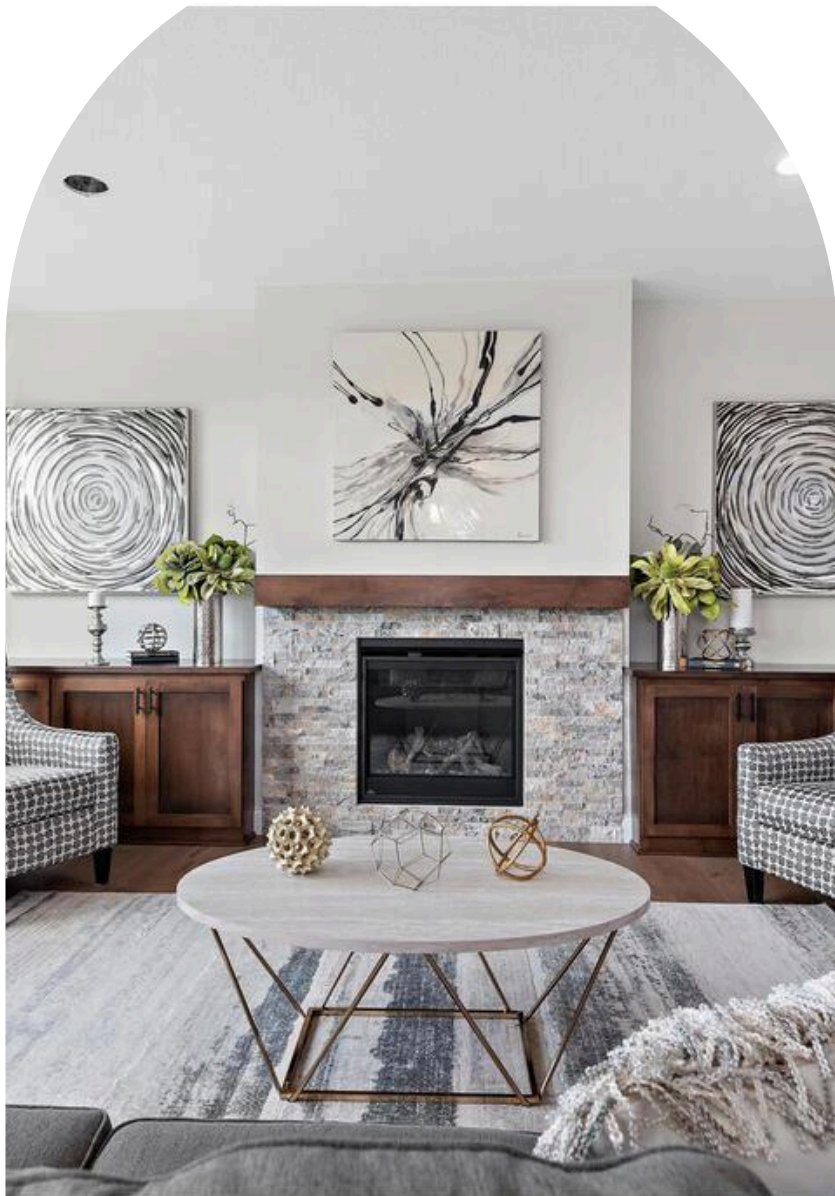


Welcome to your  
homebuying journey!



