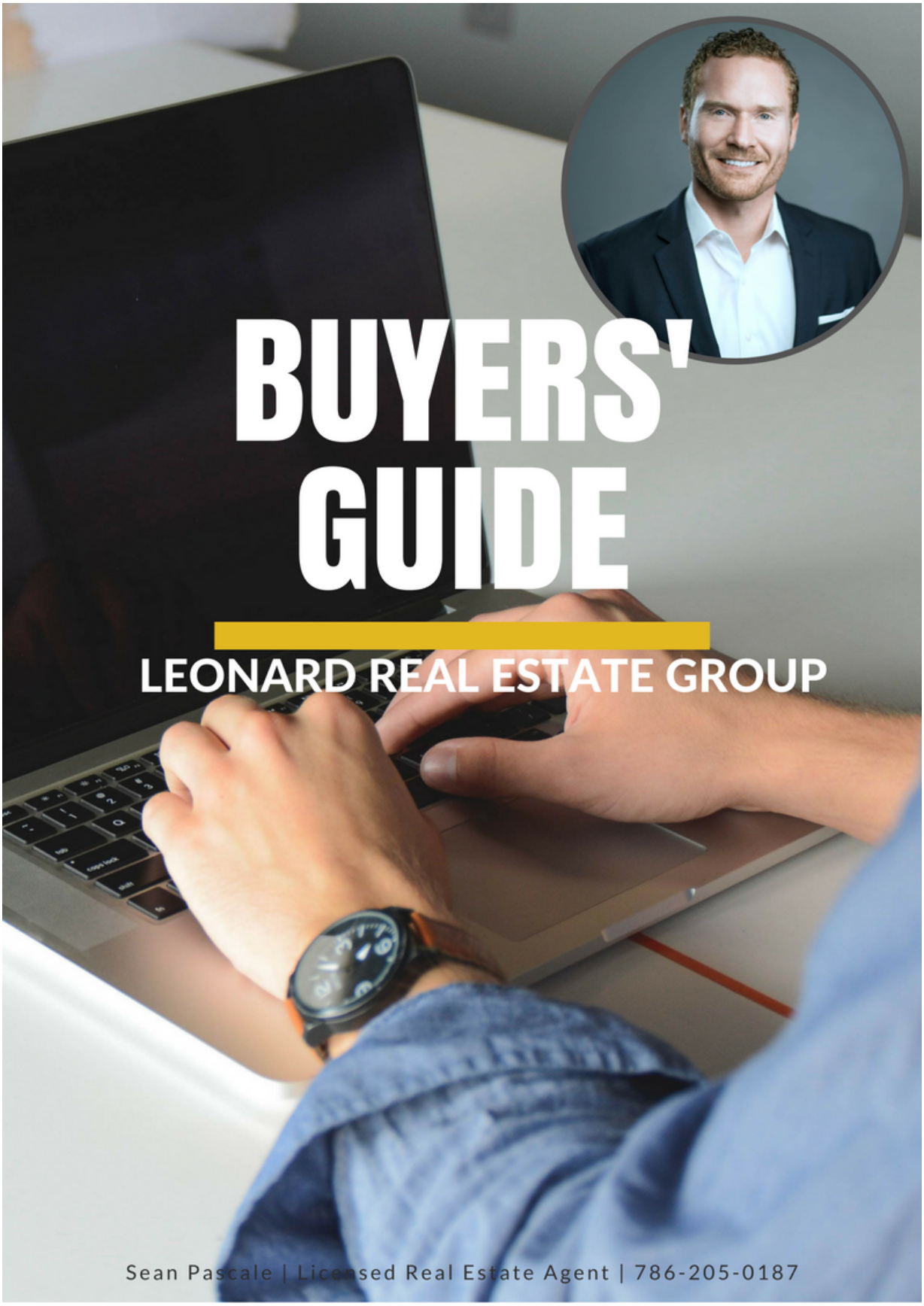
FOR ALL YOUR REAL ESTATE NEEDS



Leonard Real Estate Group 786.205.0187 or 305.726.8416 sean.e.pascale@gmail.com

LEONARD REAL ESTATE GROUP LLC

Who Are We?

