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Your Journey Home

A guide to buying your new home



Welcome to your guide to home ownership

Congratulations, you've taken the first step to buying your new home! This guide will keep you on track throughout the process and serve as a key reference point. It contains almost everything you will need, from start to finish. Throughout the guide, you will find places where you can keep notes and important information. You will also see helpful tips that will aid you as we navigate from purchase to moving day. As you follow the steps and read the information, we will begin to chart your personalized map that will help you find, purchase and fall in love with a home that is a perfect match.

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The purchase process

Buying a home is a major milestone in life, and the process requires time and effort. Being well informed and having a great team of real estate professionals will get you successfully through the steps and into your new home.

1. Find the right real estate team

A lender and real estate agent are important partners to your home buying process. A well-informed real estate agent will guide you through the house-buying process step by step. The real estate agent that works for you during the buying process is called a buyer agent. In most transactions, you are not required to pay your buyer agent a sales commission. Their fees are covered by the seller. A good real estate agent will disclose to you upfront any costs or fees that you may be required to pay. Always ask so there are no surprises.

Real estate agents should provide you with a preferred lender list. This list should contain lenders that have a great reputation with your agent's past buyers.

A lender should not only be knowledgeable in the lending products but should be available when you need them. Often, buyers will select a 9-to-5 lender and feel disappointed when they can't reach them in the evening. The real estate market is competitive. Response and availability can be the difference between getting or losing the home of your dreams.

2. Get approved for your mortgage

Before you start looking for a home, you need to know how much you can and want to spend. Your lender will require some financial information from you to give you a lender letter. If you don't qualify now, a great lender will point you in the right direction to get you approved in the near future. It's important that your real estate agent and lender talk! Everyone must be on the same page, understanding your goals and needs. A great lender will educate you on all the products that you qualify for, including any grant or free money opportunities. Select the loan that fits your needs.

3. Set your goals based on your wants versus needs

Be sure to write down your wants and needs in a new home. There are a ton of things to consider, like water views, garages, fenced yards, fireplaces, neighborhoods, attached homes, amenities, school districts and more.

4. Shop for your home and make the offer

Your real estate agent should set you up with an inclusive home search based on your wants and needs. Often, new buyers will spend countless hours searching the internet for homes. They will fall in love online only to find out the home isn't available or is already sold. The best way to stay ahead of the competition is to have a real estate agent that stays ahead of the competition by keeping you informed, understanding the trends in the market and knowing where to look for homes that may not be a traditional avenue.

When you find the right home, your real estate agent should guide you through the offer process by researching and giving you market information as it relates to the home and inform you on the steps to submitting your offer. Most offers require you as the buyer to offer an earnest money deposit with your offer as good faith of purchase. Typically, an earnest money deposit will range from \$500 to \$1,000 depending on the market.

5. Get a home inspection

All homes aren't created equally. Once your offer is accepted, your real estate agent should assist you with setting up a home inspection. Home inspections performed by reputable companies provide an in-depth analysis of the home and can uncover items that need immediate or future attention. This could save you from purchasing a home that is in need of repairs that cost more time and effort than you're willing to spend.

The home inspection is at the buyer's expense and is paid for at the time of the inspection. Typical costs range from \$400 to \$500, depending on the market.

6. Negotiate any repairs/price reductions

If your home inspection uncovers repairs that you aren't comfortable living with, your real estate agent should negotiate with the seller's agent to get the repairs completed, an allowance for repairs, or a price reduction for you prior to moving forward or incurring any further expense in the transaction.

7. Appraisal time

The appraisal is performed by a third-party appraiser whom your lender hires on your behalf. The appraiser works for both you and your lender to ensure you are purchasing a home that has an overall condition that is acceptable for the mortgage product you have chosen and that you are purchasing the home at or below its market value. When a home's value appraises for less than what you have offered, the buyer typically has three options 1) pay the difference, 2) ask the seller to reduce the price or 3) terminate the contract to purchase. Appraisals in most cases are at the buyer's expense and payment is due before the appraisal is scheduled. Typical costs range from \$475 to \$550, depending on the market.