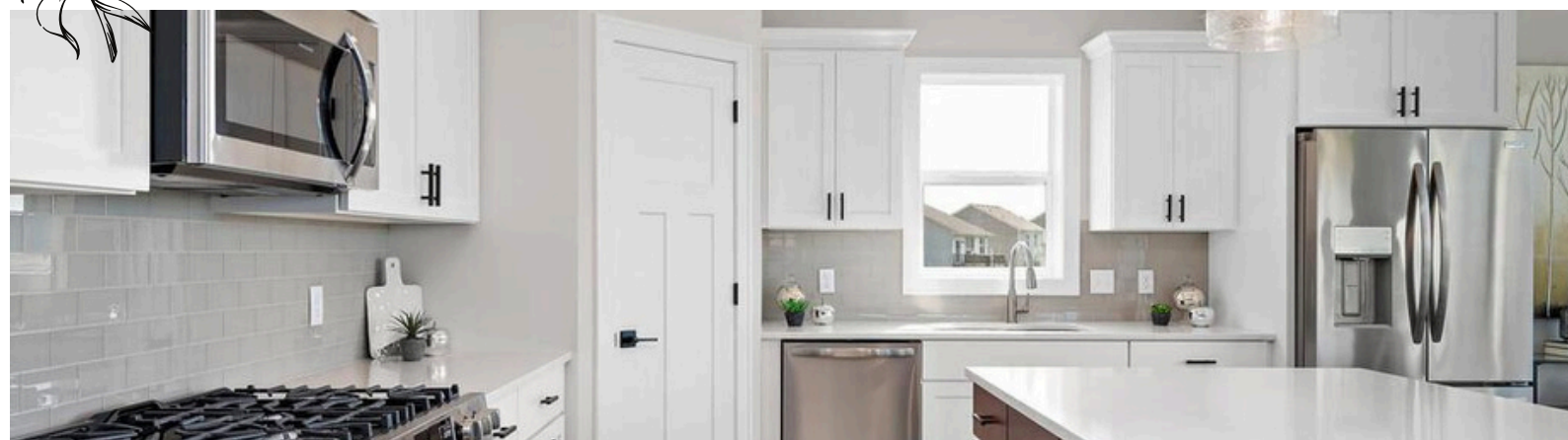
# Why work with me?



- Extensive Experience: Benefit from my deep understanding of the real estate market and years of successful transactions.
- Market Expertise: I have a keen insight into market trends and property values to help you make informed decisions.
- Expert Negotiator: My strong negotiation skills ensure you get the best terms and price for your home.
- Proven Track Record: I've sold many homes, demonstrating my ability to effectively handle various real estate transactions.
- Clear Communication: I prioritize open and transparent communication to keep you informed and confident throughout the process.
- Trustworthy and Reliable: Committed to your best interests, I provide a trustworthy and dependable service to make your home buying journey smooth and enjoyable.

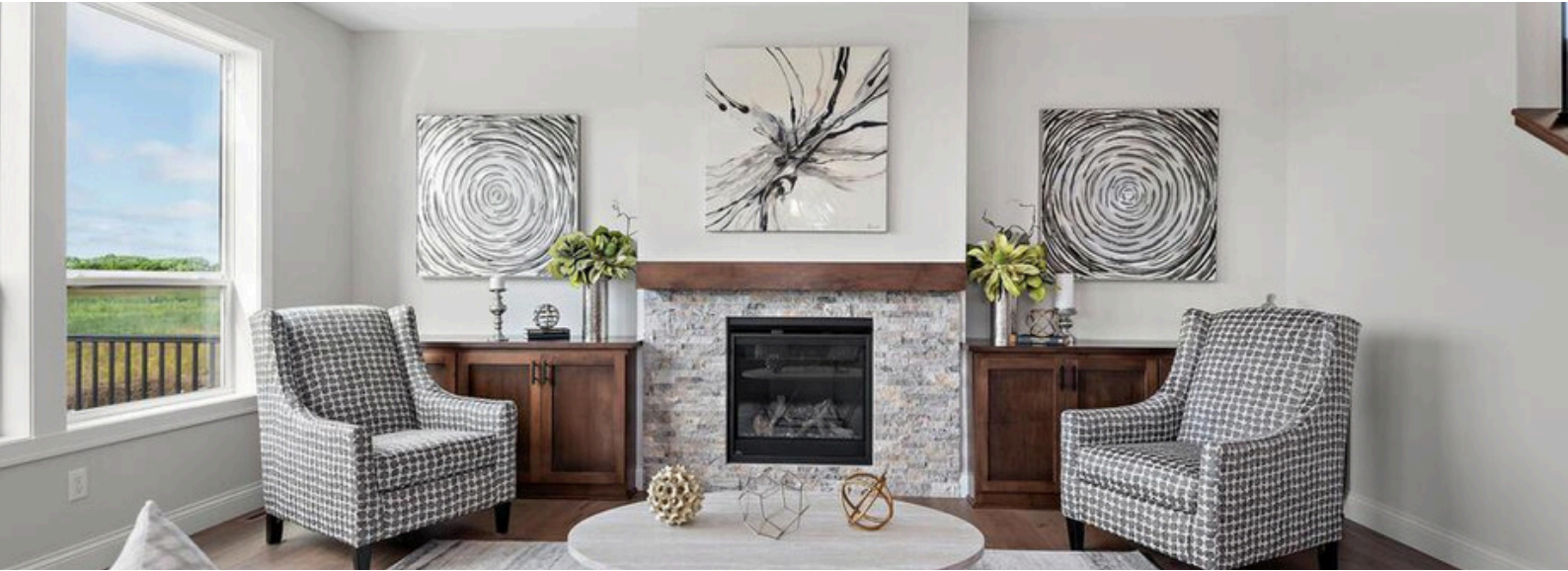


# home BUYING PROCESS





# hire a realtor



## 5 REASONS WHY YOU SHOULD HIRE A REALTOR



Paperwork. They will help with all disclosures and paperwork necessary in today's heavily regulated environment.



