

JAZMIN CANTLEY | REAL BROKER

YOUR HOME BUYER GUIDE

*a step by step guide to buying
your first home*



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Real Broker, LLC

TABLE OF CONTENT

4 | 10 STEPS OF BUYING A HOME

4 | HIRE A REALTOR

5 | PRE-APPROVAL

6 | WANTS AND NEEDS

7 | NEGOTIATING YOUR TERMS

8 | INSPECTIONS

9 | SUBMIT LOAN TO LENDER

10 | ORDER APPRAISAL & TITLE WORK

11 | GET READY FOR CLOSINGS

12 | CLEAR TO CLOSE

13 | CLOSING DAY

14 | TIMELINE OF EVENTS

15 | UPFRONT COST & CLOSING COST

16 | FAQ OF HOME BUYING



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A QUICK NOTE

YOU ONLY GET ONE SHOT TO MAKE A GREAT FIRST IMPRESSION



When you prepare to place your home on the market for sale, it becomes a product. Just like any product on the shelves at your local store, it has features & benefits, pluses & minuses, and there are other products to compare yours to. To gain an edge in your marketplace you must be priced right and look better than the competition. Sometimes it is difficult to think of your home as a mere product, but it helps to think that way so that you can get top dollar for your property and sell in a reasonable amount of time.

When you sell your home, you are going to have to move. When you move, you are going to have to pack. Most of the principles of staging just mean that you are going to pack up some of your things early. It is a little bit of work, but you are going to have to do it anyway- so let's do it now so that you can get top dollar for your property.

-Jazmin Cantley

STEP 1: HIRE A REALTOR

PAPERWORK: They will help with all disclosures and paperwork necessary in today's heavily regulated government.

EXPERIENCE: They are well-educated in and have experience with the entire sales process.

NEGOTIATIONS: They act as a buffer in negotiations, with all parties throughout the entire transaction.

PRICING: They help you understand today's real estate values when setting the price to offer to purchase the home.

UNDERSTANDING OF CURRENT MARKET CONDITIONS: they simply and effectively explain today's Real Estate, headlines and decipher what they mean to you.

WHEN IT COMES TO REAL ESTATE, EXPERIENCE MATTERS, BUT SO DOES DEDICATION AND A SOLID NETWORK. THAT'S WHY I WHOLEHEARTEDLY RECOMMEND JAZMIN. SURE, SHE'S STILL RELATIVELY NEW TO THE GAME, BUT SHE'S GOT THIS INCREDIBLE TEAM BACKING HER UP, AND SHE'S NOT AFRAID TO ADMIT WHEN SHE DOESN'T HAVE ALL THE ANSWERS. BUT SHE KNOWS EXACTLY WHO TO CALL TO FIGURE IT OUT. WITH HER, YOU CAN TRUST THAT YOU'RE IN CAPABLE HANDS FROM START TO FINISH.



STEP 2: PRE-APPROVAL

At this stage, you will receive my contacts for my preferred mortgage lenders. It is recommended that you obtain a preapproval letter versus a prequalification letter. The lender will ask you for some documentation, such as proof of employment, paystub's, recent tax returns, and then a credit report will be conducted. Please make sure to bring to the lenders attention any of your concerns with your credit, history, bankruptcies, etc.

THIS WILL SAVE YOU TIME & MONEY!

The lender will go over different loan programs that would best fit your needs. You will discuss different options for grants and down payment assistance. Should you need it if you qualify, make sure you consider property taxes, condo fees, HOA fees, and homeowners insurance when discussing your monthly payment.

WHY PRE-APPROVAL SHOULD BE YOUR FIRST STEP

in many markets across the country, the number of buyers searching for their dream home greatly exceeds the number of houses for sale. This has led to a competitive marketplace where buyers often need to stand out. One way to show you are serious about buying your dream home is to get prequalified for a mortgage before you start your search preapproval will tell you how much you can afford and can help you move faster, and with greater confidence in the competitive markets. Obtaining pre-approval before you start your search will help you be able to put in an offer as soon as you find your dream home.

STEP 3: WANTS AND NEEDS

NOW THE FUN PART!



SEARCHING FOR HOMES ON THE MLS WILL PROVIDE THE MOST ACCURATE AND UP-TO-DATE INFORMATION.

We will now discuss all of the specifications you want in your new home. When looking at houses on the market, be sure to write down certain features of each house that you like, and find appealing since homes sell quickly, you may not have the chance to revisit the home again and again also find out about certain amenities of the area, such as schools, parks, public transportation, etc. Keep these in mind when searching for your home because they can be important factors in determining which house is right for you you will now get to set up to receive alerts straight from the MLS as soon as property matching your criteria hits the market or has a status change. Once you find one you want to take a look at pick up the phone and let us know, and we will schedule a tour right away .