LEONARD REAL ESTATE GROUP LLC is a real estate firm that works diligently and confidentially to ensure that our clients' objectives are met and their desired outcomes are achieved.

With over 30 years of real estate experience, we provide high-quality professional service and insight. We are dedicated to evaluating each client's unique needs and finding them that ideal property designed just for them. A great deal brings people together so that both parties get what they want. That is our specialty.

We believe that *Making Educated Real Estate Decisions* is important for residential and commercial buyers and sellers as well as investors. To that end, we offer our **Residential** clients the most current educational resources and location-specific information that can help families avoid making mistakes and start saving money.
Visit our website www.leonardrealestategroup.com and look around.

For our Commercial clients, we offer over 25 years of practical Economic Development experience in Miami-Dade County. We help commercial clients and investors understand the big picture and provide valuable professional guidance through our unique governmental affairs experience.

Regardless of what real estate services you need - buying, selling, residential, commercial, or investment - make LEONARD REAL ESTATE GROUP LLC your realtors of choice.

Buyers Guide Table of Contents

i) 10 steps that help in the home buying process

ii) 3 tips to budget and save for a home

iii) 3 types of home loans

iv) 8 steps in the financing process

v) 13 necessary financial documents

vi) 3 financing costs to buying a home

vii) 10 questions to ask when choosing a real estate agent

viii) Contact

10 STEPS THAT HELP IN THE HOME BUYING PROCESS



Buying a house requires a lot of time and effort, but these 10 steps can help make the home buying process manageable and help you make the best decisions possible.

1. **Start Your Research Early**

Start reading Web sites, newspapers, and magazines that have real estate listings. Make a note of particular homes in areas that you are interested in and see how long they stay on the market. Also, note any changes in asking prices. This will give you a sense of the housing trends in specific areas. Attached is a Report about a Miami Springs property. Within the report you will find all kinds of information about the local market, schools, businesses, education level, and more. Do not hesitate to contact us. We would be happy to put together a report for your property.

2. **Determine How Much House You Can Afford**

Lenders generally recommend that people look for homes that cost no more than three to five times their annual household income if the home buyers plan to make a 20% down payment and have a moderate amount of other debt.

But you should make this determination based on your own financial situation. Use a mortgage calculator or use an Affordability Calculator to see how much house you can afford.

3. **Get Prequalified and Preapproved for credit for Your Mortgage**

Before you start looking for a home, you will need to know how much you can actually spend. The best way to do that is to get prequalified for a mortgage. To get prequalified, you just need to provide some financial information to your mortgage banker, such as your income and the amount of savings and investments you have. Your lender will review this information and tell you how much we can lend you. This will tell you the price range of the homes you should be looking at. Later, you can get preapproved for credit, which involves providing your financial

documents (W-2 statements, paycheck stubs, bank account statements, etc.) so your lender can verify your financial status and credit.

4. Find the Right Real Estate Agent

Real estate agents are important partners when you're buying or selling a home. Real estate agents can provide you with helpful information on homes and neighborhoods that isn't easily accessible to the public. Their knowledge of the home buying process, negotiating skills, and familiarity with the area you want to live in can be extremely valuable. And best of all, it doesn't cost you anything to use an agent – they're compensated from the commission paid by the seller of the house.

5. Shop for Your Home and Make an Offer

Start touring homes in your price range. It might be helpful to take notes (using this helpful checklist) on all the homes you visit. You will see a lot of houses! It can be hard to remember everything about them, so you might want to take pictures or video to help you remember each home.

Make sure to check out the little details of each house. For example:



•Test the plumbing by running the shower to see how strong the water pressure is and how long it takes to get hot water

•Try the electrical system by turning switches on and off

•Open and close the windows and doors to see if they work properly

It's also important to evaluate the neighborhood and make a note of things such as:

•Are the other homes on the block well maintained?

