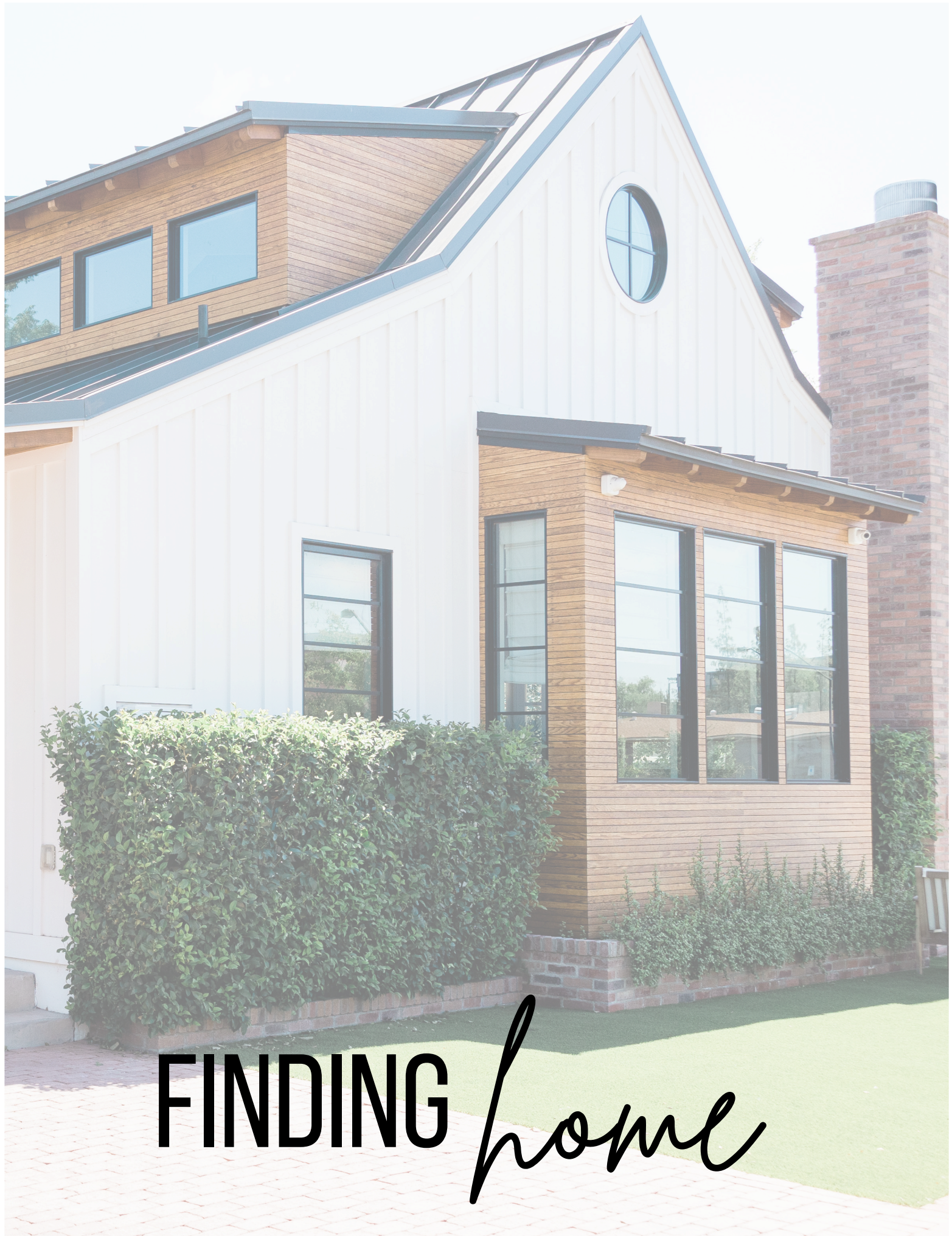




FINDING *home*

WHAT DOES THE HOME BUYING PROCESS LOOK LIKE?

CONTACT ME

So we can get started searching for the home of your dreams!



hello!



FINANCES

Obtain a financial pre-approval (proof of funds for cash purchase)
Prepare for additional costs

SEARCH

Preview potential properties online
Schedule showings and view the properties you are most interested in



INSPECTIONS

Conduct inspections, and resolve/negotiate any issues from inspection



UNDER CONTRACT

Deposit escrow, complete loan application and get homeowners insurance quotes



MAKE AN OFFER

Write an offer to purchase on your favorite property. Negotiate the terms of the offer and accept the contract

FINANCING PERIOD

Your lender will order the appraisal.
Obtain homeowners insurance



CLEAR TO CLOSE

Title company will conduct title search and order survey.
Receive closing statement/clear-to-close.
Wire funds to closing company

CLOSING DAY

Conduct a final walk-through of property and close. Get your keys, it's all yours!

woo-hoo!



