

Home buying can be a lot of fun when you understand the process. Buying with confidence.

H2H

Home2Heart REAL ESTATE

We simplify buying and selling, opening the door to your dreams!

PLAN 1. DETERMINE FINANCING, PRICE & LOCATION

Be Financially Ready to Buy

- Save for your down payment. Not always required but highly recommended.
- Looking to obtain a home mortgage?
- Get Pre-Approved
 - Consult with various Mortgage Lenders
 - Choose the lender you are most comfortable with and request a pre-approval
- Initially the lender will need to check your credit score, verify income, employment, etc
 - Bank Statements, Recent Pay Stubs, and 2 years of tax returns are typically requested
- Be cautious with big decisions such as a career change, a large purchase, etc. as this could alter your pre-approval
- Have a Life outside of your Mortgage
- Paying Cash? Sweet!
 - Get Proof of Funds Letter

Setting Boundaries on a max Purchase Price and obtaining the right mortgage is key to buying.

- We encourage home buyers to look for homes in a price range that will keep their projected monthly payment about 25% or less of their monthly take home pay.
- Consider a 15year mortgage by calculating the payment both ways.
- Large down payment is better, but minimal amount is based on type of loan
 - Conventional Loan 5+ %, FHA 3.5%, VA and USDA zero down payment
 - Down payment is calculated based on purchase price
- Closing Cost and Prepays
 - Good margin to go by is to save around 3%, (it can vary +/- due to lender fees)
 - It's an option to ask seller to pay prepays and closing cost

Create a list of non-negotiables in preparation for your home search.

PLAN 2. HIRE A STELLAR REALTOR

Hiring the right Agent is Imperative

- Consider establishing a relationship with a buyer's agent to assist you! Don't be afraid to interview them. This may be the largest investment you have ever made, make sure you have an expert on your side to serve you through the process!
- A Superb Buyer's Agent that is ready to super serve you will have powerful tools that will benefit you at no cost to you!
 1. Willingness to Educate, Serve & Assist in the purchase of your home
 2. Intense Negotiating Skills, willingness to fight for your best interest
 3. Numerous homes sold each year, positive referral rating
 4. Exceptional Experience, really knows the local real estate market
- Request that he/she set up a custom search within the MLS based on your criteria
- NOTE: A buyer's agent can show/sell you a home regardless of who has the property listed.

PLAN 3. SEARCH & SHOW

Start Shopping!

- Create a must have list of home features and amenities
 - LOCATION, LOCATION, LOCATION!
 - i.e. 3 bedrooms/2baths/garage/etc.
- Drive through areas of interest and homes that match your criteria
- Ask your agent to schedule showings on the homes that still interest you!
- Found the home of your dreams? If accessible, request a 12-month average of the utilities to make sure this home is affordable for you.

PLAN 4. PLACE OFFER

Make an Offer!

- Request a meeting with your Realtor to write an offer
- Take your pre-approval or proof of funds letter along with an Earnest Money check (reflecting the seriousness of the offer)
- Make sure you understand the terms of the contract before you sign.

Negotiations Begin

- Seller may Accept, Counter Offer, or Reject your initial offer
- Negotiate until both parties agree to all the terms

Officially Under Contract

- Offer has been accepted
- It's a Big purchase know what you're buying

PLAN 5. HOME INSPECTION & APPRAISAL

Get a Home Inspection & Appraisal

- Look for Major Repairs
- Provide the seller an Inspection Response through your Realtor.
- Negotiate repairs until all parties agree to Inspection Response
- Appraisal – Lender Required evaluation of the property
- Goes to underwriting for final loan approval
- Cash offers- no appraisal

PLAN 6. CLOSING & BEYOND

Clear to Close

- Lender has Final approval
- Schedule Final walk through with your Realtor
- Buy Homeowners Insurance
- The Title company will prepare a Settlement Statement/Alta with the final numbers for the transaction. Your lender and/or Realtor can review this statement with you.
- Closing disclosure- lender will send out to you 3 days prior to closing for signature.

Close on your Home!

