



# Welcome to your Homebuying Journey

**DON'T WORRY, YOU ARE NOT ON THE JOURNEY BY  
YOURSELF...**

# Meet Ms. Ball

Since earning my real estate license in January 2018, I've been committed to helping buyers, navigate the real estate market with confidence. Now, as a licensed broker as of January 2025, I bring even more expertise, strategy, and dedication to every transaction.

Known for my exceptional communication skills and high-energy approach, I break the process down to ensure you understand every step of the way. I'm always just a call away. I believe real estate is more than just a transaction; it's about relationships, being strategic, and making smart moves that set you up for the win.

-Sylvia N. Ball



EPIQUE  
REALTY



Big  
Journeys  
Begin With  
Small  
Steps

## Step 1: Be Patient

Buying a home isn't always a quick process. Patience is crucial as you navigate through the approval process, house hunting, and inspections. Once again, this is a process. Understanding delays and setbacks are a part of the process, will help you stay focused and keep your eye on the end goal. Be ready for the lender to dive into your financial background and please get requested documents over as soon as possible. In the meantime, do not open any new accounts or finance ANYTHING, co-sign for ANYONE, use KLARNA or AFTERPAY, make large deposits, make any late payments, or max out any credit cards. Just stay the course, trust the process, and know once you receive the keys to YOUR home, it will all be worth it! 😊

# Step 2: Are your Finances in Order?

**Buying a home is about buying a loan. All lenders do not have the same requirements. Here are some things most lenders do require:**

**Credit Score** – Aim for 620+ for FHA loans, 640+ for conventional. They will use the middle reporting score from Experian, Transunion, and Equifax. Depending on the loan, higher scores = better interest rates!

**Debt-to-Income Ratio (DTI)** – Ideally, your total monthly debts shouldn't exceed 43%-45% of your income if you are looking for lenders who offer 100% financing or grant money. But don't worry, there are loans you can qualify for that can go up to 56% DTI and still receive down payment assistance.

**Do you have student loans?** If you do, the lender will take .5% of your student loans and add them to your debt-to-income ratio if your loans or in forbearance or deferment. If you are on an income base repayment plan (IBR), the lender can take that payment amount other than \$0.00.

**You must have at least two years of full-time employment to qualify for a loan.**

*You may also use your part-time employment if you have been employed for at least two years.*

## **Required Documents:**

Last 2 years of tax returns & W-2s.

30 days of paycheck stubs.

Last 30 days of bank statements.

Proof of any additional income (side business, child support, etc.) that is deposited into your bank account.

**Homebuyer Education Class** – Some first-time buyers need to complete a class for special loan programs. Class may be completed in-person or online.

**Pro Tip:** Get pre-approved, not just pre-qualified! Pre-approval is submitting the above documentation for the lender to verify. This gives you a stronger position when making offers.

*Please advise if you have any charge-offs, federal or state liens or judgements, foreclosure, short sale, bankruptcy or repossessions on your credit please let me know.*

# Step 3: Choosing the Right Home Loan

The wrong loan choice could leave you paying more than necessary or even prevent you from getting approved. The right loan helps you buy within your budget, at the best rate, and with terms that fit your financial goals.

FHA is a great candidate for first-time homebuyers who need down payment assistance with lower credit scores and higher debt to income ratio's. Sometimes the interest rate is lower and can offset the fees even if you do not need down payment assistance and have a great credit score. Don't worry Ms. Ball will talk you through the best loan for you.



# FHA Loan

An FHA loan is a mortgage insured by the Federal Housing Administration. A FHA loan has great loans for first-time homebuyers. Below you will find some pros and cons about the four major loans:



- ✓ **3.5% down payment of the purchase price. (you can also qualify for down payment or grant assistance.)**
- ✓ **More lenient credit score requirements (620+ and some lenders can even do 580).**
- ✓ **Higher Debt-to-Income Ratio (DTI) Allowed – Can qualify with a DTI up to 56%, meaning buyers with more debt may still be approved.**
- ✓ **Gift Funds Allowed – Down payment and closing costs can come from family gifts or assistance programs.**
- ✗ **Mortgage Insurance Premiums (MIP) – Requires upfront and monthly mortgage insurance (even with 20% down), adding to the cost.**
- ✗ **Property Restrictions – The home must meet FHA safety and livability standards, which can limit options if the property needs repairs.**
- ✗ **Not Ideal for Investment Properties – FHA loans must be used for a primary residence (not rental or vacation homes).**
- ✗ **Stricter Appraisal Process – FHA appraisals are more detailed, and if a home doesn't meet FHA standards, the seller may need to make repairs before closing.**

# CONVENTIONAL LOANS:

A conventional loan is a mortgage that isn't backed by a government agency like the Federal Housing Administration (FHA). Conventional loans are originated, backed, and serviced by private lenders, such as banks and credit unions.



