

HOME BUYERS

Guide



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REAL ESTATE
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Hi, I'm Mary Beth!

As a licensed real estate agent, I specialize in helping buyers like you navigate the (sometimes tricky) home buying process. Whether this will be your first home, your forever home, or your vacation home, I'm excited to find a property that you will fall in love with!

And, just as importantly, I'm excited to provide an enjoyable buying experience for you! I know the process can feel overwhelming. There are lots of moving parts and lots of questions. And there's a lot at stake. Not only is this a major financial milestone, but your home will serve as the backdrop for years of happy memories. You want to get the right house, you want to get a good deal, and you want the process to be as pleasant as possible. I can help on all three fronts!

To start your home search off on the right foot, I put together this Home Buyer's Guide for you. It's packed with useful information about navigating the buying process.

And if you have any questions, I'm here to help! I'm just a call, email, or text away. Here's to you and your new home!

Overview of the BUYING PROCESS



1.

Pre-Approval

- Speak with a lender
- Address any credit issues
- Determine the right mortgage

2.

Home Shopping

- Discuss your criteria with a buyer's agent
- Tour listings in your price range
- Adjust criteria if necessary

3.

Offer & Negotiation

- Research comps with agent
- Submit offer to seller
- Negotiate and sign a contract

4.

Due Diligence

- Home inspection
- Appraisal
- Survey
- Negotiate repairs
- Begin title exam
- Finish loan process

5.

Pre-Closing & Title

- Confirm repairs are complete
- Pre-Closing walk-through
- Send funds to title company

6.

Closing

- Review closing statement
- Sign closing documents
- Receive keys



BUYING YOUR HOME

Checklist

1. PARTNER WITH AN AGENT

- ☐ Get local insight
- ☐ Get to know neighborhood inventory
- ☐ See what's about to hit the market
- ☐ Gain access to off-market properties
- ☐ Review market averages
- ☐ Complete needs assessment

2. GET PRE-APPROVED

- ☐ Understand what you can afford
- ☐ Determine your monthly mortgage payment
- ☐ Understand your debt ratio
- ☐ Have a lender review your finances
- ☐ Obtain a pre-approval letter

3. FIND YOUR NEW HOME

- ☐ Compare home and neighborhood averages, narrow down neighborhoods you want
- ☐ Mark your favorite homes
- ☐ Eliminate homes that don't meet your needs
- ☐ Schedule home tours and plan an itinerary with your agent
- ☐ Select the home you want to make an offer on

4. MAKE OFFER & NEGOTIATE

- ☐ Review contract terms and time limit for offer
- ☐ Negotiate purchase price
- ☐ Choose a title company
- ☐ Shop home insurance options
- ☐ Prepare for down payment, earnest money
- ☐ Choose a target closing date
- ☐ Sign the offer
- ☐ Deliver escrow check
- ☐ Stay in close contact with your agent



5.UNDER CONTRACT

- ☐ Secure a home loan
- ☐ Acquire home insurance and send proof to your lender
- ☐ Request list of what conveys with the property
- ☐ Schedule home inspection and negotiate repairs
- ☐ Acquire a property disclosure from the seller
- ☐ Order an appraisal
- ☐ Clear contingencies. Input any contingencies that may be specific to your area
- ☐ Choose your title company
- ☐ Have title researched
- ☐ Schedule your closing
- ☐ Solidify both contract effective and allowable move-in dates
- ☐ Certify funds for closing
- ☐ Stay in close contact with your agent, lender, and title company

6.BEFORE YOU CLOSE

- ☐ Transfer funds for closing
- ☐ Set a moving date and schedule movers
- ☐ Complete change of addresses
- ☐ Set up your utilities to be activated or transferred
- ☐ Confirm that all contingencies are resolved
- ☐ Schedule the final property walk-through
- ☐ Designate a safe, dedicated space to save your final paperwork
- ☐ Stay in close contact with your agent, lender, and title company

7.CLOSING DAY: WHAT TO BRING

- ☐ Connect with your lender to wire down payment funds. You'll need to cover the cost of closing and the down payment.
- ☐ Bring a printed confirmation of your of your wire transfer
- ☐ Government-issued photo ID(s)
- ☐ Social security numbers
- ☐ Home addresses from the last 10 years
- ☐ Proof of homeowner's insurance
- ☐ Your copy of the contract
- ☐ Your checkbook

8.CLOSING DAY

- ☐ Sign closing disclosure, promissory note, and all other documentation
- ☐ Title transfer
- ☐ Deed delivery
- ☐ Save your paperwork in your pre-designated spot
- ☐ Get your keys. Congrats, it's all yours!



