

# A GUIDE TO BUYING YOUR HOME

STEP BY STEP INSTRUCTIONS AND  
ADVICE FOR BUYING A HOME.



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A CUSTOM CONSULTATION PREPARED WITH CARE



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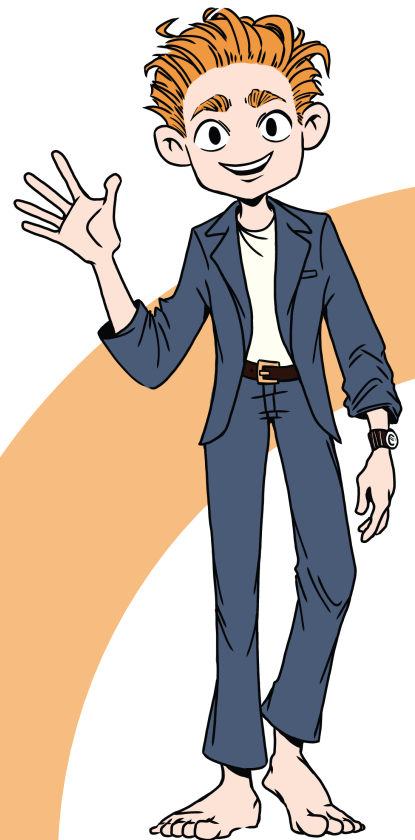
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# YOU COME FIRST

Your needs

Your dreams

Your concerns

Your questions

Your finances

Your time

Your life

We will work with you to understand your unique lifestyle, needs, and wishes because buying a home is more than a certain number of bedrooms or zip code. It's about your life, and it's important to us.

Our focus is on your complete satisfaction. In fact, we work to get the job done so well, you will want to tell your friends and associates about it. Maybe that's why so much of our business comes from repeat customers and referrals. We are looking forward to earning your business!

# PURCHASING 101

## 1. CHOOSE A REALTOR

Choose the best real estate agent to represent you in finding and purchasing your dream home. Make sure to sign a Buyer Agency Agreement. With this your chosen agent has a fiduciary responsibility to you and protects your interests throughout the process.

## 2. OBTAIN FINANCIAL PRE-APPROVAL

Get pre-approved for a loan before you find the home you want to buy. (I can recommend a few lenders.)

Benefits include:

- You know your price range, closing costs, and monthly payments up front
- You only look at homes within your price range
- Your negotiating position with the seller is stronger
- Closing on your new home can happen more quickly

## 3. FIND YOUR NEW HOME

From a thorough understanding of your home needs, you will receive auto emails and personal updates of listings that meet your criteria. Then, times will be scheduled to visit them. If you are unavailable we can do video showings as well. Here are a few ways we search for your home:

- Online real estate search sites - MLS, Zillow, Redfin, Military by Owner, etc.

- For Sale or For Sale by Owner (FSBO) signs as you drive through neighborhoods - we will make appointments to visit them.
- Open Houses - accompanied by your real estate representative.
- New home developments - accompanied by your real estate representative.

## 4. MAKE YOUR OFFER

Once you have found your dream home, I will research market data on the home to help you determine what to offer and then present a written offer to the seller's agent. There may be some negotiation required and the seller may either accept, reject, or counter your offer. When the seller accepts the offer, it becomes a legal contract.

## 5. UNDER CONTRACT

- Acquire home insurance and send proof to your lender
- Schedule home inspection and negotiate repairs (your agent will do this)
- Order an appraisal (lender does this)
- Acquire a property disclosure from the seller
- Neutralize any contingencies and input any that may be specific to your area
- Conduct a title search (title company does this)
- Schedule your closing
- Certify funds for closing

# PURCHASING 101

## 6. BEFORE YOU CLOSE

- Transfer funds for closing
- Reserve a moving company and set a moving date
- Change your address through USPS, your bank, and other instances
- Set up your utilities to be activated or transferred
- Confirm that all contingencies are resolved
- Schedule the final property walk-through
- Designate a safe, dedicated space to save your final paperwork

## 7. CLOSING DAY

The closing is the formal process of signing papers, paying fees and closing costs, and receiving the keys to your new home!