Experience. They are well educated in and experienced with the entire sales process.



Negotiations. They act as a "buffer" in negotiations with all parties throughout the entire transaction.



Pricing. They help you understand today's real estate values when setting the price to offer to purchase the home.



Understanding of Current Market Conditions. They simply and effectively explain today's real estate headlines and decipher what they mean to you.



# Pre-approval



## WHY PRE-APPROVAL SHOULD BE YOUR FIRST STEP

In many markets across the country, the number of buyers searching for their dream home greatly exceeds the number of homes for sale. This has led to a competitive marketplace where buyers often need to stand out. One way to show you are serious about buying your dream home is to get pre-qualified for a mortgage before you start your search.

Pre-Approval will tell you how much you can afford and can help you move faster, and with greater confidence, in the competitive markets. Obtaining a pre-approval before you start your search will help you be able to put in an offer as soon as you find your dream home.

### GETTING PRE-APPROVED:

- **CHECK YOUR CREDIT: REVIEW YOUR CREDIT REPORT TO ENSURE THERE ARE NO ERRORS OR ISSUES.**
- **GATHER FINANCIAL DOCUMENTS: COLLECT RECENT PAY STUBS, TAX RETURNS, AND BANK STATEMENTS.**
- **CHOOSE A LENDER: RESEARCH AND SELECT A REPUTABLE LENDER OR MORTGAGE BROKER.**
- **COMPLETE THE APPLICATION: FILL OUT THE PRE-APPROVAL APPLICATION WITH YOUR FINANCIAL DETAILS.**
- **SUBMIT DOCUMENTS: PROVIDE THE LENDER WITH THE NECESSARY DOCUMENTATION FOR VERIFICATION.**
- **RECEIVE PRE-APPROVAL LETTER: ONCE APPROVED, GET A PRE-APPROVAL LETTER TO SHOW SELLERS YOU'RE A SERIOUS BUYER**



# Finding the Perfect Home



- Define Your Needs: Budget, location and preferences.
- Explore Options: Visit model homes and existing properties to understand your choices.
- Do you prefer new? Do you want to build or purchase a completed new construction home?
- Is an existing home an option?
- How much space do you need?
- How many bedrooms?
- What are your top “Must Have’s” in your new home?
- What is important about the lot/yard and location?

•

Get set up to receive alerts straight from the MLS as soon as a property matching your criteria hits the market or has a status change. Once you find one you want to take a look at, pick up the phone and let me know and we will schedule a tour right away!



*Searching for homes on the MLS will provide the most accurate and up to date information.*

# Submitting an Offer



## TERMS NEEDED:

<i>Name</i>	Legal names of all buyers on the pre-approval and purchase agreement. Include Email address for each buyer
<i>Offer price</i>	Determined by market, location, comparable homes, ect. The decision is yours.
<i>Earnest Money</i>	Earnest money is a deposit that a buyer pays to a seller to show that they are serious about purchasing a property and paid once the offer is accepted. Average amt is 1% of the sales price. It is applied toward down payment at closing and is refundable during inspection contingency period should buyer decided to cancel.
<i>Type of financing</i>	Cash, Conventional, FHA, VA
<i>% of down payment</i>	How much is the down payment
<i>Inspection Contingency</i>	<ul style="list-style-type: none"><li>• Is the offer contingent on the inspection?</li><li>• How many days is the inspection contingency? 7-10 is average</li></ul>
<i>Closing date</i>	30-45 days is average. Need lender approval. Seller may have a requested close date



# Inspection



It is super important to conduct a home inspection prior to purchasing a property. I have a list of licensed professional that come highly recommended by myself and others in the business. Once the inspections are completed, we will discuss what is important to have taken care of prior to settlement. The sellers do have an option to deny any repairs or just offer a lump sum instead of fixing issues.