8. Paperwork, paperwork & more paperwork

When you are at the appraisal process of the loan, you are normally in the home stretch to obtaining the keys to your home. Your lender and closing agent will begin to ask you for paperwork required to get your mortgage loan package to the underwriter for final review. Some of the items may be letters of explanation, tax papers, updated paystubs, homeowner's insurance policy, proof of debt payoff, etc.

9. Get a walk through

On closing day or a few days prior, you will walk the home one more time with your real estate agent. This is called a walk through. It serves two purposes, 1) to ensure the home is in the same condition as agreed upon and 2) to ensure any repairs requested have been done in a workable manner.

On closing day, your real estate agent will accompany you to the closing agent's office to sign your mortgage paperwork. If your mortgage loan requires a down payment, your closing agent will give you wiring instructions. It's always best to wire those funds at least 24 hours to the escrow account to ensure no delays in closing. At closing, you will get the keys to your new home. It's always a good idea to be prepared to change all exterior locks on your new home after closing for safety.

10. Moving day!

Often, the number one thing people forget at closing are utilities. Some utility companies charge you less to transfer services versus installing new ones. If you didn't take care of requesting a transfer of services or activation one day prior, make sure it's one of the first items you do after closing. Remember to change your address at the post office, on your driver's license and other important documents.

Your mortgage

Choosing the right lender will help you select the right mortgage loan and terms for your needs. Your lender should explain the mortgage process to you and provide you with competitive rates, terms and products for your successful home purchase.

8 simple tips

1. Start saving

As soon as you know you want to purchase a home, start saving. Down payments typically range from no money down to 5%. Your upfront expenses are typically around \$1,500 to cover your earnest money deposit, home inspection and appraisal. Your lender can also discuss family gifts, grant programs and lending incentives.

2. Get your financial documents in order

On your first visit, ask your lender for a list of documents required during the mortgage process. The quicker you deliver these items, the faster the process will go. Often, delays in the buying process can be avoided with timely paperwork.

3. Download your lender's mobile app

Download your lender's app or visit their website to use a mortgage calculator that helps you predict monthly payments.

4. Compare loan options

Your lender should explain all lending products that you may qualify for and offer a comparison chart for you. Not all mortgages are equal; terms, rates and down payments vary.

5. Get pre-approved, not pre-qualified for a mortgage

Don't get prequalified for a mortgage, get pre-approved. Sellers and their agents often look for or require pre-approvals to accompany offers to ensure your lender has reviewed your financial information and is likely to grant the loan.

6. Don't max out

Don't max out your credit cards, close old accounts, consolidate debt, pay off collections or have your credit pulled multiple times without speaking to your lender first. Once under contract, the golden rule is don't spend money on anything that is not a true necessity and pay your bills on time.

7. Don't quit your job

Don't quit your job while applying for or under contract. A change in employment can affect your loan qualification. Stay put until after you close on the deal!

8. Don't make large deposits

Don't make untraceable deposits into your bank account. Ask your lender before making any unusual deposits, as these can lead to your loan being delayed or denied.

The search for a home

Buying a home is one of your most important steps in life. It's important to understand 1) what your needs are versus what you want, 2) if you are searching for your first home or your forever home. This section will assist with determining what you want in your home purchase.

1. First or forever

Understanding that your first home isn't necessarily your forever home is the first step to figuring out what you want out of your new home. You may decide to buy the home that offers rental or resale possibilities because you know it's only a first home purchase and that bigger homes are in your future. Or, you may be dreaming of your forever home that you will grow into as your family grows and changes. Often, new construction or a fixer upper may be the best fit to getting everything you want.

2. Wants vs. needs

Don't confuse what you want with what you need. Take the time to list everything you need in a home; these are your must-haves and deal breakers. Then, list what you want; typically these can be in two categories, the gotta have and the nice to have. These are things you can live without, add on at a future date, or substitute with other features.

3. Fixer upper or move-in-ready

Understanding your limitations can save you heartache. Ideally, do you want a move-in ready home. Or do you want something that requires a little tender loving care to make it more like a custom home. It's important to have an idea of what you want upfront, as your lending product may have to be altered if you want that diamond-in-the-rough. Ask your lender and real estate agent about renovation loans that allow you to purchase and fix your new home.

