FIRST-TIME
HOMEBUYER GUIDE

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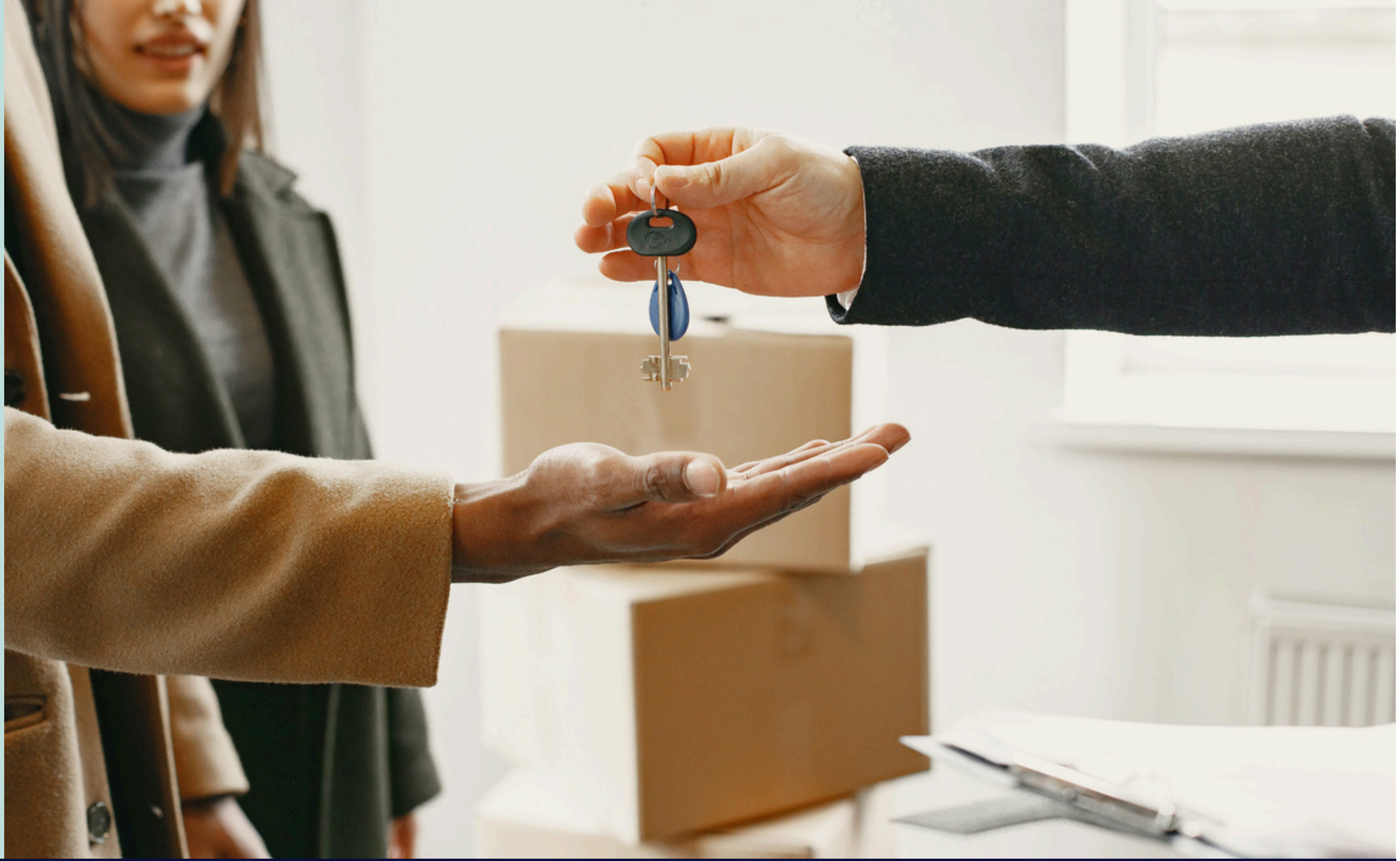

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INTRODUCTION

Hey there, future North Carolina homeowner!

First of all, a big virtual high-five for downloading this guide! You've just taken the exciting first step towards homeownership.

Kim Drakulich here, more commonly known as KimSellsConcord., and I'm thrilled to be your guide on this journey. But don't worry, I promise not to hit you with any cheesy sales pitches! Instead, I'm here to sprinkle a bit of humor and a whole lot of expertise into this process.

