



# HOME BUYING & FINANCING

A valuable guide



Alfonso "Fonz" Rodriguez | 512.809.0091

# Being your Realtor is a service

You can expect an exceptional service from me before, during & after your home purchase



## Exceptional Service and Expertise: A Review of Alfonso Rodriguez

I am writing this review to express my sincere gratitude to my Realtor Alfonso Rodriguez for his outstanding service in helping me buy my first home. I was a first-time home buyer and was very nervous about the process, but Alfonso, made it so easy and stress-free. He was always available to answer my questions, and he went above and beyond to help me find the perfect home for my needs and budget. I especially appreciated Alfonso's knowledge of the real estate market and his additional knowledge of being licensed in mortgage and his ability to negotiate with the builder and communicate with the lender on my behalf. He was able to get me a great deal on my home, and I am so grateful for his help. I would highly recommend Alfonso to anyone looking to buy or sell a home. I can say undoubtedly, without his professional guidance, support & service I don't think we would have bought the home that we did. Alfonso was always available to answer my questions, even when I called or texted him late at night or on weekends. He went above and beyond to help me find the perfect home for my needs and budget. Alfonso is professional and courteous, even when I was stressed or frustrated. I am so grateful for Alfonso's help in buying my first home. I would highly recommend Alfonso Rodriguez to anyone looking to buy or sell a home. He is truly a top-notch realtor who is committed to providing their clients with the best possible service.

**B** Review submitted by Praveena Parsiboina (Buyer) on 06 Apr 2023

Verified Review



## Great realtor

Alfonso was very knowledgeable, professional, and extremely kind throughout the entire process of buying my first home. He helped me throughout the entire process and was always there to answer any questions I had (he always responds quickly!) and he also was there for me by asking questions to the builders/sellers that I wouldn't have known or thought to ask given that this was my first time buying a house. After several months I decided on a beautiful new home built by Chesmar in Manor Texas & Alfonso was also able to negotiate a better deal with the builder. I felt very comfortable & confident having Alfonso represent me as my Realtor & he was present during the inspection, builder walk through & closing as support. I would definitely use his services again & would highly recommend him to anyone looking to buy or sell a home. I could not speak more highly of Alfonso - he did a great job and was such a pleasure to work with

**V** Review submitted by Ellie Casey (Seller) on 16 Mar 2023

Verified Review

**See my other reviews here**



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# Why Past Buyers Hired Me

- 826 credit hours in real estate education
- Working on obtaining my brokers license
- Advanced financing knowledge (Licensed in mortgage)
- 254 credit hours in mortgage education
- Concierge services for important tasks
- Professional attitude & exceptional service at all times
- Advanced negotiation skills
- Support towards important tasks before, during & after
- A deep explanation on everything that's going on
- Extreme ownership of the entire process
- Regular updates on what's going on
- Advice & direction on what needs to happen next
- Access to off market homes (when available)
- Leverage my relationship with builders
- A thorough comparison of different areas & builders
- Full time Realtor & Mortgage loan officer
- 7+ years in the real estate business
- Expert recommendations on areas & homes
- Accredited Buyers Representative (ABS)
- Real Estate Negotiation Expert (RENE)
- Graduate Realtor Institute (GRI)
- PLUS so much more



# Before buying a home

- Help you understand what's affordable
- Give my opinion on where the best deals are
- Help you create a plan to find the best home
- Help with credit repair or improvement
- How to plan & budget for becoming a homeowner
- Plus more...

# During the process

- Actively searching for homes & coordinating showings
- Market analysis & offer recommendations
- Mortgage & out of pocket estimates
- Active negotiations with sellers & builders
- Present during inspections, walk through & closings
- Plus more...

# After the purchase

- Referrals for any upgrades you want to do
- First mortgage payment planning
- Help filing your homestead exemption
- Support towards minimizing your property taxes every year
- Mortgage refinancing opportunity updates
- Plus more...



# Benefits Of Home Ownership



## APPRECIATION

Home values have a well-documented history of going up over time. This increase becomes equity you can benefit from when you refinance or sell.

## EQUITY

Renting has often been compared to paying 100% interest, but when you own a home and a mortgage is in place, a portion of your payment goes toward the principal balance on your loan. This builds your equity and acts as a savings account.



## ROOTS

People who own rather than rent stay in their homes 4 times longer. This provides an opportunity to get to know your neighbors and connect with your local community.

## TAX SAVINGS

The government rewards homeowners by providing excellent tax benefits. The interest paid on your mortgage and other home-related expenses can generally be deducted from your income.

## HAPPINESS

The feeling of owning your own home is unmatched. You can fix it up, make it your own, get a dog, or plant a tree if you want. Doesn't that sound exciting!



## EDUCATION

Research shows children of homeowners earn higher test scores and graduate at a higher percentage than those of renters.



**Alfonso Rodriguez**  
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# The Home Buying Process



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# New or Used?