PRE-APPROVAL

Getting pre-approved for a home loan is the first step in buying a home. That's right; even before you start looking at homes, you should get pre-approved.

Pre-approval is a fairly quick process. You'll contact a mortgage lender and have them review your finances and credit to determine how much money you can borrow. This does two important things:


1.

It tells us how much you can afford so we can search in the right price range, and

2.

It shows sellers that you're a serious buyer. Without a pre-approval, sellers have no idea if you can qualify for a home loan. So if you want sellers to take your offer seriously, you need to be pre-approved.





*Now, how do you find a mortgage lender?
You have a few options.*

- You can find a mortgage broker online. Mortgage brokers match you with a lender who can meet your needs.
 - You can shop mortgage lenders online. With so much information available online, you can see interest rates, reviews, and terms from different lenders.
 - Or you can ask me! I have relationships with local lenders, and I am happy to share their contact information with you.
-

In most cases, you want to choose the lender with the lowest interest rates and the best reviews.

Once you choose a lender, you can choose a mortgage type and gather your financial documents to provide to your lender for the pre-approval.

I have a handy pre-approval checklist in this guide to let you know which documents your lender will need from you.

And if you have no idea which mortgage type is right for you, don't worry. You'll find an overview of your options in this guide as well. Of course, you can also discuss your options with your lender to confirm which type will be the best fit.

PRE-APPROVAL

Checklist

1.IDENTIFICATION

- ☐ Have a government-issued photo identification ready

2.INCOME & ASSETS

- ☐ Last two years of federal tax returns ready to present to the mortgage lenders
- ☐ Last two years of corporate tax returns if applicable
- ☐ Last two years of W-2 or 1099 statements
- ☐ Paystubs from the previous 30 days
- ☐ Name and address of all employers for the last two years
- ☐ If you're a business owner, you will need to provide profit and loss statements
- ☐ Alimony or child support income documentation
- ☐ Prepare an asset statement, providing the lender with information about your current assets including bank accounts, retirement accounts, and investment portfolios
- ☐ Information for any existing mortgages
- ☐ Home insurance policy information
- ☐ Divorce or separation agreement, including alimony or child support payment terms in which you receive income

3.LIABILITIES

- ☐ List of all current loans: name, address, account numbers, balances, and monthly payments
- ☐ The lender will want to look at your credit score. Be prepared to explain any late payments, recent credit inquiries, collections, or judgments
- ☐ If you currently own a property, have your property tax statements available
- ☐ Bankruptcy papers, if filed within the past seven years



MORTGAGE LOAN

Types



CONVENTIONAL LOAN

- As little as 3% down
- Requires good credit (at least a score of 620 for most lenders)
- Can be used for primary residences, second homes, and investment properties

FHA LOAN

- As little as 3.5% down
- Typically requires fair credit (at least a 580)
- Can only be used for a primary residence (but you can use it for a multi-family property of up to 4 units as long as you live in 1 of them)

VA LOAN

- Available only to qualified military service members, veterans, and spouses
- 0% programs available
- Typically requires fair to good credit
- Can only be used for a primary residence (but you can use it for a multi-family property of up to 4 units as long as you live in 1 of them)
- No PMI required

USDA LOAN

- Available only for properties in qualified geographic areas outside of major cities
- 0% programs available
- Typically requires fair to good credit
- Can only be used for a primary residence (no multi-family or investment property options)

HOME SHOPPING

Now we get to the fun part: finding your new home!

Once I know what you're looking for, I'll be able to keep an eye on the market for you and notify you of new listings. I'll even keep an ear out for news of listings that will be coming soon but aren't available yet. I love giving my clients advanced notice of new listings!

A quick warning: at some point, you'll have a hard time keeping the different houses straight! Feel free to take photos/videos and make notes as we tour homes. They'll help jog your memory later.



