

Buying a Home 101

YOUR STEP-BY-STEP GUIDE FOR YOUR FIRST OR NEXT HOME PURCHASE



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STEP 1

Preparation

OBTAIN FINANCIAL PRE-APPROVAL FROM LENDER

The very first step in obtaining a home is getting Pre-Approved. A Pre-Approval is necessary for the process of buying a home because most sellers will need to verify how you are going to afford the purchase, and this document shows that. This also will show us what your budget is for purchasing a home, so we're not looking at homes out of your price range.

ANALYZE YOUR NEEDS IN A BUYERS CONSULTATION

This is where we will sit down and go over exactly what you're looking for in a home. We'll cover everything from bedrooms & bathrooms, to the ideal neighborhood, and specifics of the home.

This part is extremely crucial as we're able to dive deep into your specific needs for your situation and so we can narrow down our search before it even starts.



STEP 2

THE HUNT

SEARCH FOR & SELECT PROPERTIES TO VIEW

Once I have an understanding of what you're looking for, I will get to work immediately in searching what is currently on the market. There is no perfect home, however I will try my best to find as close to a perfect home as possible. If you receive a property that doesn't exactly match what we talked about, it's because I'd prefer you to rule out a property yourself rather than me making that decision for you. Once you see a property you like, we'll schedule a showing to see it!

VIEW SELECTED PROPERTIES

After scheduling a showing, we will meet at the property and go over the pros and cons. During this process I want you, as the buyer, to focus on things you can change versus what you cannot change. You can change the paint color or the tile in the bathroom, but you cannot change the location of the property.

STEP 3

NEGOTIATIONS

WRITE AN OFFER & NEGOTIATE PRICE

Once we have found your preferred home, I'll guide you on what a fair offer will be based on the value of comparable homes in the area. Everyone wants a good deal on a home, but making a low offer often isn't a smart choice. The reasoning is, is because the seller may be insulted and decide to not even negotiate with you at all.

Typically, it will be 1% of the purchase price, but it sometimes may vary. However, your escrow deposit is a portion and a "pre-payment" of what your down payment would be on the home.

For example, you're building a \$100,000 home and want to put \$20,000 as a down payment. Your escrow deposit typically would be \$1,000. However, come closing time, you would only need \$19,000 more to finish your down payment of \$20,000.

CONTRACT ACCEPTED & DEPOSIT ESCROW

Congratulations! Once we negotiate the offer, you and the seller have come to an agreement, and have signed the contract, you're officially underway for your new home!

This is just the beginning!

The first step will be to deposit your escrow check to the Title Company. Escrow is a "good-faith" deposit to show that you're serious about the home and it is to be made within the first three days of going under contract.





STEP 4

INSPECTIONS

SCHEDULE & REVIEW HOME INSPECTION

Another immediate step once under contract is scheduling a home inspection. You will have a certain number of days to complete this home inspection, and the inspector will go over with us of their findings on the property. This will help you understand what exactly you are purchasing and the repairs that would be needed.

NEGOTIATE REPAIRS (IF NECESSARY)

Once we have the inspection report, if there is anything on the report that you would like fixed, we will discuss what the best option would be and what we should present as our repair requests. Once that option is chosen, I will negotiate for you and try to get exactly what is needed for you as the buyer to feel comfortable.

LIVE YOUR BEST LIFE

STEP 5 PROTECTING YOUR PURCHASE

OBTAIN HOMEOWNERS / FLOOD INSURANCE

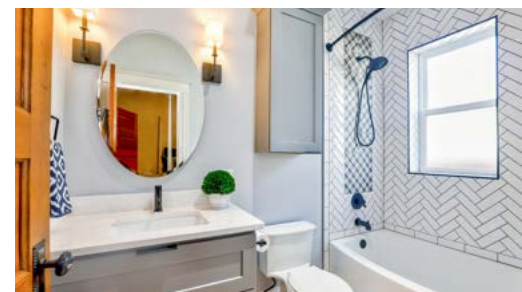
Lenders will also require proof of insurance on a home before issuing a mortgage on it. Most lenders require that you pay one year of homeowner's insurance at the closing table, however it is dependent on what the lender's policy is. I suggest shopping around and obtaining multiple quotes for whatever types of insurance you need as you can save hundreds of dollars just by doing your due diligence.



REVIEW APPRAISAL

An appraisal is an estimate of the value of a property that is completed by a non-bias third party to you, or the lender. The lender schedules the appraisal, however it is chosen at random and the primary goal of the appraisal is to justify the lender's investment, and it also protects you from overpaying on a home as well. Depending on what price the appraisal comes back at compared to the purchase price, there are many options that we can go from that route. However that is something I will discuss in detail with you when the time comes.






STEP 6 CLOSING TIME

CLEAR TO CLOSE

Some of the best words you'll hear throughout the transaction! Once we're nearing the end of the contract, you will get the "Clear to Close" call! What this means is you're good to go, approved for the loan, and you're ready to close on your home!

FINAL WALK THROUGH & CLOSING DAY

Once we get the clear to close we will schedule a final walk through on the property. This will just ensure any repairs we requested are finished, and the property is the way that we originally saw it and we're good to go. Come closing time, we will meet at the Title Company's office to sign some paperwork. Prior to this, we will schedule all utilities to be in your name as well. After some signatures at the Title Company, the home will officially be yours. Congratulations on purchasing your new home! The journey is finally over!



CLOSING DAY 101

PREPARE FOR IT

To make sure your closing goes smoothly, you should bring the following:

- A valid government issued photo ID
- Cashier's check for the total amount due, however if wiring funds a cashier's check, it is not necessary
- Social Security numbers
- Any outstanding documents for the title company or mortgage loan officer

Own It

Transfer of title moves ownership of the property from the seller to you. The two events that make this happen are:

Delivery of the buyer's funds

This is the check or wire funds provided by your lender in the amount of the loan.

Delivery of the deed

A deed is the document that transfers ownership of real estate. The deed names the seller and the buyer, gives a legal description of the property, and contain the notarized signatures of the seller and the witness.

At the end of closing, the deed will be taken and recorded at the county clerk's office. It will be sent to you after processing!

TIPS FOR MORTGAGE FINANCING

Always check with your lender before doing any of the following prior to closing on your home:

Making a big purchase.

- Avoid making major purchases like buying a new car or furniture until after you close on the home. Big purchases can change your debt-to-income ratio that the lender used to approve your home loan and could throw the approval of the loan into jeopardy.

Opening new credit

- Do not open any new credit cards or get a loan without speaking to your lender first.

Missing any payments

- Pay your bills on time to keep your credit score from dropping.

Cashing out

- Avoid any transfers of large sums of money between your bank accounts or making any undocumented deposits – Both of which could send red flags to your lender.

Job Security

- Don't begin looking for new work right now, unless it's a second job to provide extra income.



JD
JACOB DANIKOWSKI
SERVICING THE TAMPA BAY AREA

In the end, the decision to buy a home is an exciting one. The nerves you may go through will all be worth it in the end!



Jacob Danikowski
REALTOR®
JDanikowski@kw.com
727-420-2218

