

**WHAT TO
KNOW
BEFORE YOU
BUY YOUR
HOME**



Table of Contents

Timeline	03
Make a Plan	04/05
Your Home Search	06
Make An Offer	07
Under contract, Now what?	08
Next Steps	09



YOUR Timeline

There are several steps in the home buying process. This process can take anywhere from 30-90 days depending on your specific situation. Our job is to walk through each step with you.

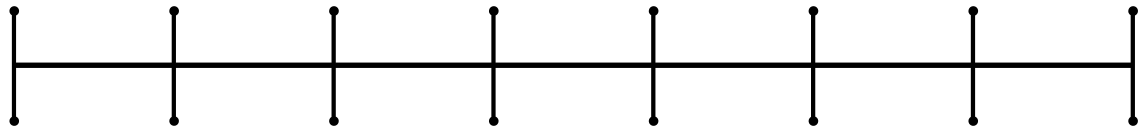


Meet with
your agent

Search for
Homes / Make an
offer

Inspections

Final
Walkthrough



Get Pre-Approved

Under
Contract

Appraisal

Closing



MAKE A PLAN

Buying a home is a big decision, and it's important that you have a solid plan in place before you jump in. Part of that solid plan is meeting with a real estate agent to discuss your needs and wants in a home, and working with a lender to get pre-approved for a home loan. This ensures that you will be ready to write an offer when you find a perfect match!

Meet With Your Agent

The initial meeting with your real estate agent is important, as they'll be the one who is walking with you through each step in the process. When you meet with us for example, we will take the time to understand what your goals are, and what you're looking for in a home. We also walk through the process from beginning to end, so that you know what to expect in terms of how long it may take, and how much it may cost. Our goal for this meeting is to equip you with the knowledge and tools you need to make an informed decision.

Get Pre-Approved

One of the biggest questions you'll need to answer in the beginning is, how much you want (and can afford) to spend. Most lenders have an online application you can fill out. It asks questions about your income and employment history, and looks at your credit score and debt obligations. It's important to note that not all lenders are created equal. We always recommend a local lender over a larger, national lender. These local lenders tend to have better communication, and a much better track record when it comes to getting everything done before our closing date. You'll also want to make sure you knock this out before we start looking at homes. The current market we're in is a competitive one for buyers, so it's important that we are ready to jump on the right thing when we find it.



Types of Loan Programs

You may have heard that you need at least 20% down to purchase a home. The reality is, there are several loan programs that allow you to put down a much smaller percentage. There are all kinds of different loan programs out there, but for the sake of this guide, we'll focus on the few that are most common.

Conventional Loans

A conventional loan typically requires a minimum down payment of 5%. There are some conventional programs that allow you put 3% down however. Access to these programs will depend on credit history and income, so it's important to talk with your lender about what your options look like.

FHA Loans

FHA stands for Federal Housing Administration. These loans are backed by the federal government, and allow a borrower to put only 3.5% down to purchase a home. If you're concerned about qualifying for a conventional loan, this may be a great option for you.

VA Loans

VA loans like FHA loans are backed in part by the federal government through the department of Veteran's Affairs. These loans are exclusive to active duty military and military veterans. A VA loan allows the borrower to finance 100% of the purchase price. Most local lenders are approved to offer VA financing, so there are plenty of options for someone looking to go this route.





YOUR HOME SEARCH

Home Search Tips

Create a list of needs and wants

This helps you determine exactly what's important to you. This list isn't set in stone however. You may realize some things are more or less important than you thought in the beginning.

Drive by the home

If you can, drive by the property before you go see it in person. The sound of the freeway won't show up in pictures. A quick drive can help familiarize you with an area.

Don't be afraid to jump

Some buyers, especially first time buyers, are reluctant to make an offer on the perfect home if it's one of the first couple they've seen. If the house checks all your boxes, don't be afraid to go with your gut.

Crime Stats and School Info



Click the icons above to access info





MAKE AN OFFER

Components of an Offer

Purchase Price - It's no surprise that price is one of the first questions that comes up when it's time to make an offer. We'll look at the comparable properties in the area to help you determine a fair price. Right now, we're in a strong seller's market which means there is more competition for you as the buyer. In a market like this, it's not uncommon to see homes sell for over the asking price.

Earnest Money - This is a check that is submitted at the time our offer is accepted, and held with the seller's title company until closing. It's part of your downpayment, so no need to come up with extra cash. The amount is negotiable, but the standard is around \$1,000.

Closing and Possession Date - Closing and possession typically happen on the same day, and that day is specified when we make our offer. Most sellers will want to wait to give possession of the home until funding, so we typically like to close sometime in the morning on closing day so that there is time for funding and recording with the county.

Closing Costs - Closing costs can be broken down into two categories. The first part is your prepaid taxes and insurance which are used to set up your escrow account. The second are fees paid to the lender and title company. Depending on pricepoint, these can range from \$5,000-\$7,000. In a strong seller's market like we're in now, it's common for the buyer to pay their own closing costs.

Home Warranty - Home warranties cover the major systems in the home for a year. This includes things like indoor plumbing, electrical, HVAC, and kitchen appliances. The cost usually ranges from \$500-\$700. You can ask the seller to provide one for you, purchase one for yourself, or simply choose not to have one.



UNDER CONTRACT, NOW WHAT?

Congratulations! The seller accepted your offer, and you're officially under contract! There are still a few more steps to complete before we close, and our job is to help you navigate each one.

Inspections

Home inspections serve as information for you, so that you can decide whether or not you still want to buy the house. A general home inspection typically costs around \$350. From there, you can decide if you'd like to add additional inspections like termite, radon, and sewer line inspections. After inspections are complete, you can choose to take the home as is, offer to renegotiate, or choose to cancel the contract. We typically advise our buyers to budget around \$500 for inspections.



Appraisal

The appraisal is the check on the home's value.. It is paid for by the buyer, and we recommend that you budget about \$500 for this. If the appraisal comes back at value, or above, we are good to go. If it comes in low, we will work with you and the listing agent to negotiate the difference.

Next Steps

Buying a home is a big decision, and while it may feel like a long process, our goal is to make it as stress free as possible. We would be more than happy to help craft a strategy that works for you.

Still have questions?

Contact us for a Buyer Strategy Session!



Micah Marris
816-810-0153
Micahmarris@kw.com



Mason Marris
816-810-0175
Masonmarris@kw.com

