

*Teka Rennocks*  
REALTOR®

# BUYER'S GUIDE



# CONTENTS



02 | MEET YOUR REALTOR



03-12 | STEPS 1-9 OF THE  
HOME BUYING PROCESS



12 | TIMELINE OF EVENTS



13 | UP-FRONT COSTS &  
EARNEST MONEY DEPOSIT



14 | CLOSING COSTS



15 | SMOOTH CLOSING  
CHECKLIST



# MEET YOUR REALTOR

As a motivated real estate Broker with a lifelong connection to New York, I am personally and professionally experienced with the area and confident in my ability to assist my clients with their real estate needs. I find great joy in helping homebuyers and sellers navigate through the entire transaction process and well after, as my relationship with my clients doesn't stop at the settlement table. I aim to provide you with a hassle-free and enjoyable homeownership or home sale experience by providing excellent customer service and communication.

When I am not caring for my client's needs, I enjoy spending time with my 2 daughters and family, renovating my home, taking trips, reading, learning, and trying new things life offers.

I am a licensed Real Estate Broker® in New York.



# Step #1: Hire a Realtor

## How I Provide Value:

- 1.Explain the steps and process in advance.
- 2.Guidance and support throughout the entire process.
- 3.Help with the search for your home: Immediate auto-emails of newly available properties, MLS searches, extensive contact lists to find pre-marketed properties and more!
- 4.Advise you on market conditions, pricing, negotiating tips, financing, etc.
- 5.Advocate for you by negotiating with Sellers, Lenders, Appraisers, Inspectors, Contractors, Insurers, and Title.
- 6.Paperwork and Legalities: Real estate transactions involve extensive paperwork and legal documentation. Realtors are familiar with the necessary contracts, disclosures, and local regulations.
- 7.Manage your transaction- mortgage, insurance, inspections, repairs, and other important details.
- 8.Time and Convenience: Buying or selling a property can be a time-consuming process. Realtors can save you time by handling tasks such as property searches, scheduling showings, coordinating inspections, and managing communication with other parties involved.
- 9.Extensive list of contractors to refer as needed.
- 10.Attend final inspection and closing to represent your interests.

## Step #2: Finances

### 1. Assess your Financial Situation:

- Evaluate your current income, expenses, and existing debts. Understand your cash flow and how much you can comfortably allocate towards homeownership.
- Consider factors such as your monthly income, savings, investments, and any potential future financial changes.

### 2. Calculate Your Down Payment:

- Determine how much you can afford to put down as a down payment.
- Remember that a larger down payment may result in lower monthly mortgage payments and potentially better loan terms.

### 3. Factor in Additional Costs:

- Beyond the purchase price and down payment, consider other costs associated with buying a home. These may include closing costs, home inspections, property taxes, homeowners insurance, and potential renovations or repairs.

### 4. Consider Mortgage Affordability:

- Use online mortgage calculators or consult with a mortgage professional to estimate how much you can borrow and what your monthly mortgage payments might be.
- Take into account factors such as interest rates, loan terms, and any potential changes in your financial situation.

### 5. Seek Professional Guidance:

- Consulting with a financial advisor or mortgage specialist can provide valuable insights and help you determine a budget that aligns with your financial goals and circumstances.

# The Importance of a Pre-Approval

## 1. UNDERSTANDING YOUR BUDGET

- A preapproval helps you determine the maximum loan amount you can qualify for, giving you a clear understanding of your budget. This allows you to focus your home search on properties within your price range, saving time and effort by avoiding homes that are outside of your financial capabilities.

## 2. INCREASED NEGOTIATION POWER

- Sellers often prioritize offers from preapproved buyers because they demonstrate financial readiness and seriousness. Having a preapproval gives you a competitive edge in a competitive real estate market, increasing your chances of having your offer accepted.

## 3. EARLY IDENTIFICATION OF ISSUES

- During the preapproval process, the lender reviews your financial information and credit history. If there are any red flags or issues that could impact your ability to secure a loan, they can be identified early on. This gives you an opportunity to address any problems, improve your credit score, or make necessary financial adjustments before proceeding with a home purchase.

