

HELPFUL THINGS TO CONSIDER WHEN BUYING A HOME

Searching for your next property? This quick read will get you headed in the right direction. Whether you're looking for your first home, or you're a seasoned buyer and seller, we've broken the extensive buying process down into a comprehensive 4-step guide. We've broken down the process of preparation, making an offer, inspections and due-diligence and closing so you can:

- Save time
- Understand the real estate lingo
- Act strategically
- Get the best value

1. PREPARATION

Preparing to buy a home is multi-faceted. First things first, look carefully at your finances to determine if you're in a position to pay cash or if you will need financing. We have relationships with a variety of top-notch lenders, and will offer advice on the process of applying, getting loan approval and what you'll need before starting the process. Take note that many factors define a home's worth—not just the aesthetic appearance—this should be heavily considered before making a decision on buying. We always say, real estate is about three things: location, location and location.

GETTING PRE-APPROVED FOR YOUR MORTGAGE

Step two in the process of buying a home is to getting pre-approved by a mortgage lender. As REALTORS®, we want our clients to be prepared when they find the perfect home, so we don't present offers on homes for our clients unless he or she has been pre-approved. We'd hate for you to find the home of your dreams and miss out because of a financing issue. Often in fast-moving markets like ours, agents and sellers require pre-approval letters along with offers to purchase property. It's important that you have an understanding of how much you can comfortably afford to spend, what your monthly payments will be, what interest rate you qualify for, and how much you'll be paying each month in taxes and homeowners association fees.

Having a good mortgage lender is a crucial part of ensuring a smooth transaction. Working with a bad mortgage lender can make the process incredibly complicated for everyone involved (especially you) and put your purchase in jeopardy of not closing on time or at all. You also might end up regretting the lender you chose if you end up having to move your closing date, or if you're selling too, cause a scheduling chain

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reaction because of a delay. You could also lose out on your dream property because your mortgage lender was disorganized and couldn't get you fully approved during underwriting, costing you time and money. That's why it's important to work with the best.

We strongly recommend:

John Hendley | Mortgage Loan Originator

Fidelity Bank Mortgage

Cell: 770-655-4567

NMLS # 416039

3 Corporate Blvd. NE

Atlanta, GA 30329

PAPERWORK YOU NEED TO GATHER

Each lender has slightly different requirements regarding what documentation they need from you for the pre-approval process. In general, begin gathering the following items:

- Complete a mortgage application. Lenders will provide this to you directly via an online link.
- Applicant's two most recent monthly statements for any asset account or information listed on the application. i.e. checking, savings, 401k, mutual funds, individual stock accounts, IRA's, investment accounts
- Applicant's two most recent paystubs
- Past two years W2s
- Past two years US Federal Tax Returns
- For self-employed applicants (if you own more than 25% of the company), Corporate Tax Returns for two years

GETTING A PRE-APPROVAL LETTER

Typically, once you submit the above items to your lender you should receive a pre-approval letter in a couple of business days. Your lender may ask for additional documentation, but they are not trying to be difficult by asking for additional documentation. In addition to your pre-approval letter, which shows the amount you can afford to purchase, ask your lender to show you what your pre-approval amount breaks down into monthly mortgage payment plus any PMI, taxes, and insurance.

LOAN ESTIMATE AND UNDERSTAND YOUR CLOSING COSTS

Payne & Company Real Estate | Keller Williams Community Partners

540 Lake Center Parkway, Suite 201 Cumming, GA 30040

(917) 769-9828 Direct | (678) 701-4700 Office | PayneCoRealEstate.com

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Mortgage lenders will provide you with a Loan Estimate (LE) once you've settled on a property and made an offer. The LE provides an estimate of the closing costs you'll need on top of your down payment and shows exactly what fees the lender is charging you. Please call us or your lender if you need any explanation of these fees. Generally, closing costs are roughly 2.5-3% of the purchase price of the property. Your lender can provide you with detailed estimates based on your exact pre-approval price. Closing costs are due at closing (except for the appraisal and inspection fees, in most cases these are paid by you on the day those services occur) and are on top of your down payment. Let's break it down; if you're buying a \$500,000 property and putting down 10% towards the loan you'll need to have \$62,500 cash available at closing (\$50,000 for your down payment and roughly \$12,500 for the closing costs).