STEP 4: NEGOTIATIONS

When making an offer on a home, your realtor can be relied onto negotiate the best price and help protect your best interest.

PRICE: depending on market conditions, most likely the price you will offer will be lower than the seller's asking price I will guide you through the process and provide information that will help you make an informed decision regarding the offer and price of the home.

EARNEST MONEY: the earnest money (deposit) shows your good faith when making an offer and will be applied to the purchase of the home once the sale closes. The deposit is usually one percent of the purchase price, but depending on the negotiation strategy, I will recommend the appropriate amount for the deposit.

TERMS & CONDITIONS: when submitting an offer to purchase a property, you will want to include conditions that must be satisfied before the agreement becomes finalized the conditions could include a home inspection, subject to financing subject to the sale of your own property and review of condominium documents.

INCLUSIONS & EXCLUSIONS: before making an offer, and during the inspection of the home, it is wise to write down the items you would like to be included in the purchase price. These could include appliances, fixtures and window coverings, etc.

CLOSING DATE: this is the date, when the title of the property is legally transferred and the transactions of the funds are finalized.



STEP 5: INSPECTIONS

IT IS SUPER IMPORTANT TO CONDUCT A HOME INSPECTIONS PRIOR TO PURCHASING A PROPERTY. I HAVE A LIST OF LICENSED PROFESSIONALS THAT COME HIGHLY RECOMMENDED BY MYSELF AND OTHERS IN THE BUSINESS. ONCE THE INSPECTIONS ARE COMPLETED, WE WILL DISCUSS WHAT IS IMPORTANT TO HAVE TAKEN CARE OF PRIOR TO SETTLEMENT. THE SELLERS DO HAVE AN OPTION TO DENY ANY REPAIRS OR JUST OFFER A LUMP SUM INSTEAD OF FIXING ISSUES.



MOST INSPECTIONS
MUST BE CONDUCTED
WITHIN 10-14 DAYS OF
CONTRACT
ACCEPTANCE.

WHAT WILL BE INSPECTED?

- Appliance • Heating System
- Plumbing • Roof, Attic, Crawl
- Electrical • Space
- Air Conditioning • General Structure

SOME ADDITIONAL INSPECTIONS

- Pest/Termite Inspection - Radon
- Chimney
- Sewer/Septic

COST OF A HOME INSPECTION

Depending on the square footage of the house, the price will vary. A general home inspection will range from \$300-\$600 not including the cost of potential additional inspections.

STEP 6: SUBMIT LOAN TO LENDER



When you submit a loan to your lender, it is known as "going into underwriting." The term "underwriting" refers to the process that leads to a final loan approval or denial. A loan's approval status is made by a professional underwriter which uses special software programs and number- crunching analysis.

**THIS IS WHY IT IS SUPER
IMPORTANT THAT YOU HAVE NOT MADE ANY LARGE
PURCHASES FROM YOUR TIME OF PRE-APPROVAL
TO NOW.**

**PLEASE LET YOUR LENDER KNOW IF YOU PLAN TO
GET MARRIED OR CHANGE JOBS DURING THIS TIME.**

Once an underwriter has reviewed all of a mortgage applicants information and documentation, a decision will be made on the loan s status. There are a few possible outcomes at this point.

STEP 7: ORDER APPRAISAL & TITLE WORK

Assuming the home inspection contingency has been resolved, give your lender the green light to order an appraisal. Most appraisals cost between \$300-\$500 depending on the size of the property. This is included in the closing cost estimate you will get from the lender, but will be paid for during the process. By the time you get to settlement, this price comes off your bottom line of cash to close. An appraiser will evaluate the property you are buying to ensure it's worth the amount you are paying for it. This protects both you and your lender. Also, at this time, select a title company who will conduct a title search to ensure there are no liens or violations on the property so by your settlement date, they will be able to transfer to you clear title of the property. They will not transfer the title to you until it is completely clear. Always compare rates from competing title companies. As always, you get to pick the title company that you want to work with and it is always best to talk to a few and compare their fees.



Selecting the right title company makes all the difference in this process. This company will be protecting your interest to ensure we are able to close on time. This is who will transfer the ownership from the previous owners to you. I will provide you a list of recommended companies who come highly recommended in the industry.

STEP 8: CLEAR TO CLOSE

Congrats!! You got the green light to close! Depending on your situation, this can happen anywhere from one week to the day of settlement. Once your lender has your loan processed properly, additional documentation may be required from you as well as verification that you are still employed and have the necessary funds to close on your property. Assuming this process is completed and approved, your lender will issue a clear to close notification and you will be ready to settle on your home. You will soon be provided a Closing Disclosure (CD). The Closing Disclosure will provide the final details about the mortgage loan you have selected. It includes the loan terms, projected monthly payments, and how much you will pay in fees and other costs to get your mortgage. You must receive this at least 3 days prior to the settlement date. Depending on the amount of money needed for closing, you will most likely have to wire the funds to the title company. They will provide all the information for this process. You are still not in the clear to open new credit cards or increase your spending on your current ones!



