

NINE

Steps to purchasing your home





Congratulations!

YOU HAVE TAKEN YOUR FIRST STEP TO HOMEOWNERSHIP.

Getting to know the buying process is important because it will help you approach your journey with confidence and make choices that end in success.

Because purchasing a home is such an exciting and personal journey, I find that buyers tend to see only the end goal. There are quite a few intricate facets to the process that need explaining. This brochure was written with you in mind, to take you through every step and bring you all the way through to the closing table.

And then there is me! I am here for you - to expertly guide you through all the nuances you might encounter in the process and to answer any questions you may have at any point. I keep myself updated on the latest real estate laws and regulations, adding to your peace of mind.

I network with proven industry experts, such as mortgage companies that will put together the best loan package for you. A dedicated team on your side is all you need for assured success!

Let's do this.



LIC. REAL ESTATE BROKER

AFFORDABILITY

Knowing what you can afford will help you set the right expectations for yourself. Start by taking a good look at your finances. List your income and debts, and realistically determine the repayment amount you can afford.

Also, ensure you have enough savings for the down payment, which generally ranges from anywhere between 3% and 20%. If not, make it a serious matter to save up.

The next step is getting pre-approved by your mortgage lender. For this, you will need a good credit score of between 700 - 850 at least.

Keep checking your credit scores so that you can be in good standing before applying for pre-approval. With that in hand, you will be in a good position to bid on a house when you find the right one.





YOUR REAL ESTATE AGENT

This is a huge financial step in your life, one that needs guidance and all your wits. Real Estate Agents are trained to guide you through every step. We have gained valuable expertise in matters like finding the right property (Beyond the listings sometimes!), the impact of financial decisions, and facilitating negotiations.

A good agent will supply you with a questionnaire to determine your needs, and take the time to listen to you. Ask as many questions as you need to in order to understand the process.

THE RIGHT PROPERTY FOR YOU

First off - please know that the perfect home does not exist. We are on a mission to find the right home for you that fits your needs and pocket the best. Making a list to bring along on showings will help you stay focused on what is most important when you need to start eliminating certain aspects.

Ensure that you have considered factors like neighborhoods, space and extra rooms, location, lifestyle, and commuting distance.

Be sure to discuss what makes for a good investment in the long term with your agent, and factor this into your decision making.

Now for the fun part: Schedule appointments with your agent to view homes - and ask all the questions you need!



MAKE AN OFFER

So you found the one and you're ready to make your offer! An offer is considered a commitment. It stipulates the price you are offering to pay and the conditions that need to be met. If the seller accepts the offer, you both sign the agreement and the house is taken off the market. If your offer is turned down, you are free to negotiate either the price or terms, but the house remains in the market during this time.

Before making any offers, you need to consider important factors such as the age of the house, how long it has been on the market, and whether there are any repairs needed

While preparing the offer, ensure that all terms and conditions are outlined clearly. When negotiations are settled, the purchase and sale agreement will be prepared which will detail all negotiated terms of purchase.



FINANCING YOUR HOME

If you don't have the cash to purchase your home, securing a mortgage is essential. It's best to compare offers from different lenders as the structure and interest rate could differ.

It is also good to apply for a mortgage before shopping for a home. This keeps you looking in the right price range, and improves your chances of winning the bid in a tight housing market.

The most common mortgage loans are:

Fixed-Rate Mortgage

A fixed-rate mortgage is the most popular since mortgage payments stay the same throughout your payment term.

Adjustable-rate mortgage

An adjustable-rate mortgage starts off at a fixed rate but then adjusts to the interest rate. Beware of this one if you need a tight rein on your budget! Any changes in the future may be hard to prepare for.

Other types of mortgages tend to be more specialized. Spend some time comparing loan officers and products and ensure that you understand the terms well. Consider all the relevant factors in your personal situation to make a decision that will ensure your long-term financial stability.



With approval, you will receive a commitment letter that details all terms of the loan.



HOME INSPECTION

Don't ever consider skipping the home inspection, as this is a crucial step in identifying what you are getting for your money. All unseen elements, like heating, electrical, and plumbing are things that you won't be able to assess in normal viewings. You need a professional to check the condition of these elements.

