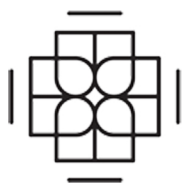


# FINDING HOME

A Guide Through the Home Buying Process



presented by:



IRMA BRAINARD at COMPASS RE



# WELCOME

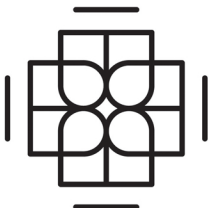
Thank you for trusting me to help find your new home. This helpful guide will give you a step by step breakdown of the home buying process.

Purchasing a home requires a significant investment of time, money and energy. It is natural to want to do your research. If you are like most people, buying a home represents your single biggest investment and debt.

The home buying process can be one of the most exciting, but incredibly stressful, experiences you will ever go through. This may be true whether you have bought many homes or you are looking to buy your first, whether you are in the market for a new primary residence, an investment property or that perfect vacation getaway.

Rest assured, when you work with me, I will be by your side every step of the way.

*-Irma*



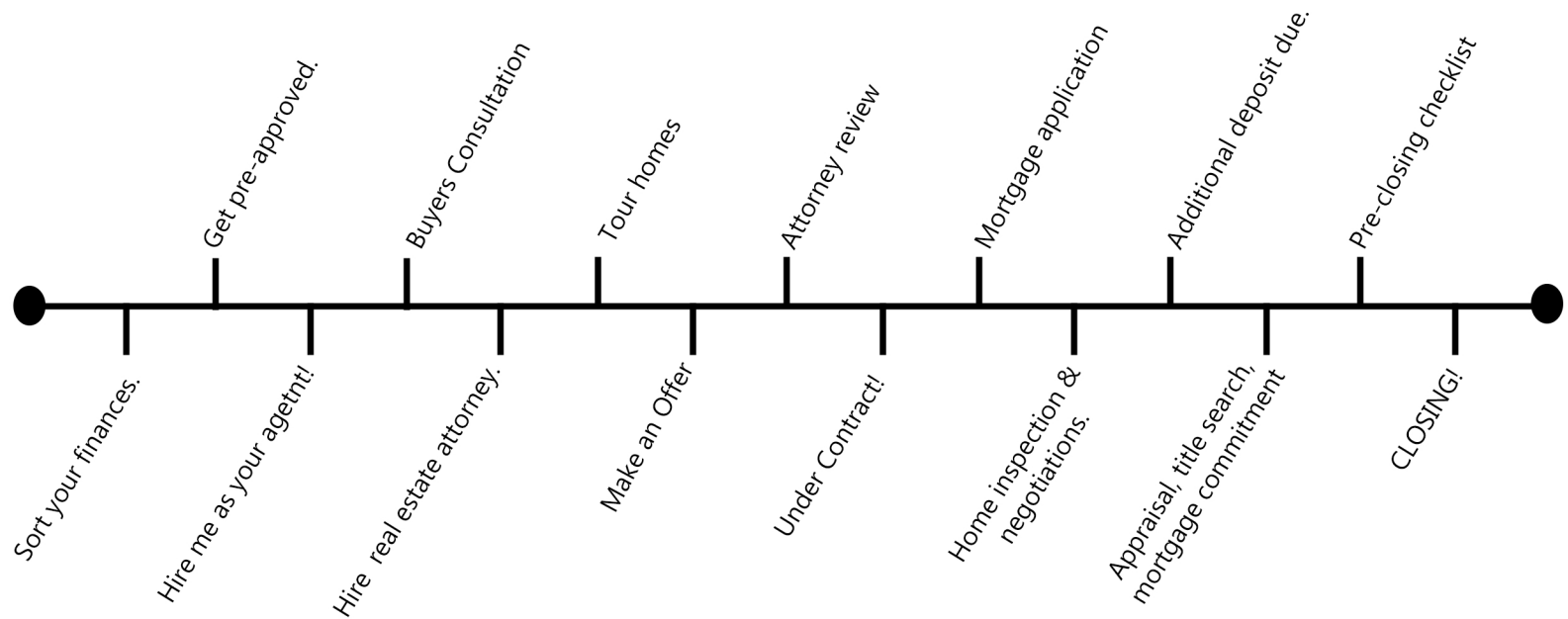
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# Home Buying Timeline

at a glance



# BUYING PROCESS



## ***Financials***

- Know your credit scores, get them up if they are low.
- Have enough saved for a down payment & closing costs.

