PATHWAYS HOME

Austin & Central TX

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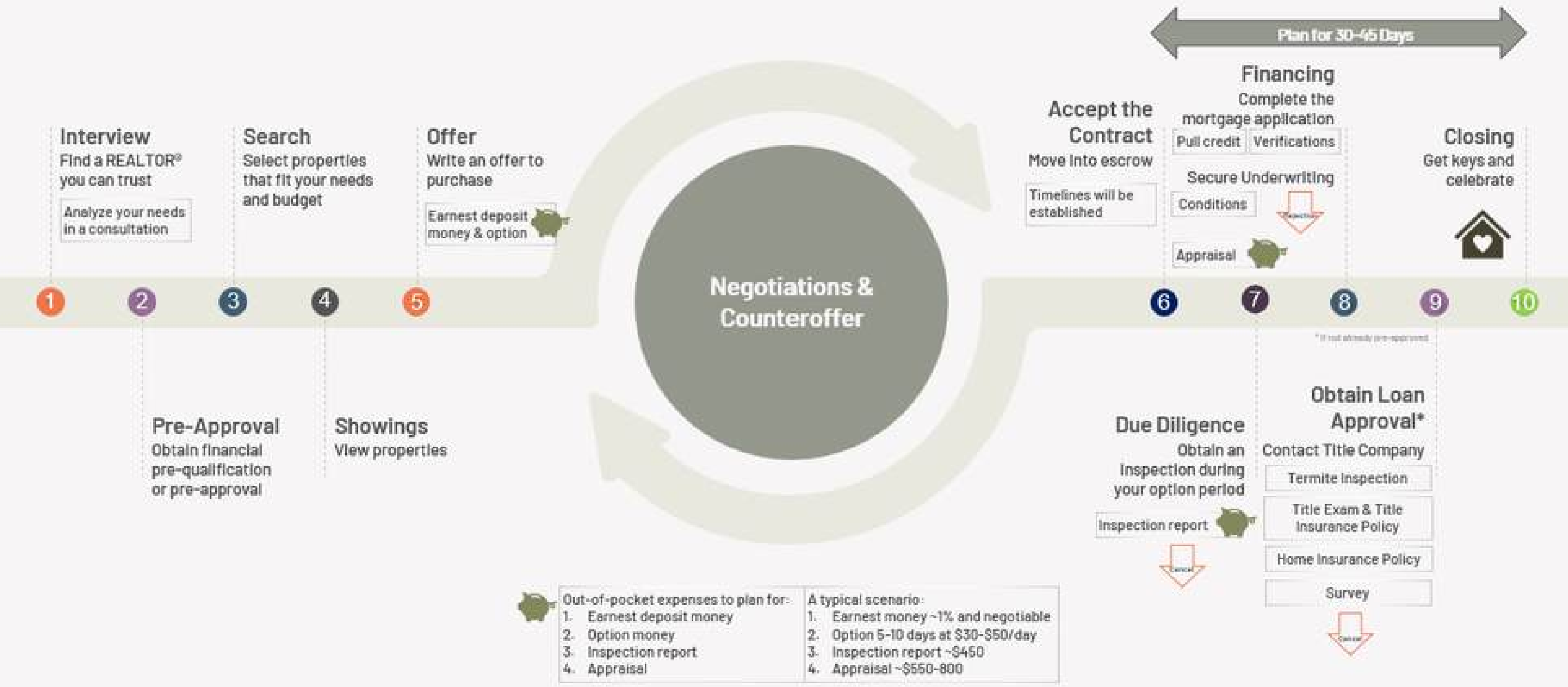
The Home Buying *Process*



1 CONSULT & BUYER AGREEMENT

I'll start with a consultation to discuss your home-buying goals, budget, and preferred location. After that, I'll create a Buyer Agreement that covers our partnership, your needs, and my compensation. This agreement guarantees my commitment to prioritizing your needs and offering clear, supportive guidance throughout the process.

2 LENDER & PRE-APPROVAL

After I set up your home-buying plan, I'll connect you with reliable lenders for pre-approval. This will clarify your budget and strengthen your negotiating position. Pre-approval signals to sellers that you're financially prepared, making the process smoother and more confident for you.

3 BEGIN YOUR HOME SEARCH

With your pre-approval ready, I'll start a customized home search. I'll leverage my local knowledge to find properties that match your preferences and budget, while keeping you informed about market trends and neighborhoods. This way, you'll feel confident and supported throughout the process.

4 HOME SHOWINGS

Once we've narrowed down your choices, I will schedule showings for you to visit each property. We'll review the condition, layout, and neighborhood features together. Then offer expert advice and answer your questions to help you feel confident in your decision.

5 WRITE AN OFFER

When you find a home you love, I'll help you make a strong offer. I'll assess the property's value, your budget, and key negotiation points. Then work with you to craft an offer that maximizes your chances of success and aligns with your goals.

6 ESCROW & LOAN APPLICATION

Once your offer is accepted, I'll coordinate the opening of the escrow account and keep things on track. I'll also help with the loan application, ensuring all documents are submitted on time. My aim is to make the process smooth and stress-free.

