

Home Buyer's Guide

Your step-by-step guide to buying a home in the DMV



Presented by:

Sueyen Rhee

SAMSON
PROPERTIES

STEP 1

Get Pre-Approved

Before you start touring homes, it helps to understand your financing, how much cash you may need and what price range makes sense. A strong pre-approval also puts you in a better position when it's time to make an offer.

Your lender may ask for some or all of the following:

- **Income documentation**

Recent pay stubs, W-2s and tax returns. Self-employed buyers may need additional documentation.

- **Bank and investment statements**

For funds being used toward the down payment, closing costs or reserves.

- **Gift funds**

If someone is helping with your purchase, ask your lender how the funds should be transferred and documented.

- **Rental history**

If required by your loan program.

- **Identification and residency documentation**

When applicable.

- **Other income**

Such as Social Security, alimony or child support being used to qualify.

- **Assets and retirement accounts**

These may be considered when evaluating your overall financial picture.

- **Other financial documentation**

Such as divorce or support agreements, or information regarding a prior bankruptcy or foreclosure, when applicable.

What is a PRE-APPROVAL?

A lender reviews your income, assets, debts and credit to determine the loan programs and amount you may qualify for. This gives you a clearer picture of your purchasing power and expected monthly payment.

Protect Your Credit

Once you're preparing to buy, avoid making financial changes without first checking with your lender.

- Don't apply for new credit.
- Avoid new debt or large purchases.
- Keep paying all bills on time.
- Don't close existing credit accounts.
- Avoid moving large sums between accounts without keeping a clear paper trail.

Your lender will recheck your credit, employment and finances before closing.

STEP 2

Working With a Buyer's Agent

What to expect before we start touring homes.

Before we begin touring homes together, we'll review and sign a buyer representation agreement. It explains the services I provide, how I represent you, the scope of our relationship, and how buyer-agent compensation works. I want you to understand what you're signing and to feel comfortable asking questions, so we'll walk through the agreement together before you sign it.



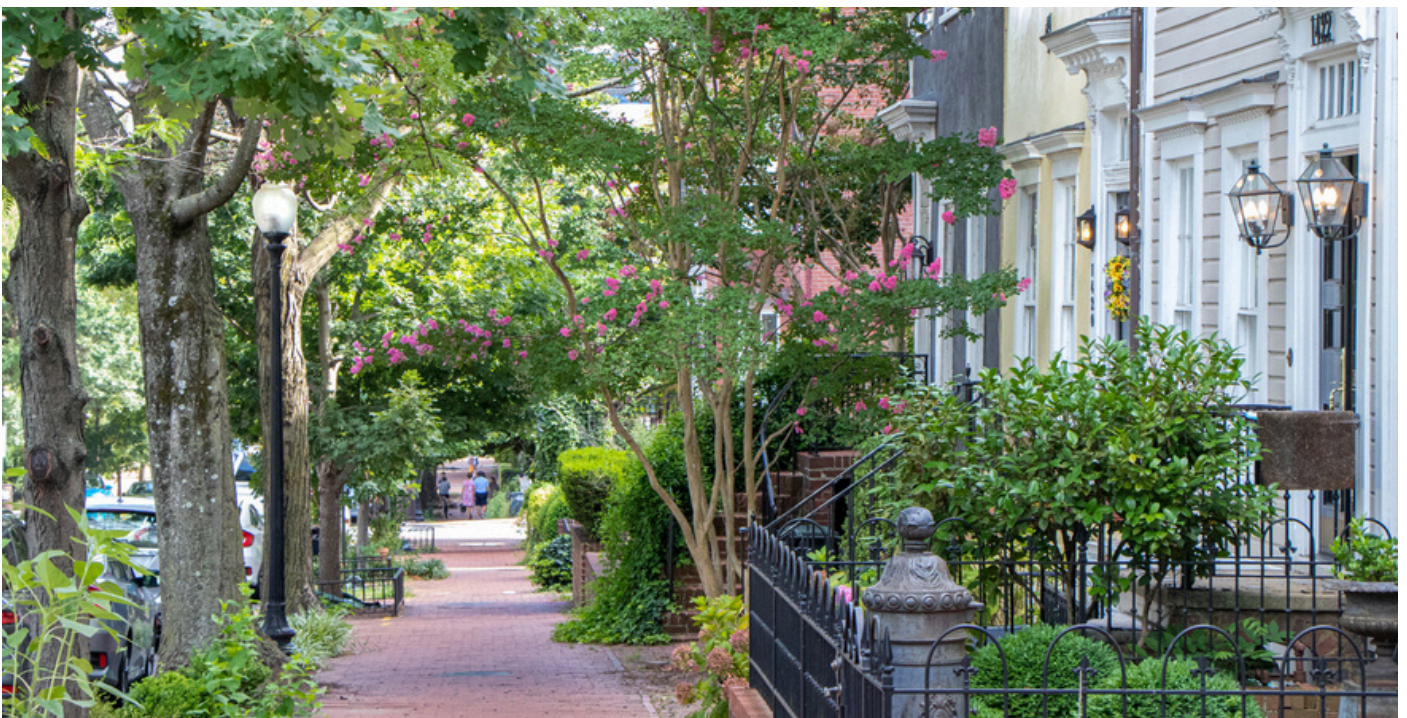
How Compensation Works

Buyer-agent compensation is negotiable. Depending on the property and the terms of an offer, some or all of the buyer-agent compensation may be offered or paid by the seller, or it may become part of the buyer's costs. We will review the compensation being offered on a property and discuss your options before you make an offer.

