

Home Buyers GUIDE

step-by step-process

ABOUT ME DIANE FLORIO REALTOR® AT DNA REALTY TEAM



Congratulations on starting the process of buying your home! This step-by-step guide will help you go through all of the steps required. I will be providing insights on each step. You don't need to follow it exactly, but, we do recommend you consider each step especially if you are a first time buying.

Buying a home is one of the biggest investments and financial decisions you can make. While it is a major commitment and responsibility, it is also a very exciting time in your life. I'm proud that I will get to play a part in it and am excited about soon having the privilege of handing you the keys to your new home! With that said, it's important to keep in mind that home buying is a complicated process. I will be working hard to make sure that everything is as rewarding as possible, guiding you at every step and making sure that your needs and desires are met.

This step-by-step plan will walk you through the home-buying process so you can:

- Figure out how much house you can afford and plan for additional costs.
- Get a mortgage that saves you thousands and learn how to get preapproved.
- Choose the right real estate agent, neighborhood, and house.
- Know what to expect after you sign on the dotted line.

Whether you're looking for a new home right now or home-buying is part of your future, this guide will help you make the process as simple as possible. Let's get started!

FIGURE OUT HOW MUCH HOUSE YOU CAN AFFORD

Your house payment should be no more than 25% of your take-home pay.

The first step of any home-buying journey is to figure out how much house you can actually afford. It doesn't matter if the kitchen is fabulous or the backyard is big. If you can't pay the mortgage each month or find the cash to fix what's broken, your home will become a burden—not a blessing.

But don't worry. By simply crunching a few numbers, you can figure out how to buy a home that won't bust your budget. Visit my website to use our mortgage calculator.

MORTGAGE INFORMATION

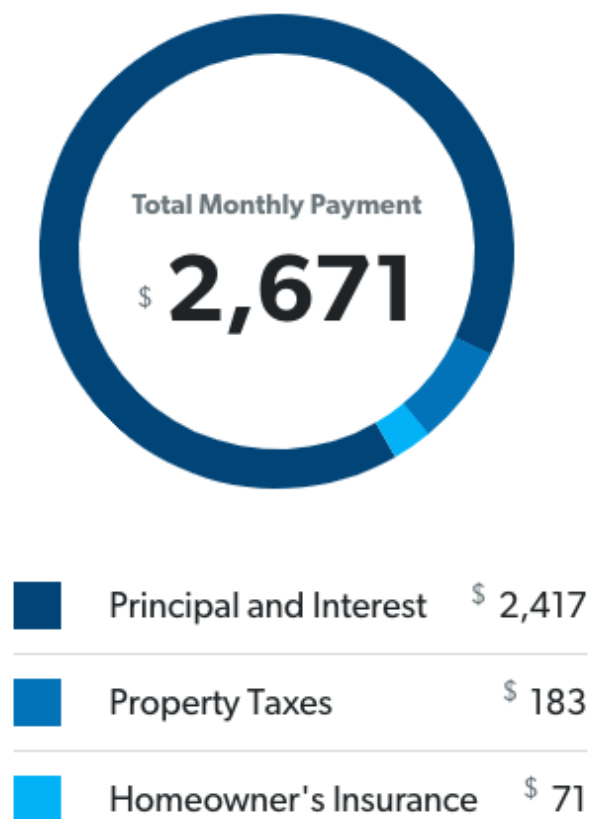
Home Value

Down Payment
 or %

Type of Mortgage

Interest Rate

MORTGAGE PAYMENT BREAKDOWN



SAVE FOR A 10-20% DOWN PAYMENT.

Plus, don't forget to consider closing costs and moving expenses on top of your down payment amount.

As with any goal, it takes planning and preparation to buy a home the smart way —especially if you're taking out a mortgage. The most time-consuming task is saving enough cash for the down payment, closing costs, and moving expenses —but hang in there. You can do this! Just take it one step at a time.

To give you a clear picture of what this step looks like, here's an example of how much money you need to save up if you were to purchase a \$185,000 house or condo:

HOW MUCH TO SAVE (\$185,000 HOME)	\$ AMOUNT	PERCENTAGE OF HOME PRICE
DOWN PAYMENT	\$18,500-37,000	10-20%
CLOSING COSTS	\$5,550-7,400	3-4%
MOVING EXPENSES	\$725-1,925	AROUND 1%
TOTAL	\$24,775-46,325	14-25%

PRE APPROVAL VS.

PRE QUALIFICATION

Before you begin your home search in earnest, I highly recommend that you work with a lender to get pre-approved for a home. Many home buyers will talk to a lender quickly and get pre-qualified, but this is not the same thing.

Pre-approved buyers are ahead in the home buying game. If you make an offer on a home and then apply for a loan instead of the other way around, you are at the mercy of the lender who now knows that you don't have time to shop around.