- Connect with your lender to wire down payment funds. You'll need to cover the cost of closing and the down payment. Bring a printed confirmation of your wire transfer
- Government-issued photo ID(s)
- Your checkbook

# FUNDING YOUR FUTURE HOME

## DETERMINING HOW MUCH YOU CAN AFFORD

### 1. Qualification for the Mortgage

Lenders may require that your monthly payments range between 28 - 44% of your monthly income. The percentage will depend on the borrower's credit rating. Your monthly mortgage payment to the lender will consist of:

- Principal on the loan
- Interest on the loan
- Property taxes
- Homeowner's insurance

### 2. Down Payment

Most home loans today require an upfront, or down payment, between 3.5 - 10%. If you can pay more upfront, you may be eligible for lower interest rate loans, and shorter loan periods.

### 3. Closing Costs

Additional fees and costs associated with loan processing and closing are required to be paid at the final closing unless you are able to include them in your financing. Typically, closing costs amount to between 2 - 3% of the purchase price (not the loan amount).

# FUNDING YOUR FUTURE HOME

## YOU'RE APPROVED FOR A LOAN

Follow these tips to protect it.

### DO:

- Notify your lender of any address change, whether it's your home address or another listed on your application
- Notify your lender of any salary or wage changes
- Be prepared to provide proof of significant bank deposits
- Acquire homeowner's insurance immediately after going under contract
- Keep all forms of debt paid and in check

### DO NOT:

- Make large purchases using existing credit without first talking to your lender
- Apply for or acquire any additional lines of credit
- Pay off, transfer, or close credit balances unless your lender instructs you to do so
- Change jobs without first talking to your lender
- Co-sign for another person seeking to obtain a line of credit or to make a purchase
- Pay off collections before conferring with your lender

## THE PROCESS OF FUNDING

### Financial Pre-Approval

- Application and interview with a bank or other mortgage loan company. I have recommendations if needed
- Buyer provides pertinent documentation including verification of employment
- Credit report is requested
- Appraisal scheduled for current home owned if any

### Underwriting

- Loan package is submitted to underwriter for approval

### Loan approval

- Parties are notified of approval
- Loan documents are completed and sent to title

### Title company

- Title exam, insurance and title survey conducted
- Borrowers come in for final signatures

### Funding

- Lender reviews the loan package
- Funds are transferred by wire



# YOUR HOME WISHLIST

## CREATING A BASELINE

While your opinions on the type of home you want may change during the homebuying process, use this checklist to help you prioritize and make the shopping process less time consuming. Start by considering your answers to these questions.

### THE BASICS

- How close do you need to be to public transportation, schools, airports, expressway, neighborhood shopping, other?
- What neighborhoods would you prefer?
- What school systems do you want to be nearby?
- What architectural style(s) of homes do you prefer?
- Do you want a one-story or two-story house?
- How old of a home would you consider?
- How much repair or renovation would you be willing to do?
- Do you have special facilities or needs that your home must meet?
- Do you require a fenced yard or other amenities for your pets?
- Who will be living in this home? Let's list adults, children, and pets that will inhabit the space.
- What are the non-negotiables for your home?
- Beyond your needs, what is something you really want?
- Do you have a preference for the year the house was built?
- Do you want a move-in condition home or are you willing to do some work on it?
- When people visit your home, what do you want it to say about you?
- Are there any specific features that would make your next house feel instantly like home?
- Will you require accessibility options?
- What type of home are you looking for? (e.g., single-family, condo, town house, etc.)
- Approximately what square footage would adequately cover your living space?
- What lot size are you looking for?

As you consider your responses, we encourage you to write them down and share them with your realtor.

# YOUR HOME WISHLIST

## BATHROOMS

- How many bathrooms do you need?
- What are your needs for each of the bathrooms?
- Will any bathroom need to serve a specific purpose? (powder room, swimming pool access, fit for small children, accessibility specifications, etc.)

## KITCHEN

- What are your general preferences for the kitchen?
- What features must your kitchen have? (e.g., breakfast nook, types of appliances, etc.)
- What finishes do you like? (e.g., countertops, flooring, cupboards, sink, appliances, etc.)
- Will your kitchen need to accommodate anything with custom measurements? (beverage cooler, island, farmhouse sink, butcher block countertop, etc.)

## FAMILY/LIVING ROOM

- What are your general preferences for your living and family room(s)?
- What size room(s) do you have in mind?
- Do you prefer your living and family room(s) to be separate and intended for different purposes?

Do you want a fireplace?

- What other living areas are you looking for? (e.g., playroom for children, studio, mudroom, etc.)
- What else do you see for living areas?