•How much traffic does the street get?

•Is there enough street parking for your family and visitors?

•Is it conveniently located near places of interest to you: schools, shopping centers, restaurants, parks, and public transportation?

Take as much time as you need to find the right home. Then work with your real estate agent to negotiate a fair offer based on the value of comparable homes in the same neighborhood. Once you and the seller have reached agreement on a price, the house will go into escrow, which is the period of time it takes to complete all of the remaining steps in the home buying process.

6. Get a Home Inspection

Typically, purchase offers are contingent on a home inspection of the property to check for signs of structural damage or things that may need fixing. Your real estate agent usually will help you arrange to have this inspection conducted within a few days of your offer being accepted by the seller. This contingency protects you by giving you a chance to renegotiate your offer or withdraw it without penalty if the inspection reveals significant material damage.

Both you and the seller will receive a report on the home inspector's findings. You can then decide if you want to ask the seller to fix anything on the property before closing the sale. Before the sale closes, you will have a walk-through of the house, which gives you the chance to confirm that any agreed-upon repairs have been made.

7. Work with a Mortgage Banker to Select Your Loan



Lenders have a wide range of competitively priced loan programs and a reputation for exceptional customer service. You will have many questions when you are purchasing a home, and having one of our experienced, responsive mortgage bankers assist you can make the process much easier.

Every home buyer has their own priorities when choosing a mortgage. Some are interested in keeping their monthly payments as low as possible. Others are interested in making sure that their monthly payments never increase. And still others pick a loan based on the knowledge they will be moving again in just a few years.

8. Have the Home Appraised

Lenders will arrange for an appraiser to provide an independent estimate of the value of the house you are buying. The appraiser is a member of a third party company and is not directly associated with the lender. The appraisal will let all the parties involved know that you are paying a fair price for the home.

9. Coordinate the Paperwork

As you can imagine, there is a lot of paperwork involved in buying a house. Your lender will arrange for a title company to handle all of the paperwork and make sure that the seller is the rightful owner of the house you are buying.

10. Close the Sale

At closing, you will sign all of the paperwork required to complete the purchase, including your loan documents. It typically takes a couple of days for your loan to be funded after the paperwork is returned to the lender. Once the check is delivered to the seller, you are ready to move into your new home!

3 Tips to Budget and Save for a Home



Buying a house is exciting and life-changing. What's not as much fun is saving for the deposit. But the more money you put down upfront, the less you'll have to borrow.

There are many ways to save for a home that don't require major changes to your lifestyle. With a good savings plan and some discipline, you'll soon have the deposit for your home. Here is a great Financial Planner Excel spreadsheet to help you Budget.



1. Work out what you can afford

Be realistic. You may need to consider a smaller property, an older property, or a property in a different area, just to get you started in the property market. Use the mortgage calculator to work out how much you can afford to borrow.

Mortgage calculator

2. Ways to build your home deposit faster

Develop a plan to help you save towards your deposit. Use the TrackMyGOALS app to see how long it will take you to save your deposit and how much you need to regularly put aside.

3. Cut back on the extras



The easiest way to see where you can cut back is by doing a budget. Write down your essential costs, such as rent, bills and food, and subtract this amount from your income. What is left over is what you could potentially save for your deposit.

Not sure where all your money goes? Try using the TrackMySPEND app for a month to see where you spend your cash.

Give yourself some leeway - if your budget is too tight, it is harder to reach your target. So don't cut out all your fun expenses. A good idea is to set smaller savings goals along the way and reward yourself when you achieve them.

Read more on buying a home.

