

Home Buying Guide



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YOUR REAL ESTATE AGENT



Meet Beth!

Let me introduce myself! I completed my Bachelor's of Science degree at Randolph-Macon College with an emphasis in Business and Economics. I began my real estate career in 2003 and enjoy working with sellers in listing their homes and finding the perfect home for my buyer clients.

I have earned my Associate Broker license as well as the ABR (Accredited Buyer Representative), GRI (Graduate of the Real Estate Institute), and SRS (Seller Representative Specialist) certifications. I have also earned the Distinguished Achiever status and the Five Star Award for many years during my career.

I consider myself to be a good listener, communicator and negotiator. I enjoy spending time with my family, and my hobbies include exercise, movies and spending time at the beach. My goal is to ALWAYS provide exceptional service to anyone that I work with in the Real Estate industry, whether it be buyers, sellers, fellow agents, or other industry professionals.

"How can I assist you with your real estate needs today?"

"Beth was superb in every way in her work on our behalf. She was always available and responsive when any need arose. She went above and beyond in her efforts to receive the best possible offer for our home. She always made us feel as though we were her only client. We could not have been more pleased with our experience with Beth and she has our strongest possible recommendation. If you are in need of an agent to be the best possible advocate for you, look no further! Beth Baldwin is the right agent for the job!" - Zillow Review

“ I highly recommend Marina to anyone looking to buy their first home. Working with Marina exceeded any of our expectations. As a first time home-buyer, I was not familiar with the terminology or the best process/people to get involved with. Right away Marina was incredibly friendly and took time to sit down with us to decide what would be a good fit for us. She even recommended a lending agent in the area, which we ended up using and greatly appreciated. - Google Review ”

Ten Steps TO BUYING A HOME

- 1 WORK WITH AN AGENT
- 2 PREPARE FINANCES
- 3 GET PRE-APPROVED
- 4 START HOME SHOPPING
- 5 MAKE AN OFFER
- 6 ORDER AN INSPECTION
- 7 NEGOTIATE FINAL OFFER
- 8 APPRAISAL ORDERED
- 9 SCHEDULE THE MOVE
- 10 CLOSING DAY

1 Working With An Agent

Purchasing a home is one of the most significant purchases you will ever make. It is imperative that you have an experienced real estate agent representing your sole interest in the buying process. Your agent's responsibility will be to:

1. Educate you on the process of buying your new home
2. Find you the home that fits your lifestyle and budget
3. Prepare and present all paperwork throughout the transaction
4. Protect your interests from start to finish
5. Hand you the keys to your new home



Key Terms to know during the home buying process



Appraisal

Report highlighting the estimated value of the property completed by a qualified third party.

Lenders rely on appraisals to validate a home's value and ensure they're not lending more than the home is worth.



Closing Costs

The fees required to complete the real estate transaction. Paid at closing.

Ask your lender for a complete list of closing cost items, including points, taxes, title insurance, and more.



Credit Score

A number ranging from 300–850 that's based on an analysis of your credit history.

Helps lenders determine the likelihood you'll repay future debts.



Mortgage Rate

The interest rate you pay to borrow money when buying a home.

The lower the rate, the better.



Equity

The value in your home above the total amount of liens against your home.

With current home price appreciation, many homeowners are realizing they have more equity than they thought and they're using it to move.



Down Payment

Down payments are typically 3–20% of the purchase price of the home. Some 0% down programs are also available.

Ask your lender for more information.



Pre-Approval Letter

A letter from a lender indicating you qualify for a mortgage of a specific amount.

This is a critical step in today's competitive market.



Contingency

A provision in a contract requiring certain acts to be completed before the contract is binding.

In today's highly competitive market, some buyers are minimizing contingencies to make their offers seem more appealing.



Affordability

A measure of whether someone earns enough to qualify for a loan on a typical home based on the most recent price, income, and mortgage rate data.

Today's low mortgage rates and increasing wages offset rising prices, making homes affordable for buyers.

2 PREPARE FINANCES

HOW MUCH HOUSE CAN YOU COMFORTABLY AFFORD?