WANTS VS. NEEDS

Write down your *needs* and your *wants* in your future home. Needs are the non-negotiable features; the features you simply must have in your next home. Wants are the ones you'd like to have, but you can add or change down the road.

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HOME BUYER QUESTIONNAIRE

This questionnaire is for you to think about what you're looking for in your home. This will help both of us to be on the same page in terms of what you're looking for.

Who is the primary contact and what is the best time and way to reach that individual?

What is prompting your move?

When do you need to be in your new home? What is your timeframe?

Do you need to sell your current residence before you purchase your next home?

Are you pre-approved for a mortgage or will you be paying in cash?

What is your price range?

What are the terms of your home loan?

Do you want a house in move-in condition or are you willing to do some work on it?

What area are you looking to buy in?

What do you like about this/those area(s)?

How many bedrooms, bathrooms, and preferred square footage? 1 or 2 story?

Do you have children? Pets?

What's your favorite style of home?

What is the top 5 most important things in your future home?

Anything else we should keep in mind during our search?

LET'S TALK MORTGAGES: GETTING PRE-APPROVED

The very first step of the home buying process is to get a pre-approval letter from a lender stating how much you are qualified for. It's important to ask your potential lenders some questions to make sure they are a good fit for you.

Don't understand something your lender says? Stop and ask for clarification. This is your home buying journey, and you deserve to understand the process every step of the way. A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter when you're ready to buy.

QUESTIONS TO ASK POTENTIAL LENDERS

1. What type of loan do you recommend for me? Why? There's no one type of mortgage loan that's superior to another—but whichever you choose, you need to know why it's best and how it works.
2. Will my down payment vary based on the loan I choose? If you're tight on cash or don't want to be cash poor, let your lender know. Loans vary in their down payment requirements.
3. What is the interest rate and the annual percentage rate (APR)? Everyone talks about the interest rate, but the APR is just as important. It combines the interest rate with the fees a lender charges to originate your loan.
4. Can I lock-in an interest rate? If so, for how long? If you think rates will be moving up, ask if you can lock it in for a set period of time.
5. What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? Remember, closing costs usually run 3-6% of your loan value so you need to know how they'll be covered.



THE COST OF BUYING A HOUSE

As you get ready to buy a house, it is important to figure out what the cost of buying your next home will be. Between inspections and appraisals, to your closing costs, it is always best to be prepared.

- | | | |
|----|------------------------|---|
| 01 | EARNEST MONEY | Earnest money is a good faith deposit you, the buyer, will put down to demonstrate your seriousness about buying a home. |
| 02 | HOME INSPECTION | Inspections are not required, but they are highly recommended. When you pay to have an inspection done on a property, you will receive a report that details everything that is “wrong” with the property as well as the severity of every issue. |
| 03 | APPRAISAL | If you are obtaining a mortgage to purchase a home, then you will be required to pay for an appraisal on the property. The appraisal will tell the lender if the home value matches the purchase price or if a price adjustment needs to be made. |
| 04 | CLOSING COSTS | There are closing costs for both the buyer and seller and in some instances, you can ask for a portion of your closing costs to be covered by the seller. Closing Costs usually include your down payment, lender fees, pro-rated taxes, and recording fees. This will need to be wired to the title company on the day of closing so the title agent can disperse the funds accordingly. |

SEARCHING FOR HOMES

HOMES SENT STRAIGHT TO YOUR EMAIL

Your Zach Taylor agent will set you up to receive emails with properties that match your criteria straight from the MLS. This is the most accurate source when it comes to searching for your next home because the MLS has the most up-to-date information. You can choose how often you will receive these emails and changes can be made to your search criteria at any time. Your Zach Taylor agent is here to help you every step of the way!

ZILLOW, REALTOR, & MANY MORE...

Sites like Zillow and Realtor are great because they are easy to navigate, but keep in mind some of the information may be outdated. The MLS directly syndicates to sites like Zillow and Realtor and it can take up to 24-48 hours for properties to go active, change to pending, or mark as sold. So when using these sites, remember to contact your Zach Taylor agent to get the most accurate information.