A pest inspection is also a good idea for the same reason. Once we are in this stage, I will remind you of these aspects, but having it done is your choice.



PRIOR TO CLOSING

The next step before closing is to work alongside your lender. The first thing they will do is a title search. This may seem unnecessary, but this can become an issue even without the seller's knowledge.

The title search will ensure that:

- The property rightfully belongs to the seller
- There are no liens against the property

Any claims found against the property will need to be paid off by the seller before closing.

You will be required to get title insurance in case anything was missed by the title search. This protects both you and the lender.

THE CLOSING PROCESS

This is the day you have been waiting for! Ownership is officially transferred from the seller to you. Be prepared to sign a lot of documents, and to read and understand them all. I will be there to help, of course.

We normally do a final walkthrough, about 24 hours before closing to ensure that everything is in the expected condition. This is also the day that you pay the standard fees and do the appropriate transfers, such as closing costs, down payment, attorney fees, title search, title insurance, and appraisal. The escrow officer will be present to explain and facilitate the process.

After these payments are taken care of and you've signed for the mortgage, the title deed to the house will be handed over to you. Congratulations are in order!

Welcome to your new home.





MOVING IN

Moving is probably the most exciting, while also the most stressful time of the entire process.

Planning properly and taking care of all the right details is essential for reducing tension.

Finding the right moving company is a priority at this point. Once taken care of, the rest is down to planning and executing.

You could also use this time to get rid of clutter. The less you have to carry along, the easier! Decide whether you want to sell or gift the items you don't need anymore.

Schedule packing and cleaning in a way that makes sense to you and is realistic to your time frame.

HOME BUYER'S GLOSSARY

APPRAISAL

A written assessment of property value.

CLOSING COSTS

All costs associated with a home purchase, including lender and various third-party charges.

CONTINGENT An offer was made and accepted, but certain criteria are still outstanding and could affect the outcome of the transaction, such as the results of a home inspection or appraisal.

COMMISSION

A percentage of the home sale is paid to the estate agent for their services, normally by the seller.

DOWN PAYMENT

A percentage of the purchase price often required by lenders that is paid upfront towards the purchase of a home.

FORECLOSURE

The legal process that ensues when payment is not made on the mortgage. The property is seized and sold to recover outstanding costs.

FSBO / For Sale by Owner

Property sold privately by the owner without the aid of a real estate agent.

HAND MONEY (EARNEST MONEY)

A deposit of between 1 - 3% of the sale price which indicates the buyer's serious intent to purchase. Money is held in Escrow until the deal is complete.

HOME BUYER'S GLOSSARY

A family of four is sitting on a light blue couch. The father, on the left, is wearing a blue and white checkered shirt and green pants. The mother, on the right, is wearing a white shirt and blue shorts. A young girl is sitting between them, holding a white teddy bear. A golden retriever is sitting next to the girl. They are all smiling and holding up a large, light brown cardboard frame that is shaped like a house.

LISTING

An agreement or contract between an agent or broker and the owner to sell an existing property. The information on the property can then be made public and marketed by the agent/broker.

MLS A.K.A. Multiple Listing Service

This is a database that includes all available homes for sale in a specific area.

PRE-APPROVAL

A preliminary evaluation by a lender which determines if a potential buyer qualifies for a loan. It specifies the maximum amount the lender would be willing to lend.

SELLER ASSIST

When the seller assists with the closing costs, this is known as seller assist. The amount is determined by what the mortgage company allows.

TITLE

This is simply the right to a property

About ME



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Mindy Skelly



Thank you for choosing to sell your home with me!

I specialize in making your homeownership dreams a reality. I pride myself on offering buyers and sellers the highest level of knowledge, trust, and integrity.

The journey to homeownership takes patience, determination, and flexibility. That is why you need a professional, experienced guide. So let me take on this journey with you while sharing my vast knowledge of Minnesota.

I feel that having the right real estate agent means having an agent who's committed to helping you sell or buy your home with the highest level of expertise in your local market. This also means helping you to understand each step of the buying or selling process.

This commitment has helped me to deliver remarkable results for my clients. Whether you are an experienced investor or 1st time home buyer, I can help you find the property that best fits your needs.