A comparison of both

## New

- More energy efficient
- Larger floor plans
- Higher ceilings
- More customizable
- Builders warranty
- Less maintenance cost
- Better amenities
- Special incentives
- HOA's (usually)
- 45 days - 8 months

## Used

- Lower price per Sq Ft
- Established community
- Unique homes
- Lower taxes (usually)
- Established landscape
- More negotiable
- Stable property values
- Larger lots
- Some have no HOA
- 30 - 45 days



# Estimated Out Of Pocket Cost On A \$350,000 Home

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**FHA 3.5% Down = \$12,500**

(Can be covered with a down payment assistance grant)

**Closing Costs = \$6,000 - \$8,000**

(Includes appraisals, recording fees, lender fees & prepaids.  
Some of this can be negotiated as a seller credit)

**1% Escrow Deposit = \$3,500**

(Paid within 3 days of an accepted offer & is negotiable.  
Builders have a different deposit process)

**Option Period = \$150**

(Amount & length of option period is negotiable. Not available  
on used homes)

**Home Inspection = \$400 - \$500**

(Paid during your option period on a used home. Paid when  
the home is completed on a new home)



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# What's Included In Your Mortgage Payment?

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## Principal

This pays down your balance

## Interest

Paid to the lender based on your interest rate

## Property Taxes

Escrowed with your lender to pay your property taxes. Can go up or down.

## Home Owners Insurance

Escrowed with your lender to pay your home owners insurance. Can go up or down.

## Mortgage Insurance

Insurance paid by you to protect your lender in case you default. Stays on forever with an FHA loan. Comes off at 20% equity with a conventional loan.



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# Most Used Mortgage Programs

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## Conventional

Best for credit scores above 680 & you'll get better pricing if you're over 720. Putting 20% on this mortgage will eliminate mortgage Insurance. DTI ratios are more strict.

## FHA

Best for first time home buyer with lower credit score requirements & higher DTI ratio limits. 620 minimum score for most programs. Mortgage insurance is expensive.

## USDA

Only for underdeveloped areas. Home address has to qualify for USDA. A zero down program & rates are competitive. There are income limits to this program.

## VA

Only available for previous military. A zero down program & rates are competitive. Eligibility & approval amount is set by the VA. Home will have stricter guidelines for approval.

## DPA (Down Payment Assistance)

Non-profit programs for first time home buyers that will cover some or all of the down payment. This programs has limits & is attached to either conventional or FHA loans.



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# A Mortgage Payment Scenario

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**\$350,000 @ 6.5% 30 year fixed**

**\$3,046 estimated payment**

Estimate includes principle, interest, property taxes, homeowners insurance & mortgage insurance. Estimate assumes 5% down, 2.5% tax rate & 720+ credit score

**\$350,000 @ 5.5% 30 year fixed**

**\$2,832 estimated payment**

Estimate includes principle, interest, property taxes, homeowners insurance & mortgage insurance. Estimate assumes 5% down, 2.5% tax rate & 720+ credit score

**\$350,000 @ 4.5% 30 year fixed**

**\$2,629 estimated payment**

Estimate includes principle, interest, property taxes, homeowners insurance & mortgage insurance. Estimate assumes 5% down, 2.5% tax rate & 720+ credit score



# 3.5% down on a 30 year fixed FHA mortgage

## Mortgage Scenarios

	6.25%	5.75%	5.25%
<b>\$360k</b>	<p><b>\$3,234</b></p> <ul style="list-style-type: none"> <li>• P+I: \$2,176</li> <li>• Taxes: \$750</li> <li>• HI: \$150</li> <li>• MI: \$158</li> </ul>	<p><b>\$3,119</b></p> <ul style="list-style-type: none"> <li>• P+I: \$2,061</li> <li>• Taxes: \$750</li> <li>• HI: \$150</li> <li>• MI: \$158</li> </ul>	<p><b>\$3,009</b></p> <ul style="list-style-type: none"> <li>• P+I: \$1,951</li> <li>• Taxes: \$750</li> <li>• HI: \$150</li> <li>• MI: \$158</li> </ul>
<b>\$330k</b>	<p><b>\$2,977</b></p> <ul style="list-style-type: none"> <li>• P+I: \$1,995</li> <li>• Taxes: \$687</li> <li>• HI: \$150</li> <li>• MI: \$145</li> </ul>	<p><b>\$2,872</b></p> <ul style="list-style-type: none"> <li>• P+I: \$1,890</li> <li>• Taxes: \$687</li> <li>• HI: \$150</li> <li>• MI: \$145</li> </ul>	<p><b>\$2,771</b></p> <ul style="list-style-type: none"> <li>• P+I: \$1,789</li> <li>• Taxes: \$687</li> <li>• HI: \$150</li> <li>• MI: \$145</li> </ul>
<b>\$300k</b>	<p><b>\$2,719</b></p> <ul style="list-style-type: none"> <li>• P+I: \$1,813</li> <li>• Taxes: \$625</li> <li>• HI: \$150</li> <li>• MI: \$131</li> </ul>	<p><b>\$2,625</b></p> <ul style="list-style-type: none"> <li>• P+I: \$1,719</li> <li>• Taxes: \$625</li> <li>• HI: \$150</li> <li>• MI: \$131</li> </ul>	<p><b>\$2,532</b></p> <ul style="list-style-type: none"> <li>• P+I: \$1,626</li> <li>• Taxes: \$625</li> <li>• HI: \$150</li> <li>• MI: \$131</li> </ul>

Amounts above are close estimates. Actual numbers will come in higher or lower depending on the home price, property taxes & interest rate that gets locked in.