OFFER & NEGOTIATION



When you find a house you love, it's time to make an offer!
And this is where you'll be extra glad you have a knowledgeable real estate agent in your corner.

Market conditions are always changing. And the market conditions dramatically impact your offer price and terms. In a buyer's market, we might be able to offer a price slightly below the asking rate, and we can consider asking for concessions to help with your closing costs. In a seller's market, we might need to offer more than the asking price and consider waiving certain conditions. I'll explain what I'm seeing in the market for homes like yours and what I think we can do to get you the best price and best terms under the circumstances.

No matter what kind of market we're in, if you're serious about a home, you need to act quickly and be willing to pay the fair market value for the property.

DUE DILIGENCE

With your home safely under contract, we can start our due diligence to make sure the home is everything it appears to be. In this phase, we'll:



- Have the property inspected to see what kind of condition it's really in.
- Get an appraisal to confirm the property's value.
- Order a survey if necessary to confirm property lines.
- Request repairs if necessary (this will depend on the results of the home inspection).
- Have a title company research to make sure the current owner has the legal right to sell the house.
- Work with your lender to make sure they have everything they need for your home loan.

HOME INSPECTION

Checklist

Hire a professional Inspector to inspect the following:

1.PROPERTY EXTERIOR

- ☐ Exterior walls appear straight with no sagging
- ☐ Windows and door frames appear square
- ☐ The siding appears in good condition
- ☐ Bricks appear in good condition
- ☐ The paint is not flaking or stained
- ☐ Roof shingles are not missing or damaged
- ☐ Gutters are in good repair and drain properly
- ☐ The chimney appears straight and undamaged
- ☐ The ground slopes away from the house with no standing water
- ☐ All outdoor structures (garage, shed, fence, deck, etc.) appear in good condition with no rotted wood or evidence of termites
- ☐ The septic tank doesn't show any leaks

2.ELECTRICAL SYSTEMS

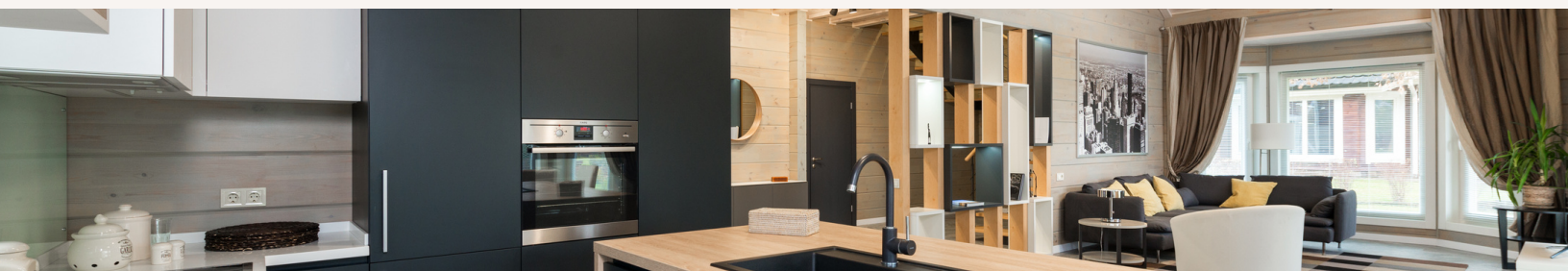
- ☐ There are no exposed electrical splices
- ☐ The wiring is in good condition
- ☐ The service panel has normal capacity
- ☐ Cables are secured and protected

3.BATHROOMS

- ☐ The visible plumbing under the sink is in good condition and shows no signs of water damage
- ☐ There is adequate water pressure for hot and cold water at all fixtures
- ☐ The tub, shower, and sinks drain smoothly
- ☐ The toilet flushes and fills properly
- ☐ The toilet is stable, with no rocking or stains at the base

4.KITCHEN

- ☐ The visible plumbing under the sink is in good condition and shows no signs of water damage
- ☐ The exhaust fan works properly
- ☐ The garbage disposal is operational
- ☐ The sink taps have adequate water pressure
- ☐ The sink drains properly
- ☐ Appliances that will stay with the house operate properly



