

SOLD BY SARDAVIA

A COMPLETE GUIDE FOR FIRST TIME HOME BUYERS



SARDAVIA WILLIAMS

" Connecting **Hearts** To Homes"

THE STEPS TO BUYING A HOME



HOW MUCH ARE YOU GOING TO PAY FOR THIS?

To kick off the home-buying journey, begin by assessing your financial readiness to buy a home. Calculate your affordability by obtaining pre-approval from a mortgage lender. Additionally, list your income and debts to figure out a suitable monthly mortgage payment that fits your budget.



WHO WILL REPRESENT YOU?

Searching for homes online is great, but a real estate professional is crucial for setting up showings, providing expertise, negotiating, handling paperwork, and other important tasks. Feel free to ask some key questions. Remember, this individual will assist you in making one of the biggest financial decisions of your life!



WHAT DO YOU WANT?

The exciting phase begins now – figuring out your ideal home! Consider the number of bedrooms, bathrooms, commute distance, and whether you prefer a ready-to-move-in place or are open to renovation projects. Take your time to think about this, stay practical, and communicate your preferences to your real estate agent. (P.S.: Check out the included checklist in this guide for added convenience!)



YOU FOUND THE HOME NOW WHAT?

Exciting News! You've discovered the home of your dreams. What's next? Your real estate agent will assist you in preparing and submitting an offer. They will handle negotiations, terms, and any counteroffers. Upon reaching an agreement, you'll deposit your earnest money, schedule inspections and appraisals, secure financing, and set up home insurance and warranties. Your agent will be there to support you throughout the process, ensuring a smooth journey from offer to closing.



THE HOME BUYING TIMELINE



Step One **Assess Finances**

Evaluate savings, credit, and budget to determine affordability.



Step Two **Select an Agent**

Choose an experienced agent who understands your needs and market.



Step Three **Pre-Approval**

Get pre-approved to determine borrowing capacity



Step Four **Start Home Search**

Begin viewing homes that meet your criteria and budget.



Step Five **Evaluate Properties**

Carefully assess each property's condition, location, and value.



Step Six **Make an Offer**

Submit a competitive offer with terms aligned with your interests.



Step Seven **Home Inspection**

Have a professional inspect the home for any hidden issues.



Step Eight **Closing Day**

Sign paperwork, complete the transaction, and receive the keys.

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"Connecting **Hearts** To Homes"

United Real Estate Triangle

HOME INSPECTION AND APPRAISAL GUIDE

Understanding the home inspection and appraisal processes is crucial in your home-buying journey. This guide provides insights into what to expect and how to interpret the findings.

HOME INSPECTION TIPS:

- Focus on major issues like structural integrity, roof condition, electrical and plumbing systems.
- Attend the inspection to see firsthand any concerns.
- Ask questions and take notes during the inspection.

UNDERSTANDING THE APPRAISAL:

- Know that appraisals determine the home's market value for the mortgage lender.
- Review the appraisal report to ensure the agreed price is in line with the home's value.
- Be prepared to renegotiate or make decisions if the appraisal comes in lower than the offer price.

POST-INSPECTION ACTIONS:

- Discuss significant issues with your agent for potential renegotiation.
- Decide if any discovered issues are deal-breakers.

USING APPRAISAL RESULTS:

- Use the appraisal to confirm you're making a sound investment.
- Understand that a higher-than-offer appraisal gives you instant equity.

WORDS YOU SHOULD BE AWARE OF

- **APPRAISAL**
 - An official written assessment of a property's current value.
- **CLOSING COSTS**
 - Expenses related to purchasing a house that are charged by your lender or incurred by various third parties.
- **CONTINGENT**
 - A status where a house has accepted an offer but is dependent on meeting specific conditions, such as passing a home inspection or appraisal.
- **CONVENTIONAL MORTGAGE**
 - A mortgage not backed by the government or guaranteed by the Veterans' Administration, subject to conditions set by the lending institution and State laws.
- **COMMISSION**
 - A percentage of the sale price paid to the real estate professional, typically by the property seller.
- **DOWN PAYMENT**
 - The initial payment made towards the purchase price of a home.
- **FHA MORTGAGE**
 - A mortgage insured by the Federal Housing Administration (FHA) to promote affordable housing.
- **FORECLOSURE**
 - The process where a mortgage lender seizes a property due to the homeowner's failure to make full mortgage payments, with the intention of selling the house to recover the loan balance.
- **FSBO**
 - Short for "For Sale by Owner," referring to a property being sold directly by the homeowner without involving a real estate agent.
- **HAND MONEY (EARNEST MONEY)**

A deposit provided by a potential home buyer to demonstrate serious interest in purchasing the property.