Mortgage lenders recommend you do not buy a home that is more than 3 to 5 times your annual household income. If you are not purchasing a home with cash, you will need a mortgage pre-approval provided by your mortgage lender. A lender will work with you to get a loan that meets your needs. Some buyers are concerned with keeping their monthly payments as low as possible, others want to make sure that their monthly payments never increase.

CHECK YOUR CREDIT

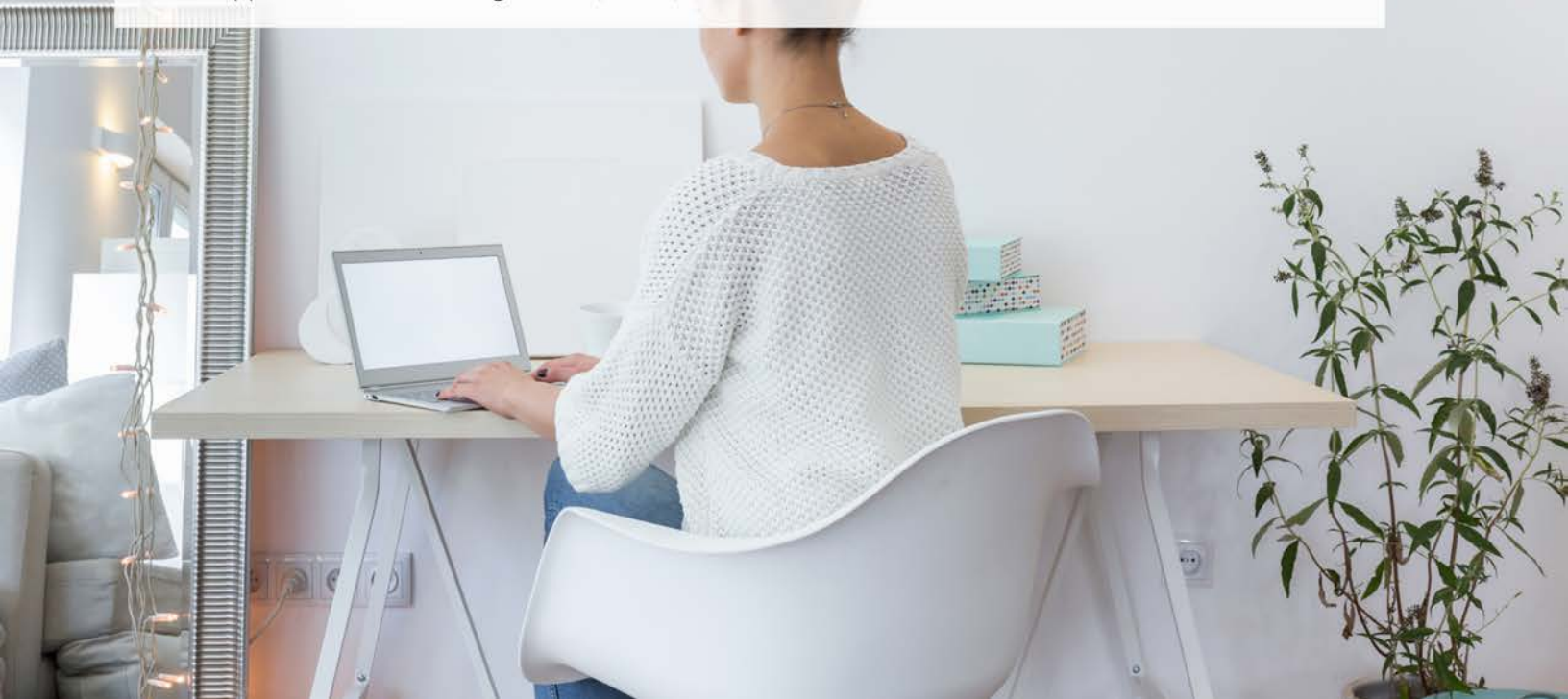
A mortgage requires a good credit score. You can improve your score by:

- Paying down credit card balances
- Continuing to make payments on time
- Avoid applying for a new credit card or car loan until you have been approved
- Do not close any credit accounts during this process
- Avoid making big purchases until you have been approved
- If possible, avoid job changes until you have been approved

SAVE CASH FOR A DOWN PAYMENT & OTHER EXPENSES

In order to make your dream of buying a home a reality, you will need to save cash for your down payment, earnest money, closing costs, home inspector, & appraisal.