## ***Pre-approval***

- Speak to our preferred lenders to find out about different financing options.
- Get pre-approved for a mortgage (not a pre-qualification).
- Shop for the best interest rates, programs & lender credits.
- Your score can be pulled up to 5 times in a 30 day period and will only hit your credit score once. Most pre-approvals are good for a 90 day period.

## ***Buyer Consultation***

- This is where we will assess your needs.
- Location (downtown, urban, suburban, and rural).
- Type of Home (single family, townhouse, condo, and loft).
- Price range
- Create a Master must-haves list.

## ***Research***

- Visit potential towns & neighborhoods to tour the areas.
- Gather information on schools, crime rates, traffic and zoning - [www.Niche.com](http://www.Niche.com) is a great resource!
- Determine your work commute.
- Scout local amenities; parks, shops and restaurants.

## ***Home Search***

- Browse properties on my website.
- Receive listing alert emails to stay on top of the market.
- Drive by potential homes or take a look at the streetviews on google if you are not familiar with the area.
- Request showings with me, I will set up appointments to tour homes.
- Have the must-have list when touring properties, take notes!

## ***Pre-Offer***

- I will provide comps to estimate the property's fair market value, and to assist in deciding on a reasonable offer amount.
- I will gather as much information as possible. How motivated is the seller, have they gotten any offers, will there be multiple bids, etc.
- Review all property disclosures, floor plans, estimates of known issues if available.
- Hire a real estate attorney.



### ***Making a Offer***

- Determine the offer amount, initial desposit, additional desposit, & closing date.
- Your agent will write up the offer contract. A standard contract will include contingencies for financing and inspections.
- Get a pre-approval letter for the offer amount.
- Include a personalized letter to the seller introducing yourself.
- Sign the offer contract, lead paint disclosure, and sellers disclosure.
- Submit offer and wait for acceptance, counter-offer or rejection. If you receive a counter-offer, you have the option to accept or submit your own counter until you & the seller agree on a price.

**\*\*Note:** Highest and best is a common practice in this area; this means they are expecting multiple bids and rather than negotiate back and forth with each bidder they are simply asking for your highest/best offer. No escalation clauses will be entertained. You will not know what other buyers bid and will only have one shot to be the winning bid.

### ***Offer Accepted!***

- Now the process begins to get you closed on time.

### ***Attorney Review***

- It is highly recommended that you hire a professional real estate attorney to represent you during the home sale transaction.
- Your attorney will have up to 3 days after the contract is fully signed (by all parties) to review the contract and negotiate any issues.
- If there are many requests to negotiate, AR can last longer than 3 days.
- During this time, the house is marked as being in AR on the mls, but showings are still allowed and offers can be submitted.
- During AR the buyer or seller can cancel at anytime without penalty.
- Notify lender that offer has been accepted.
- Schedule home inspections for after AR concludes.

### ***Under Contract***

- Home is no longer allowed to be shown.
- Any additional offers submitted can only be backup offers.
- Lender receives final contract and mortgage process begins.
- Your attorney orders Title search.
- Deposits are due.

### ***Home Inspection***

- Must take place between 1 to 14 days after the conclusion of AR.
- General home inspection covers structural, mechanical, safety & visible defects.
- A general home inspector can also conduct Termite and Radon testing for an additional fee.
- Separate but highly recommended inspections include chimney, sewer line, and oil tank sweeps.



### **Negotiate** Inspection Issues

- Review your inspection reports carefully and make a list of your top concerns.
- Consult your agent and attorney to determine best course of action.
- You have the right to ask the seller for a repair or credit for any issues that arises out of the homes inspection, or to cancel the contract.
- If asking for a credit, having a written estimate by a trusted contractor will strengthen your negotiating power.
- All negotiations are handled by the attorneys.

