Home Buyer's Guide

A guide to buying your first home!

Twelve Steps TO BUYING A HOME

1. Find the right agent
2. Realtor Consultation
3. Get Pre-Approved
4. Start Home Shopping
5. Make an Offer
6. Contract Executed
7. Inspection
8. Open Escrow
9. Appraisal
10. Closing Costs
11. Final Walk-through
12. Closing Time

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1. FIND THE RIGHT AGENT

Buying a home is one of the most significant purchases in a lifetime. It is essential to have an experienced agent in your corner, always looking out for your best interest. A listing agent has an allegiance to their sellers--their goal is to get top dollar for the home. A buyer agent's fiduciary responsibility is to represent the buyer and to ensure that your interested are protected.

2. REALTOR CONSULTATION

A buyer's consultation is useful to clarify the home buying process, it sets the expectations on both sides, and lays the foundation for a happy client/agent relationship.

The National Association of Realtors states that 93 percent of buyers consider "knowledge of the purchase process 'very important'" when choosing an agent. Have the buyer's agent walk you through the home buying process. Have them illustrate their awareness by sharing the steps to homeownership with you. What is their knowledge of the local market? What's their experience? Do they have good negotiation skills?

Setting up your communication expectations right of the bat is also important. How do you like to be communicated with? Text/email/phone... all of the above? Are there any times that are off limits, or would you expect to be informed around the clock? Now that the process is clarified, expectations have been laid, and a foundation set, it's time to get to house hunting. Taking the time to have a buyer's consultation is a great step to finding the house that you want, in the time you want it. And helps to make a more enjoyable home buying experience overall.

3. GET PRE-APPROVED

HOW MUCH HOUSE CAN YOU AFFORD

Mortgage lenders recommend you do not stretch yourself beyond buying a home that is more than 3 to 4 times your annual household income. If you are not purchasing with cash, you will need a mortgage pre-approval provided by a mortgage lender. Being pre-approved, unlike being pre-qualified, means you have actually been approved by a lender for a specific loan amount. Your financial information has already been approved and verified by the lender.

DOWN PAYMENT AND OTHER EXPENSES

The down payment is your contribution toward the purchase and represents your initial ownership stake in the home. The lender provides the rest of the money to buy the property.

Down payments are typically between 3.5% to 20% of the home purchase price.

Other costs include closing costs (usually 2 to 5% of the home purchase price, insurance, inspection, appraisal, and home ownership associate dues.

4. START HOME SHOPPING

Your Realtor® will get your customized home search started. Carefully sort through and find homes that meet your criteria. Start scheduling with your agent to see homes that match your desires.

Start looking at homes in your preferred neighborhoods that are in your approved price range. While this may not always be your dream neighborhood, you don't want to fall in love with homes that are in areas out of your price range. Ask your agent about the neighborhoods within your budget -are the areas in an upswing or downward trend? What are the zoning laws in the area? Can you picture yourself living there?

While it is important to be realistic in your search and you should be willing to compromise on some items, it is important you have your list of must-haves or non-negotiables and do not overlook important flaws in the home. For example, don't buy a two-bedroom house if you know you will eventually need more bedrooms in the future or don't take on a fixer-upper that is already on the top of your budget.

5. MAKE AN OFFER

When you find the right home, be prepared to work with your Realtor® to submit an offer as quickly as possible. The offer will include your pre-approval letter, contingencies, earnest money, down payment, closing date, and offer price. You may also optionally submit a letter to the sellers. This is where our expertise working in multiple offer environments will help you submit a competitive offer.

The seller can:

- ACCEPT THE OFFER
- COUNTER THE OFFER
- DECLINE THE OFFER

If the offer is accepted, we should expect to close within 30-60 days. We will work strongly to negotiate with the Seller to get your offer accepted.

6. OFFER ACCEPTED AND CONTRACT EXECUTED

Once your offer is accepted, you are officially under contract to buy the house! Your first step is to deliver your Option Money and Earnest Money to the Title company and get your inspection scheduled. The title company officially opens the title search and the transaction fun starts. Your contract will be in the hands of the listing agent and their team, the buyers' agent and their team, your lender and their team, and the title office and their team. Once the contract has been executed, it is extremely important to be responsive to your lender and to your agent throughout the transaction.

