prepare for.

If you have any questions or would like to discuss how I can assist you during the home buying process, contact me using the information listed at the end of this guide.



## PROCESS

# *Overview*

- 01 **Prepare Finances**
- 02 **Get Pre-Approved**
- 03 **Select An Agent**
- 04 **Start Home Shopping**
- 05 **Make An Offer**
- 06 **Home Inspection**
- 07 **Appraisal**
- 08 **Close**



# PREPARE YOUR *Finances*

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When looking to buy a home you want to make sure you're prepared to cover the financial expenses involved. The following are the primary expenses you'll incur as a home buyer.



## ✓ Earnest Money

Earnest money is a deposit made by the buyer to the seller as a "good faith" gesture that they're serious about buying the home. Funds are usually refundable unless buyer fails to meet contractual obligations.. Roughly 1 - 2% of the purchase price.



## ✓ Down Payment

A down payment is the money that the buyer "puts down" toward the purchase of the home. This amount is the difference between the purchase price and loan amount. Can range from 3 - 20% of the price of the home based on various factors.



## ✓ Closing Costs

Closing costs are the required fees that come with closing (officially purchasing) real estate. These costs are paid on closing day and cover expenses related to loan origination, appraisals, title, etc. Typically, they are 3 - 6% of the price of the home.

# GET *Pre-Approved*

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To make shopping for a home more productive, it's important to know how much of a loan you are approved for.

A pre-approval is a commitment from a mortgage lender that they will extend you financing up to a specific amount at an estimated interest rate.

To begin the pre-approval process, you should contact a mortgage lender and be prepared to provide the documents listed to the top right. The lender will review this, credit, employment and other information. If approval requirements are met, you will be provided with a pre-approval letter. The letter is good for a finite period of time so you don't want to start this process too early.

## DOCUMENTS YOU'LL NEED:

- ✓ W-2s from the past 2 years
- ✓ 3 months of pay stubs
- ✓ 3 months of bank statements
- ✓ 2 years of tax returns
- ✓ List of debts & assets

**If credit is preventing you  
from getting approved,  
contact me to find out how I  
can help raise your score!**

## PRE-APPROVAL AMOUNT

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# SELECT A *Real Estate Agent*

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It's strongly recommended that you partner with a real estate agent to represent you during this process. Their services are almost always free to the buyer and they provide you with expertise that will help you make the right decisions during this very important purchase.

Agents can provide you with early access to home listings, review and prepare legal contracts, negotiate on your behalf and gather market data just to name a few of the benefits.



## THINGS TO CONSIDER WHEN CHOOSING AN AGENT:

01

### Certifications

Agents can gain certification(s) in specific areas by taking additional training. For example, some agents are Accredited Buyer Representatives meaning they've taken extra courses specific to representing home buyer clients.

02

### Knowledge of the Area

An agent with solid knowledge of the area will stay abreast of activities affecting the local housing market and use this to make recommendations based on your needs.

03

### Referral Recommendations

Try to find unbiased reviews to get input from other clients the agent has worked with. Referrals from family and friends are the best source of reliable feedback.

In most real estate transactions, the seller is represented by a real estate agent referred to as the listing agent. Their responsibility is to act in the best interest of the seller. Therefore, it's important to also have a professional representing you as the buyer to make sure your interests are protected.

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# START SHOPPING *For A Home*

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Now, we get to the fun part....shopping for a new home! Albeit fun and exciting, this can also be an exhausting and overwhelming task for some. Here are some tips to make your home search productive and efficient.

## Make A List

Identify your "must haves" in a home and your "nice to haves"

## Stay in Budget

Focus on homes that are within your pre-approval budget.

## Do the Research

Research the neighborhood, schools, crime and/or any other details that are important to you.

## Take Notes

Make notes on highlights of each home to review later when comparing homes.

## Look Twice

Before choosing a home do a second viewing to make sure you didn't overlook anything.





# MAKE AN *Offer to Buy*

Once you've found the perfect home, you then need to turn your focus to making an offer that will "seal the deal". Working with an agent, you can view recent sales in the areas for similar properties referred to as "comps". This will help determine a fair and competitive price for the home which may differ from the asking price.

Once you've decided on a competitive offer, your agent will draft a contract on your behalf to purchase the property. Because this is a legally binding contract, you want to make sure you understand the terms. Often times, you will be asked to submit a pre-approval letter or proof of funds (cash sales) along with the offer to ensure you're a serious buyer.

Possible outcomes to your offer are listed to the right. You may have to submit multiple offers before a final agreement is reached.

Once your offer is accepted you will be required to submit earnest money and the contract will go to title. The title company will coordinate the transaction and conduct a title search which ensures the deed the buyer will receive is "free and clear" of any liens, judgements, loans, etc.