- A Down Payment is typically between 3.5% & 20% of the purchase price
- Earnest Money is money you put down to show you're serious about purchasing a home. It's also known as a good faith deposit.
- Closing Costs for the buyer run between 2% & 5% of the loan amount
- A Home Inspection costs can range from \$300-\$800
- An appraiser costs can range from \$400-\$600



Being pre-approved, unlike being pre-qualified, means you've actually been approved by a lender for a specific loan amount. You will need to provide documented financial information (income, statements, assets, debt & credit reports etc.) to be reviewed & verified by the lender.

INCOME *qualifications*

QUALIFYING INCOME

- W-2 Income/Salary
- Income from part-time jobs
- Income from a second Job
- Overtime & Bonuses
- Seasonal jobs
- Self-employed Income
- Alimony & child support (Documentation required)

NON-QUALIFYING INCOME

- Income from the lottery
- Gambling
- Unemployment pay
- Single bonuses
- Non-occupying co-signer income
- Unverifiable income
- Income from rental properties

PRE-QUALIFIED



Offers a general estimate of the loan amount you can qualify for.



Provide basic information to the mortgage lender, but not financial history.



Makes realtors and sellers suspect that you're just a window shopper.



Pre-qualification isn't strong enough to support a contract or offer.



The process can be done either online or over the phone.

VS.

PRE-APPROVED



Offers a specific loan amount for which you've been approved.



Provide important details such as financial and employment history.



Has a better reputation, and let's realtors & sellers know you're serious.



Pre-approval is often required before a contract can be signed.



The process can be done either online or over the phone.

NEEDED *documents*

- W2'S FROM THE PAST 2 YEARS
- 3 MONTHS WORTH OF PAY-STUBS
- BANK STATEMENTS (PAST 3 MONTHS)
- PREVIOUS 2 YEARS OF TAX RETURNS
- LIST OF YOUR DEBTS & ASSETS
- DIVORCE DECREE
- ADDITIONAL INCOME DOCUMENTS

4 START HOME SHOPPING

START TOURING HOMES IN YOUR PRICE RANGE

Time to start shopping! We will take notes on all the homes we visit. It can be hard to remember all the details of each home, so take pictures or video to help you remember each home, and review the notes you have written. Once we have found THE house for you, we will present an appropriate offer based off of recent sales and current buyer activity in the area, as well as the value of the property in it's current condition. Negotiations may take place after the offer is presented.

I will set you up on a search alert that will email you anytime that a home is listed within your search criteria. You can view the homes and decide which ones that you like and I will then set up a time for us to go see the home. During this process it is key that we work together. You may find something outside of my search alerts, and that is fine! Just send me the address and I will get more information over to you once I look it up!

You can view homes on Zillow, Realtor.com, and agent websites, but please keep in mind that they are not always up to date. Some of those homes may still be showing they are for sale, while they may actually be under contract.

TIP

EVALUATE THE NEIGHBORHOOD AND SURROUNDING AREAS:

- Are the surrounding homes well maintained?
- How much traffic is on the street?
- Is it conveniently located to schools, shopping, restaurants, & parks?
- How long would your commute to work take?

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MAKE AN OFFER

WHEN TO MAKE AN OFFER:

So you have found THE house! Congrats! In today's market when the demand is higher than the amount of homes available it is important to act fast!

HOW MUCH TO OFFER:

We will sit down and look at recent sales and current buyer activity in the area, as well as the value of the property in it's present condition. Putting all this information together, we will determine the price that you would like to offer.

SUBMITTING AN OFFER

There are some components to an offer that makes it more appealing to the sellers.



•Put Your Best Foot Forward

We will work together to discuss your options and create your very best offer. Depending on the circumstances, you may have only one chance to make a good impression.

•Put Down a Healthy Earnest Deposit

A large earnest money deposit shows the seller you are serious

•Cash Talks

A transaction that is not dependent on receiving loan approval is more attractive to a seller

•Shorter Inspection Periods

Try shortening the inspection period to 10 days

•Offer to Close Quickly

Many sellers prefer to close within 30 days.