A pre-approval letter from a lender will also give you an edge when multiple offers have been made on a house. Pre-approved buyers generally close escrow more quickly, since most of the paperwork has already been taken care of.



Pre-Qualification is only a loan agent's opinion that you'll be able to obtain financing. No verifications are made, so formal approval is not issued.

Pre-Approval means your loan application has been taken through a rigorous procedure, including a review of your credit report. Pre-approval saves you the time of looking at houses you can't afford.

Need help finding a lender? Contact me today and I'll get you in touch with one of our preferred lenders based on your specific needs.

IDENTIFY YOUR FAVORITE NEIGHBORHOODS

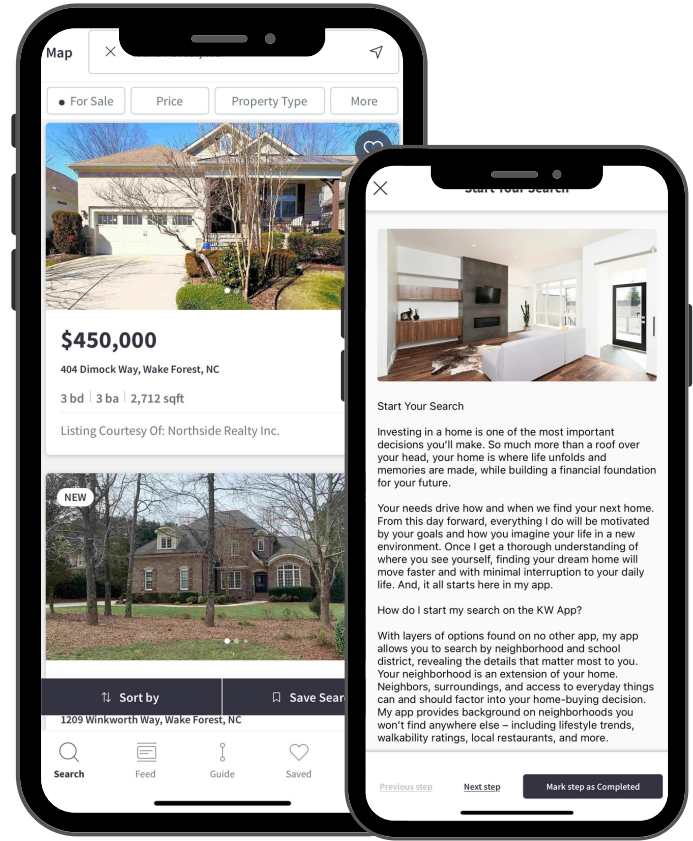
Instead of running around the whole city, narrow down your home search to just a few areas.

The first step in buying a new home is for us to identify the neighborhoods you want to live in. Save your favorite homes, then add them to a collection – where we can comment and collaborate.

Get free access to local homes from any mobile device with my **FREE KW App**. The Keller Williams Realty Real Estate Search is available on Android, iPhone, and iPad and gives you access to more than 4 million homes.

This user-friendly, robust app makes finding a home to buy or rent snap. Not only will you have access to homes associated with a Keller Williams Realty agent, but access to all homes in the MLS database! Save searches and listings based on your dream home criteria. Plus, your trusted Keller Williams agent is just a click away to provide more information or schedule a walk-through.

Follow the instructions to the right to connect with me for FREE on my KW APP today.



Curious about what's trending in your neighborhood? Ready to make a move? Download our app for real estate insights, on-demand.

3 Ways to Get the App

1. Click here to download from KW
2. Text "kw" to 87778 to download the mobile app
3. Download from iTunes or Google Play

HOUSE-HUNTING TIPS

CREATE A MUST-HAVE LIST.

Before you dive into your search, create a list of must-have home features. For example, maybe your deal-breakers are homes that don't have central air conditioning, a laundry room or a jacuzzi in the master bedroom (no judgment).

FOCUS ON LOCATION

A good location will make your home even more valuable in the future, and a great neighborhood can turn a nice house into a special family home. So, what's a good location? Generally, a neighborhood where you'd like to live is probably a neighborhood where lots of people would like to live—whether you're a 20-something buying a condo in a swanky part of the city or a family looking for a two-story house with a big backyard in the suburbs.

THINK OF THE FUTURE

Make sure the home you purchase has room to grow in value. Buy the least expensive home in the best neighborhood you can afford. Why? Because future buyers who are shopping in a \$200,000 neighborhood won't be looking for a \$300,000 home. Pay attention to what's happening in the community where you're looking to buy. Are home values rising or declining? Are businesses booming or closing? Will the area be attractive to buyers several years down the road? If new homes are being built in the area, that's a good sign growth will probably continue.

TAKE YOUR TIME TO DO THIS RIGHT

It can seem like a lot to remember, but don't worry! You have a real estate pro to guide you through the parts you forget. And don't be surprised if it takes you a few months before you find the perfect house in the perfect neighborhood. Be patient. You need to do this right. If you follow these tips, you'll be well on your way to finding an affordable house that's the best fit for you.

