



First Time Home Buyer

handbook

A HOME BUYER'S GUIDE

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GEORGIA REALTOR



Buyer

handbook

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Thank you!

As your dedicated real estate agent, my focus is on finding the perfect home for you. I pledge to tirelessly search for properties that meet your criteria and negotiate the best deal on your behalf.

You'll be well-informed at every stage, ensuring a seamless and stress-free buying experience. Your satisfaction is my ultimate goal, and I'm committed to providing exceptional service throughout the entire home-buying process.

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SOLD

BY SELLER



Preparing *to buy*

GETTING STARTED

We start every home buying process with the proper research and preparation. Your checklist for this stage includes the following goals:

- ✓ Determine the type of home you want
- ✓ Determine where you want to live
- ✓ Find a local real estate agent to help you



HOME BUYING PROCESS



MEET WITH YOUR AGENT



GET PRE-APPROVED



FIND YOUR HOME



OFFER & ACCEPTANCE



ORDER INSPECTION & APPRAISAL



PREPARE FOR CLOSING



GET YOUR KEYS

HOME BUYER

WORDS YOU SHOULD KNOW

CLOSING COSTS

Taxes, insurance, and other lender expenses paid at the end of the transaction by the seller, buyer, or both.

APPRAISAL

Property and/or land valuation completed by an appraiser who determines the market value - typically 1-4 weeks.

INSPECTION

A visual and mechanical examination of a home to identify defects and assess the home's condition.

DOWN PAYMENT

Is what you typically pay up front for a house in order to close the sale. Usually 3-20% of the purchase price. Not the same as closing costs.

EARNEST MONEY

Deposit made to a seller showing the buyer's good faith in a transaction. Typically 1-3% of purchase price.

TITLE INSURANCE

Insurance to protect the lender or owner from any claims related to the title of the property. Usually paid for by the buyer.

DEBT TO INCOME

DTI is the comparison of your monthly debt payments to your monthly income before taxes, expressed as a percentage.

CLOSING

Usually a meeting that includes documents, signatures, checks, and everything needed to buy or sell the house.

ESCROW

Funds deposited with a third party and held until a specific date is reached and/or a specific condition is met.

BUYER FAQS

WHAT'S THE FIRST STEP OF THE HOME BUYING PROCESS?

You'll need to get a mortgage unless you're paying cash for a house. To know how much home you can afford, you need to get pre-approved for a loan first.

HOW MUCH MONEY DO I NEED FOR A DOWN PAYMENT?

Usually 3-5% of the purchase price of the house.

HOW LONG DOES IT TAKE TO BUY A HOME?

Typically around 30 to 45 days after acceptance.

WHAT OTHER FEES ARE THERE, BESIDES THE DOWNPAYMENT?

Mainly loan origination and closing costs at about 2% to 4% of the loan amount. You'll also have to pay for a home inspector, a home warranty, HOA fees, insurance, home maintenance and more.

CAN I BUY AND SELL MY CURRENT ONE AT THE SAME TIME?

Absolutely! Depending on your situation, we'll recommend buying or selling first.

WHAT KIND OF CREDIT SCORE DO I NEED TO BUY A HOME?

A score of 620 or higher can get you better lending terms.

WHEN CAN I EXPECT TO RECIEVE THE KEYS TO THE NEW HOUSE?

You'll get the keys to your new home on closing day once the transaction is complete and fully funded by the title company.

Facts To Know!!

Qualifying for Your Mortgage- Debt to Income Ratio (DTI) Calculation...

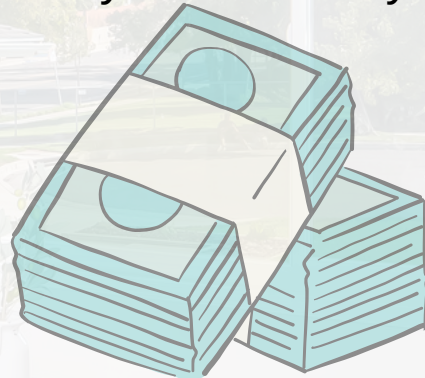
Calculate your recurring Monthly Debts...



- Car Note: \$500
- Credit Card Payment: \$50
- Mortgage Payment: \$1500
- Student Loan: \$200
- Property Taxes: \$200
- HO Insurance: \$50

Total Debt: \$2,500/ Month

- DTI Ratio= Monthly Debt Payments divided by Gross Monthly Income



Gross Income: \$5,000/ Month

$\$2,500 / \$5,000 = 50\%$ DTI Ration

- Max DTI For a Conventional Loan is 50%
- Max DTI for an FHA loan is 56.99%
- No Max DTI for VA loans.