### Additional **Deposit**

- This is a deposit that is (typically) due 10 days after AR ends.
- This money is held in a non interest bearing escrow account by the sellers attorney.
- The deposit is applied towards your down payment and returned if the contract is cancelled.
- You determine the amount you want to submit when writing up the offer.
- In this area, intial deposits submitted with offers. A hefty additional desposit gives your offer more weight. Not only does it show the seller that you are serious but it also shows that you have funds readily available.



### **Mortgage** Process

- House appraisal- handled by the agent & lender.
- Get necessary paperwork to lender for mortgage application.
- Provide any additional documentation requested by the underwriter.
- Lender will require you to obtain home owners insurance.
- Once mortgage is approved, the lender will give you a mortgage commitment.
- Lender will give the clear to close once everything is satisfied.

### **Pre-Closing**

- Set up utilities in your name for the closing date. (water, heat, electric, cable, etc)
- Review the commitment document with your attorney at least 2 days before closing to see how funds will be collected and distributed. (closing costs)
- Get a certified checks for the amount you need to bring to closing.

### **Closing**

- Do a walk-through inspection prior to closing with your agent.
- Attend closing, usually at your attorneys office or at the title company.
- Brings necessary checks
- Sign a ton of paperwork.
- Get the keys to your new home.

*Congratulations!*



# HOME TOURING TIPS

Aside from looking at the obvious qualities of a home, make sure to keep an eye out for the following items. These will give you an indication of the homes condition and what possible issues that may come up during the home inspection.

1. Foundation: Look at the base of the walls and the ceilings in each room. Are there obvious cracks or apparent shifts in the foundation? Do the same around the outside.
2. Lot: Does the drainage appear to be away from the house? Are there any obvious soggy areas?
3. Roof: What is the overall condition? When it was last replaced?
4. Exterior: Does the house look like it will need repairs or repainting soon? Are gutters and downspouts firmly attached? Are there loose boards or dangling wires? Is there asbestos in the exterior material, which would require added costs if it needed to be repaired or replaced?
5. Attic: How does the interior of the roof structure look? Are there any signs of leaks?
6. Interior evidence of leaks: Check ceilings and around windows in each room.
7. Basement: Is there dampness? Adequate insulation?
8. Electrical: Do the switches work? Are there any obvious malfunctions? Have the outlets been grounded? Is the panel updated and expandable for additional appliances or a potential remodel?
9. Plumbing: Any unusual noises or malfunctions?
10. Appliances: If these are included, what is the age and condition of the stove, dishwasher or refrigerator?
11. Heating/cooling system: Does it seem to do the job? How old is the furnace? If the system has been converted, are the old systems or tanks still in place?
12. Odour: Does the home smell? Can you detect what it might be and whether it could be fixed?



# HOMEBUYING DOs & DON'Ts



Contact your insurance agent early in the process and inform them of your new home purchase



Promptly provide all documents (ALL PAGES) requested by your loan officer and processor to speed up your closing.



Make sure your employment, asset, and personal information is correct on your loan application.



Be prepared to explain/account for all non-payroll deposits into each account you intend to use towards your transaction.



Respond to any requests for information from your loan officer as soon as possible.



Continue to make all payments on time



Apply for any new credit of ANY kind. DO NOT finance anything! DO NOT make larger purchases of any kind.



Make large deposits into your bank account. Your down payment should be seasoned. (sitting in your account for at least 2 months)



Don't have any inquiries made on your credit report.



Raise red flags to the Underwriters. Don't co-sign on another person's loan, or change your name or address.



Make changes with your employment or income. DO NOT QUIT YOUR JOB!



DO NOT spend your down payment.