STEP 9: GET READY FOR CLOSINGS

1. PICK YOUR HOMEOWNERS INSURANCE This is your choice. Look into your existing car insurance provider and see if they have package deals for home insurance as well. You will need to pick a provider and let your lender know the information so they can add it into your mortgage monthly payments and finalize the loan. There are highly competitive rates and this will impact your monthly payment.

2. TRANSFER UTILITIES TO YOUR NAME Call your local gas and/or electric company and change the service into your name effective the date of your closing. In some instances, the water bill will already be partially paid by current owners, so that will be prorated at closing. The water should transfer into your name automatically once your deed is recorded. It is not uncommon to receive the next water bill in the previous owner's name.

3. SCHEDULE FINAL WALK THROUGH Prior to closing, we will go through the property to make sure it is in the same condition as it was when your contract was accepted and that any agreed upon repairs were made. This is best to do as close to your settlement day as possible. It is even OK to do it the morning of your settlement!



STEP 10: IT'S CLOSING DAY!

YOU HAVE GONE THROUGH ALL THE HOOPS TO GET TO THIS DAY...
CLOSING DAY!

Today is the day you go from home seeker to homeowner!

After you have received the clear to close from your lender, your closing will be set on or before the date designated in your contract. At your closing, the title company officer will review with you and the seller the financials relating to your closing. The seller will sign over the property to you and give you the keys. You will sign off on all your loan documents and, after doing so, funds will be disbursed to the seller and you will be able to take possession of your new home.

**BE PREPARED FOR A LOT OF SIGNING
AND DON'T FORGET TO BRING YOUR ID!**



TIMELINE OF EVENTS

3

DAYS
FOR EARNEST MONEY
DEPOSIT

7

DAYS
HOME INSPECTIONS

13

DAYS
FOR APPRAISAL

17

DAYS
LOAN APPROVAL

20

DAYS
LOAN DOCUMENTS

27

DAYS
CLOSE OF ESCROW



UPFRONT COST & CLOSING COST

Your lender will be able to run an estimate of everything prior to submitting an offer so you are prepared for settlement and what to expect!



UPFRONT COSTS

- Earnest Money Deposit: 1% of Purchase Price
- Home Inspection: \$300-\$600
- Appraisal: \$300-\$550
- Closing Costs: 2.25-2.5% of the Purchase Price
- Down Payment: 0%-20%+ determined by what your lender and you decide is best for your situation

CLOSING COSTS

- Prorated taxes
- Loan fees: Processing, underwriting, wires, prepaid interest
- Title fees: title insurance policies, deed preparation, settlement fees, wires
- Survey
- Prepaid Homeowners Insurance
- Government fees: recording deed, recording mortgage, state recordation tax, state transfer tax (waived for 1st time homeowners)

FAQ'S OF HOME BUYING

DO I HAVE TO PUT DOWN THE NORMAL 20% OF THE PURCHASE PRICE? No. Not even close. There are many different loan options and your lender will go through what is best for you. Twenty percent is not realistic for most first-time home buyers.

WHAT IS TITLE? Title is your ownership right to your property.

WHO PAYS THE REALTOR FEES WHEN BUYING A HOME? Traditionally, the seller covers the commission during the transaction.

WHO HOW MANY HOMES SHOULD I LOOK AT BEFORE PUTTING IN AN OFFER?

There is no specific number of homes you should look at. Once you walk into the right home, you will know it. It may be the 1st home you see, it may be the 20th home you see!

WHY DO I NEED TO GET PRE-APPROVED? Getting pre-approved shows that you are a motivated buyer. If we go to see a house and you are not pre-approved, you cannot put in that offer until we have your pre-approval. This takes time and someone who is already pre-approved can move much faster on an offer. You do not want to lose your dream home!

IF THE CONTRACT FALLS THROUGH, DO I GET MY MONEY BACK? It is very uncommon for a contract to fall through, but depending on who is at fault, you should receive back your EMD, but anything paid for, like home inspections, is forfeited.

WHAT IS THE DIFFERENCE BETWEEN DOWN PAYMENT & CLOSING COSTS?

Down payment is a percentage of the purchase price of the home. Lenders require that borrowers must invest a certain percentage of the purchase price in the home. Closing costs are the other, non- down payment costs, paid at settlement. These include all the fees associated with closing a loan.

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