- **INSPECTION:** A professional assessment of a home to determine its current condition and the condition of its systems.
- **LISTING:** Information about a home that is currently available for purchase.
- **MLS:** Also known as the Multiple Listing Service, it is a database containing all homes for sale in a specific area.
- **PMI (Private Mortgage Insurance):** The monthly insurance payment required from a buyer if the down payment is less than 20% of the sale price.
- **PRE-APPROVAL:** An assessment by a lender to determine if a potential buyer qualifies for a loan and the maximum amount they can borrow.
- **REO:** Short for "Real Estate Owned," an REO property is owned by a bank due to foreclosure. These properties are typically sold in their current condition.

SELLER ASSIST: Money provided by the seller to the buyer at closing to cover a portion of the closing costs. The amount may vary based on the mortgage company's guidelines.



INTERVIEWING AN AGENT



When purchasing your first home, it's essential to find a real estate agent who aligns with your requirements.

Therefore, interviewing multiple agents is highly recommended!

Consider asking these questions:

- 1. For your first home purchase, having the right real estate agent is crucial.**
- 2. Interviewing multiple agents is a smart move to find the best fit for your needs.**
- 3. Here are some key questions to consider:**
- 4. How long have you been involved in real estate sales?**
- 5. What portion of your business focuses on working with buyers?**
- 6. How familiar are you with the areas I am interested in?**
- 7. What is your preferred mode of communication? (Phone, email, text?)**
- 8. How frequently will you keep in touch with me?**
- 9. How many clients are you currently assisting?**
- 10. How will you inform me about new properties hitting the market?**
- 11. What makes you stand out from other agents in the region?**
- 12. How will you guide me through the home-buying process?**
- 13. My availability to tour homes is ____ (daytime, nights, weekends, etc.). Will that fit into your schedule?**
- 14. Can you offer resources on home loans, insurance, warranties, title services, and other necessary aspects during the purchasing process?**
- 15. Are there references I could reach out to for feedback?**

HOME BUYERS CHECKLIST

Buyer's Name(s): _____

Price Range: MIN \$ _____ - MAX \$ _____

Desired Neighborhoods/School Districts:

Bedrooms: _____ Bathrooms: _____ Square Footage: _____

House Style: Cape Cod Colonial Farmhouse Log Cabin Multi-level Ranch
 Split-Level Tudor Victorian Other: _____

FEATURES	DESIRED	HIGHLY DESIRED	MUST-HAVE
Cul-de-Sac Street			
Garage			
Fenced-in Yard			
Pool			
Deck and/or Patio			
Front Porch			
Hardwood Floors			
Open Floor Plan			
Finished Basement			
Updated Bathroom(s)			
Spa Bath			
Master Bathroom			
Eat-in Kitchen			
Granite Counter tops			
Kitchen Island			
Kitchen Appliances Included			
Fireplace			
Central Air			
Washer/Dryer Included			
Office			
Walk-in Closet			
Security System			
Dining Room			

Other: _____

MUST-HAVE

HOME FEATURES CHECKLIST

WHAT'S IMPORTANT TO YOU?

Kitchen

- Updated appliances
- Modern countertops
- Spacious pantry for storage
- Island or breakfast bar

Bedrooms

- Split floor plan
- Master on ground floor
- Walk-in closets
- En suite bathrooms

Outdoor Spaces

- Well-maintained landscaping
- Functional patio or deck area
- Outdoor kitchen or barbecue
- Swimming pool or hot tub

Living Area

- Open floor plan
- Hardwood flooring
- Built-in shelves or storage
- Large windows

Bathrooms

- Double vanities
- Updated countertops
- Modern fixtures and lighting
- Large soaking tub

Additional Features

- Home office or study
- Dedicated laundry room
- Two-car (or larger) garage
- Smart home technology

WHAT CAN YOU AFFORD?

Step 1 Monthly Income

Wages, salaries, business income after expenses _____

Interest, dividends or rental income _____

Other income (alimony, child support, pensions, or Social Security)

Total Monthly Income (Step 1) \$ _____

Step 2 Monthly Non-Housing Expenses

Car payment and insurance _____

Cell phone _____

Student loan _____

Credit card _____

TV/Internet/Netflix/Etc. _____

Groceries/Gas/Other _____

Travel/Recreation/Fun Money _____

Child care _____

Monthly bank loan payments (other than a mortgage) _____

Alimony or child support you owe _____

Savings and investments _____

Total Monthly Non-Housing Expenses (Step 2) \$ _____

Step 3 Amount Available for Monthly Housing Expenses

Total monthly income (Step 1) _____

Minus Total Non-Housing Expenses (Step 2) _____

Equals Amount Available for Monthly Housing Expenses (Step 3)

\$ _____

Step 4 Monthly Estimated Housing Expenses

Mortgage loan payment (principal and interest – see chart)

Property taxes _____

Mortgage insurance _____

Homeowner's insurance (liability, flood, fire) _____

Utilities (heat, water, electricity, gas, trash removal) _____

Maintenance and repairs _____

Other (assessments, homeowner's association dues) _____

Total Monthly Estimated Housing Expenses (Step 4) \$ _____

LOAN APPLICATION CHECKLIST

Don't allow the loan application process to hinder you from making an offer on your dream home! Stay proactive by organizing all your documents and having them prepared for your loan officer.