Buying your first home is like leveling up in the game of adulthood, and you're totally going to crush it! This guide is designed to be your trusty sidekick, packed with tips, tricks, and all the insider info you'll need to navigate the North Carolina real estate scene.

So, grab a comfy seat and a cup of your favorite beverage, because we're about to embark on an adventure together. Let's turn those homeownership dreams into reality!

Cheers to this exciting new chapter,

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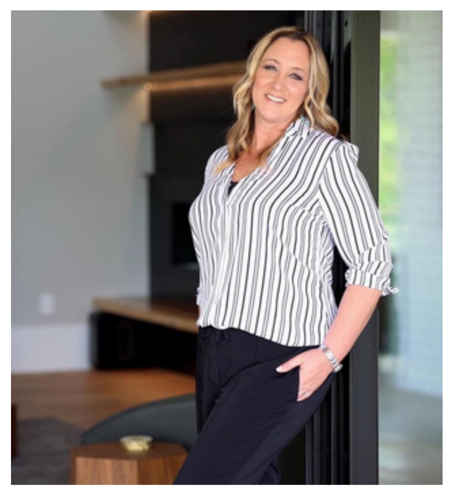
ABOUT ME



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I have been in the Real Estate industry for 10 years. I started off on a team as an unlicensed marketing and administrative assistant. I will forever be grateful for that opportunity, because I got to learn the "behind the scenes" stuff first.

I decided to become an agent full time in 2015 and its been a whirlwind ever since! 8 years later, I am proud to say that I have helped 100s of buyers and sellers. Most of my business comes from past clients, referrals, and of course – social media! First time home buyers and sellers are my favorite to work with. I do not have a team, nor an assistant. You get ME from beginning to end...and beyond!

When I'm not in these Real Estate streets, you will most likely find me home with my husband and two teenaged girls. (LAWD HELP US with them hormones!!) I enjoy watching sports and/or listening to music by either our firepit or our pool, depending on the season.

OK, enough about me....LET'S GO!!!

GETTING PRE-APPROVED

Before we do ANYTHING, speaking to a lender is imperative. I do get pushback on this sometimes, and I get it. “But Kim, we don’t want our credit run yet.”. Or, “We just want to see what’s out there first.” Let’s address these two objections

If you REALLY don’t know if you’re ready to buy yet, that’s OK. My lender will absolutely have a conversation with you without pulling credit. You just need to know that the numbers he gives you may not be accurate. Credit scores, debt to income ratio play heavily into what rate you will get.

How can you possibly know what price point we’re going to be looking at if you don’t talk to a lender first? It is a waste of time for everyone involved to go looking at houses without knowing your purchase power.

OK – now that I addressed the objections...Getting pre-approved is definitely a PROCESS in itself. You may have heard the terms “pre-qualified” and “pre-approved” There IS a difference. Getting pre-qualified is just a lender giving you a letter based on credit and what you tell them. Getting pre-approved means that you have provided the lender with documentation – W2s, bank statements, and paycheck stubs.

While it is encouraged to “shop around”, I will ALWAYS recommend my favorite lender to first time home buyers. At least to start off with. He will most likely give you different programs and options. This way you can decide what is best for you.

YOUR BASIC LOAN OPTIONS ARE

Conventional Loan

minimum requirement of 3-5% down

FHA Loan

minimum of 3.5% down

VA and USDA are 0% down

There are also down payment assistance programs out there, which my lender will go over with you, should you be interested in that.