FIND AN EXPERT REAL ESTATE AGENT.

You want an agent you can trust — one who actually cares about your financial goals and offers guidance at every step of the home-buying process.

You set your max budget, saved up your down payment, and even got preapproved for a mortgage. What a rock star! Now it's time to find a home. Right?

Hold up! You're about to enter the real estate realm. There's no telling how many unknowns are out there waiting to snag you and your money. After all, a house will be one of your biggest financial possessions, and you want to make the most of your investment. Don't do this alone.

Sure, you can fill your brain with everything there is to know about a home purchase until your head explodes. But nothing compares to the ongoing support of an expert who eats, sleeps, and breathes real estate. You need a veteran who knows how to find you the best deal on the house of your dreams. You need a real estate agent.

CONTACT ME TODAY FOR
YOUR REAL ESTATE NEEDS

Why Work With a Real Estate Agent?

Aren't real estate agents only for people who want to sell a home? No way! There are real estate agents, called buyer's agents, who specifically work to help you hunt down and purchase the home that's right for you. A buyer's agent can help you:

- Figure out what kinds of homes you can expect in your market and price range
- Find the latest home listings with up-to-date information through a multiple listing service (MLS)
- Beat competing buyers who are only searching online
- Negotiate the right price for your perfect home

It's difficult to predict what will happen with the housing market but if you work with an experienced real estate agent to navigate the trends in your area, you'll stay on track with your home-buying plan!

MAKE AN OFFER

When you've found a home that you're interested in, it's time to make an offer. As your buyer agent, I will draw up a contract with your offering price and necessary contingencies into a formal contract.

You will want to review this document carefully and make sure it states your terms exactly. If the offer is accepted by a seller, this contract will become a legally binding agreement. **In addition to an offer contract, you will need to provide earnest money as well as a letter from your lender indicating your qualification to purchase.**

Earnest Money typically equals roughly 1% - 3% of the property purchase price. You will not be at risk of losing your earnest money as long as you do not default on your contract. The amount will be credited towards the purchase price of the house at closing.

After you've made your offer, the seller will be able to:

1. Accept your offer
2. Reject your offer
3. Execute a counteroffer

In most cases, a seller will not accept your initial offer outright. Typical counteroffers include modifications to:

- Purchase price
- Closing date
- Possession date
- Inclusions

When you make an offer on a house, you should be prepared for the negotiations to go back and forth several times before both parties agree to the terms. You might also have to compete with other interested buyers in certain market conditions.

GETTING TO THE FINISH LINE

Your offer is accepted. Now it's time to get to work. Before we can close on the purchase of your new home, we need to take a few more steps to make sure the purchase is a sound decision.

STEP 1 : HOME INSPECTION/PROPERTY SURVEY

As the buyer, you have the opportunity to hire a professional inspector to evaluate the condition of the home. An inspection clause is included in the written contract given to the seller. The goal of a home inspection is to give you an objective, independent and comprehensive analysis of the physical condition of your potential new home and check for any safety issues that might otherwise be unknowable.

STEP 2: GETTING AN APPRAISAL

An appraisal is an estimate of the value of a property made by a qualified professional. The appraisal of your prospective home is as important as your credit history in obtaining a mortgage. After all, the property you are purchasing serves as the collateral for the loan. Although the primary goal of the appraisal is to justify the lender's investment, it also protects you from overpaying. Your lender will generally hire the appraiser and will charge you as the buyer a fee for the service.

A professional inspector will check on the structure, construction and mechanical systems of the house. This usually includes checking these areas:

- Electrical systems
- Plumbing and waste disposal
- Water Heater
- Insulation
- Ventilation
- HVAC System
- Water source and quality
- Lead paint
- Pests
- Foundation
- Doors
- Windows
- Ceilings
- Walls
- Floors
- Roof
- Radon gas
- Asbestos

You will receive a written report of the inspection and an estimate of the cost of any and all repairs. If you choose to be present during the inspection, you can ask your inspector about unique features of the property and get his or her opinion on the necessary maintenance for different areas of the property.

CLOSE ON YOUR HOUSE-FINALLY!

Review all of your closing costs, sign a mountain of paperwork and make final payments. Closing day is when you officially become a new homeowner!

Once all of the purchasing steps and contingencies are cleared, it's time for closing!

Understanding the steps and terminology used for the closing procedures are key, and I am happy to help you with a quick rundown of the process in our local area. There are a few things that you will need to do to prepare.

In order to ensure a smooth closing you will need to:

Obtain a homeowners insurance policy and provide this information to your lender.

Review the Closing Disclosures form that your lender or closing agent will provide you no later than 3 days before closing. This document will contain a detailed description of all costs associated with the transaction, including the exact dollar amount you will need to bring to closing.

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