STEP 3

Start Your Home Search

Finding the right home starts with knowing what matters most to you.



Once we've talked about your priorities, I'll set up a personalized home search based on what matters most to you—price range, location, property type, commute, lifestyle and the features you're looking for.

As you start seeing homes, your priorities may change. That's normal. Some things are relatively easy to change; others, like location,

lot or layout, may not be. We'll continue refining your search as you learn what matters most.

When you find a home you're seriously considering, we'll look beyond the listing. I'll review the property history, comparable sales, market activity, disclosures and other information that may affect your decision or offer strategy.

Must-Have or Nice-to-Have?

Think about:

Location
Commute
Price
Space & layout
Outdoor space
Parking
Condition
Future plans

STEP 4

Make An Offer

Price is only part of a strong offer



Building Your Offer

When you find the one

When you find a home you really like, we will decide what terms make sense and put the offer in writing. The goal is not simply to offer the highest possible price. It is to put together an offer that reflects the home's value, the market, your priorities and your comfort level.

- Are there other offers?
- How long has the property been on the market?
- What have comparable homes recently sold for?
- What does the listing history tell us?
- Which contingencies, if any, make sense for you?
- How much earnest money should you offer?
- Do you want or need to ask the seller for assistance with closing costs?
- What settlement date and other terms would strengthen the offer without creating unnecessary risk for you?

STEP 4

CONTINUED

Key Parts of Your Offer

Here's a closer look at the most common terms you'll see in a purchase contract.

Earnest Money Deposit

An earnest money deposit, or EMD, is money you agree to deposit after your contract is ratified to show the seller you're serious about the purchase. The amount and deadline are written into the contract.

The deposit is held in escrow and, if the purchase goes through, credited toward the amount you owe at settlement. Your contract also determines when the deposit may be refundable or at risk.

Contingencies

Contingencies give you certain protections while you complete your due diligence. Common contingencies include:

- Financing — gives you time to secure final loan approval.
- Appraisal — can protect you if the home appraises below the purchase price.
- Home inspection — gives you an opportunity to inspect the property and address significant concerns.

Which contingencies make sense will depend on the property, the market and your comfort level.

Closing Costs and Seller credits

Your down payment and closing costs are separate. Closing costs can include lender charges, title and settlement fees, recording charges, prepaid taxes and insurance, and other transaction expenses. Your lender will provide estimates based on your loan and purchase.

In some transactions, we may ask the seller to contribute toward allowable buyer closing costs. A seller credit can reduce the amount of cash you need at closing, but whether it makes sense depends on the market, the property, your financing and the overall offer.

STEP 5

You're Under Contract

Your offer has been accepted. Here's what happens next.

Once you and the seller have agreed to all terms and signed the contract, the contract is ratified.

At this point, we move from negotiating the purchase to completing the contractual, financing and settlement requirements.

Early in the contract period, we'll make sure the appropriate parties receive the contract and begin the next steps. Depending on your contract, these may include:

- Deliver your earnest money deposit by the contract deadline.
- Send the ratified contract to your lender and title/settlement company.
- Complete your lender's requests and required loan documents.
- Begin any inspections included in the contract.
- Complete the appraisal process when required by the lender.
- Review condominium or HOA documents when applicable.
- Arrange homeowner's insurance.
- Keep track of contingency and contract deadlines.



STEP 6

Inspections & Due Diligence

The inspection is your opportunity to learn more about the home you're buying.

If your contract includes an inspection contingency, we'll schedule the inspection promptly and follow the deadlines in the contract. A home inspection is an opportunity to learn more about the property's condition and major systems.

I strongly encourage buyers to attend the inspection when possible. The inspector can explain how systems work, point out maintenance items and help you understand the significance of issues found during the inspection.

After the inspection, we'll review the report together, discuss any significant findings and go over your options based on the terms of your contract.



Additional Inspections

Depending on the property, location and contract, additional inspections or tests may be appropriate. These can include radon, pest/wood-destroying insect, chimney, structural or environmental inspections.

Well, Septic & Sewer

Depending on the property, additional testing or inspections may involve the well, septic system or sewer line. These can provide important information about systems that may not be fully evaluated during a general home inspection.