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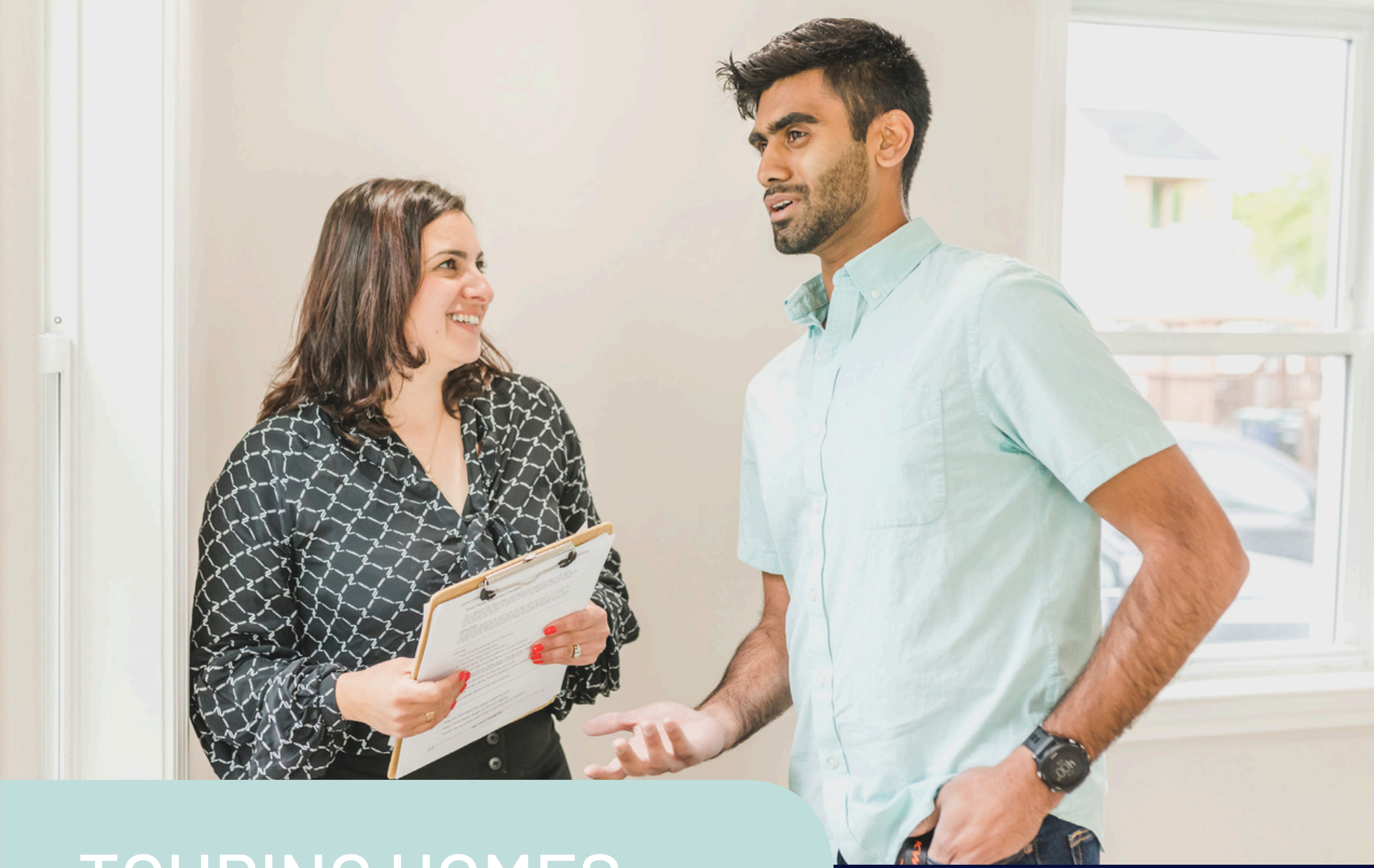
CONGRATS!
YOU'RE PRE-APPROVED...NOW WHAT?!

By this time, we most likely have discussed your "must have" criteria. But now we have a price point to work with, based on the monthly mortgage payment you are comfortable with. We will set you up on a home search, where you will get a daily email should a home come on the market that fits your criteria. As far as making your "must have list" – I recommend keeping it short. Focus on things that you cannot change about a home – price, location, size of lot, etc.



TOURING HOMES

Anytime there are homes you want to see, the search I set you up on will allow you to “heart” a listing. I love this option, because it allows me to see it. I will do some research on these, to ensure that it will ultimately be something you’d like to see. I also highly recommend driving past the home, or at least pulling up the street view on Google Maps. I can’t tell you how many homes buyers have been able to eliminate just by driving through the neighborhood.

When we do have a list of homes to see, I will print out several things to bring with me . Basically anything that the listing agent has provided – disclosures, tax records, etc. The only thing I will not bring is a list of past sales to compare (this is known as comps). This can be time consuming, and obviously you’re not going to buy ALL the houses we see. LOL. Just know that if you do wind up wanting to submit an offer on a home, we will look at past sales, to ensure what you offer makes sense.

HOLY CRAP, WE FOUND THE HOUSE!!

WARNING

This is the BORING section. Or if you've found it all boring so far, then this is the REALLY boring section. So, if you need a refill on your beverage, I would pause and do that now.