A mortgage preapproval is a process where a lender evaluates your financial information to determine the maximum loan amount you can borrow and the interest rate you may qualify for. It provides you with an estimate of how much you can afford to spend on a home and demonstrates to sellers that you are a serious buyer.



## Step #3: Exploring the Market

- Identify your wants, needs, and specifications in a home.
- Once we identify your home wants and needs, I will send you homes that fit the criteria.
- Schedule time to tour homes and neighborhoods.
- Be sure to do your research on local crime, school districts, demographics and other local details that may be important to you. A Realtor is prohibited from giving personal opinions on these topics.
- Finding the right home is important. I will always ask for honest feedback after every home tour to ensure we find the right fit.



# Step #4

## Negotiating Your Terms

### Submitting An Offer

When you find a home you want to purchase, you'll work with your real estate agent to submit an offer to the seller. The seller will review your offer and may accept it, reject it, or counteroffer. Negotiations may take place until both parties agree on the terms of the purchase.

Factors we consider when writing an offer:

- Sales price
- Comparative Market Analysis (CMA)
- Earnest Money
- Financing Terms
- Inspections
- Closing Date
- Seller Contribution

### Position of Strength

- Pre-Approval
- Type of Financing
- Considering the Seller(s) Needs
- Comparable sales to support offer
- Seller's purchase price per tax records



### Multiple Offer Strategy

- Increased Earnest Money Deposit
- Closing Date
- Paying Full Transfer Taxes
- AS-IS
- Appraisal Gap
- Seller Rent Back



# Step #5: Inspections

I highly recommend that you have a professional home inspector conduct a thorough inspection- resale or new construction. The inspection is intended to be informational to the buyers and provide report on major damage or serious problems that require repair if applicable.

## THE INSPECTION WILL INCLUDE THE FOLLOWING

- Structural components: Foundation, roof, walls, floor, and ceilings
- Exterior features: Siding and exterior finishes, windows and doors, driveway and walkways
- Appliances
- Plumbing System
- Electrical System
- HVAC Systems: Heating/Cooling Systems and Ventilation
- Roof and Attic (if accessible)
- Basement and crawl spaces

## Step #6 Submit Loan to Lender

When you submit a loan to your lender, it's known as underwriting.

The lender's underwriting team reviews the loan application, supporting documentation, and appraisal report to assess the borrower's qualifications and determine whether to approve or deny the loan. They evaluate factors such as creditworthiness, income, debt-to-income ratio, property value, and compliance with lending guidelines.

Based on the underwriter's evaluation and review, a decision is made to either approve or deny the loan. If approved, the borrower will receive a formal loan commitment letter outlining the terms and conditions of the loan. If denied, the borrower will be notified of the reasons for the denial.





## Step #7 Appraisal

An appraisal is a professional assessment of a property's value conducted by a licensed appraiser. It is an important step in various real estate transactions, including home purchases, refinancing, and property tax assessments. The purpose of an appraisal is to provide an unbiased and expert opinion of the property's worth based on various factors. During an appraisal, the appraiser will typically consider several key elements to determine the property's value:

- Property Inspection
- Comparative Market Analysis
- Property Characteristics
- Location
- Market Conditions
- Additional Factors unique to the property (i.e easements and encroachments).

# Step #8: Prepare to Close

## Loan Commitment

After a file has been fully underwritten and all of the conditions are satisfactorily met, a final loan approval will be issued. This is known as "Clear to Close."

## Homeowners Insurance

- Competitive rates
- Impacts your monthly payment

## Title Company/Closing Attorney

- Manages all parties in a transaction
- Leverage for getting problem solved
- Closing on time
- Protecting your interests
- Clearing the title and transferring ownership of property to you.