Condo/HOA Documents

If the property is part of a condominium or homeowners association, you may receive documents containing rules, budgets, fees and other information about the community. We'll review the applicable deadlines and any rights you may have under the contract.

Buyer Resources

Lead-Based Paint: [EPA – Protect Your Family from Lead in Your Home](#)

Radon: [EPA – Radon Information](#)



STEP 7

Financing & Appraisal

While inspections and other due diligence are underway, your lender will continue processing and underwriting your loan. Respond promptly to requests for updated documents, and avoid making significant financial changes without discussing them with your lender first.



Financing Contingency

If your contract includes a financing contingency, it may provide certain protections while you obtain final loan approval. The requirements, deadlines and protections depend on the terms of your contract.

We'll track the applicable deadlines and coordinate with your lender as the loan progresses.

Appraisal

When financing is involved, the lender will generally order an appraisal to obtain an independent opinion of the property's value. The appraiser considers the property, comparable sales and market data. An appraisal is primarily for the lender and is not a home inspection.

If the home appraises below the contract price, your options will depend on your contract and any applicable appraisal protections. We'll review those options together if that occurs.

What happens if the appraisal is lower than the sales price?

A low appraisal doesn't necessarily mean the deal is over. Depending on your contract, options may include renegotiating the price, challenging the appraisal, bringing additional cash to closing, or exercising an appraisal contingency.

STEP 8

Prepare for Closing

As settlement approaches, there are a few final details to take care of. Your lender, settlement company and I will help you keep track of what needs to be completed.



Homeowner's Insurance

Your lender will generally require homeowner's insurance to be in place before closing. Shop for coverage early and make sure your insurer can bind coverage by settlement.

Final Walk-Through

We will usually do a final walk-through shortly before closing. This is not a new home inspection. It is an opportunity to confirm that the property is in the expected condition, agreed repairs have been completed when applicable, and the seller has left the property as required by the contract.

Utilities

Arrange for utilities to transfer into your name as of the appropriate date so you are not left without essential service after closing.

Closing Disclosure

Compare your Closing Disclosure with your most recent Loan Estimate. Review your loan terms, interest rate, monthly payment, cash to close and other important figures. Ask questions about anything you don't understand before settlement.

Prepare Your Funds

Confirm the exact amount and approved method for sending your funds with the settlement company.

Title Insurance

Title insurance protects against certain ownership or title problems. Lenders require a policy protecting their interest, while buyers may purchase an owner's policy to protect their own.

What to Bring

- Government-issued photo ID
- Any documents specifically requested by your lender or settlement company

Wire Fraud Warning:

Wiring instructions should come directly from the settlement company, preferably through its secure portal. Before sending funds, independently verify the instructions using a trusted phone number. ***Never rely on wiring instructions sent or changed by email without verifying them first.***

STEP 9

Settlement Day!

Settlement is the final step in your purchase. You'll review and sign the documents needed to complete the transaction, including your loan documents if you are financing the purchase.

Your settlement professional will explain the documents and answer settlement-related questions. If something doesn't look right or you don't understand something, ask before signing.



Depending on the transaction, documents may include:

- Closing Disclosure
- Promissory Note
- Deed of Trust or other security instrument
- Deed transferring ownership
- Settlement and title documents

Once the required documents are signed, funds are received and the transaction is complete, you'll receive the keys according to the terms of the contract.

STEP 10

After closing

Congratulations—you're officially a homeowner. There are just a few practical things to take care of as you settle into your new home.

Save Your Documents

Keep copies of your settlement documents, Closing Disclosure, inspection reports, warranties and other important records in a safe place. You may need them later for taxes, insurance, refinancing or when you eventually sell the property.

Set Up Payments

Your first mortgage payment is due after closing. Confirm the due date and payment instructions with your loan servicer, and watch for notices if servicing is transferred. If applicable, arrange payments with your condominium or homeowners association.

Plan for Homeownership

Keep records of repairs and improvements, establish a simple maintenance routine and plan for unexpected home expenses. Periodically review your homeowner's insurance as your needs change.

Update Your Address

Update your address with the U.S. Postal Service, employer, banks, insurance providers, driver's license and other important accounts. Don't forget subscriptions and recurring deliveries.

BE CAUTIOUS ABOUT NEW-HOMEOWNER SOLICITATIONS

After closing, you may receive mail or solicitations that appear official or imply that action is required or to pay for a deed. Some are simply advertisements. Review them carefully before sending money or providing personal information.

A Note From Sueyen

Buying a home has a lot of moving parts, and every transaction is a little different. My job is to help you understand what is happening, keep track of the details and deadlines, and talk through your options as decisions come up.

You do not need to memorize everything in this guide. Use it as a reference, and ask me questions along the way. I would much rather you ask than feel unsure about what comes next.



Sueyen Rhee

703-928-6071



www.sueyenrhee.com



@sueyenrhee



8521 Leesburg Pike, Suite 300 |
Tysons, VA 22182



SAMSON
PROPERTIES