BUYER STATISTICS

95% of buyers use the internet to search for their next home.

50% use internet sites like Zillow, Realtor, etc. as their first step in buying a home.

88% of buyers use a real estate agent to help them purchase their home.

MAKING AN OFFER

You have viewed more homes than you can count, then you finally find the house that meets all of your needs... So what do you do now? Make an offer!

Your Zach Taylor agent is here to help! An offer begins with the right purchase price. Your agent will look at a variety of factors in a comparable market analysis to help you determine what the best offer price is for each situation. It's also important to discuss any contingencies you may want to add such as inspection, appraisal, sale of your current home, or many others.

In the instance that there are multiple offers on the property, you will need to determine if you want to increase your offer price, stand firm with your original offer price, or walk away. If you decide to increase your offer price, keep in mind this does not guarantee you the home.

Your Zach Taylor agent will be with you every step of the way to make this process as easy as possible and to answer any questions you may have.



INSPECTION

We always recommend having a home inspection performed by a licensed professional to determine any underlying issues that may not be readily known by you or the seller. Once the inspection is performed you will receive an inspection report. You can then make an informed decision as to whether or not you wish to move forward with the purchase of this home, negotiate any repairs or credits, or cancel the contract.

APPRAISAL

If you are financing your home, your lender will order an appraisal to be performed by a licensed, third-party, appraiser to determine the fair market value of the property.

Depending on your home loan, an appraisal will also check the quality of the property and determine if it meets certain standards required for your loan.



CLOSING

It's closing day, so now what?

The closing happens when the property's ownership transfers from the seller to you (the buyer). So get ready to start signing!

Once all the conditions for the sale of the property have been met, all parties will sign the required closing documents to transfer the deed and title of the property over to the buyer. You will be signing items such as mortgage documents, legal disclosures, tax documents, and a variety of other documents provided by the lender and title agency.

During the closing, you will have to wire your down payment and closing costs to the title company so they can disperse the funds as needed. The exact amount needed to close on the property will be given to you, prior to closing, by the title company.

Now it's time for the final step, collect your keys, and congratulations! You have just purchased your new home!

FREQUENTLY ASKED QUESTIONS

How much do I need to save up for a down payment?

A conventional loan down payment is usually 20% of the sales price, but other types of financing require as little as 3.5% to 15%. A mortgage lender can tell you what types of loans you qualify for.

How do I know if I qualify for a loan and how much I can afford?

Contact a mortgage lender to get pre-approval for a loan. The lender will ask you some basic questions about your income and debts and can tell you what amount you can be approved for, and how much your mortgage payments will be. Ask me for my lender recommendations!

What's the difference between pre-approved and pre-qualified?

While often used interchangeably, these terms don't mean the same thing. Pre-qualification is an estimate of what you may be approved for based only on the verbal information you provide. Pre-approval means the lender has verified your income and debt information and run a credit check.

What should I do when I see a house online that I like?

Call your buyer's agent: the agent you are working with to find your home. It's best that you work with one real estate agent throughout your search because that person learns what you like and dislike and will invest a lot of time vetting properties for you. That person also represents your best interests only. When you call the agent advertising the home, you are dealing with the seller's agent, so, while they can assist you, they are also trying to get the best price for the seller.

Can you show me a house if it's not your listing?

Absolutely. As a buyer's agent, I can show you any house listed in our MLS system, and I will contact FSBO sellers on your behalf. As mentioned above, working with me as your buyer's agent ensures that your interests are protected.

How do we write an offer?

When you find the property you want to make an offer on, I will run a Comparative Market Analysis (CMA) to help you determine a fair offer amount. I will also guide you through the additional terms of the contract, such as the escrow amount, closing date, and any additional terms you want to be added to the offer. I will write the offer on a contract form and submit it to the seller's agent.

What happens if there are other offers on the house I love?

If a seller receives multiple offers on their home, usually their agent will inform the buyer's that multiple offers have been received and the buyers have another opportunity to alter their original offer to present their "highest and best" offer. Keep in mind that many factors may influence the seller in addition to the offer price, such as the down payment amount, closing date, and inspection terms.

What happens when my offer gets accepted?

Once both parties have agreed on all terms and signed the contract, your escrow deposit must be made and you should schedule the home inspection. Your lender will receive a copy of the contract and will begin processing your mortgage application.

What is escrow?