## *Peace of Mind Home Inspections*

<https://mnhomeinspections.com/>  
Office: 763-267-5743  
Scheduling: [Jamie@peaceofmind-mn.com](mailto:Jamie@peaceofmind-mn.com)  
Owner: Jim Peterson 763-923-3084  
[jim@peaceofmind-mn.com](mailto:jim@peaceofmind-mn.com)

### WHAT WILL BE INSPECTED?

- Appliances
- Plumbing
- Electrical
- Air Conditioning
- Heating System
- Roof, Attic, Crawl Space (if accessible)
- General Structure

## *Amerispec*

AmeriSpec Inspection Service  
(763) 420-5535  
<http://www.amerispec.net/minneapolisnorth>

### SOME ADDITIONAL INSPECTIONS

- Radon
- Chimney
- Sewer/Septic

## *Home Team Inspections*

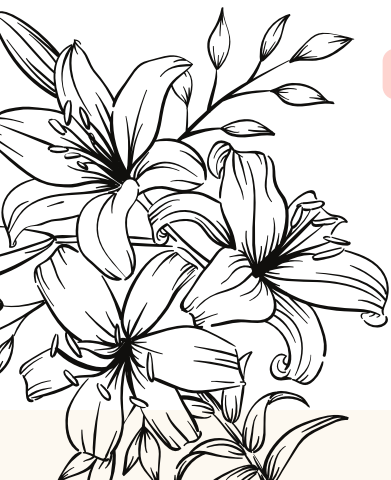
Home Team Inspection  
(612) 444-9549  
[minneapolisnw@hometeam.com](mailto:minneapolisnw@hometeam.com)  
[hometeam.com/minneapolis-nw](http://hometeam.com/minneapolis-nw)

### COST OF A HOME INSPECTION

Depending on the square footage of the house, the price will vary. A general home inspection will range from \$300-\$1000 not including the cost of potential additional inspections.

**MOST INSPECTIONS MUST  
BE CONDUCTED WITHIN 5-14  
DAYS OF CONTRACT  
ACCEPTANCE.**

**THE LAST HOUR OF THE INSPECTION IS WHEN YOU WILL  
MEET THE INSPECTOR TO DO A WALK-THROUGH.  
I WILL ATTEND THIS WITH YOU AS WELL.**





# Loan submission



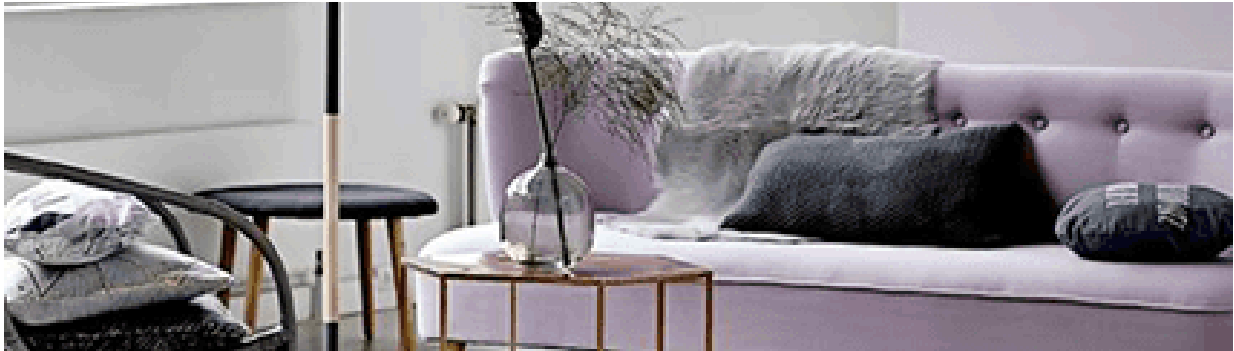
When you submit a loan to your lender, it is known as "going into underwriting." The term "underwriting" refers to the process that leads to a final loan approval or denial. A loan's approval status is made by a professional underwriter which uses special software programs and number-crunching analysis.

**THIS IS WHY IT IS SUPER IMPORTANT THAT YOU HAVE NOT MADE ANY LARGE PURCHASES FROM YOUR TIME OF PRE-APPROVAL TO NOW. PLEASE LET YOUR LENDER KNOW IF YOU PLAN TO GET MARRIED OR CHANGE JOBS DURING THIS TIME.**

Once an underwriter has reviewed all of a mortgage applicants information and documentation, a decision will be made on the loan's status. There are a few possible outcomes at this point.