## The Final Details

- All documents to the lender in a timely manner
- Appraisal
- Lender repairs where applicable
- Closing & Settlement review
- Transfer of utilities
- Moving into your new home





## Step #9 Closing Day!

Congratulations! You've worked so hard to get to this day... CLOSING DAY! Settlement day, also known as closing day, is a significant milestone in the process of buying or selling a property. It is the day when the legal ownership of the property is transferred from the seller to the buyer, and the agreed-upon terms and conditions of the sale are finalized. Here's a breakdown of what typically happens on settlement day:

### FINAL WALK THROUGH

A final walkthrough is a crucial step that typically occurs shortly before the closing. It provides the buyer with an opportunity to inspect the property before taking ownership. The purpose of the final walkthrough is to ensure that the property's condition aligns with the agreed-upon terms of the purchase.

### WHO WILL BE THERE?

- You, the buyer(s)
- Seller(s)
- Buyer's agent
- Listing agent
- Your attorney
- Seller's attorney
- The title closer - the person representing the title company and is responsible for ensuring the title is transferred to you.

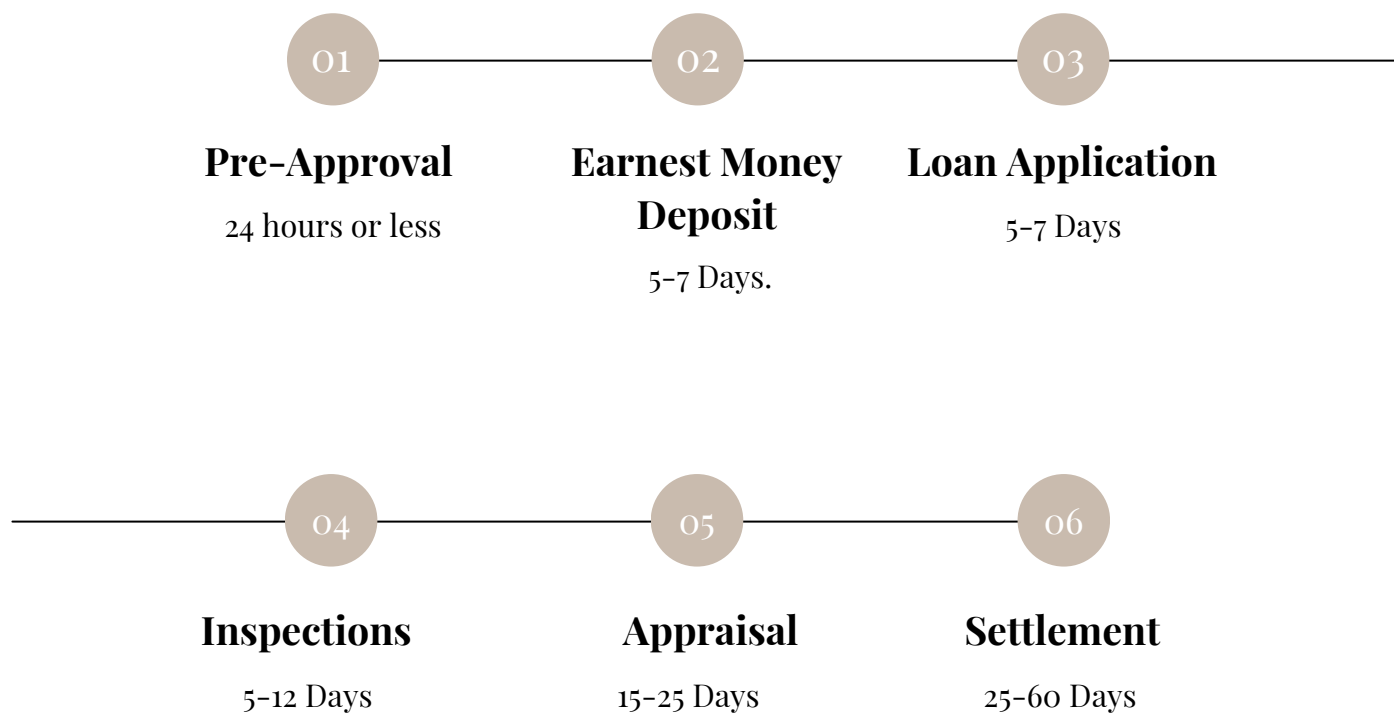
### WHAT WILL YOU NEED?

