



Real

BUYER'S

Guide

Hello!

I'm Tiffany Mitchell.



I am a passionate and dedicated real estate agent serving clients in Northern Virginia. With a strong background in negotiations and a passion for helping clients achieve their real estate goals, I'm committed to delivering exceptional service and maximizing your investment potential.

When you choose to work with me, you can expect personalized service, strategic guidance, and a relentless commitment to achieving your real estate goals. I am here to guide you through the complexities of the market, protect your interests, and negotiate the best possible terms on your behalf.



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Home Buyer's ROADMAP



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Note: This is only a high level overview of a buy-side process. For more detailed steps, please refer to your real estate agent.

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Real Estate TERMS

PRE-APPROVAL

A pre-approval is the first step to obtaining a mortgage to purchase your home. The banker will perform an analysis on your income, debt, and credit-worthiness. You will need one in order to be ready to put an offer on a house.

TITLE SEARCH

A title search will confirm that the property that is being sold in fact belongs to the seller.

OFFER

An offer is a preliminary agreement to purchase a home, and is set between a buyer and a seller.

CONTINGENCY

A contingency related to a property is when the preliminary offer is accepted, pending certain conditions set out by the seller.

CLOSING COST

The closing cost is the amount that is paid, in addition to the sale price. This can include: taxes, insurance and lender expenses.

HOME INSPECTION

A home inspection is an official review of the real estate asset's current condition. They will help to determine if there is any work needed to be done to the property to bring it to normal working order.

GOOD FAITH MONEY APPRAISAL

Good faith money is the balance of funds that are set aside into a trust or an escrow account to show the buyer is serious about the purchase.

An appraisal is the value that is assigned to the real estate asset based on an assessment of the asset, neighborhood, market condition, and more.

DISCLOSURES

The disclosures related to a property will include everything that the sellers know about the property, including any areas that need repairs.

CLOSING

The closing part of the real estate sale is when the money and keys are exchanged.



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FINDING *a Great team*

01

A lender and real estate agent are important partners to your home buying process. A well-informed real estate agent will guide you through the house-buying process step by step. The real estate agent that works for you during the buying process is called a buyer agent. In most transactions, you are not required to pay your buyer agent a sales commission. Their fees are covered by the seller. A good real estate agent will disclose to you upfront any costs or fees that you may be required to pay. Always ask so there are no surprises.

Real estate agents should provide you with a preferred lender list. This list should contain lenders that have a great reputation with your agent's past buyers.

A lender should not only be knowledgeable in the lending products but should be available when you need them. Often, buyers will select a 9-to-5 lender and feel disappointed when they can't reach them in the evening. The real estate market is competitive. Response and availability can be the difference between getting or losing the home of your dreams.



Financials

02

DETERMINE YOUR BUDGET

Before you start looking for a home, you need to know how much you can and want to spend. It is recommended that you stay within a budget of 3-5 times your annual income when purchasing a new home.

When determining your mortgage, don't forget other factors like: down payment, legal fees, taxes, home inspection costs, appraiser costs, and renovation costs.



HOW MUCH SHOULD YOUR DOWNPAYMENT BE?

A 20% down payment is the most common, however, it is not your only option! For example, you could be able to get a conventional loan for as little as 3% down. FHA loans have a minimum down payment of 3.5%. VA loans and USDA loans even allow eligible and qualified borrowers to put 0% down.

Have a discussion with your lender to determine what works best for your scenario.

CREDIT SCORE CHECK

Your lender will likely perform a credit check prior to approving a mortgage and determining your interest rate. The most ideal range will be 620 or above.

The better your score, the lower the interest rate you will be charged on your mortgage.



PRE-APPROVAL

Obtaining a pre-approval on your mortgage will help you in many ways. First it will help you determine your budget, and help you stay within your means. Second it shows the seller that you are serious about purchasing a home, and that you have the funds necessary to complete the purchase.

Your lender will require some financial information from you to give you a lender letter. If you don't qualify now, a great lender will point you in the right direction to get you approved in the near future. It's important that your real estate agent and lender talk! Everyone must be on the same page, understanding your goals and needs. A great lender will educate you on all the products that you qualify for, including any grant or free money opportunities. Select the loan that fits your needs.

Although you are pre-approved for a loan, does not mean that you will be guaranteed this amount in your final mortgage. You will still have to be approved for a mortgage after you have submitted an offer.

It is important not to make any significant purchases or alter your credit score in any way during this time.