3 Types of Home Loans

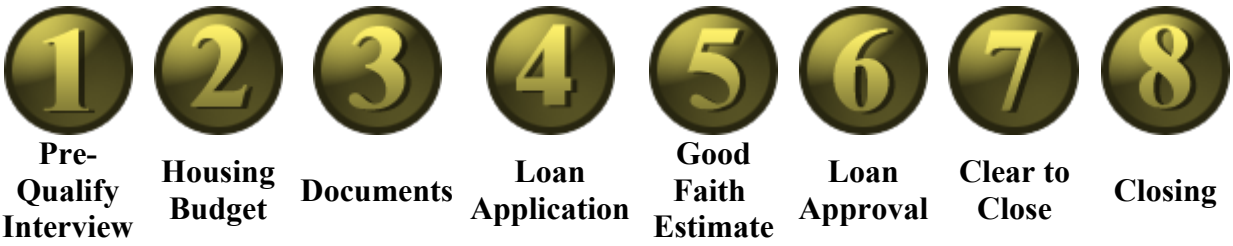
1. **Conventional Mortgage.** This is the most commonly used type and usually has the best rates. You'll typically need at least 10% for a down payment and good credit. Can be for 15 or 30 years or "interest only" where you are not paying any principal in your payment. "Interest only" loans have a bit lower payment but you don't pay off any of the loan balance when you make your regular payment.

Mortgage Insurance. Alright, this isn't a mortgage type, but you need to know about it! If you put less than 20% down on a home, mortgage insurance protects your lender in case you quit making payments. The cost varies by type of loan so ask your Mortgage Professional about it with every loan you discuss. Mortgage insurance can now be a tax write-off depending on your income level, due to a recent change in the tax laws. Also, once you believe you have at least 20% equity, you should contact your lender to find out about getting rid of Mortgage Insurance, also known as PMI.

2. **FHA Mortgage.** Thought of as the first time home loan program but actually available to anyone. The down payment is only 3.5% and is more forgiving of lower credit scores. The interest rates are not as attractive as Conventional, but qualifying for the loan isn't as tough either. Here is a great in-depth look at The Top 5 things you should know about FHA home loans from our friends at Homeownership University. FHA Mortgages are what most people consider to be "first time buyer loans". Not all lenders can offer them.

3. **VA Loan.** Zero down payment loan, but you must be a veteran.

8 STEPS IN THE FINANCING PROCESS



1. Pre-Qualify Interview

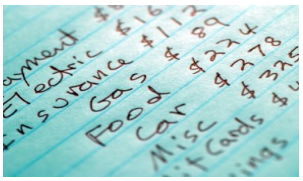
Prior to the property hunting process, it's wise to meet with one or more Lenders to become pre-Qualified for a loan. The pre-qualify process is not an in-depth loan application. It is a discussion with the Lender to determine your overall family income and debt. The process can take between 30 minutes and an hour. The interview can be conducted over the phone or in person. There is no fee for this service from the Lender. This website has a great list of Pre-Qualification questions.

We strongly recommend that you refrain from using out-of-state or Internet Lenders. Their costs are often excessive AND there are many scam artists out there.

At the end of the process you will receive a "Pre-Qualification" letter from the Lender, acknowledging that you are qualified to purchase property "up to" a given amount. This letter is needed when you submit an offer for a property, to demonstrate that you are a capable purchaser.

Once you have an **accepted agreement** for the purchase of a property, you will then complete a mortgage application with your lender.

2. Housing Budget



During the loan pre-qualification process you will discuss what monthly Housing Budget you can comfortably afford. The budget will include an amount for the mortgage itself, an amount for annual property and fire taxes and for property insurance. Frequently, home buyers "qualify" for more house than they can actually afford to pay for.

It's important that YOU tell the Lender the maximum loan payment (including taxes and insurance) you are comfortable with - and that will determine how much you can pay for your property.

Tax Advantages: There are substantial tax savings when you own your own home. You can deduct your property taxes, insurance and up to 100% of the interest you pay as part of your mortgage (often thousands of dollars). So, much of the money you pay as part of your mortgage payment, is deductible on your tax return. That helps you to "afford more house".

CAUTION – **Do Not** make **ANY** purchase that will absorb your available cash (some of which you may need at closing) OR, buy ANYTHING on payment terms **before you close on your property**. It will change your credit score and may make you ineligible to purchase.

