



FIELD GUIDE

TO BUYING A HOME





READY TO BUY? I CAN HELP.

No need to stress. The buying process is exciting and you'll be raiding home decor stores before you know it.

A real estate agent makes your buying experience way simpler. I'm within Michigan's largest network of agents, so I know about properties before they hit the market. This gives you an advantage over other buyers.

WRITE MY NAME AND PHONE NUMBER HERE:

JOT DOWN MY NAME HERE

PHONE NUMBER



GET THE GREEN LIGHT.

You need to be pre-approved for a mortgage before starting your house hunt. This shows that you have the funds to buy. It just takes a quick phone call or email your questions to mortgages@johnadamsmortgage.com.

PRE-APPROVAL CHECKLIST:

- Copies of driver's licenses and social security cards
- Recent pay stubs and W2s for the past two years (or 1099s)
- Most recent two months of bank statements
- Last two years of tax returns (1040)
- Profit and loss statements (if self-employed or own a business)

This is the best time to get introduced to your title and insurance reps, too. Our HomeSuite services include everything you'll need to make your real estate transaction more convenient and affordable. Let me know if you'd like me to connect you!

johnadamsmortgage.com | frontstreetmtg.com

NMLS #140012 | Staunton Financial, Inc.
dba John Adams Mortgage, Front Street Mortgage Companies



NEW HOME WISH LIST.

The key to a successful home search experience is knowing what you're looking for. Among other things, that means distinguishing between "must-haves" and "like-to-haves." To help you narrow your search, fill out the info below.

PRICE

NUMBER OF BEDROOMS

LOCATION

NUMBER OF BATHROOMS

ARCHITECTURAL STYLE

FLOOR PLAN

LOT FEATURES

MOVE IN READY OR FIXER UPPER



START TO SHOP.

Now for the fun stuff. We'll register you for our First to Know New Listing Alerts that automatically blasts new listings your way. I'll also handpick homes that fit your needs and set up showings so we can visit them. If you're scrolling home search sites and find a house you'd like to see, just send me the address and I'll set up the appointment for you.

WRITE YOUR FIRST TO KNOW NEW LISTING ALERTS LOGIN AND PASSWORD HERE:

LOGIN

PASSWORD

Use the chart at the back of this guide to compare the homes we tour.

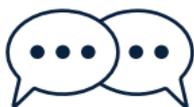


FOUND *THE ONE*? PRESENT OFFER.

When you fall in love with a home, we'll write up an offer to purchase it. Working with our legal counsel, I have the necessary contracts prepared for your real estate transaction. These contracts enable us to specify a sale price and include clauses for various terms of purchase, such as closing and possession dates, deposit amount, and other conditions.

Once we've written the offer, I will present it to the seller and/or their representative. At that point, the seller can accept your offer, reject it, or counter it to initiate the negotiation process.

Use our Deposit Express system to automatically send your Earnest Deposit Money electronically. It's simple, safe and easy – and we're the only broker nationwide to offer this service!



NEGOTIATE THE DEAL.

Negotiating the transaction is usually the most complex aspect of buying a home. To win the negotiation, I will:

- present you as a serious buyer.
- keep each party's emotions in check.
- be creative in our approach.
- if necessary, ask you to be willing to compromise to get the deal done.

NEGOTIATION CHECKLIST:

- Determine the purchase price. Include contingencies, such as financial, inspection or purchase.
- Spell out any special requests and repairs you want included.
- Determine an earnest money amount.
- Define a move-in date.
- Once both parties agree to the terms, sign the purchase and sale agreement.



WELLNESS CHECK-UP.

Next we'll hire a professional, third-party home inspector to take a closer look at the home and confirm that it's in good shape. The goal is to evaluate it from a structural and safety standpoint to ensure that you're buying a hazard-free, up-to-code property that's a good investment. Usually, the inspection period is one to two weeks from the date your sales contract is signed, although it depends on your specific agreement.

HOME INSPECTION CHECKLIST:

- Prepare for inspection by looking for areas you want the inspector to give special attention to. Look for evidence of leaks, cracks, obvious malfunctions, dampness, odors, soggy areas around exterior of home, etc. Be present at the inspection since you'll be the one living there!
- Consider getting inspections for structural engineering issues and roof.
- Use the inspection reports to re-negotiate if necessary.



APPLY FOR THE LOAN.

Once you have a pending agreement, it's time to go back to your chosen lender to finalize your mortgage details to close the deal. This means finalizing your down payment, interest rate, payment schedule and any other financial conditions.