Here is a list of documents and materials required for a mortgage application:

Purchase contract and property information

- o Copy of the sales contract
- o Mailing address and property description
- o Contact information for access to the property
- o Plans and specifications (new construction only)

Personal information

- o Social Security number
- o Age
- o Years of schooling
- o Marital status
- o Number and ages of dependents
- o Current address and telephone numbers
- o Addresses for the past seven years
- o Current housing expenses
(Rent, mortgage, insurance, taxes)
- o Name and address of landlord or mortgage holder for the past two years

Employment history and income

- o Two years of employment history, with complete details of each job
- o Recent pay stubs and two years of W-2 forms
- o Complete tax returns and financial statements if self-employed
- o Written explanation of employment gaps
- o Records of dividends and interest received
- o Proof of other income



LOAN APPLICATION CHECKLIST

Assets

- o Complete information on all bank and money accounts
- o Two months of bank statements
- o Current values of stocks, bonds, mutual funds and other investments
- o Vested interests in retirement funds
- o Value of life insurance
- o Information on vehicles you own
- o Information on real estate you own
- o Value of significant personal property you own

Liabilities

- o Itemized list of all current debts (loans, credit cards, and other bills)
 - o Written explanation of past credit problems
 - o Full details of bankruptcy during the last seven years
- Fees
- o Credit report and appraisal fees (usually \$500 or less)



MORTGAGE DO'S AND DON'TS

Here is a revised version of your mortgage do's and don'ts:

DO's:

CALL YOUR MORTGAGE CONSULTANT: If you have any doubts about how something may affect your loan, contact your representative.

KEEP ORIGINAL DOCUMENTS: Maintain the original copies of all your financial documents like pay stubs and bank statements.

PAY BILLS ON TIME: Timely payments on all your accounts are crucial for maintaining a good credit score.

DON'Ts:

APPLY FOR NEW CREDIT or INCREASE CREDIT LIMITS: Avoid applying for new credit or increasing existing credit limits, as it can negatively impact your credit score.

MAX OUT or OVER CHARGE CREDIT CARDS: Try to keep your credit card balances below 30% of the available limit to avoid lowering your credit score.

CONSOLIDATE DEBT or CLOSE CREDIT CARD ACCOUNTS: Refrain from consolidating debt or closing credit card accounts before closing your mortgage loan.

RAISE RED FLAGS: Avoid co-signing on other loans, or changing your name or address, as these actions can complicate the loan process.

CHANGE JOBS: Try to maintain stable employment during the loan process, as changes in employment status can affect your loan approval. Feel free to make any additional changes or add more details as needed.



TWELVE STEPS TO COMPLETE THE SALE

Here are 12 steps to complete the sale of a home:

1. Prepare the property for sale by decluttering and making necessary repairs.
2. Set the right price by conducting a market analysis and consulting with a real estate agent.
3. List the property on multiple online platforms and with a real estate agent.
4. Stage the home to make it more attractive to potential buyers.
5. Show the property to interested buyers either virtually or in person.
6. Receive and review offers from potential buyers.
7. Negotiate the terms of the sale, including price, closing date, and contingencies.
8. Accept an offer and sign a purchase agreement with the buyer.
9. Work with the buyer to complete any requested inspections or appraisals.
10. Finalize any necessary repairs or negotiations based on inspection results.
11. Coordinate with a title company or attorney to handle the closing process.
12. Close the sale by signing the necessary paperwork and transferring ownership to the buyer.

I hope these steps help you navigate the home selling process successfully!



MOVE IN CHECK-IN

Before Moving:

- Arrange for movers
- Notify utility services at both current and future residences
- Research and contact service providers at the new residence (e.g., Internet, Cable, Phone)
- Complete change-of-address form at the post office
- Start consuming perishable items that cannot be moved, like frozen food, bleach, and aerosols
- Begin packing items not frequently used
- Arrange home insurance
- Secure essential documents such as birth certificates, medical records, and legal/financial papers in a safe location
- Donate or sell items not intended for the move
- Prepare an essentials bag
- Measure furniture and plan placement in the new home
- Empty and defrost the refrigerator
- Clean the current living space
- Provide your new address to the landlord for mail forwarding

After Moving:

- Clean the new home
 - Change locks on outside doors
 - Check and replace batteries in smoke detectors, if necessary
 - Ensure all utility services are active and under your name
 - Schedule cable and internet installation
 - Update your address for bank accounts, credit cards, driver's license, vehicle registration, voter's registration, etc.
 - Inform your employer of the new address and local tax ID
 - Safeguard all home closing documents
 - Locate and store appliance manuals
 - Safeguard important documents in a secure place post-move
 - Introduce yourself to neighbors
- Unpack and enjoy your new living space!