7 INSPECTIONS & NEGOTIATIONS

Once escrow is open, I'll schedule inspections to check the property's condition. If any issues arise, I'll negotiate with the seller for repairs or resolutions and ensure your interests are fully represented throughout this process.

8 APPRAISAL & INSURANCE

A professional appraiser will evaluate the property to ensure its value matches the loan amount. I'll also help you secure homeowner's insurance to protect your investment.

9 CLEAR TO CLOSE & FINAL WALK-THROUGH

We'll coordinate with the lender and title company to make sure all documents are complete and there are no issues before closing. I'll also arrange a final walk-through to confirm that the seller has met any agreed upon repairs or conditions.

10 CLOSING & HOMEOWNERSHIP

Congratulations! At closing, you'll sign the final documents, pay any remaining costs, and get the keys to your new home. This is the exciting moment you officially become a homeowner!

What you gain with *buyer representation*

WITHOUT AN AGENT

- Unexpected Costs. Buyer faces surprise expenses at closing, such as title insurance and escrow fees, due to lack of preparation.
- Higher Purchase Price. Without market knowledge, buyer pays 5-10% above market value.
- Stressful Negotiations. Buyer tried to negotiate repairs alone and ended up shouldering extra repair costs.
- Less Satisfaction. Without support, buyer felt uncertain about their purchase and missed out on better-suited options.

WITH AN AGENT

- Saved on Unexpected Costs. Agent prepared buyer for all costs ahead of time, helping them avoid last-minute surprises at closing.
- Secured a Fair Price. Agent conducted a market analysis to ensure buyer only paid what the home was worth, saving thousands.
- Expert Negotiation. Agent negotiated repair credits and seller concessions, saving the buyer money and hassle.
- Higher Satisfaction. With an agent, buyer found a home that truly fit their lifestyle and felt confident in the investment.

Preparing your *Finances*

CREATE A REALISTIC BUDGET

We'll work together to develop a realistic budget for your home purchase. This budget will account for all associated costs, ensuring you know exactly what you can afford without over-extending your finances. This will mean taking a hard look at your desired areas and what the current market value is.

BALANCE ‘WANTS’ AND ‘NEEDS’

It’s important to balance your aspirations with reality, especially in the context of what you can comfortably afford. I’ll help you strike this balance, ensuring that your dream home aligns with your financial capabilities.

START SAVING

Set aside a portion of income to cover the out-of-pocket expenses (i.e., earnest money, option money, inspection, appraisal), closing costs and down payment.

REVIEW YOUR CREDIT PROFILE

Do you know your credit score? Are you aware of any dings on your credit report? Your credit profile influences a lender’s willingness to finance your home and what rate you get. Now is the time to fix errors and assess dings.

UNDERSTAND THE DO’S AND DON’TS

Job stability and use of credit is crucial when preparing for your best financial profile. Preparation takes planning and commitment. Now is the time to understand what will be required of you to get approved by a lender.

SPEAK WITH A MORTGAGE BROKER

A mortgage broker has access to different loan products and can also give financial advice as it pertains to improving your financial profile to get ready to apply for a loan. I can get you in touch with great options for mortgage brokers and lenders. Shopping around for the best rate and other terms can save you thousands in the long run.

Buyer's Agent Compensation

Your buyer's agent can be compensated by the seller, by the buyer, or a combination of both. Before showing a property, we'll discover what the seller is willing to contribute toward buyer agent compensation (sometimes referred to as "BAC"). The amount of compensation is negotiable. Should we choose to work together, we'll discuss compensation in more detail as part of our buyer representation agreement.

The following is a breakdown of how each scenario could play out:

1 SELLER IS OFFERING COMPENSATION TO BUYER'S AGENT

Historically, the seller paid the full buyer's agent compensation. As of August 2024, the seller is not required to pay the full compensation but many opt-in to remain competitive. In this best-case scenario, you won't usually owe additional fees beyond standard closing costs and out-of-pocket expenses (i.e., earnest deposit, option money, inspection, appraisal).

2 SELLER IS OFFERING SOME COMPENSATION BUT NOT ALL

Sometimes, sellers offer to share in the buyer's agent compensation. This can be particularly true when offering below list price. In this situation, the following may occur:

- The buyer's agent negotiates to secure the full or partial compensation.
- Buyer increases the offer price to cover buyer's agent compensation gap and requests seller contribution for that amount.
- Buyer agrees to pay their agent directly at closing to cover the difference.

3 SELLER IS NOT OFFERING ANY COMPENSATION TO BUYER'S AGENT

In rare instances, a seller may choose not to contribute toward buyer's agent compensation. Should this occur, compensation outlined in our buyer representation agreement may be invoked. What I can do:

- I can write it into the offer and negotiate to transition into the second scenario.
- Buyer increases the offer price to cover the full buyer's agent compensation and requests seller contribution for that amount.
- Lender rolls the buyer's agent compensation into the loan, if allowed.
- Buyer agrees to pay their agent directly at closing for the full amount.
- We can only look for homes where contribution is being considered.