It's critical to fully understand your financing decisions regarding your mortgage. Generally, there are two types of mortgages: a fixed-rate mortgage with an interest rate that remains the same for the life of the loan, or an adjustable-rate mortgage (ARM) with a rate that adjusts depending upon economic trends. Another consideration is the term or length of the loan.

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GATHER YOUR DOCUMENTS.

The list of documents needed for a mortgage application can seem very daunting, but it doesn't have to be if you're prepared. If you've been pre-approved, you may only need to give some updated information to your lender.

MORTGAGE APPLICATION CHECKLIST:

- Recent pay stubs and W2s for the past two years *(or 1099s)*
- Most recent two months of bank statements
- Last 2 years of tax returns
- Profit and loss statements *(if self-employed or own a business)*
- Retirement/investment account statements
- Gift letter *(if using gift funds)*
- Signed sales agreement



CONFIRM THE VALUE.

If getting a mortgage, your potential new home needs to be appraised, which is an unbiased estimate of what it is worth. Your lender needs to make sure the house you're trying to buy is valued at or above the price you're paying for it.

This is because the lender needs to make a wise financial investment. If they loan you money for a house, and it isn't worth what you're paying for it, they put themselves in a bad position, too. It's natural for you to be a little bit worried about the appraisal, but the majority of homes appraise at or above their contract price, so that should help put your mind at ease.



GET COVERED.

Homeowner's insurance needs to be purchased before the closing. Should the unexpected occur, it will protect your house and belongings. I can connect you with a rep that will get you the most competitive rate.

HOMEOWNER'S INSURANCE CHECKLIST:

- Determine how much coverage you need.
- Know your credit score. Companies may consider your score when deciding whether to sell you insurance and at what price.
- Gather information about the house.
- Find out if the house is in a designated flood plain.
- Make a detailed inventory of your property. If you have expensive items such as jewelry or artwork, consider buying endorsements to add or increase coverage for these items.



MAKE IT OFFICIAL.

A title search is conducted to make sure your property's title is valid. This thorough examination takes place to ensure that you'll become the rightful new owner of the property.

The title insurance company will look at deeds, wills, and trusts, tracing the history of the property back many years. Get these important questions answered:

- Have all past mortgages and liens been paid?
- Does anyone hold an easement?
- Are there any pending legal actions?

Then, just to make sure you're protected, having title insurance will cover your losses if they missed something.



TAKE A FINAL TOUR.

Visit your new house one last time to make sure everything is on point. Double check that any updates you negotiated have been made.

FINAL WALK THROUGH CHECKLIST:

- Take your contract with you to refer to it while on site.
- Are all items you've purchased with the house still present?
- Has all personal property and unwanted items been removed according to the terms of your contract?
- Have all necessary repairs been made?
- Have you received associated warranties/bills for repairs?
- Is the house clean overall?
- Is there any damage to the walls, floors or other areas caused by movers?
- Is landscaping as you remember?



GET THE KEYS.

It's the moment you've been waiting for. Closing time! You'll receive the property title and copies of all documentation pertaining to the purchase.

WHAT TO BRING TO THE CLOSING:

- Any paperwork the bank required to approve your loan
- A government-issued photo ID. (*A note to newlyweds who just changed their name: The ID needs to match the name that will appear on the property's title and mortgage.*)
- Your certified funds

HOME BUYER'S GLOSSARY

Abstract Of Title – A complete historical summary of public records relating to the legal ownership of a particular property.

Adjustable Rate Mortgage (ARM) – (variable-rate loan.) An ARM is a loan in which the interest rate changes over time, relative to an index like the Treasure index.

Agreement of Sale – (contract of purchase, purchase agreement, or sales agreement.) A contract in which a seller and buyer agree to transact under certain terms spelled out in writing and signed by both parties.

Amortization – The process of reducing the principal debt through a schedule of fixed payments at regular intervals, with an interest rate specified in a loan document.

Appraisal – A professional appraiser's estimate of the market value of a property based on local market data and the recent sale prices of similar properties.

Assessed Value – Value placed on a home by municipal assessors for the purposes of determining property taxes.

Closing – Final steps in transfer of property ownership. On closing date, as specified by sales agreement, buyer inspects and signs all documents relating to transaction and final disbursements are paid. (Also referred to as settlement.)

Closing Costs – Costs to complete real estate transaction in addition to home price. May include: points, taxes, title insurance, appraisal fees and legal fees.