Financials

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GETTING PRE-APPROVED

A pre-approval letter in your hands can turn the home offers you make into irresistible invitations. So before you start looking for a home, getting your finances in order is crucial.

Like the first stage of the buying process, shopping for a loan and getting pre-approved are best done a month or two ahead of your home search. Sorting out your finances can take some time; more importantly, the application for mortgage pre-approval takes time.



PRE-APPROVAL CHECKLIST

**PROOF OF INCOME:**

Provide documentation of your income, such as W-2 forms, tax returns, and pay stubs for the past two years.

**EMPLOYMENT VERIFICATION:**

Provide evidence of stable employment for at least two years, such as a letter from your employer or a verification of employment form.

**CREDIT HISTORY:**

Your lender will check your credit report to evaluate your creditworthiness, so make sure you have a good credit score and a clean credit history.

**ASSETS:**

You'll need to provide documentation of all your assets, such as bank statements, investment accounts, and retirement accounts.

**DEBT OBLIGATIONS:**

Provide documentation of all your current debt obligations, such as credit cards, car loans, and student loans.

**DOWN PAYMENT:**

Determine the amount of your down payment and provide documentation of the source of funds for the down payment, such as bank statements or gift letters.

**PRE-APPROVAL APPLICATION:**

Complete a pre-approval application with your lender, providing all the necessary information and documentation.

**PROPERTY INFORMATION:**

Provide information on the property you intend to purchase, including the address, purchase price, and any other relevant details.

FINANCIAL MUST HAVES

DOWN PAYMENT

Although you'll pay this at closing, proof of this is also what will help you secure your mortgage.

EARNEST MONEY

When you make an offer on a home, you will be expected to pay a deposit as a show of good faith. It will be applied to your down payment or closing costs.

INSURANCE

You may need to pay for mortgage insurance depending on your down payment and loan. You are required to purchase both Title Insurance and Homeowners Insurance.

CLOSING FEES

Be prepared to cover the cost of attorney fees, surveys, appraisals, and documentation.



QUALIFYING FOR YOUR MORTGAGE

LOAN TYPE	WHO QUALIFIES	DOWN PAYMENT	UPFRONT MORTGAGE INSURANCE	MONTHLY MORTGAGE INSURANCE
FHA LOANS FEDERAL HOUSING ADMINISTRATION	Anyone with a 580 credit score or higher.	At least 3.5% of purchase price	1.75% of loan amount	0.07% of the principal balance for the life of the loan, if down payment was below 5%
VA LOANS DEPARTMENT OF VETERAN AFFAIRS	Current servicemembers veterans with honorable discharge some surviving spouses	NONE	0	0
USDA LOANS U.S. DEPARTMENT OF AGRICULTURE	Anyone who meets minimum credit and income levels who is buying a home in a USDA designated area	0	2% of the loan amount; can be rolled into mortgage	0.03% of the remaining principal balance for the life of the loan, if down payment was 0
CONVENTIONAL MORTGAGES	Anyone who meets the lender's credit (620) income, and debt level requirements	Varies from 3% to 20%, but typically ranges from 5% to 20%	0	If the down payment is less than 20% mortgage insurance runs as much as 0.21% of the loan each month



Finding *your home*

PICKING THE PERFECT HOME

Before you look for a home, you should know the type of property you're after. Is it a condo that meets your needs and preferences? Or is it a single-family home that fits your long-term goals?

To help you decide, consider the following factors:

HOW MUCH YOU CAN AFFORD

Take into consideration your annual income, monthly expenses, and debt-to-income ratio, all of which will affect the mortgage loan you can afford.

AGE OF THE PROPERTY

[City, State] real estate offers both historic homes and new construction. A resale property might be the one that you need with a few minor tweaks. But if you're after a brand-new, move-in property, consider buying new construction.

NON-NEGOTIABLES

List down features that you absolutely need to have in your new house. Consider your proximity to your work and community services, nearby schools, home size and number of rooms. This will help you determine the type of property that meets your needs best.

FINDING THE RIGHT LOCATION

CONSIDER THE NEIGHBORHOOD

Research the community where you plan to purchase a home. Look for features such as nearby schools, public transportation, shopping centers, parks, and entertainment options.

PROXIMITY TO WORK

Consider the distance and ease of transportation to your workplace. Check traffic patterns, parking options, and commuting times.

CHECK THE LOCAL MARKET

Study the local real estate market to understand the property values, trends, and market conditions. Check the price of homes in the area to ensure that you are getting a fair deal.

CHECK PROPERTY CONDITION

Examine the condition of the house, including its age, construction quality, and necessary repairs. Have a home inspection to determine if there are any major defects or issues.