# Order appraisal



Assuming the home inspection contingency has been resolved, give your lender the green light to order an appraisal. Most appraisals cost between \$300-\$500 depending on the size of the property. This is included in the closing cost estimate you will get from the lender, but will be paid for during the process. By the time you get to settlement, this price comes off your bottom line of cash to close.

An appraiser will evaluate the property you are buying to ensure it's worth the amount you are paying for it. This protects both you and your lender. Also, at this time, select a title company who will conduct a title search to ensure there are no liens or violations on the property so by your settlement date, they will be able to transfer to you clear title of the property. They will not transfer the title to you until it is completely clear. Always compare rates from competing title companies. As always, you get to pick the title company that you want to work with and it is always best to talk to a few and compare their fees.

Selecting the right title company makes all the difference in this process. This company will be protecting your interest to ensure we are able to close on time. This is who will transfer the ownership from the previous owners to you. I will provide you a list of recommended companies who come highly recommended in the industry.



# Clear to Close



Congrats!! You got the green light to close! Depending on your situation, this can happen anywhere from one week to the day of settlement. Once your lender has your loan processed properly, additional documentation may be required from you as well as verification that you are still employed and have the necessary funds to close on your property.

Assuming this process is completed and approved, your lender will issue a clear to close notification and you will be ready to settle on your home. You will soon be provided a Closing Disclosure (CD). The Closing Disclosure will provide the final details about the mortgage loan you have selected. It includes the loan terms, projected monthly payments, and how much you will pay in fees and other costs to get your mortgage. You must receive this at least 3 days prior to the settlement date. Depending on the amount of money needed for closing, you will most likely have to wire the funds to the title company. They will provide all the information for this process

**You are still not in the clear to open new credit cards or increase your spending on your current ones!!**



# Ready to close



## **PICK YOUR HOMEOWNERS INSURANCE**

This is your choice. Look into your existing car insurance provider and see if they have package deals for home insurance as well. You will need to pick a provider and let your lender know the information so they can add it into your mortgage monthly payments and finalize the loan. There are highly competitive rates and this will impact your monthly payment.

## **TRANSFER UTILITIES TO YOUR NAME**

Call your local gas and/or electric company and change the service into your name effective the date of your closing. In some instances, the water bill will already be partially paid by the current owners, so that will be prorated at closing. The water should transfer into your name automatically once your deed is recorded. It is not uncommon to receive the next water bill in the previous owner's name.

## **SCHEDULE FINAL WALK THROUGH**

Prior to closing, we will go through the property to make sure it is in the same condition as it was when your contract was accepted and that any agreed upon repairs were made. This is best to do as close to your settlement day as possible. It is even OK to do it the morning of your settlement!



# Closing Day!



You have gone through all the hoops to get to this day...CLOSING DAY!! Today is the day you go from home seeker to homeowner!

After you have received the clear to close from your lender, your closing will be set on or before the date designated in your contract. At your closing, the title company officer will review with you and the seller the financials relating to your closing. The seller will sign over the property to you and give you the keys. You will sign off on all your loan documents and, after doing so, funds will be disbursed to the seller and you will be able to take possession of your new home.

*Be prepared for a lot of signing and don't forget to bring your ID!*

## CLOSING?

- You; The Buyer(s)
- Buyer's Agent (Me!)
- Closing company; the party representing the title company and responsible for ensuring the title is transferred to you.
- Occasionally, Your Lender; they will be present for any last minute questions or issues pertaining to your loan.



# Timeline OF EVENTS



1-2 Days

for Earnest Money deposit

7-10 Days

for loan application

10-14 Days

for home inspections

21-30 Days

for loan commitment

3-5 Days

before closing to receive  
closing disclosure

30-60 Days

until closing!



# Upfront COSTS AND CLOSING COSTS



## UPFRONT COSTS

- Earnest Monday Deposit: 1-2% of purchase price
- Home Inspection: \$300-\$600
- Appraisal: \$300-\$550
- Closing Costs: 3-5% of purchase price
- Down payment: 0%-20%+ determined by what lender and you decided is best for your situation.

## CLOSING COSTS

- Prorated taxes
- Loan fees: Processing, underwriting, wires, prepaid interest
- Title fees: title insurance policies, deed preparation, settlement fees, wires
- Survey
- Prepaid Homeowners Insurance
- Government fees: recording deed, recording mortgage, state recordation tax, state transfer tax (waived for 1st time homebuyers)

*Your lender will be able to run an estimate of everything prior to submitting an offer so you are prepared for settlement and what to expect!*

# FINANCING *Tips*



## GET YOUR CREDIT IN CHECK

Make sure you are financially ready for homeownership. Do you have a lot of debt? Plenty saved for a down payment? What about closing costs? Ask yourself "How much house can I afford?" before you go further. Additionally know that lenders look closely at your credit score when determining your eligibility for a mortgage loan. Check your credit score and do anything you can, to improve it. Such as lowering outstanding debt.