## DINING ROOM

- Would you like the dining room to be part of the kitchen configuration?
- What about the living room – how should it be situated with regard to the dining room?
- What size dining room table do you have? Is there other dining room furniture I should take into account?

## EXTERIOR

- Do you want a porch, deck, or both?
- What are you looking for in terms of a garage? (e.g., attached, carport, etc.)
- What type of driveway or vehicle entrance/exit will you require?
- Do you want a swimming pool or a hot tub?
- Are you looking for any structures such as a greenhouse or shed?
- Do you need special outdoor arrangements for pets? (eg., a dog run, a fenced-in yard, etc.)
- Do you have a preferred landscape design?
- What other exterior features are important to you?

## INTERIOR

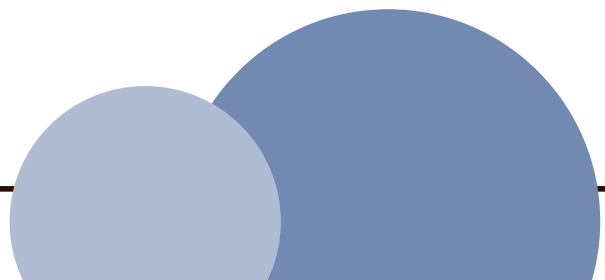
- What style do you envision for the interior of your home? (eg., formal, casual, cozy, traditional, minimalist, modern, etc.)
- What kind of floor plan do you prefer, open or walls or divided living spaces?
- In general, what are your preferences for the interior?
- Flooring
- Lighting
- View
- Specific features (eg., trim, ceiling fans, ceiling height, accessory style/color, etc.)

## BEDROOMS

- How many bedrooms do you need?
- How will each of those rooms be used?
- What are your preferences for the owner's suite?

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# WHAT DOES BRAVE NEIGHBOR HOMES OFFER?

- A knowledgeable and professional team of REALTORS® who represents you. It isn't just me but the entirety of Keller Williams Metro Center and the Brave Neighbor Homes Team working for your satisfaction
- Thorough consultation to determine your unique wants and needs in a home
- Advice on making offers based on expert market evaluation
- A committed ally who will complete your purchase contract, present your offer, and negotiate on your behalf
- Preparation of all closing documents and guidance through the closing process
- Assistance with any post-close issues
- The backing of a trusted company, Keller William Metro Center

To do right and worthy things in spite of fear, not in the absence of it. For us, this is what it means to be Brave. We believe it's a definition that will ring true to many and inspire a movement toward a more relational society. As an organization, team, and family, we endeavor to be more courageous and creative about connecting with our community of neighbors like Christ would. To reflect this, Brave Neighbor Homes dedicates a portion of its time and earnings to partnerships with our community as a step in the direction of this more relational society we hope to help build.

**As part of my service, I will commit to helping you with your home search by:**

- Organizing and scheduling homes to view based on your unique specifications
- Personally, touring homes and neighborhoods with you
- Keeping you informed of new homes on the market
- Advising you of other homes that have sold and for how much
- Working with you until we find the home of your dreams

# FREQUENTLY ASKED QUESTIONS

## **How will you tell me about the newest homes available?**

The Multiple Listing Service Website (MLS) and other various home search sites such as Zillow.com and Trulia.com provide up-to-date information for every home on the market. I constantly check the New on Market lists, so I can be on the lookout for you, my clients. I will get you this information right away and the way that is most convenient for you: by phone, email, text and/or my IDX instant notification system. I will inform you of homes from all real estate companies not just Keller Williams Realty. I want to help you find your dream home, which means I need to stay on top of every home that's available on the market no matter who is listing it.

## **Can you help me find new construction homes?**

Yes, I can work with most builders and get you the information you need to make an informed decision. On your visits with the builder, I will accompany you. By using my services with a new construction home purchase, you will receive the services I offer, as well as those provided by the builder, at no additional cost.

## **How does for sale by owner (FSBO) work?**

Homeowners trying to sell their home without agent representation are usually doing so in the hopes of saving the listing agent commission, but most understand they will pay for buyer agent commission. If you see a FSBO and want the advantages of my services, let me contact the owner for you and make an appointment. Most times the homeowner will work with an agent even though their home is not listed, since the agent is introducing a potential buyer to their property.

## **Can we go back through our property again once an offer is made but before possession?**

Usually, we can notify the seller and schedule a convenient time to visit the property again. Immediately before the closing, we will schedule a final walk-through and inspection of your new home.