What does your future home look like?

Details:



PRICE RANGE



OF BEDS



OF BATHS



FT.² & LOT SIZE (ACREAGE)



OF CARS



SCHOOL DISTRICT



OF STORIES

Nice to haves:

Must haves:

Things to consider: proximity to shopping, fencing, appliances, hardwood floors, first floor master bedroom, parking, decks, laundry room, pools, water views, fireplaces, formal rooms, oversized rooms.

The one

Congrats! You have found your dream home. The next pages are for inspection notes, room size notes and things to remember once you leave the house, since you may not see it again until closing.

Resources

Use this section to keep track of referrals for contractors and other house-related services or items you may need. Check out the list of resources shared from real estate professionals and past clients.

Some useful apps & websites

Agents

<https://www.joinreal.com/about/buy/agents>

Buying or selling with a Real agent ensure you a forward-thinking partner who puts you first.

Thumbtack

www.thumbtack.com

From house painting to personal training, they bring pros for every project on your list. Online and in the App Store.

Homesnap App

www.homesnap.com

Explore over 90 million homes for sale in the United States. Available in the App Store and Google Play.

Rooms App

itunes.apple.com/us/app/rooms-create-room-layouts-with-ease/id948103171

Create room layouts with ease. Available in the App store.

What's My Payment?

www.whatsmypayment.com

Offers payment calculators for FHA, VA, USDA and conventional loan products.

HUD (Housing and Urban Development)

www.hud.gov

Find information about FHA approved condos, 203K program for renovation loans & HUD homes for sale.

USDA

<https://eligibility.sc.egov.usda.gov/eligibility/>

USDA loan income limits and eligibility information.

It's key time

The day is finally here. Here are some tips to keep you on track for the grand finish on your incredible journey to home ownership.

7 simple tips

1. Check in with your lender

It's important as the big day approaches to check in with your lender at least 7 days prior to closing to make sure you are on track and nothing is missing from your file.

2. Make sure you transfer

Make sure you transfer and/or activate your utilities at your new home for the day after closing. Most sellers will keep power on through the day of closing.

Note, if no utilities are on before closing, you will want to get your utilities on moving day, if you want to move in.

3. Buy new locks

Although most sellers will give you a set of keys at closing, it is always a good idea to change all your locks for safety.

4. Money for closing

To ensure a smooth closing, transfer any down payment or closing costs due to your closing agent's escrow account, 24 business hours prior to closing. Confirm with your lender what your cash to close figure is. Wire transfers are the only acceptable form at closing.

5. Identification needed for closing day

Make sure to check with your closing agent to find out ahead of time what identification they may require at closing. Often they want two forms.

6. Walk through

Even if you have already walked the property to ensure the home is as you agreed, always walk through the home prior to going to the closing table. This way you can ensure no last minute changes have happened.

7. Review your closing statement

Review your closing statement one last time so if you have questions, you are prepared to ask. If anything looks wrong, contact your lender immediately before closing occurs to avoid delays at the table.

Moving day

A quick list to keep you on track for the big moving day after closing.

Prior to

Decide if you are packing or hiring a company

Complete change of address forms

Arrange for special care for small children and/or pets

Transfer your prescriptions closer to the new home

Register your children at new school

Contact all of your insurers and inform them of your new address

Eliminate trash and flammable items that won't make the move

Cancel services at hold residence, cable, electric, garbage, newspaper, phone, sewer, water, internet, security

Create packing kit with all your essentials

Moving day

Clear the path for movers (remove rugs & doormats, remove door springs)

Take a final sweep of the house, before the drive leaves

Pack a kit including scissors, tape, magic marker and spare box (in case you forget to pack something)

Bring toiletries for first day or two: soap, toothbrush, toothpaste, floss, shampoo, deodorant, razor

Keep out a plate, bowl and utensils for each person (until you get your kitchen unpacked)

Bring pet food, bowls, leash and crate/bed

Keep prescriptions, contact lens solution, and aspirin handy

Phone/speakers for unpacking music

Phone and laptop chargers

Afterwards

Update your driver's license info

Notify all of the important companies and friends & family of your new address

Arrange for special care for small children and pets

Thank You.