## FIND THE RIGHT LENDER

Just like you want to get the home that best suits your needs. You'll want to find a lender that best suits you. We suggest you consider using a broker to help you find a lender. Talk to your agent- we are here to help, ask friends and family for referrals and compare at-least three lenders.



## BE PREPARED

a lender will need information from you in order to get you pre-approved and through the home buying process. Here are a few things to have ready for them.-

- W2 forms from the past 2 years
- Pay stubs for the last 30 days
- Federal tax returns from the past 2 years
- Proof of other sources of income
- Details of long term debt such as car or student loans
- ID and Social Security Number

*If you are self employed, you may have to provide extra proof of your financial stability. Including having a higher credit score or large cash reserves and possibly providing business tax returns*





# Home TOURING TIPS



- Take pictures with your phone while visiting each house. Organize the photos at home with address of the property so you can remember the details later.
- Focus on the things you can't change, like the neighborhood or size of the bedrooms
- Test things as you walk through the home. Open and close windows, turn the faucets on and flush toilets to make sure everything is working in order

*what to bring...*

- YOUR AGENT! Your agent is your #1 resource when house shopping. Bring them on tours so they can help you navigate this step of the home hunting process
- PEN AND PAPER. You'll want to take notes during your tour, specially if you have to see multiple properties.
- MEASURING TAPE. You need to know exactly how much space you have to work with in any new home you may choose.



# REAL ESTATE *Terms*



## **APPRAISAL**

*An appraisal is the estimated value of a home determined by an inspection of the property and its comparison to recently sold homes in the area to estimate the value.*

## **CLOSING COSTS**

*Closing costs are fees due at the closing of a real estate transaction in addition to the property's purchase price. Both buyers and sellers may be subject to closing costs. Examples of common closing costs include fees related to the origination and underwriting of a mortgage, real estate commissions, taxes, insurance, and record filing.*

## **APPRECIATION**


*Appreciation refers to your property's value or, more specifically, how much its value increases over time.*

## **MLS**

*A multiple listing service (MLS) is a database established by cooperating real estate brokers to provide data about properties for sale. An MLS allows brokers to see one another's listings of properties for sale with the goal of connecting homebuyers to sellers.*

## **ESCROW**

*Escrow is a legal concept describing a financial instrument whereby an asset or escrow money is held by a third party on behalf of two other parties that are in the process of completing a transaction*



# COMMON HOME BUYING *questions*

## **WHO PAYS THE REALTOR FEES WHEN BUYING A HOME?**

The buyers broker commission is negotiated in to the purchase agreement.

Refer to buyer contract for terms.

## **HOW MANY HOMES SHOULD I LOOK AT BEFORE PUTTING IN AN OFFER?**

There is no specific number of homes you should look at. Once you walk into the right home, you will know it. It may be the 1st home you see, it may be the 20th home you see!

## **DO I HAVE TO PUT DOWN THE NORMAL 20% OF THE PURCHASE PRICE?**

No. Not even close. There are many different loan options and your lender will go through what is best for you. Twenty percent is not realistic for most first time home buyers.

## **WHAT IS TITLE?**

Title is your ownership right to your property.

## **WHAT IS THE DIFFERENCE BETWEEN DOWN PAYMENT AND CLOSING COSTS?**

Down payment is a percentage of the purchase price of the home. Lenders require that borrowers must invest a certain percentage of the purchase price in the home. Closing costs are the other, non-down payment costs, paid at settlement. These include all the fees associated with closing a loan.

## **IF THE CONTRACT FALLS THROUGH, DO I GET MY MONEY BACK?**

In some instances a contract may fall through. It is not guaranteed that you will have your earnest money refunded. I will negotiate with the agent to have it fully or partially refunded.

## **WHY DO I NEED TO GET PRE-APPROVED?**

Getting pre-approved shows that you are a motivated buyer. If we go to see a house and you are not pre-approved, you cannot put in that offer until we have your pre-approval. This takes time and someone who is already pre-approved can move much faster on an offer. You do not want to lose your dream home!