It's time to put in an offer and you know the price you want to offer – that's it right? Oh, how I wish!

In this section, I am going to go over 6 other VERY important terms in a contract. Our contract is 17 pages long, by the way. Side note, when I started? I believe it was 8 pages. LOL
We have 2 separate deposits in North Carolina – Due Diligence Fee (DDF from here on out) and Earnest Money Deposit (EMD).

- **DDF**

This is a NON REFUNDABLE DEPOSIT. The only way you are entitled to this money back, is if the seller backs out, or when you close on the home. It will show up as a credit on your closing statement, so it will come off the total of your cash needed to close. This will be a check written directly to the seller, and it is due immediately after both parties have signed (executed contract)

- **EMD**

Unlike the DDF, this deposit IS refundable if you back out...as long as you do so during a specific time frame (more on that in a minute). This one will be deposited with the closing attorney, and it is due within 5 days of going under contract. Like the DDF, this will also be a credit to you at closing.

Most common questions I get on these two items are

1. "How much do I have to offer?". These deposits are negotiable and completely depends on the type of home, how long its been on the market, etc, but I understand you want a better answer than that blanket statement, so I'll try. I want you to know how much money may be expected from you upfront. First of all, be thankful this isn't 2021/2022 anymore. People were giving up their left kidney for these deposits! For now, I would rather you "expect the highest, but shoot for the lowest". So, I will say the average I see is anywhere from 1-2% of the purchase price between the two deposits. But we will definitely shoot for less. To give you a real life example....I just had a first time home buyer go under contract for $295K. We offered $500 in DDF and $1500 in EMD. Seller countered back with $1000 in DDF. So, these buyers have $2500 total (less than 1% of purchase price) in deposits
2. What if the home appraisers lower and the seller won't come down in price? What if the inspection is awful and seller won't make repairs? Can I get my DDF back then? NO – I meant it when I said "non-refundable". North Carolina is a "buyer beware" state

Due Diligence Period (DDP)

Remember when I said you can get your EMD returned if you back out during a specific time period? This is that period. We will want to make sure that our "due diligence" is completed by this time, and you know you'll want to move forward with your home purchase. This includes - inspections, appraisal, survey, etc. This period will typically be anywhere from 21-28 days.