- A valid government issued ID and a second form of ID.
-





## TIMELINE OF EVENTS



ACTUAL TIMELINE BASED ON CONTRACT TERMS





# Upfront Costs

Earnest money deposit: 1% of the purchase price	For example: Purchase price of \$300,000
Home Inspection:	Earnest Money Deposit: \$3,000
Appraisal:	Home Inspection: \$500
Closing Costs: % of purchase price	(not including additional inspections)
Down Payment: TBD, based on type of loan and finances	Appraisal: \$500
	Closing Costs: \$9000-\$15,000
	Total: \$15,000-\$3,500 (EMD and appraisal) + down-payment = amount due at closing.

## Earnest Money Deposit

An earnest money deposit, also known as a good faith deposit is a sum of money provided by a buyer to demonstrate their serious intent and commitment to purchase a property. It is paid at the beginning of a real estate transaction, often when the buyer submits an offer to the seller.

The primary purpose of an earnest money deposit is to show the seller that the buyer is committed to moving forward with the purchase.

The amount of the earnest money deposit is usually a percentage of the purchase price, and it can vary based on local customs, market conditions, and the specific terms negotiated between the buyer and seller. It usually ranges between 1% to 3% of the purchase price, but it can be higher or lower depending on the circumstances.

# What are Closing Costs?

The down-payment amount is the difference between the selling price of the property and the amount of money borrowed to purchase the property. The deposit provided with the offer is deducted from the down-payment. Example: Selling price is \$300,000. Deposit with offer is \$3,000. Mortgage loan is for \$270,000. Remaining down payment will be \$27,000

\*Based on a 10% down-payment

## Prepaid Utilities

The buyer is responsible for paying utilities as of the closing date and may also need to reimburse the seller for prepaid utilities.

## Prepaid Property Taxes

Property taxes are calculated based on the value of the property. If the seller has prepaid the property taxes for the year, the buyer may be required to reimburse the seller.

## Interest Adjustment

The interest adjustment is the amount of interest accrued between the closing date and the date of the first mortgage payment.

## Legal Fees/Disbursements

Legal fees include conducting a title search on the property, putting title insurance in place, registering the home in the home buyer's name, and facilitating disbursements upon closing (transfer taxes, land, estate, etc.).

## Lender Fees

These fees generally include Origination Fees, Appraisal, Credit Report, and Points (money you pay to get a lower rate).

## Tax and Homeowners Insurance Escrow

Some lenders require prepaying taxes and one full year of homeowners insurance at closing. These upfront costs are placed in an escrow account so the money is always there when needed. This account is maintained in your monthly mortgage payment.

# Closing Checklist

This checklist offers a step-by-step guide on important milestones and what to expect when closing on a house as a buyer

- ☐ Inspect the property
- ☐ Provide the Lender all documents and information needed on time
- ☐ Get Homeowners Insurance. Make sure you shop rates!
- ☐ Provide insurance to Lender
- ☐ Review Closing Disclosure (3 Days Prior to Closing)
- ☐ Conduct Final Walk Through
- ☐ Request Closing Funds from Financial Institution  
DO NOT WIRE ANYTHING WITHOUT GETTING DIRECT WIRING  
INFORMATION FROM THE ESCROW OFFICER.
- ☐ Transfer utilities into your name effective closing day
- ☐ Bring a Government ID and Secondary Form of ID
- ☐ Get the keys and enjoy your new home!



---

## LET'S STAY CONNECTED



**Teka Rennocks , REALTOR®**

**347-326-2627 DIRECT**

**teka@berbickgroup.com**



facebook.com/Teka Rennocks



@Teka\_rennocks

---