# CONSIDER **COST** ... NOT **PRICE**

## WHAT DOES THIS MEAN AS A BUYER?

Here is a simple demonstration of what the interest rate decrease in the last year has done to the mortgage payment of a home selling for \$400,000.

|      | MORTGAGE  | INTEREST RATE* | PAYMENT (PMI)* |
|------|-----------|----------------|----------------|
| 2020 | \$400,000 | 3.03%          | \$1,693.00     |
| 2019 | \$400,000 | 3.75%          | \$1,852.00     |

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|                                                      |                 |
|------------------------------------------------------|-----------------|
| <b>DIFFERENCE IN MONTHLY PAYMENT FROM LAST YEARS</b> | <b>\$186.18</b> |
|------------------------------------------------------|-----------------|

| MONTHLY | ANNUALLY | OVER 30 YEARS |
|---------|----------|---------------|
| \$159   | \$1908   | \$57,240      |



• Rates based on Freddi Mac's prediction of rates at time printed

# CONSIDER **COST** ... NOT **PRICE**

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## **CONSIDER COSTS, NOT JUST PRICE**

As a seller, you will be most concerned with “short term price” - where home values are headed over the next six months.

As a buyer, however, you must not be concerned with price, but instead the ‘long term cost’ of the home.

Interest rates are always changing and they may increase over the next year. That’s why it’s important to take advantage of the low interest rates today.





# FINANCING **YOUR DREAMS**

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## **DOWN PAYMENT REQUIREMENTS**

Most loans today require a down payment of between 3.5% up to 20% or higher, depending on the type and terms of the loan. If you are able to come up with a 20-25% down payment, you may be eligible to take advantage of lower interest rates and possibly eliminate mortgage insurance.



**Earnest Money**

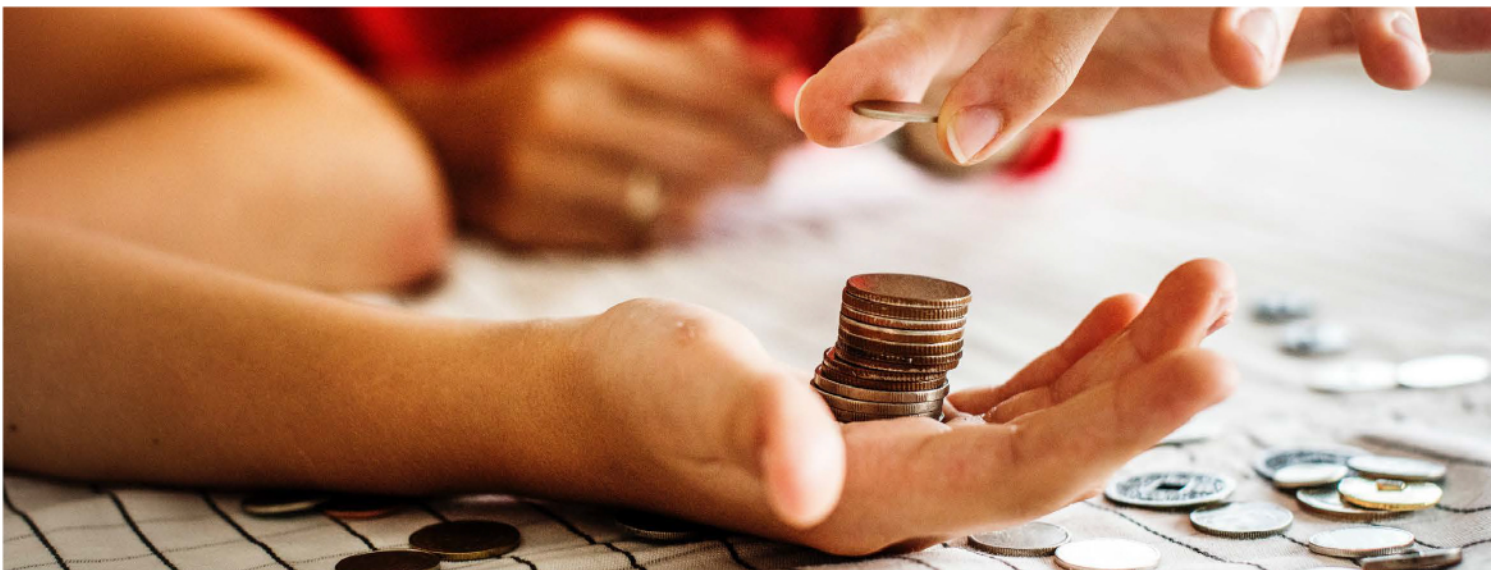
**Physical Inspection**

**Appraisal**

**Credit Report**

## **CLOSING COSTS**

You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at the final settlement, unless you are able to include them in your financing. Typically, total closing costs will range between 1-3% of your mortgage loan.