Our buyer representation agreement outlines the maximum value so there is full transparency up front.

Typical Closing Costs

1. **Loan Origination Fees:** These fees are charged by your lender for processing your mortgage application.
2. **Appraisal and Survey Fees:** These fees cover the costs of verifying the home's value and determining the precise property boundaries.
3. **Title Insurance:** This one-time fee ensures the property is free from any potential ownership disputes.
4. **Home Inspection Fees:** This fee covers the cost of a professional inspection of the property's condition.
5. **Property Taxes:** Buyers often need to reimburse sellers for property taxes that have been prepaid.
6. **Private Mortgage Insurance (PMI):** If your down payment is less than 20% of the home's purchase price, you may be required to obtain PMI. It protects lenders in case a borrower defaults on their mortgage.
7. **Homeowners Association (HOA) Fees:** If your new home is within a community governed by an HOA, you may have to pay initial fees or dues.
8. **Credit Report Fee:** Your lender may charge you for the cost of accessing your credit report.
9. **Notary Fees:** There is often a small fee for the notarization of documents.

BEFORE SUBMITTING AN OFFER, MAKE SURE YOU HAVE ENOUGH CASH RESERVES TO PAY FOR DOWN PAYMENT, OPTION AND EARNEST MONIES, INSPECTION AND APPRAISAL FEES.

Crafting a Winning Offer

STRATEGIES TO WIN

- OFFER A COMPETITIVE PRICE
- PAY IN CASH
- LIMIT CONTINGENCIES
- INCLUDE AN ESCALATION CLAUSE
- INCREASE YOUR EARNEST MONEY DEPOSIT
- OFFER A FLEXIBLE CLOSING DATE
- COVER SOME SELLER COSTS OR MOVING COSTS
- LIMIT THE AMOUNT OF REQUESTED REPAIRS
- REMOVE NON-ESSENTIAL REQUESTS
- USE A REPUTABLE MORTGAGE LENDER
- BE READY TO ACT FAST

A WORD ABOUT 'LOVE LETTERS'
Some people advocate 'love letters' to sellers in the hopes of appealing to their emotional side when reviewing offers. However well-intended, I do not encourage this practice because it opens you up to oversharing that can backfire.

AFTER YOU SUBMIT AN OFFER

THE SELLER COULD...

1

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

WE CAN THEN...

2

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

3

YOU CAN NEGOTIATE AS MUCH AS NEEDED UNTIL YOU REACH AN AGREEMENT OR SOMEONE DECIDES TO WALK AWAY

Your Offer was Accepted!

Once the seller has accepted your offer, both parties sign a sales agreement and you're officially under contract. What's next? You'll receive a timeline from me on the day of contract execution - which is day zero. The clock starts ticking to accomplish these tasks:

- **PUT YOUR DEPOSIT INTO AN ESCROW ACCOUNT**
  Your earnest money deposit will be put into an escrow account that is managed by a neutral third party (typically a title company) who holds the money for the duration of the escrow period. They will manage all the funds and documents required for closing, and your deposit will go towards your down payment which is paid at closing. You typically have 3-calendar days.

- **SCHEDULE A HOME INSPECTION**
  Home inspections are optional but highly recommended to make sure that the home is in the condition for which it appears. Inspections are typically completed within 5-10 days after signing the sales agreement. The time period is negotiable and outlined in the contract.

- **RENEGOTIATE IF NECESSARY**
  The home inspection will tell you if there are any dangerous or costly defects in the home that need to be addressed. You can then choose to either back out of the deal completely, ask for the seller to make repairs, or negotiate a lower price and handle the repairs yourself. The lender may require some repairs to be addressed before closing.

- **COMPLETE YOUR MORTGAGE APPLICATION**
  Once you've come to an agreement on the final offer, it's time to finalize your loan application and lock in your interest rate if you haven't done so already. You may need to provide additional documentation to your lender upon request. It's important to respond timely to your lender.

- **DUE DILIGENCE**
  Start your due diligence homework. We will give you a guideline to begin. During your option period you need to determine if this home meets your needs. Consider commute to work, school, insurance cost and anticipated use.

Meet your *Agent*

MELISSA ISAAC

As your full time dedicated local real estate expert, I offer unparalleled market insights and personalized guidance to help you achieve your real estate goals. With a proven track record of success, strong negotiation skills, and an extensive professional network, I'll ensure a smooth and rewarding home buyer journey.

WHAT YOU CAN EXPECT

- **LOCAL INSIGHT & CENTRAL TEXAS REACH**
- **PROJECT MANAGEMENT EXPERTISE**
- **SMOOTH TRANSACTIONS**
- **COMPREHENSIVE COMMUNICATION**
- **WEEKLY MARKET UPDATES**
- **SKILLED NEGOTIATION**
- **NETWORK OF TRUSTED VENDORS & ADVISORS**
- **MARKET MASTERY**
- **COMPLIMENTARY STAGING**

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Austin, Texas and surrounding areas

FOLLOW ME ON:

SCAN AND CLICK "START HERE"