TOUR *Homes*

03

HOME SEARCHING TIPS

Your real estate agent should set you up with an inclusive home search based on your wants and needs. Often, new buyers will spend countless hours searching the internet for homes. They will fall in love online only to find out the home isn't available or is already sold. The best way to stay ahead of the competition is to have a real estate agent that stays ahead of the competition by keeping you informed, understanding the trends in the market and knowing where to look for homes that may not be a traditional avenue.

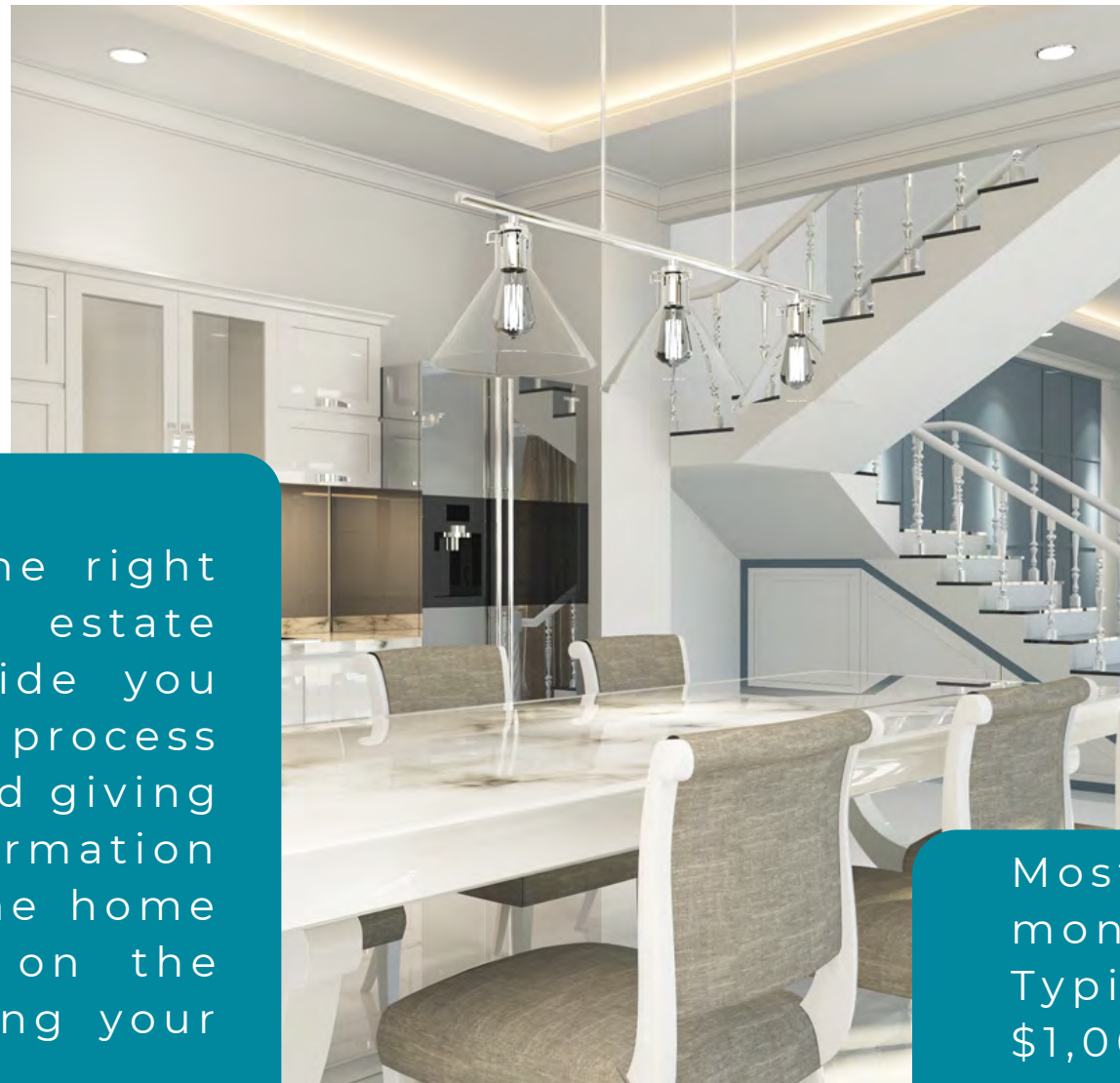
Be sure to make a list of your must haves, wants, and don't cares. As you go through the viewings, make sure you check off all your must haves.

Once you find a house you love, you can make an official offer to the seller.



MAKE *an Offer*

04



When you find the right home, your real estate agent should guide you through the offer process by researching and giving you market information as it relates to the home and inform you on the steps to submitting your offer.

NEGOTIATE *an Offer*

Most offers require you as the buyer to offer an earnest money deposit with your offer as good faith of purchase. Typically, an earnest money deposit will range from \$500 to \$1,000 depending on the market.