# NUMBERS TO **KNOW**

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## **PURCHASE AMOUNT**

This is the amount you have agreed, with the seller, to pay for the home. It is inclusive of the earnest money and down payment you have offered. It is not inclusive of your closing costs.

## **EARNEST MONEY**

When you make an offer in writing you will also pay a deposit called earnest money deposit, usually 1-3% of the purchase price. Paid by the buyer, earnest money is a portion of the purchase amount that is held by the escrow company as a good faith from the buyer to the seller. When the transaction closes, the earnest money is transferred to the seller as a portion of the original purchase amount. It is not an additional fee.

## **DOWN PAYMENT**

The down payment is a portion of the purchase price that the buyer is paying in cash. Down payments can range between 3.5% and 100% and each buyer determines the best scenario for their particular purchase.

## **CLOSING COSTS**

Closing costs are not part of the purchase amount, but rather charges associated with the buyers loan, the transaction itself and any pre-payment required by the lender such as taxes, insurance and HOA dues. Closing costs are an assortment of fees based on the transaction between the seller and the buyer of a home. These fees are collected by the escrow company at the end of a transaction.

## **WHO PAYS CLOSING COSTS?**

Some closing costs, such as the fee the escrow company charges, are split between the buyer and the seller. Many of the closing costs are related the mortgage and are therefore the buyer's responsibility. One of the largest costs associated with the closing costs is the loan origination fee. This is the fee your lender is charging you to provide the loan. The fee varies from lender to lender and should be considered when shopping for a good loan. You can expect to pay 1-3% of the purchase price in closing costs.



# CLIENT TESTIMONIALS



"As first time homebuyers, we had a lot of questions not only about areas and home but also about how the entire process worked. Irma patiently walked us through every bit of it and was always checking it to make sure we had everything we needed. Working with her made everything easier and helped me relax a bit during this stressful time. I can not recommend her enough!" - Katie I. - Plainfield

"Irma is awesome! She really takes the time to get to know who YOU are and what would be the best fit with factors such as desires, and budget. She made sure my husband and I felt comfortable every step of the process, and made our first home purchase easy. I really appreciated her candor if she felt like a house was not what we were looking for. She was incredibly patient, and generous with her time. The house we ended up buying was perfect for us, perfect location, and right in the budget pocket. Could not recommend her enough. She knows the Jersey market inside and out!" - Kennedy C. - West Orange

This sellers market is difficult for buyers. Irma is able to sell your offer and make it stand out. She puts your offer in the best position to stand out in this crowded field and in our case, did not allow the offer to linger and be used as leverage. Her determination to get us into the home we wanted is a huge reason why we got our home! When you factor in that she was always willing to show a property and super responsive to our many inquiries, I can not recommend her enough. Irma cares deeply about her clients and my wife and I felt like we were the most important people to her. She is amazing and such a huge component of why we have a new home! - John S. - East Brunswick

"Working with Irma, made our house hunt so much easier. We expressed from the beginning what we were looking for- as our budget was not the highest. Irma made sure to accommodate and go above and beyond with her professionalism in finding us our home. She was always available when we reached out- and kept us looking at the bright side even when things didn't turn out in our favor. We are so happy to have crossed paths with Irma, and if we ever decide to sell our current home or buy another property- without any hesitation we would reach out to her. We highly recommend Irma- to whoever is in need of a honest, professional and dedicated real estate agent." - Lisbeth L. - Woodridge

"I can not say enough good things about the experience we had with Irma. She always answered her phone and was always there for us. We had a great day of looking at homes and when we found our dream home Irma got it for us. She was there for inspections always on time and went above and beyond. I would use her again in a heartbeat." - Larry M. - Old Bridge