3. Documents

While you are viewing homes to purchase – this is the time to get your financing documents together – especially if some of your funds are coming from untypical sources – 401K, loan from a parent, retirement account, stocks and bonds.

Your Lender will guide you – but, at the minimum, you will need the following documents when you are ready to make your loan application:



(a) Two years of W2's
(b) Thirty days of pay stubs
(c) Two months of all bank statements
(d) Twelve months of rent check payments
(e) Copies of **all** applicants driver's licenses and social security cards
(f) Information about retirement accounts, 401K, CD's, social security or disability income, child support, alimony and more.

This is also the perfect time to "clean up" any negative issues that show on your credit report. Your Lender will give you a copy of this report and will give you guidance on how to get the errors corrected. They may also help you through this process.

4. Loan Application

Once you have attained an accepted offer on your purchase, your Lender will walk you through the Loan application process. There will be a fee for this process of from $300.00 to $400.00. This fee pays to process the loan application, an appraisal and other related costs.

This is the point in time when you will need all of the documents that we have previously discussed (and perhaps others). The loan "Originator" (the person taking your loan application) will complete all of the procedures needed to present your application to an "Underwriter" (the person who works for the Lender and has the final say for approving your loan). The Underwriters job is to determine if your loan application meets all of the Lender and Federal agency guidelines and that your loan is a risk worth taking for the lender.

Please do not hesitate to contact Mr. Aldo Saavedra at ASaavedra@firenzegroup.com He is a very trustworthy mortgage broker who can help you with this process.

5. Good Faith Estimate

The "Good Faith Estimate" is a document that you will receive within days after completing your loan application. This document will provide you with all of the details about your loan –the term of the loan, the interest rate, the "points" (a fee you pay for obtaining the loan), the "rate lock" (how long the Lender will guarantee the terms of your loan before it has to be rewritten).

6. Loan Approval

Loan approval by your Underwriter is likely to come with a set of "conditions". These conditions are a whole variety of "picky" but very necessary items that your loan Originator must obtain or satisfy before final approval.

At this point your Originator will be in close contact with you over these issues. It is important that you respond to any of her requests quickly.

Once these conditions are satisfied you will receive a "Clear to Close" from the Underwriter.



7. Clear to Close

"Clear to Close" is the GO signal for everyone to go into overdrive. Your loan Originator will move loan information to the attorneys for the preparation of all documents – your TPN Realtor will move any last minute changes to your Purchase & Sale agreement to the attorneys - and the attorney's paralegals (those special people who do most of the attorneys work and get little of the credit) get to work creating the HUD statement that everyone relies on at the closing to satisfy all regulations.

Once the Buyer and Seller's attorneys have agreed on all of the "numbers" in the transaction – a date will be chosen for the closing and all parties will be advised.

8. Closing

"THE GATHERING" This is the day when everything comes together. The buyer – the seller – both attorneys – the Realtors – sometimes the loan Originator will be there as well.

Occasionally the Buyer and Seller appear at the closing at different times. Normally the buyer's appear first because their process can take from an hour to two hours to complete. The sellers can appear later because their process usually takes from 30 to 45 minutes.

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It's a great time! We've seen tears of joy from buyers of their first home – and tears of nostalgia from homeowners who are leaving a home of 30 or 40 years – where their children grew up - where family memories reside.

13 Necessary Financial Documents

Exactly what documents you'll have to provide depends on your personal situation, including your credit profile, down payment, work history and the lender you've chosen. But if you want a loan, be prepared to document all the information you provide for your application. Here are the top 13:

1. **W-2 forms.** People who have a conventional job will need to provide W-2 forms from their employer or employers, for one or two years.
2. **Pay stubs.** Expect to provide enough pay stubs to cover a month of employment. If you're paid weekly, for example, you'll need the last four.
3. **Bank statements.** Lenders will want to see, at a minimum, your last two months of bank statements. Keep in mind that it's important to provide all the pages, even if some of them are blank.