Closing Date

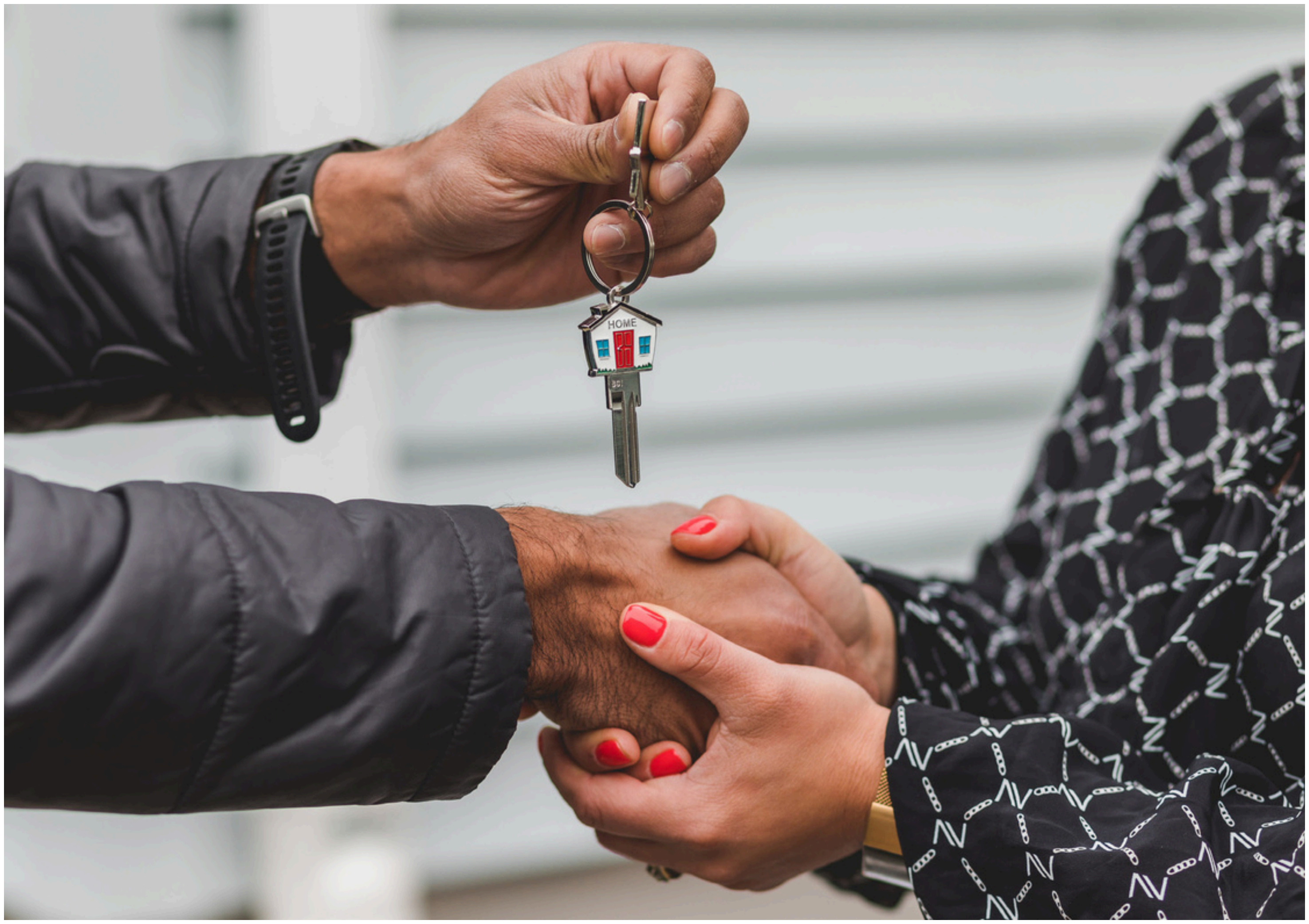
Not much to say here. Closings are typically 30-45 days from executed contract. I always try to schedule closings Tues-Thurs mornings. Here in NC, the home is not officially yours until the deed has recorded. This can take a few hours after signing, so we want to make sure the deed records the same day, so you can move in!

Seller Concessions

Want to ask sellers to pay for your closing costs? Of course you do, right?? We can most certainly try. While most of this will be discussed with the lender, I always tell buyer to anticipate your closing costs to be around 3% of your purchase price.

Fixtures vs Personal Property

a common question asked while touring a home is "Do the appliances stay?" Stove, dishwasher, and microwave (if attached) are considered fixtures and automatically stay with the home, unless otherwise specified. Refrigerator and washer/dryer are considered personal property. Should you want the sellers to leave those items, we must ask for them.