"Irma was a great realtor. She really went above and beyond the call of duty. As first time buyers, Irma went above and beyond to help us secure the right house for us. She is patient, knowledgeable and above all else, honest. The whole process was new and intimidating for us. Irma explained and helped us in every step of the way. She was very responsive to all our questions and we had a lot of questions. We hit couple of road blocks during the process, however Irma was able to help us negotiate and resolve any issues we had. I would recommend her to friends & family and to ANYONE looking to purchase or sell a home" - Lacey C. - Irvington

"Irma was a great pleasure to work with and she helped us find the perfect home! We were first time home buyers with plans to have kids and Irma got us a four bedroom house, two blocks from the elementary school in our home town! Not as easy as it sounds, I think you'll agree. Irma's knowledge of the market helped us match our criteria to our dream home and we didn't pay a penny more than we wanted to! Irma is always available by text, voice or email. We, the Owens family, recommend you give Irma a call today!" - Franz O - Bloomfield

# CLIENT TESTIMONIALS



“Irma came highly recommended to us when we started our search for our first home, and after working with her for over a year, we can understand why! Irma is knowledgeable, responsive and super professional, she will not stop until she finds what you are looking for! We are thankful to have worked with Irma who helped us find our dream home within our budget- really worked her magic, always followed up with all of our questions and concerns, and was there as support throughout the whole process! We can’t recommend her enough.” - Hannah R. - Bloomfield

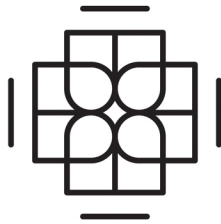
“Irma is fantastic, especially for first-time home buyers like myself. She has guidance and information every step of the way, and she is very organized. Best of all, she is committed to finding the home that fits her client's needs and personality -- because of that commitment she finds homes that a buyer wouldn't necessarily find on their own. Irma is the best!” - Angela M. - Bloomfield

“Working with Irma was a great experience! She really took her time to find out everything we wanted and needed. We had a long initial conversation that detailed everything, down to colors of the house. She made sure my husband and I felt comfortable but she also gave us the real raw truth about house hunting. Overall, our purchase was fast, easy and efficient. She was very patient and generous with her time. No matter what time or day, she was very responsive and we always saw each home quickly. My husband and I settled on a house and before the end of the night, Irma had our offer ready to go. Knowledge was key and we appreciate all of her honest and fair opinions. She never rushed our search or took advantage of us being first time home buyer’s. We couldn’t have had a better experience and we encourage others to contact Irma for assistance.” -Shaquirah & Courtney S.- Stewartsville

“We worked with Irma to find our first house in the Essex /Passaic County area of New Jersey. Irma was very knowledgeable about the areas and had good insight of what was more or less desirable about an area. She was upfront and honest about houses we saw, never pushed us to go above our price limits and brought a lot to the table when taking us on house tours. The other challenge was buying a house during the pandemic. Irma had masks, gloves and booties for us for each day of house tours we did. She was incredibly responsive and she made us feel like we were her only clients. In the end we found an amazing deal on a house, Irma gave us good advice on how to move forward and we ended up getting a house we're very happy to live in” - Dan L. - West Orange

“Irma truly was our guide during the whole house buying process. We were very green going in and she was very patient. We saw many many houses over the course of 6 months in Montclair, Glen Ridge, West Orange, South Orange, Verona and Forest Hills. As our budget and wants/needs evolved, Irma was there every step of the way. She answered all of our many questions in a timely manner and wouldn't hesitate to go above and beyond. For example, we were deciding whether to bid on a house where we didn't see the garage in person. Irma went back to the house and took pictures for us so we could have an accurate idea of what it looked like. Throughout the process, I really felt like Irma had our best interests at heart, regardless of our budget and sometimes unrealistic expectations. She has extensive market knowledge and helped us negotiate our way through bidding. Not only was she considerate of our needs but she made alot of recommendations that we didn't think of. In fact, the house we ended up LOVING and buying is a house I originally didn't want to see but Irma recommended it. Because of her, we have our dream home. I'm so happy we had Irma as our agent and I would gladly recommend her. I would absolutely use her again. She really is great!?”

- Stephanie O. - Montclair



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