EVALUATE SURROUNDINGS

Take into account the property's surroundings, such as traffic noise, air pollution, and potential hazards. Consider the climate and weather patterns in the area.

CONSIDER ACCESSIBILITY

Think about the accessibility of the property to other amenities, such as hospitals, police stations, fire stations, and airports.

CHECK THE CRIME RATE

Research the crime rate in the neighborhood to ensure the safety of your family and property.

DETERMINE PROPERTY VALUE

Assess the potential future value of the property based on location, surrounding developments, and community growth trends.

THE OFFER PROCESS

ONCE YOU SUBMIT AN OFFER

We'll meet and review your offer together. Once the details are thoroughly reviewed and understood, the seller will have three options:

1 - ACCEPT THE OFFER AS WRITTEN

2 - DECLINE THE OFFER

If they feel the offer isn't close enough to their expectations to further negotiate this offer.

3 - COUNTER OFFER

If they agree to most the offer but want to change a few details, they can counter our offer with the new terms.

You can negotiate back and forth as many times as needed until you reach an agreement or someone chooses to walk away.

**ONCE AN OFFER IS ACCEPTED BY
BOTH PARTIES, YOU ARE OFFICIALLY
UNDER CONTRACT.**

A modern kitchen and dining area with white cabinetry, a wooden countertop, and three wire-mesh pendant lights. A dining table with chairs and a vase of greenery is visible in the foreground.

Final Steps &

closing



FINAL STEPS

ORDER THE INSPECTION

Ordering inspections before closing when buying a home is crucial to avoid potential complications and ensure the home is in good condition. General and pest inspections should be completed, and any issues should be addressed before finalizing the sale.

ORDER THE APPRAISAL

Ordering an appraisal for buyers before closing on a home can be a good idea to ensure that the home is priced correctly and to avoid any surprises during the sale process. However, it is not always necessary and the decision should be made based on individual circumstances.

FINALIZE LOAN APPLICATION

You'll submit all necessary documents, such as income verification and credit reports, to the lender. The lender will then review the application and make a decision on whether to approve the loan. Once approved, you'll sign the loan documents and provide a down payment before the loan can be funded and the home purchase can be completed.

NEGOTIATE FINAL OFFER

When negotiating a final offer for a property, it's crucial to consider current market and property conditions, urgency of the sale, and be realistic with expectations to come up with a fair and reasonable offer. Flexibility and compromise are key to reaching a mutually beneficial agreement with potential buyers.

THINGS TO AVOID AFTER APPLYING FOR A MORTGAGE

Don't change bank
accounts.

Don't apply for new
credit or close any
credit accounts.

Don't co-sign other
loans for anyone.

Don't make any large
purchases

Don't deposit cash into your bank
accounts before speaking with your bank
or lender.

Consistency is the name of the game after applying for a mortgage. Be sure to discuss any changes in income, assets, or credit with your lender, so you don't jeopardize your application.

The best plan is to fully disclose and discuss your intentions with your lender before you do anything financial in nature.

SCHEDULING YOUR MOVE

AFTER SIGNING

Start by decluttering and packing up your belongings and donate or throw away anything you don't need, create an inventory of anything valuable that you plan to move, and, finally, you'll want to get estimates from moving companies for your specific needs.

4 WEEKS TO MOVE

- Schedule movers/moving truck
- Buy/find packing materials
- Start packing

3 WEEKS TO MOVE

- Your lender will arrange appraisal
- Title work will be completed
- Keep packing

2 WEEKS TO MOVE

- We will schedule you a time to close and sign your documents
- Contact utility companies (water, electric, cable)
- Change address: mailing, subscriptions, etc.
- Minimize grocery shopping
- Keep on packing

1 WEEK TO MOVE

- You will complete your final walkthrough
- Finish packing
- Clean
- Pack essentials for a few nights in new home
- Confirm delivery date with the moving company.

WHAT TO BRING TO CLOSING

A PHOTO ID

A CASHIER'S CHECK

THE CLOSING DISCLOSURE

PROOF OF INSURANCE

YOUR REAL ESTATE AGENT

MY PROMISE TO YOU

Selecting me as your realtor ensures a devoted and skilled team dedicated to assisting you in buying your ideal property. I offer personalized service, expert guidance, and a steadfast commitment to your satisfaction throughout the entire buying process.

- ✓ HONESTY AND TRANSPARENCY
- ✓ COMMUNICATION AND RESPONSIVENESS
- ✓ PROFESSIONALISM AND EXPERTISE
- ✓ DILIGENCE AND ATTENTION TO DETAIL





Congratulations!

**Contact me today to start your
homebuying process!**

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