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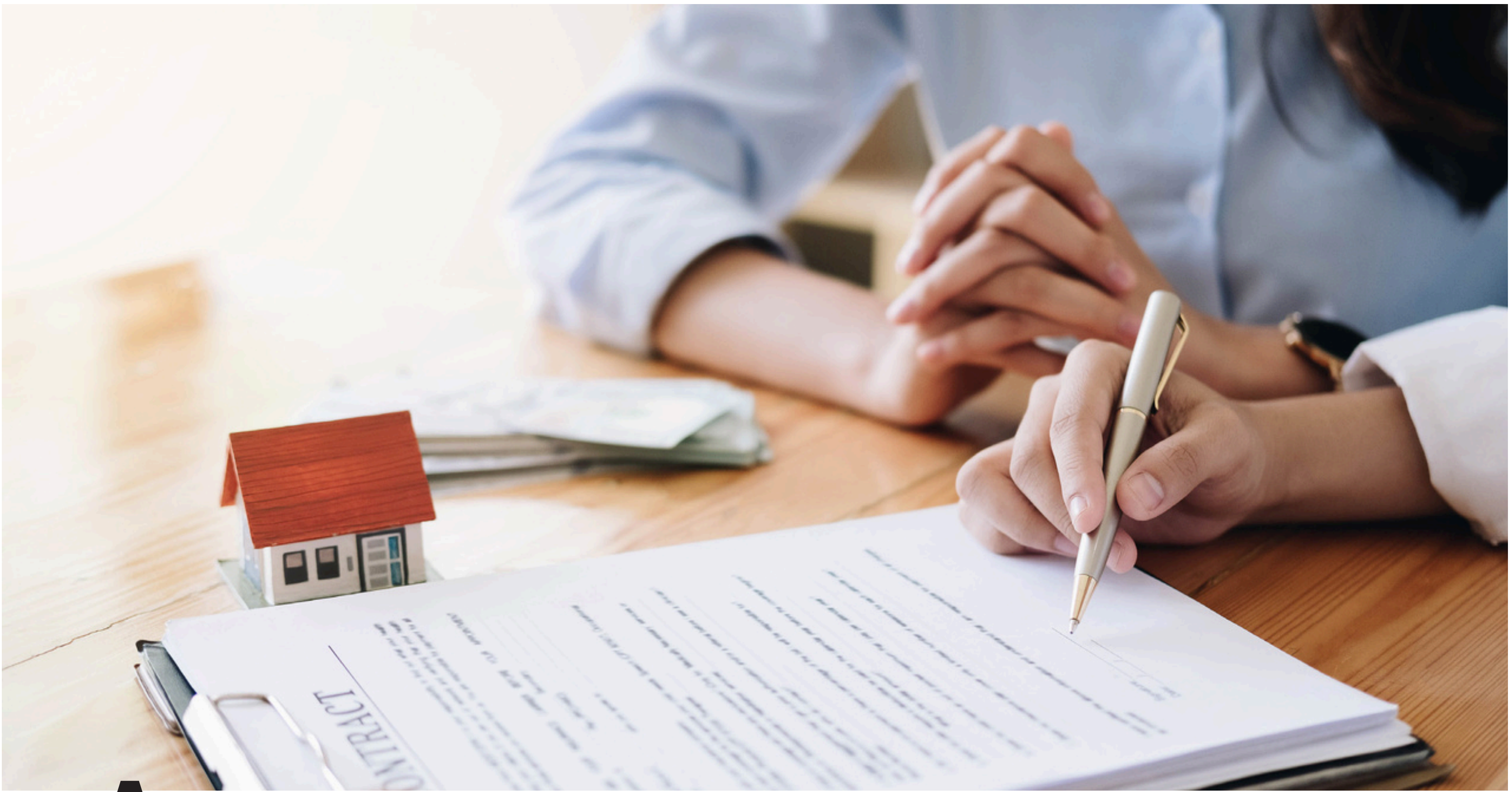
BUYER'S AGENCY AGREEMENT



As of August 1st 2024 we can no longer enter a home without having a Buyer Agency Agreement in place. There have been many changes made in the Real Estate Industry, and who knows - by the time you get your hands on this guide, there may be more.

MOST sellers are still paying the buyers' agent. As long as that is the case for the home you want to put an offer in on, we're good. On our buyers' agency agreement, I will be putting 3% of the purchase price as my fee. That is typically the most we will see a seller/listing agent offer. Now - what if the seller/listing agent is offering LESS than that? No worries....so long as the seller/listing agent is offering SOMETHING - you will NOT have to come out of pocket to pay me. I know a lot of Realtors may not agree with the way I operate, but that's the beauty of this industry. I can run my business how I wish.

Now - what if we find a home where the seller/listing agent won't pay? I can't work for free! We will first start by trying to add it to the offer with closing costs. If that doesn't work, then we will have to try and get creative. I will leave it at that for now, since every situation is different.

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OUT OF POCKET EXPENSES

Besides your deposits, there will be other out of pocket expenses during our due diligence period. This is something that I talk about in more depth once we're under contract. However, since this guide is made to help you get ready financially and mentally, I will quickly go over other expenses. Please know that these amounts are just an estimate.

Appraisal Fee	$500
General Home Inspection	$500
Termite Inspection	$100
Radon Gas Inspection	$175
Survey	$1000
Well Inspection (if applicable)	$200
Septic Inspection (if applicable)	$500

*Some of these items *may* be able to be paid at closing. Just depends on the companies.*

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IN CLOSING....

“Phew, you made it to the end! I know, it’s a lot to take in, but trust me, having this knowledge upfront is like having a secret weapon in your home-buying arsenal. It’ll make the entire process not only smoother but dare I say, even more enjoyable.

Remember, you’re not alone in this. If you have questions, need clarification, or just want to chat about your home-buying journey, I’m just a message or a call away. Your dreams of homeownership are important to me, and I’m here to help you every step of the way.

So, take a deep breath, pat yourself on the back, and get ready for this exciting adventure. I can’t wait to see the incredible place you’ll soon call home!

Cheers to new beginnings,

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