- ✓ **100% financing or 3% down with no Private Mortgage Insurance**
- ✓ **Faster Closing Time – Conventional loans sometimes close faster since they have more lenient appraisal and inspection requirements.**
- ✓ **More Property Options – Can be used for primary homes, second homes, and investment properties (FHA is for primary residences only).**
- ✓ **Higher Loan Limits – Can finance higher-priced homes than FHA, making it a better option in expensive markets.**
- ✗ **Higher Credit Score Requirements – Some in house programs have a minimum credit score of 620+, but the interest rates are higher.**
- ✗ **Stricter Debt-to-Income Ratio (DTI) Limits – Typically capped at 43-45%, meaning buyers with high debt might need the extra assistance to qualify.**
- ✗ **If you've experienced bankruptcy or foreclosure, you may need to wait up to seven years before applying for a conventional loan compared to other types of loans.**

Homebuyers often like Conventional loans because of their flexible down payment options, easier inspection requirements, and the opportunity to get rid of mortgage insurance. Conventional loans are also good if you are looking to buy a second home or invest in rental properties.

# RURAL DEVELOPMENT (USDA) LOANS:

A USDA loan is a mortgage program guaranteed by the U.S. Department of Agriculture (USDA) that helps low- to moderate-income individuals purchase or build a home in eligible rural areas.

Purchasing a home in a rural area has its own unique benefits. These locations often offer more affordable housing prices, allowing buyers to get more home for their money. Living outside of urban centers means enjoying peace, privacy, and open space, making it ideal for those who prefer a quieter lifestyle away from the city's hustle and bustle. For buyers looking for affordable homeownership with little to no money down, a USDA loan is a great opportunity to achieve that goal while benefiting from the advantages of rural living.



- ✓ **No Down Payment Required** – One of the biggest advantages! USDA loans allow 100% financing, meaning you don't need to save for a down payment.
- ✓ **Flexible Credit Requirements** – Borrowers with lower credit scores may still qualify compared to other loans, which typically require higher scores.
- ✓ **Lower Mortgage Insurance Costs** – The upfront and annual mortgage insurance (called the guarantee fee) is often cheaper than FHA loans, making monthly payments more affordable.
- ✗ **Location Restrictions** – Homes must be in eligible rural or suburban areas as defined by the USDA, which may limit your choices.
- ✗ **Longer Processing Times** – Because USDA loans require government approval, they can take longer to close compared to conventional loans.
- ✗ **Not for Investment Properties** – USDA loans are only for primary residences, so you cannot use them for second homes or rental properties.

# VETERAN AFFAIRS (VA) LOAN:

A VA loan is one of the best home financing options available for eligible veterans, active-duty service members, and qualifying spouses. Backed by the U.S. Department of Veterans Affairs, VA loans offer exceptional benefits that make homeownership more accessible and affordable.

For veterans and active military members, a VA loan is an incredible opportunity to buy a home with no money down, lower costs, and flexible financing. If you're eligible, it's often one of the best mortgage options available!



- ✓ **No Down Payment Required** – Eligible buyers can finance 100% of the home price with no down payment.
- ✓ **No PMI (Private Mortgage Insurance)** – Unlike FHA and conventional loans, VA loans do not require costly monthly mortgage insurance.
- ✓ **Lenders are more lenient on credit scores** compared to other loan types.
- ✗ **While there's no down payment, most VA loans require a funding fee** (ranging from 1.25% to 3.3% of the loan amount), though it can be rolled into the mortgage.
- ✗ **VA appraisals are often more rigorous, which can make it harder to purchase homes that need repairs.**
- ✗ **VA loans cannot be used for investment properties or vacation homes.**



# Step 4: Know the Costs

## What Goes Into Your Monthly Mortgage Payment?

Your payment isn't just the loan—here's what's included:

**Principal** – The amount you borrow. (The purchase price of the home.)

**Interest** – What the lender charges you for the loan.

**Taxes** – Property taxes paid to your local government for the area you are purchasing in.

**Insurance** – Homeowners insurance to protect your home against fire, theft, storms, and accidents.

**DPA-Down Payment Assistance**-This is a second loan you may take out to cover down payment assistance and closing costs. That payment is added into the loan and paid back over 10 years or you may pay it off early.