Be prepared to receive a counter-offer, and don't be afraid to bargain for your purchase. Be sure to know what you are buying and ensure that you feel the price is fair at the end of the day.

Inspection

05

All homes aren't created equally. Once your offer is accepted, your real estate agent should assist you with setting up a home inspection. Home inspections performed by reputable companies provide an in-depth analysis of the home and can uncover items that need immediate or future attention. This could save you from purchasing a home that is in need of repairs that cost more time and effort than you're willing to spend.

The home inspection is at the buyer's expense and is paid for at the time of the inspection. Typical costs range from \$400 to \$500, depending on the market.



Feel free to ask your inspector to take pictures and be descriptive in their report. You can also ask for a meeting with the inspector to better understand their findings.

If your home inspection uncovers repairs that you aren't comfortable living with, your real estate agent should negotiate with the seller's agent to get the repairs completed, an allowance for repairs, or a price reduction for you prior to moving forward or incurring any further expense in the transaction.

APPRAISAL

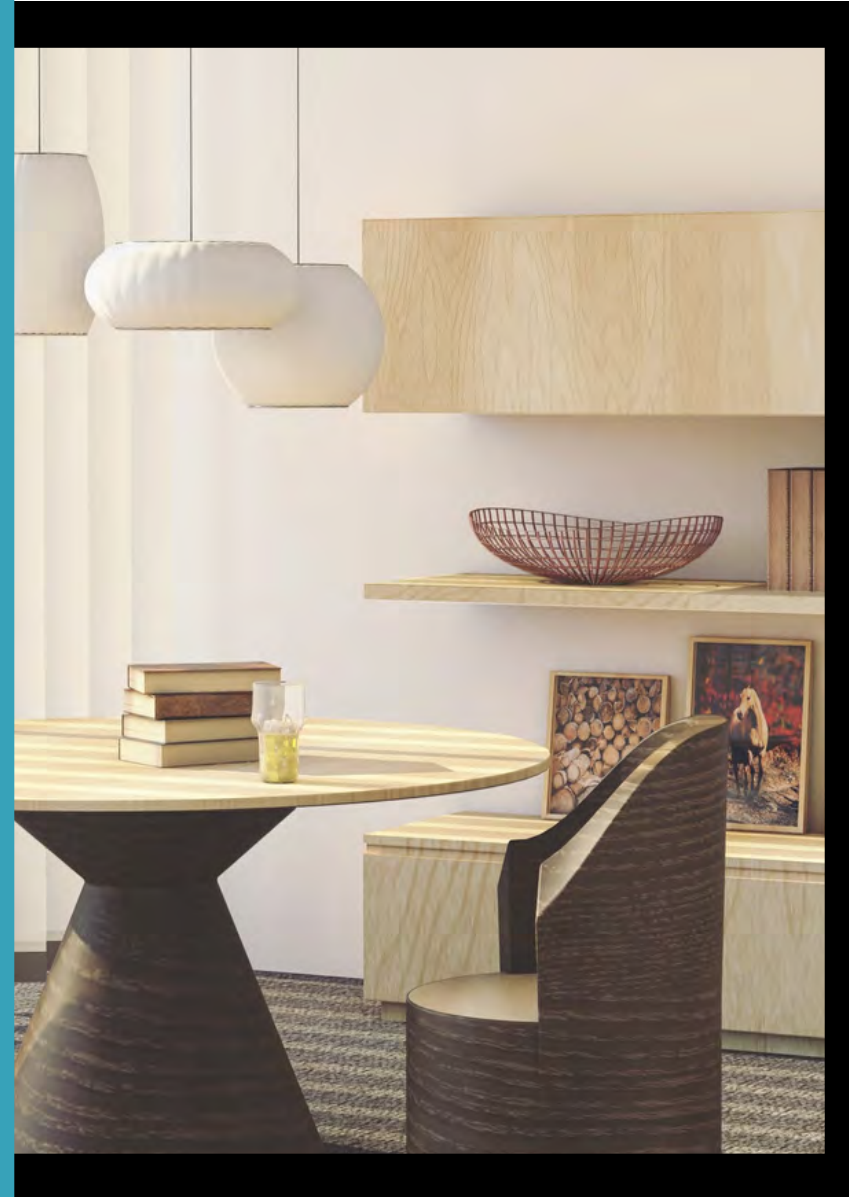
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The appraisal is performed by a third-party appraiser whom your lender hires on your behalf. The appraiser works for both you and your lender to ensure you are purchasing a home that has an overall condition that is acceptable for the mortgage product you have chosen and that you are purchasing the home at or below its market value.