4. **Tax returns.** Most borrowers will be asked for at least the latest year's tax return, all schedules included. If you're self-employed, have a side business, own rental property or have a lot of employee business expenses, you'll probably need at least two years of tax returns, both business and personal, Fleming says.



5. **Identification.** A driver's license probably will suffice. If you don't have a driver's license, a passport or state-issued ID card is suitable.
6. **Proof of legal U.S. residency if you're not a U.S. citizen.** For permanent residents, that means a green card. People who are in the U.S. on other types of visas may be asked to provide additional documentation. Lenders aren't going to offer a loan to someone who is in the U.S. only temporarily, Fleming says.



7. **Proof of military service.** If you're a veteran, you'll need your DD Form 214, Certificate of Release or Discharge from Active Duty, if you want a loan from the U.S. Department of Veterans Affairs program. If your service was before 1950, the document may have another name.
8. **K-1 and business tax returns.** If you own a business or are self-employed, you will need to document all the income you claim in your loan application. Exactly what documents you need will depend upon your business structure. Fleming recently prepared a 57-page report for a client documenting the income he received from multiple ventures. Some self-employed borrowers will be asked for a profit-and-loss statement for the current year.

9. **Sources of funds.** If your submitted bank statements include any large or unusual deposits, you'll have to verify where you received the money. "Lenders are rabid about that right now," Fleming says. "You can't just write a letter of explanation like you could in the old days." If you sold stock or other assets, for example, you'll have to provide copies of all the documents required to verify the sale and the proceeds received.
10. **Gift letter.** If someone gave you money to help with your home purchase, you'll need to document it. "A lot of first-time homebuyers receive gifts from family members to help them," Gutierrez says. The lender will want a gift letter that will include information about the donor's relationship to you, the amount of the gift, the date and the purpose. The donor may be asked to prove that he or she has the resources to make the gift, probably by providing bank statements. Lenders may also have gift forms for the donor to sign.
11. **Alimony or child support documents**. A lender may not ask if you receive alimony or child support, but you are welcome to volunteer that information if you want to use those funds to qualify for the loan. You may be asked for your divorce settlement, proof that your ex is paying regularly and verification that the payments will continue for two or three more years.
12. **Proof of reserves.** Lenders want to make sure you can afford to make payments once you've closed, and most will want to see enough cash to cover at least three months of payments. Showing cash reserves and assets is also helpful if you have a weak job history or mediocre credit, Fleming says. "If there's any weakness at all in the file, showing more assets is useful," he says. "When you close escrow, we don't want you to be broke."
13. **Cancelled rent checks.** Buyers who don't own another home will be asked to prove they've paid their rent on time, especially if they don't have a significant credit history. That can usually be done with a verification form filled out by a landlord or 12 months of cancelled rent checks.

3 Financing Costs to Buying a Home



In general, the fees associated with a home purchase include closing costs, loan discount points and prepaid items.

1. **Closing Costs**



The amount you will pay in closing costs varies by location and typically costs between 2% and 3% of the loan amount. Closing costs are not calculated on a percentage basis, but instead are based on specific line items related to your loan application and lender fees.

Unless you have negotiated to have someone else pay these costs, they are your responsibility to pay at the settlement.

Though we don't believe Zillow is a great source for home shopping, they did compile an extensive list of possible closing costs. Check it out here http://www.zillow.com/wikipages/List-of-Closing-Costs-and-Fees/

Some examples of closing costs include:

- Loan origination fee
- Credit report fee
- Loan application fee
- Title services fee and lender's title insurance premium
- Owner's title insurance premium

2. Loan Discount Points

A discount point is equal to 1% of your loan amount. You may or may not have agreed to pay points for your loan in order to lower the interest rate. If you chose a loan with discount points, then you will pay the point or points at the closing.

3. Prepaid items

Most lenders require an escrow account to be established with your loan to cover your property taxes and homeowners insurance. Each of those bills will be estimated and then, as part of your monthly mortgage payment, you will pay a portion of those bills to your lender. When the insurance and tax bills come due your lender pays them for you.