The escrow money, escrow deposit, or good faith deposit is money that is offered with an offer, or as soon as an offer is accepted, to show the seller that you are serious about moving forward with the purchase of the home. Because you forfeit this deposit if you back out of the purchase for any reason not allowed for in the contract, the larger the escrow deposit, the more seriously your offer is taken.

Do I need an inspection and how much is an inspection?

We always recommend that you have a home inspection done. In the scheme of things, paying a few hundred dollars to have peace of mind that there are no hidden dangers or problems is well worth the money. The cost of the home inspection depends on the size of the house and additional inspections requested, such as swimming pool, septic tank, termites, wind mitigation, and radon. An average home inspection, without additional inspections, is about \$500.

What if my loan doesn't get approved?

If you have gone through the pre-approval process and have been forthcoming with all the information requested by your lender, it's unlikely you will be turned down, but it does happen. Make sure you do not change jobs, purchase big-ticket items on credit, take out a car or boat loan, or open any other new credit accounts while your mortgage is being processed. If your loan does fall through, talk with your lender about changing to a different loan type.

When can I start moving?

When you have the keys! When you are financing your purchase, it takes four to six weeks for your loan to be processed. Once the lender gives the all-clear, closing is scheduled. You will sign your loan documents and both parties will sign documents transferring ownership to you. Unless other arrangements have been agreed upon by both parties, the sellers should have completely vacated the home when they sign the closing papers. You can have your belongings ready to move, and a moving company scheduled before you go to closing. At closing, you will receive the documentation you need to provide utility companies with proof of your new residence.

VOCAB TO KNOW

Active

The property is actively for sale and on the market. The sellers may have received offers but have not accepted any yet.

Adjustable-rate mortgage (ARM)

After an introductory period that could be 3, 5, 7 or 10 years, the interest rate on an adjustable-rate mortgage will be adjusted by the lender in accordance with current interest rates.

Back on market

This property was under contract with another buyer and their contract fell through, so it is Active again.

CMA

Comparative market analysis or competitive market analysis. A CMA compares the sales price of similar properties in the area to help determine the price of a property.

Closing costs

The fees that the buyer and seller will owe associated with the home-buying process, such as the real estate brokerage commission and title insurance. Most are paid by the buyer, but the seller pays for some.

Contingency

A provision of the contract that keeps the agreement from being fully legally binding until a certain condition is met. For example, the purchase of a home can be contingent upon the buyer selling their home first.

Down payment

The sum in cash that you can afford to pay at the time of purchase. A conventional loan down payment is usually 20% of the sales price, but other types of financing require as little as 3.5% to 15%. A mortgage lender can tell you what types of loans you qualify for.

Expired

A listing has expired and is no longer active, usually because it didn't sell in the amount of time agreed upon by the listing agent and the owner of the home. If you see an Expired listing, the owner may still be interested in selling.

Fixed-rate mortgage

This mortgage's interest rate will never change, even if the term of the loan is 30 years.

FSBO

For Sale by Owner. Often pronounced "fisbo" The owner of the home has it listed without an agent representation. A Buyer's agent can usually still show the home, as many FSBOs will agree to work agents representing a buyer.

Interest

A percentage of the principal that you borrowed from the bank.

Listing

The word "listing" is typically used to refer to the for-sale home itself, although it technically means the agreement between the broker and the owner of the home to market and sell the property.

VOCAB TO KNOW

MLS

The Multiple Listing Service. The MLS is the organization real estate broker's use to search for and list properties. They collect, compile and distribute all information about homes listed for sale. Membership isn't open to the general public, although selected MLS data may be sold to real estate listing websites (How Zillow gets listings on their website).

Pending

The property owner has accepted an offer and are under contract with a buyer. Their agreement may be contingent upon a variety of contingencies: inspections, appraisal, financing, and more. The home is not sold just yet.

Principal

After you make a down payment, the rest of the money you owe on your home is called the principal. This is what you will be paying monthly and paying interest on.

Temporarily off the market (TOM)

The owner has decided to take the listing off the market for an undetermined amount of time. Typically this is because work is being done, or the home is unavailable for showings at the time. It will most likely be back on the market soon.

Title insurance

An insurance policy that protects a mortgage lender's or owner's interest in real property from assorted types of fraudulent claims of ownership. This is typically paid for by the buyer.

Withdrawn

The listing was withdrawn from the market. This could be for various reasons: The owners may have decided they do not want to sell anymore, or maybe they didn't like the offers they received. If you love the listing, we can still reach out and try.



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