Contingency – Clause in purchase contract that describes conditions that must be met and agreed upon by both buyer and seller before contract is binding.

Counter-offer – Offer, made in response to a previous offer, that rejects all or part of it while enabling negotiations to continue towards a mutually-acceptable sales contract.

Conventional Mortgage – One that is not insured or guaranteed by the federal government.

Debt-to-Income Ratio – Measures total debt burden by dividing gross monthly debt repayments, including mortgages, by gross monthly income.

Down Payment – Money paid by buyer to lender at time of closing. Amount is difference between sales price and mortgage loan. Requirements vary by loan. Down payments less than 20% usually require mortgage insurance.

Earnest Money – A deposit given by buyer to bind a purchase offer and held in escrow. If property sale is closed, deposit is applied to purchase price. If buyer does not fulfill all contract obligations, deposit may be forfeited.

Equity – Value of property, less loan balance and any outstanding liens or other debts against the property.

Easements – Legal right of access to property by individuals or groups for specific purposes. Easements may affect property values and can be part of deed.

Escrow – Funds held by a neutral third party (the escrow agent) until certain conditions of contract are met and funds can be paid out. Escrow accounts are also used by loan servicers to pay property taxes and homeowner's insurance.

Fixed-Rate Mortgage – A type of mortgage loan in which interest rate does not change during entire term of the loan.

Home Inspection – Professional inspection of a home, paid for by buyer, to evaluate the quality and safety of its plumbing, heating, wiring, appliances, roof, etc.

Homeowner's Insurance – A policy that protects you and lender from fire or flood, a liability such as visitor injury, or damage to your personal property.

Lien – A claim or charge on property for payment of a debt. With a mortgage, lender has the right to take title to property if you don't make mortgage payments.

Market Value – Amount a willing buyer would pay a willing seller for a home. Appraised value is an estimate of current market value.

Mortgage Insurance – Purchased by buyer to protect lender in event of default (typically for loans with less than 20% down). Available through a government agency like the FHA or through private mortgage insurers (PMI).

Possession Date – The date, as specified by sales agreement, that buyer can move into property. Generally, it occurs within a couple days of the closing date.

Pre-Approval Letter – Letter from mortgage lender that buyer qualifies for mortgage of a specific amount. It also shows home seller that you're a serious buyer.

Principal – Amount of money borrowed from lender to buy home, or amount of loan that has not yet been repaid. Does not include interest paid to borrow.

Purchase Offer – Detailed, written document which makes an offer to purchase a property, and which may be amended several times in the process of negotiations. When signed by all parties involved in sale, the purchase offer becomes a legally-binding sales agreement.*

Title – Right to, and the ownership of, property. A title or deed is sometimes used as proof of ownership of land. Clear title refers to a title that has no legal defects.

Title Insurance – Insurance policy that guarantees the accuracy of title search and protects lenders and homeowners against legal problems with title.

Truth-In-Lending Act (TILA) – Federal law that requires disclosure of truth-in-lending statement for consumer loans – includes a summary of the total cost of credit.

Title Search – Historical review of all legal documents relating to ownership of property to determine if there have been any flaws in prior transfers of ownership or if there are any claims or encumbrances on property.

HOME COMPARISON FEATURES

PROPERTY
ADDRESS/MLS#

PRICE

LOCATION

ARCHITECTURAL
STYLE

NUMBER OF
BEDROOMS

BATHROOMS

FLOOR
PLAN

LOT
FEATURES

MOVE IN READY
OR FIXER UPPER

ADDITIONAL
FEATURES

FITS OUR
NEEDS

TOTAL
RATING (1-10)

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MOVE-IN DAY!

Let the many memories begin! As your agent, I'll occasionally check in to see how you're enjoying life in your new home.

MOVING DAY CHECKLIST:

- Pack a box of things to move yourself so you have access to them easily. (Cell phone, tool kit, scissors, trash bags, paper towels, toilet paper and bed linens.)
- Have extra packing material on hand for last minute things.
- Write out a list for your movers of things they'll need: phone numbers; exact moving address and maps.
- In new home, tape names to doors to assist movers; map floor layout so movers know what's going where.
- Double-check arrangements you made for your pet.
- Do a final sweep of your home. Make sure you clean the house you are leaving.
- Double-check that your utilities will be hooked up.



LET'S GET MOVING!

*Snap a selfie and share your
#keymoment
@realestateone*