- Sign the documents and obtain your keys if possession is taken at closing.
- If you haven't already done so, transfer the utilities into your name
- The Title Company will record the deed at the county recorder's office for you
- The Title Company will also instruct you on what property tax exemptions you need to file

Congratulations you're a Homeowner!

- Improve and/or maintain the condition of your home.
- Make memories
- Build equity

This is a lot of information, and can be overwhelming, rest assured we'll guide you each step of the way.

"It's more than a transaction it's a transition, we will take it one Plan at a time."

QUESTIONS TO ASK BUYERS AGENT DURING INTERVIEW

1. How many years have you been in Real Estate?
2. How long have you been with your agency?
3. Which percentage do you work with most; buyers or sellers?
4. Are you strictly a buyer's agent?
5. Why should I work with you?
6. How many sales did you have last year?
7. What was your sales volume of all your transactions last year?
8. What is the average sales price you sold last year?
9. What is the average sales price for our market area or neighborhood?
10. What is the primary market area you cover?
11. What type of property do you sell most often? Single family dwellings, foreclosures, investment, etc.
12. Do you have an area you specialize in such as first-time buyers, foreclosures, farms, condos etc?
13. Do you know the area, schools, community we live in?
14. Do you charge any upfront fees at closing such as a tech fee, admin fee or transaction fee above and beyond the commission?
15. How will you go about finding a house that meets my criteria?

16. How often will you search for the properties that match my criteria?
17. Will you set up a hotsheet for me for the new listings and price reductions?
18. Can you provide a Comparative Market Analysis of the property I choose to buy to confirm value?
19. How often will I hear from you?
20. What type of communication do you prefer to use to communicate with most often? Text, phone or email
21. Do you work with an assistant if so will I be working with you or the assistant?
22. Do you use social media to keep up with real estate?
23. What types of social media do you use?

TRANSACTION FLOW

1. Buyer obtains pre-approval letter from buyer's lender of choice.
2. Buyer writes offer
 - Earnest Money check to be written out to Listing Agency, held by Buyer's Agent until accepted offer.
3. Offer is submitted to seller
4. Seller has four options, accepts, counter or reject or ask for highest and best offer.
5. Negotiations continue until the offer is accepted and agreed upon by both parties.
6. Once offer is accepted Earnest Money must be turned over to Listing agency and deposited in an escrow fund within 2 banking days.
7. Listing Agent orders Title Insurance.
8. Buyer chooses Home Inspector, your or your agent calls to schedule the appointment.
 - Home Inspection to be done 7 to 10 days of an accepted offer
9. If there is a MAJOR DEFECT with the inspection you can ask the seller to repair or replace the MAJOR DEFECT.
 - Seller has the right to agree to the request, or reject or even agree to part of the request. Negotiated on Inspection Response Forms.
 - Banks like Fannie Mae, Freddie Mac and HUD are sold in "AS-IS" condition, you may ask for the repairs to be done, although it is rarely agreed upon. If repairs are agreed upon most likely repair cost is added to purchase price.
10. Appraisal is ordered by buyer's lender.
11. Wait Time: during this time period your mortgage company is working on sending the loan through for final approval and underwriting. The title company is preparing the owners and lenders policy along with the deed.
12. Receive final Lender Approval.
13. Lender will send Closing Disclosure 3 days prior to closing. Buyer must sign & send it back to keep closing on schedule.
14. Receive Settlement Statement (ALTA) & review with your Agent.
15. Buyers to get a certified check made payable to Title Company for the amount owed.

- If amount owed is over \$10,000 funds must be wired, Title Company will provide wiring instructions.
16. Closing; Buyer and Seller will either meet at the Title Company or if a remote closing meet at one of the Agent's offices.
 17. At the closing the Settlement statement known as the ALTA must be signed by buyers and sellers along with miscellaneous closing documents. Buyers will also sign any documents that is required in the lender package.
 18. Once all documents are signed and the monies have been received by Title Company the buyers receive the keys if possession is at closing.
 19. The Title Company will record the deed and finalize all the closing documents.
 20. Celebrate!!

NOTE: Estimated time frame from beginning to end can vary from 30 to 60 days on financed loans, 14 to 21 days on cash offers.

That's it! We'll help and guide you along the way.