5.INTERIOR ROOMS

- ☐ Floors, walls, and ceilings appear straight and level without visible stains, cracking, or damage
- ☐ Doors open easily and latch properly when closed
- ☐ Lights and switches operate properly
- ☐ There are an adequate number of electrical outlets in each room
- ☐ Heating and air conditioning vents are present in all rooms
- ☐ The fireplace appears in good condition
- ☐ Smoke detectors and carbon monoxide detectors are working and located properly
- ☐ Stairways appear solid

6.HEATING AND COOLING SYSTEMS

- ☐ Heating And Cooling Systems
- ☐ Air conditioning and heating operate well
- ☐ Air filters are clean
- ☐ Flues have no open seams
- ☐ The cooling unit has no visible rust

7.PLUMBING

- ☐ Visible pipes have no damage or evidence of leaks
- ☐ The water heater shows no signs of rust
- ☐ Water pressure falls within an acceptable range

8.BASEMENT

- ☐ There is no evidence of moisture
- ☐ There is no evidence of water damage to the floor above
- ☐ The sump pump operates properly

9.ATTIC

- ☐ There is no evidence of staining from the roof
- ☐ The structure shows no damage or decay
- ☐ There is adequate ventilation throughout
- ☐ Insulation is sufficient and installed properly
- ☐ Electrical splices are contained



P R E - C L O S E



We're in the home stretch now! Just a few more items to go.
Right before closing, we need to do three things:

- Confirm that agreed-upon repairs are completed.
- Complete the final walk-through to make sure the property is in the expected condition.
- Wire your down payment to the title or escrow company.

In most cases, you'll also sign your loan docs before closing day. That way your lender can arrange the funds and deliver the proceeds to the seller on closing day.

With those final items complete, we're ready to close on your new home!



BUYER CLOSING CHECKLIST



☐ **REPLY PROMPTLY TO REQUESTS**

Your real estate agent, lender, and other professionals may need additional information from you.



☐ **CLEAR TITLE**

Your mortgage lender will require a title search. Purchase title insurance.



☐ **CLEAR CONTINGENCIES**

The most common contingencies are home inspection, appraisal, and financing.



☐ **FINAL MORTGAGE APPROVAL**

Your credit score and finances will be checked by an underwriter.



☐ **BOOK MOVING COMPANY**

Reserve a moving truck or schedule a moving service. Ask about non-peak times to save money.



☐ **FINAL WALK THROUGH**

The home should be in the condition stated on the contract. Repairs if any, should have been completed.



☐ **GET NEW HOMEOWNER INSURANCE**

Note: Your lender will need an insurance binder 10 days before closing.



☐ **CLOSING DISCLOSURE**

This lists the final terms of your loan, final closing costs, and amounts to change hands at closing.



☐ **CHANGE OF ADDRESS**

Change your address at USPS and forward mail. Notify work, school, bank, DMV, etc. of your new address.



☐ **CLOSING PACKAGE**

You may want to request the closing package in advance if you prefer to read each document in detail.



☐ **TRANSFER UTILITIES**

Set up electric, gas, phone, internet, water, etc. to be turned on or transferred.



☐ **DOCUMENTATION FOR CLOSING**

Home owners insurance, contract with the seller, home inspection report, loan documents, a government issued photo ID.

CLOSING



Get ready to celebrate in your new home!

On closing day, your home purchase becomes official. You'll just need to review the closing statement one last time (you'll see estimated drafts of this statement throughout the process, so you'll be familiar with the closing statement by then), and sign the remaining documents.

Then you get your keys, and the real fun can begin!

ARE YOU READY

To find your new home?

I know, this is a lot of information. Buying a home is a complex process, and whether it's your first time or your fifth, the process can feel overwhelming.

But I'm here to make the process as smooth and enjoyable as possible for you.



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I'll be here each step of the way to:

- Advise you on changing market conditions,
- Keep you posted on new listings (and any off-market deals I hear about),
- Offer insight on the condition of properties we tour,
- Negotiate aggressively on your behalf,
- Draft your legal offers and contracts,
- Represent your best interest at each turn,
- Connect you to other professionals who can make your life as a homeowner easier,
- Coordinate the inspectors, appraisers, and title officers, and
- Navigate the escrow process to a seamless close!

I'm always happy to answer your questions. And I'm ready to start the home search when you are!

Call, email, or text me anytime. And we'll find you your new home!