On settlement day, lenders require you to pay into your escrow account a sum to cover part of your property taxes and homeowners insurance. In addition, you will need to pay for your first year of homeowners insurance in full.

Depending on the day of your closing, you will also need to make a prorated payment for interest on your mortgage from the closing date until the end of the month.

The federal government has revised the HUD-1 Settlement Statement multiple times and has made a Good Faith Estimate mandatory. If you have any questions or concerns about any fees you are expected to pay at your closing, you should consult your lender, your title company and your REALTOR® for an explanation.

Use this Buying Calculator to help you figure out how much you might need

10 Questions to ask when Choosing a Real Estate Agent



Some of agents are smart, efficient, focused, versatile and willing to go the extra mile. And some of them aren't.

Finding an agent who will sell your home using a range of marketing tools to get you the best deal possible in a reasonable amount of time, all while charging a fair rate, takes some effort. Here is what you can ask:

1. **How much?** Ask potential agents how much they think they can sell your home for. If two agents say $600,000 and the third says $700,000, think hard. It's likely the high bid is an exaggeration to attract your business. In the trade it's known as buying a listing. In the end, you'll be the one who pays because the high price will scare away potential buyers before you inevitably drop the price.

The Leonard Real Estate Group creates a full market analysis report which will show a range of value for your home. We will sit down with you and explain our findings so you are 100% satisfied that it is the right price. Here is an example of a CMA Report we have done.



2. **How will you market it?** Running a few classified ads in the local paper, listing it on the Internet and holding an open house shouldn't be the only answers. The practitioner should be able to talk about what kinds of people are likely buyers and how he will reach out to those specific people.

3. **How has your business changed in the last five years?** If she doesn't talk about website tours and smart phones, chances are this is not a highly wired agent. While Luddites can still sell houses, it is getting harder. And if this is one of those people who don't even use e-mail, you're letting yourself in for unnecessary aggravation. And you may cut yourself off from opportunities.

4. **Tell me how your last two deals surprised you?** Every agent has a success story, but this question will give you a much better feel for what this practitioner is like as a salesperson.

5. **What's your specialty?** If you're selling a starter home in a community full of young families, hiring an agent who specializes in seniors is probably a bad idea. It doesn't mean that if he only sells condos that he can't sell a house, but he may not be geared up to do the best job.

6. **How many people are you selling homes for right now and what are you doing for them?** It may not be a bad thing that a high-powered agent is juggling 15 homes, but don't expert her to give you personal service, although her assistant should be attentive. On the other hand, be wary of an agent with no other customers because she may lack experience and contacts.

7. **What do you expect of me?** A good salesperson will have expectations. He may want you to leave and take the dog when the house is shown, paint the garage, move some furniture around and scrub the tile in the bathroom. It shows that he can think like a buyer and that's a good thing.

8. **What advice would you have for me if I get an offer from a buyer who wants to use an FHA loan?** It wasn't very long ago when the right answer might be run the other way, but these days government-guaranteed financing from the Federal Housing Administration, the Department of Veterans Affairs and state and locally managed loan assistance programs can be key to selling a property. Real estate agents shouldn't be pushing buyers toward their favorite lenders, but they should be able to help them and you wade through complex financing issues.

9. **What's your fee?** Forty-six percent of sellers Consumer Reports surveyed this year attempted to negotiate a lower commission rate. About 71 percent succeeded and those people were just as satisfied with the performance of their real estate agents as those who paid the standard 6 percent or more. In short, if you don't ask, you don't get.

10. **Can I talk to one of your previous clients?** You never know. Some clients may tell you to steer clear. We are happy to provide you with references so you can hear about some of our past work.

Contact us for more information!





Carlos (Charlie) Leonard
President Broker
305-726-8416
charlie@leonardrealestategroup.com

Sean Egan Pascale
Sales Agent
786-205-0187
sean.e.pascale@gmail.com

Website: www.leonardrealestategroup.com

Social Media