When a home's value appraises for less than what you have offered, the buyer typically has three options 1) pay the difference, 2) ask the seller to reduce the price or 3) terminate the contract to purchase.

Appraisals in most cases are at the buyer's expense and payment is due before the appraisal is scheduled.

Typical costs range from \$475 to \$550, depending on the market.



and Loan

APPROVAL

When you are at the appraisal process of the loan, you are normally in the home stretch to obtaining the keys to your home. Your lender and closing agent will begin to ask you for paperwork required to get your mortgage loan package to the underwriter for final review. Some of the items may be letters of explanation, tax papers, updated paystubs, homeowner's insurance policy, proof of debt payoff, etc.

Closing



On closing day or a few days prior, you will walk the home one more time with your real estate agent. This is called a walk through. It serves two purposes, 1) to ensure the home is in the same condition as agreed upon and 2) to ensure any repairs requested have been done in a workable manner.

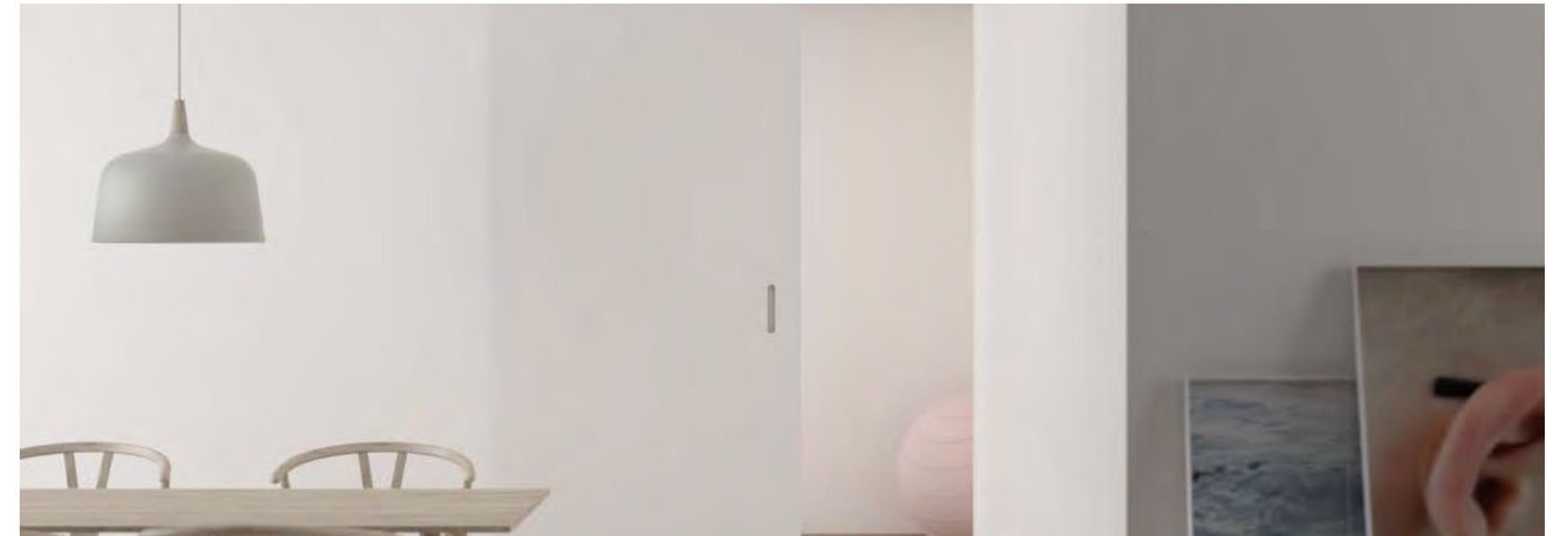
On closing day, your real estate agent will accompany you to the closing agent's office to sign your mortgage paperwork. The closing process itself requires a lot of paperwork and patience. Be prepared with your government issued photo ID and any other documents required by the title company or loan officer. If your mortgage loan requires a down payment, your closing agent will give you wiring instructions. It's always best to wire those funds at least 24 hours to the escrow account to ensure no delays in closing. At closing, you will get the keys to your new home. It's always a good idea to be prepared to change all exterior locks on your new home after closing for safety.

Congratulations on your new home!

SCHEDULE

your move

Often, the number one thing people forget at closing are utilities. Some utility companies charge you less to transfer services versus installing new ones. If you didn't take care of requesting a transfer of services or activation one day prior, make sure it's one of the first items you do after closing. Remember to change your address at the post office, on your driver's license and other important documents.



Notes:



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