7. SCHEDULE YOUR INSPECTION

During the option period, you will schedule an inspection with a reputable home inspector to do a thorough investigation of the home. 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. 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.

You 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.

8. OPEN ESCROW

Title opens the Escrow for the new home. Escrow provides the assurance that funds are not transferred and the property ownership is not granted until all the instructions have been followed. Usually, the sellers selects the escrow company and the principals to the escrow, but each transaction is different. Generally, escrow takes 30-40 days.

Escrow steps

1. Earnest & Option monies are paid to the Title company and the funds are held until the transaction is complete.
2. Your lender starts processing your loan and will ask for additional items as needed.
3. You will review and sign disclosures for the real estate transaction.
4. Title company will verify the survey, investigate title policy and history of the deed, and issue title insurance for the home.

9. THE APPRAISAL

Before you complete the home buying process, it’s required that you first get an appraisal from a licensed appraiser. A home appraisal is a process through which a real estate appraiser determines the fair market value of a home. It can assure you and your lender that the price you’ve agreed to pay for a home is fair. The appraiser does not work for the buyer or the seller, their primary mission is actually to protect the lender who’s risking money against the home’s value.

During the actual inspection, an appraiser looks at a number of factors in the home to determine its value. Some of the things that appraisers consider when they determine a home’s value include:

- The basic condition of the home: The appraiser counts the number of bedrooms and makes sure each one has a window and a closet. They also check for health and safety considerations, such as the presence of lead paint, and check to see if the HVAC system and cooling system are functional. They will also make sure that someone could reasonably live in the home.
- Upgrades: Your appraiser will look at any upgrades or improvements made to the property. The appraiser also considers upgrades outside of the home’s living space, including upgrades to the garage, pool or basement.
- Other homes in your area: Appraisers don’t just look at your property when they assign a value to your home. They also look at public records of other homes near yours. Because the location is a major factor in determining the value of a property, appraisers will look at what similar homes have recently sold for, and how property values trend.

After the appraiser finishes their research, they make a final valuation of the property in a formal report. The appraiser then delivers the report to your mortgage lender.

10. CLOSING COSTS

Closing costs are the fees third parties charge when you finalize buying your home. These costs usually are 2-3% of the purchase price and include items such as the escrow/title fees, premium for homeowners' insurance, appraisal fee, loan originator fees, etc. At least three business days before closing, your lender must send you a Closing Disclosure. This form lists all final terms of your loan such as closing costs and the details of who pays and receives the money at closing. You can compare this to your original Loan Estimate to make sure everything is correct.

11. FINAL WALK THROUGH

Not to be confused with a home inspection, the final walk through typically happens 24 hours before your closing. At this point, all the seller's belongs should be completed cleared out, except for anything you agreed to keep. We will review our contract to make sure the condition of the home matches the original agreed upon terms and we will review receipts/invoices for repairs requested post inspection. We recommend taking your time and testing all major appliances, light fixtures, windows, doors, etc.

12. CLOSING TIME

Closing is the final step in the home buying process. Your escrow offer usually proves a checklist of everything you will need to bring with you to closing. This list includes a photo ID, outstanding documents, and a cashier's check payable to the title agency for closing costs. After you pay your closing costs you will sign the necessary documents and the seller will sign the documents to transfer property ownership. The title company will record the deed in your name and the mortgage company will release the funds to complete the sale.

Your agent will be with you every step of the way and will be waiting at the closing table with your keys to your new home.

Why The Deeds Group?

Buying your home with The Deeds Group is a team value. You gain the advantage of having a team of experienced professionals dedicated to every aspect of your home transaction. Our team began over a decade ago when Stephanie Deeds started her journey under a national brand dominating in Dallas-Fort Worth Metroplex. The team expanded when her husband John Deeds joined, and they grew their supportive staff members. They now run this reputable team and own Point Realty.

The Deeds' value has always been to serve individuals and families through the momentous experience of buying or selling a home. They have crafted a team that does just that and in turn their team members are invested in all of our clients.