**Mortgage Insurance** – FHA has (MI) Mortgage Insurance and Conventional has PMI (Private Mortgage Insurance), but there are programs Ms. Ball will inform you of where there is no PMI.

Play with some numbers and get an ESTIMATE at  
<https://www.mortgagecalculator.org/>

## Money You'll Need to Close

**Down Payment** – FHA requires 3.5%, conventional loans can be 3%-20% down. (Ms. Ball will inform you of 100% financing, grants and down payment assistance to take care of the down payment.)

**Inspection Fee** – \$300-\$600 (depending on the square footage of the home) to ensure the home has no major issues

**Appraisal Fee** – \$400-\$700 to confirm the home's value for the lender. (The bank arranges the appraiser)

**Closing Costs** – Typically 3%-5% of the loan amount (can sometimes be negotiated with the seller.) Ms. Ball will ask the seller to pay the closing costs. In most cases if the seller does not agree to pay, the grant or down payment assistance will cover it.

# Step 5 : Find the Right Home

We made it!! It is time to for Ms. Ball to set you up on a property search with your approved purchase price and area. You may also send over anything that catches your eye. You will receive properties that are not a good fit, only let me know the ones you would like to view. Please be open to homes that may not have EVERYTHING, you can always add or take away, you're a homeowner now!

- **Make a list of must-haves**
  - **Keep in mind some must-haves may affect the home price.**
- **Keep in mind sometimes the location may affect the price, i.e, property taxes and HOA fees.**
- **Drive by the home at different times of the day to see the neighborhood vibe. They may be one vibe during the day and another at night.**

## Step 6: Making an Offer & Negotiating

When submitting an offer we will receive an accepted offer, a rejected offer or a counter offer. If an offer has been countered , you may accept it, reject it, or submit a new offer. Here are some things to keep in mind during this process:

- **Offer Price – Ms. Ball will help determine a fair price based on market analysis.**
- **Ask for Seller Concessions – This is where we ask for things like closing costs, surveys, a home warranty, and any other concessions you may need**
- **Inspection Contingency – Protects you if major repairs are needed. One of the most important steps. If there are items that the seller does not agree to, you may have to terminate and start a new search.**
- **Know your numbers: before making an offer Ms. Ball will work up an ESTIMATED net sheet to see how much money you will have to bring to the table if you are paying your own down payment and closing costs.**

# Step 7: Under Contract



## REAL ESTATE PURCHASE CONTRACT

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ (Seller)

1. PARTIES:

\_\_\_\_\_ agrees to sell and convey to \_\_\_\_\_

(Purchaser), and Purchaser agrees to buy from \_\_\_\_\_

\_\_\_\_\_ the Property described below.

(a) Land: Address: \_\_\_\_\_  
are specifically described as: \_\_\_\_\_

\_\_\_\_\_ fixtures and improvements  
permanently installed and  
wall-to-wall carpeting,  
equipment, heating and  
es, chandeliers, water  
landscaping, outdoor  
real property. (c)  
fireplace

Now that we are officially under contract, you may contact your home inspector, if you do not have one, Ms. Ball will provide you a list. We have ten (10) business days to get the inspection report to the seller. ***Remember this is one of the most important steps, this can make or break the deal.***

Once the seller agrees to the inspection repairs, you will now focus on getting all required documents to the lender. The lender will reach out to have you pay for the appraisal, to ensure the house appraises for the purchase price. Once we get the “Clear To Close”, you can start getting utilities transferred.

*We will walk the house to ensure repairs are complete before closing!*

## Step 8: Closing Day – Get the Keys!



**Congratulations!!!! It's Closing Day!!!**

**It's time for a signing party!! Make sure you bring a valid drivers license, a cashiers check if you have an amount due at closing and a BIG smile because this is where you receive your keys!!**

**YOU ARE NOW A HOMEOWNER 🎉🎉🎉**

I am so proud of you, you have completed this guide and now you are ready for your journey to homeownership. It will be my pleasure to be your guide. 😍



“I CALLED MS. BALL AND SHE GUIDED ME FROM BEGINNING TO END.”