THE OFFER PROCESS

After you submit an offer the seller could accept, decline, or counter your offer! A counter offer is when the seller offers your different terms. If this happens, you can accept the counter offer, decline the counter offer, or counter the offer. You can negotiate back and forth as many times as needed until you reach an agreement or someone decides to walk away. When your offer is accepted, you will sign the purchase agreement and then you will officially be under contract. This period time is called the contingency period. Now inspections, appraisals, or anything else build into the purchase agreement will take place!



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ORDER A HOME INSPECTION

During the inspection period, we will schedule an inspection with a reputable home inspector to do a thorough investigation of the home. Once this is complete, the inspector will provide us with a list of their findings. You can take the issues as-is or request the seller to address some or all of the findings. We will be mindful and reasonable on smaller items, while being very cautious and vigilant of potentially significant issues.



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NEGOTIATE HOME INSPECTION ITEMS

After the home inspection is completed you will be provided with a detailed report of your home. At this point we will review the report and decide what we would like to ask the seller to fix.

Issues typically arise after the home inspection, and those issues tend to result in another round of negotiations for credits or fixes.

Think “big picture” and don’t sweat the small stuff. Tile that needs some caulking, or a leaky faucet can easily be fixed. Repairs are still up for negotiation and perhaps a small credit would help with closing costs.



8

APPRAISAL ORDERED

Your lender will arrange for a third party appraiser to provide an independent estimate of the value of the house you are buying. The appraisal lets all parties involved know that the price is fair. The loan file then moves on to the mortgage underwriter.

If approved you will receive your final commitment letter that includes the final loan terms & percentage rates.



9 scheduling YOUR MOVE

Contract Terms:

Verify the settlement date on the contract. Follow up with your agent to ensure the date is on track. This will help you gauge what date to schedule your big move! You typically will receive keys at closing unless specified otherwise.

Schedule Your Closing First:

If possible, don't try to cram your closing into a tiny little time slot because you've already scheduled movers. With a decision as large as buying a home, and with so much paperwork to handle, you don't want to rush and miss something important. Take your time. Figure out when closing will be and only then, schedule your move.

Prepare to Initiate Utilities:

Make sure to contact the utility companies approximately 1-2 weeks prior to closing to have utilities put in your name. Here is a list you may need to transfer or initiate:

- Electric
- Cable / Wifi
- Sewer
- Water
- Trash
- Gas

Your real estate agent should be able to help you find links to each companies website if you are new to the area. Most places will allow you to submit connection requests online, some may require making a phone call.



10 closing day



CLOSING DAY

Closing is when you sign ownership and insurance paperwork and you receive your new home's keys! Typically, closing takes four to six weeks.



CLOSING DISCLOSURE

Lenders are required to provide you with a closing disclosure at least three days before closing. This will show you what your final loan terms and closing costs will be. You will have three days to review the statement. This is done to ensure that there are no surprises at the closing table. If there is a significant discrepancy between the loan estimate and the closing disclosure, we must notify your lender and title company immediately.



FINAL WALK THROUGH

We will do a final walk through the home within 24 hours of closing to check the property's condition. We will make sure any repair work that the seller agreed to make has been done.



CLOSING TABLE

Who will be there:

- You!
- Your agent
- A title company representative or attorney

You will be signing lots of paperwork so get your writing hand warmed up! Some of the papers you will be signing include: the deed of trust, promissory note, and other documents



CLOSING COSTS

Closing costs can vary depending on your home's purchase price and where you are located. You can generally expect your closing costs to be around 3% to 4% of the home's sales price. These closing costs can sometimes be shared with the seller.



BRING TO CLOSING

- Government-issued photo ID
- Funds to close or proof of wire



RECEIVE YOUR KEYS

Congratulations! It was a lot of hard work but you are now officially homeowners!! Time to throw a party and get to know your new neighbors!





VIRGINIA CAPITAL

REAL ESTATE

Where Home Begins®

Richmond, VA
1106 North Thompson Street
Richmond, Virginia 23230

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