When you hire one, you hire us all.

Why hire one Realtor when you can retain a skilled team for the same price! The team value provides you with a full staff at your disposal, including a Transaction Coordinator and Operations Manager. Superior service and smoothness are their aim, while agents seek active your future home and negotiate your BEST value. We will be with you the whole way.

<u>Awards & Recognitions</u>

2020-2025 Top 500 Producers in Realtors Producer Magazine
2020 - 2025 Top Realtors in Fort Worth Magazine
2022-2025 Mansfield's Best Realtors
2025 Top Real Estate Agent in Area by FastExperts
2020 - 2022 Top 500 RE/MAX of Texas Realtors
2020 - 2022 Named "America's Best" in Real Trends
2021 Stephanie Deeds Top 40 under 40 Producer
2022 RE/MAX Legends Award
205-2022 Million in a Month Club
2019 -2022 Top Producers of the Quarter
Best of Zillow 2019-2022

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5 REASONS TO USE A REALTOR® FOR *New Construction*

1. We have your best interests at heart
2. We help you find a reputable builder
3. We assist you with your contract
4. We will negotiate for you
5. We advise you on upgrade choices

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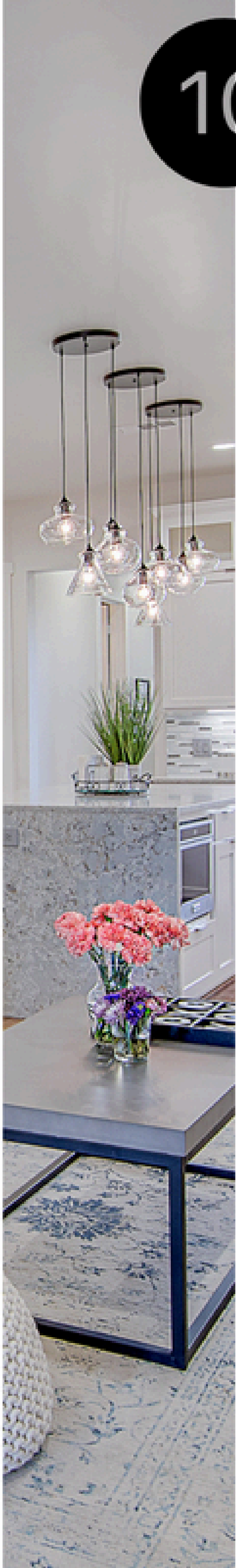

10 REASONS TO USE A REALTOR
FOR HOME BUYERS

1. Real estate agents have access to market data that can help you make more informed decisions. They can compare purchase and listing prices and help you find a great deal.

2. When you have a Realtor as an advocate, you share some of the risk of home buying with your agent. Otherwise, it's buyer beware.

3. Because realtors work at their own risk, it's in your agent's best interest to work quickly, diligently, and use all his or her resources to help you meet your goals, or there is no payday.

4. Real estate agents have tools and contacts that can help you get information quickly and efficiently– sometimes before it appears on the MLS! Remember: you aren't just working with an agent . . . they'll be bringing all their contacts and tools to the table too.

5. Do you want to find a home quickly? With a Realtor by your side, you will. According to The National Association of Realtors , over four-fifths of existing homes in the United States are represented by real estate brokers. So are 70 percent of new home builders and their products, according to NewHomeNetwork.com

6. Realtors work with contracts daily, and can fully understand which points are harmful and/or beneficial to you. From helping you make a reasonable offer, to providing for the discovery and disclosure of material facts, your agent can also correctly interpret information for you.

7. Agents take the spam out of your property visits. Your agent will make sure you only have to deal with the things that are immediately relevant to you.

8. Realtors know their way around the closing table. They'll be there with you to ensure that you fully understand every document before you sign.

9. Agents either possess intimate knowledge or they know where to find the industry buzz about your Neighborhood. They can identify comparable sales and hand these facts to you, in addition to pointing you in the direction where you can find more data on schools, crime or demographics.

10. Many questions can pop up that were overlooked in the excitement of closing. Good agents stand by ready to assist. Worthy and honest agents don't leave you in the dust to fend for yourself.

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