## **Once my offer is accepted, what should I do?**

Celebrate and focus on moving into your new home! You will want to schedule your move, pack items, and notify businesses of your address change. I can provide you with a moving checklist to help you remember all the details. I can also give you a good faith estimate and HUD statement, which will indicate the amount you will need to bring to closing.

# COMMONLY USED TERMS

## ANNUAL HOUSEHOLD INCOME

Collective income from everyone in your household before taxes or other deductions are taken, investment income or dividends, Social Security benefits, alimony, and retirement fund withdrawals.

## APR

APR refers to the annual percentage rate, which is the interest rate you'll pay expressed as a yearly rate averaged over the full term of the loan. APR includes lender fees in the rate, so it's usually higher than your mortgage interest rate.

## APPRAISAL

A written justification of the price paid for a property, primarily based on an analysis of comparable sales of similar homes nearby.

## APPRAISED VALUE

An opinion of a property's fair market value, based on an appraiser's knowledge, experience, and analysis of the property. Since an appraisal is based primarily on comparable sales, and the most recent sale is the one on the property in question, the appraisal usually comes out at the purchase price.

## CLOSING COSTS

Generally 2 to 5 percent of the purchase price include lender fees, recording fees, transfer taxes, third-party fees such as title insurance, and prepaids and escrows such as homeowner's insurance, property taxes, and HOA fees.

## CLOSING DISCLOSURE

A document that provides an itemized listing of the funds that were paid or disbursed at closing.

## DOWN PAYMENT

A cash payment of a percentage of the sales price of the home that buyers pay at closing. Different lenders and loan programs require various down payment amounts such as 3 percent, 5 percent, or 20 percent of the purchase price.

## EARNEST MONEY DEPOSIT

Also known as an escrow deposit, earnest money is a dollar amount buyers put into an escrow account after a seller accepts their offer. Buyers do this to show the seller that they're entering a real estate transaction in good faith.

## ENCUMBRANCE

Anything that affects or limits the fee simple title to a property, such as mortgages, leases, easements, or restrictions.

## EQUITY

A homeowner's financial interest in a property. Equity is the difference between the fair market value of the property and the amount still owed on its mortgage and other liens.

## ESCROW

Putting something of value, like a deed or money, in the custody of a neutral third party until certain conditions are met.

## DEED

The legal document conveying title to a property.

# COMMONLY USED TERMS

## HOMEOWNERS ASSOCIATION FEE (HOA)

A fee required when you buy a home located within a community with an HOA that typically pays for maintenance and improvements of common areas and may include the use of amenities.

## HOMEOWNER'S INSURANCE

Insurance that provides you with property and liability protection for your property and family from damages from a natural disaster or accident. Lenders usually require borrowers to buy homeowner's insurance.

## HOME WARRANTY

A contract between a homeowner and a home warranty company that provides for discounted repair and replacement service on a home's major components, such as the furnace, air conditioning, plumbing, and electrical systems.

## LENDER FEES

Part of the closing costs of a home purchase and may include an application fee, attorney fees, and recording fees. The lender's underwriting or origination fee is usually 1 percent of the loan amount.

## LOAN TYPES

Mortgages have different terms ranging from 10 to 30 years and are available with fixed or adjustable interest rates. Your lender can discuss down payment, insurance, credit requirements, and other specifics of various loan types.

## MONTHLY DEBT

The minimum payment on credit card debt; auto, student, and personal loan payments; and alimony or child support. Rent or mortgage for a property that you will pay after your home purchase must also be included.

## MORTGAGE

A loan from a bank, credit union, or other financial institution that relies on real estate for collateral. The bank provides money to buy the property, and the borrower agrees to monthly payments until the loan is fully repaid.

## MORTGAGE INSURANCE

Insurance that protects the lender and repays part of the loan if the borrower defaults and the loan can't be fully repaid by a foreclosure sale. Usually required on loans with less than a 20 percent down payment.

## PROPERTY TAXES

Typically imposed by local governments on real property including residential real estate. The tax rate can change annually, and the assessed value of your property is usually recalculated annually.

## PREPAIDS

Prepays are expenses paid at the closing for bills that are not technically due yet, such as property taxes, homeowner's insurance, mortgage insurance, and HOA fees.

## THIRD-PARTY FEES

Any closing costs charged by someone other than your lender, typically including fees for an appraisal, a property survey, a title search, owner's and lender's title insurance, and sometimes an attorney.