## OFFER ACCEPTED

**BUYER & SELLER SIGN  
CONTRACT & PROCEED TO  
NEXT STEP**

## OFFER REJECTED

**BUYER SUBMITS A NEW OFFER  
OR FIND ANOTHER HOME**

## COUNTER-OFFER

**BUYER ACCEPTS SELLER'S  
COUNTEROFFER, REJECT IT OR  
COUNTER WITH A NEW OFFER**

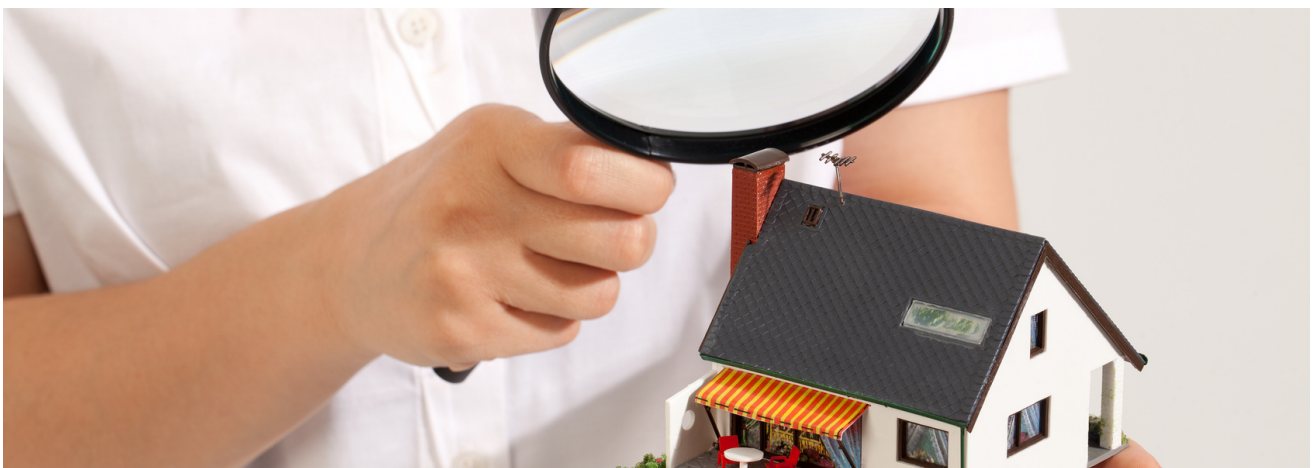
# GET A *Home Inspection*

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One of the main concerns of home buyers that aren't purchasing a brand new home is "are there any issues with the house?". Unless they're knowingly purchasing a fixer-upper, most buyers don't want the hassle or expense of moving into a home and having to make repairs. To safeguard against this, it's strongly recommended that buyers get a home inspection.

A home inspection should be completed by a licensed inspector and involves a thorough assessment of the home's condition. Findings are presented in the form of an inspection report and should review all primary components of the home (i.e. plumbing, electrical, HVAC, foundation). If there are significant issues identified you can choose to accept them and purchase the house as-is, request the seller make repairs before closing or adjust your offer to offset the projected cost of repairs.

A request for repairs or offer adjustment may put you back into negotiation with the seller. Contracts are almost always written such that you are able to opt out and receive all of your earnest money back if an agreement can't be reached. Your agent will facilitate negotiations with the seller and will also keep you apprised of your deadline to opt out of the contract without penalty.





## ORDER A

# Home Appraisal

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Your mortgage lender will want assurance that they're not lending money to purchase a home for more than the property is worth. They want to ensure the home is sufficient collateral to cover the loan in the event you default on it. Therefore, they will order an appraisal to get an independent estimate of the value of the home.

If the appraisal estimate is equal to or higher than the loan amount, the mortgage lender will approve the home with no adjustments to the loan. However, if the appraisal comes back lower than the loan amount, the lender will reduce the loan to align with the appraisal value. If this happens the buyer can choose to terminate the contract, re-negotiate the purchase price or use their own funds to make up the difference between the appraisal estimate and loan amount.

For example, Mr. Buyer is under contract with Ms. Seller to purchase her home for \$300,000. Let's assume Mr. Buyer's lender is loaning him the full \$300,000 for the purchase. However, once appraised the value is determined to be \$280,000. Mr. Buyer's mortgage lender will reduce the approved loan amount to the appraised value of \$280,000. At this point he can choose not to proceed with the purchase, ask for the price to be reduced to \$280,000 or pay the \$20,000 difference out-of-pocket.

In this case Mr. Buyer could also negotiate by asking the seller to reduce the price to \$290,000 which would only require him to pay \$10,000 out-of-pocket. Keep in mind, you want to be careful when purchasing a home for more than it's worth because it puts you in a position where you're starting off with negative equity in the home.



# CLOSE ON *Your New Home*

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Closing is the act of assuming legal ownership of the property by signing deed documents, loan agreements and other paperwork to finalize the deal. Lenders are required to provide you with a closing disclosure at least 3 days before closing. It will include your final loan terms and closing costs to ensure there are no surprises at closing.

It generally takes 4 - 6 weeks from the time the contract is signed by both parties to get to the closing table. During this time there are various activities being completed by the title company and your mortgage lender to process and manage the transaction. You may be required to provide additional documents to your mortgage lender as your loan goes thru underwriting. Underwriting is simply the process by which your lender verifies your income, assets, debt and property details to give you a final approval on your loan. Once underwriting, title checks and appraisals are satisfactorily completed, you will be given a "clear to close" by the lender, meaning you are ready to sign on the dotted line!

Closings usually take place at a title company with the buyer(s), their agent and a title company representative(s). Sometimes the seller and their agent will be there to sign their paperwork; however, they may choose to do so separately.

Once all paperwork has been signed and closing costs received, you will be given the keys to your home and can begin moving in. CONGRATULATIONS!!



# LET'S CONNECT!

Hopefully, you have found this guide to be helpful and informative. You can find and view more information on my website at [www.realestatetamika.com](http://www.realestatetamika.com).

Just as each individual is unique, so is each homebuyer's situation, wants and needs. I would love to learn more about your specific situation and homebuying goals to see how I can be of assistance. Use the link below to access the contact form on my website. I look forward to hearing from you!

[CLICK HERE TO CONTACT ME](#)

Keep in touch and stay informed by signing up for my monthly newsletter providing insight and updates on various real estate topics. Also, follow me on social media for tips and other helpful information.

LET'S GET YOU HOME!

*Tamika B.*



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