2. MAKING AN OFFER

Before making an offer on a home, you'll likely preview a number of properties. We offer our buyers a 'buyer brokerage agreement' which explains the ins and outs of agency, how we represent you and the legal protections for us to negotiate on your behalf. Once you find the perfect home and decide to make an offer, we will prepare a Purchase & Sale Agreement. This agreement is the "contract" that spells out your offer to purchase the property, the terms and any special requests, which we present to the seller and listing agent. If our offer is accepted, we call it a "binding agreement" and this begins your negotiated due-diligence period. The due-diligence period is a specific amount of time that will allow you to have a physical investigation of the property conducted, see if there are any hidden defects in the home and define additional contingencies before the purchase and financing are finalized. As Georgia is a "buyer beware" state, you have the option to terminate the contract during the due-diligence period if you find that there are unsatisfactory conditions, or the property no longer meets your needs for whatever reason. We will guide you on which specialized inspections you may wish to consider. Some include radon, mold, structural and HVAC.

3. INSPECTIONS & APPRAISALS

The due-diligence and appraisal contingency time periods are stated in the purchase and sale agreement, and are agreed upon during the initial negotiation of the contract to purchase. Average due-diligence periods range from a few days to two weeks. Most financing contingencies last approximately three weeks to forty-five days, long enough for lenders to gather all their information and approve or deny your loan. If you are financing your purchase, typically your lender will order your appraisal, and this can take one to two weeks from the contract date. If you are purchasing with cash and wish to have an appraisal conducted, we can schedule that for you.

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4. CLOSING

Buyers (or lenders if you're financing) typically choose the closing attorney, and we are happy to offer a suggestion of closing attorneys that we trust and respect to uphold our high standards. All conditions, stipulations and amendments that have been agreed upon during the contract process must be satisfied through the purchase agreement period prior to closing. Once all conditions are met, we proceed to closing. Once we've removed all contingencies and the property is clear to close, we conduct our final walk through of the property, and head to the attorney to sign the closing papers and hand over the keys to your new home.

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When we represent you as a buyer, we always put your interest first. Whether you're buying a cottage or a castle, you get our full attention. We are available 24x7 to assist you with top tier advice, specialized consulting, unparalleled negotiating, and the best resources available for inspections, repairs and ongoing service. Our expert, honest advice is what you can expect. It's our job to assist you in purchasing your new home for the best price with as little interruption or stress as possible. There is no "B List" with us, we always go above and beyond and expect the best from every resource we work with to provide you all the information you need to make informed decisions.

Step 1: Hire us to be your REALTORS®

Step 2: Consultation to evaluate Needs & Wants

Step 3: Conduct a pre-market research

Step 4: Apply for mortgage with lender and retain pre-approval on file

Step 5: Narrow property search via custom, interactive client portal

Step 6: Time for showings

Step 7: Showings are scheduled via our app, Showingtime, so you're in the loop on where to be and when to be there

Step 8: We find the perfect property and write an offer

Step 9: We negotiate our terms and receive an offer, and schedule a closing date

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Step 10: We schedule your home inspection(s), then discuss our requests for repairs or compensation

Step 11: We negotiate any latent defects or repairs / Due-diligence ends

Step 12: The appraisal is ordered and conducted

Step 13: Files are sent to the attorney for title review

Step 14: We schedule the exact closing time for closing day with the attorney

Step 15: Hire movers and start packing

Step 16: Schedule your utilities to begin at your new home

Step 17: Request a quote for your home owner's insurance

Step 18: We receive mortgage approval and we are clear to close

Step 19: The final walk through is conducted on closing day or occasionally the day before

Step 20: Closing! It's time to celebrate!

Step 21: We'll send you a request for review of our time working together.