# What Does It Cost You To Have Me As Your Realtor?

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You do NOT directly pay me to represent your best interest during or after you buy your home.

I only earn a commission (paid by seller or builder) when you close on a home you want.

I believe that if I do a good job, you buy a home you love, the seller gets to sell their home & I get to earn a commission. Everyone wins!

I will always put your best interest ahead of a commission



# My Commitment & Offer To You

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- Protect your best interest 100% of the time
- Explain everything in detail as many times as needed for you to makes sense of it
- Make myself available to you for all questions & needed info
- Never pressure or manipulate you to take action
- Be flexible & work around your busy schedule
- Have a positive "Can Do" attitude
- Be honest & transparent all the time on everything
- Complete tasks that I say I'm going to do within the time frame given

**In return, I only ask for your commitment to me as your Realtor with a signed agreement**





# REAL ESTATE TERMINOLOGY



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## Common Terms

ADJUSTABLE RATE MORTGAGE (ARM)	The interest rate is tied to a financial index making the monthly mortgage payment go up or down over time.
ANNUAL PERCENTAGE RATE (APR)	The percent of interest that will be charged on a home loan.
APPRAISAL	A report highlighting the estimated value of the property completed by a qualified 3rd party. This is typically done for the benefit of the buyer or the buyer's lender to ensure the property is worth the purchase price.
ASSOCIATION FEE/HOA FEE	In addition to a mortgage, certain housing communities such as townhomes have a monthly fee associated with maintaining the common areas and amenities.
BALLOON MORTGAGE	A long-term mortgage loan that starts small but has a large payment due at maturity.
CLOSING	When the new title to the property is officially recorded by the County Recorder's Office and ownership of the property transfers to the new buyer.
CLOSING COSTS	The buyer and seller have expenses associated with the transaction other than that of the actual cost of the home. For example, the buyer has a variety of fees due for obtaining a new loan and the seller must pay commission to both agents.
CLOSING DISCLOSURE	A form that provides the final details about the mortgage loan. It includes loan terms, projected monthly payments, and how much the extra fees will be.
COLLATERAL	Something of value (in this case your home) that is held to ensure repayment of a mortgage or loan.
COMMISSION	A percent of the sale price of the home that is paid to agents. The seller pays commission to both the buyer and listing agent.
COMPARABLES	Homes in the area of interest that have recently sold that have similar features.
CONTINGENCIES	Conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. If the contingency is not satisfied the contract may be canceled.

COUNTEROFFER	The response from the seller in regard to an offer.
DEBT TO INCOME RATIO	A lender will evaluate whether a borrower's income is large enough to handle their payments on existing debts plus their new mortgage payments.
DOWN PAYMENT	A percent of the cost of the property that is paid up front as a part of the mortgage.
EARNEST MONEY	The deposit made from the buyer to the seller when submitting an offer. This deposit is typically held in trust by a third party. Upon closing, the money will generally be applied to the down payment or closing costs.
ESCROW	This term has multiple meanings; earnest money is typical held by a third party until closing in "escrow." It can also be referred to as the time period from when the contract is written and accepted by the seller to when the home sale actually closes.
EQUITY	The difference in the market value of a home versus what is owed on the home.
FHA	A mortgage that is financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify.
FIXED RATE	The interest rate will remain the same for the entire life of the mortgage.
HOME EQUITY LINE OF CREDIT	A loan or line of credit that your lender may offer using the equity in your home as collateral.
HOME INSPECTION	The process in which a professional inspects the seller's home for issues that may not be readily apparent, and then creates a report for the buyer to review.
HOME PROTECTION PLAN	A one-year service that covers the cost of repairs or replacements to items covered in the plan (such as stoves, dishwashers, A/C, heaters, etc.).
HYBRID	A loan that starts with a fixed rate period, then converts to an adjustable rate.
MORTGAGE INSURANCE	Insurance written in connection with a mortgage loan that protects the lender in the event the borrower cannot repay their loan. This is usually not required if the borrower has 20% or more for the down payment.
MORTGAGE NOTE	A promise to pay a sum of money at a standard interest rate during a specific term that is secured by a mortgage.
MULTIPLE LISTING SERVICE (MLS)	The national list of real estate properties that are available for sale. These are the most reliable sources to receive up-to-date listing information.
PRE-APPROVAL	The process in which a lender makes an initial evaluation of how much money a buyer might be qualified to borrow based on the preliminary financial information provided. This gives the seller more confidence in the buyer's ability to close escrow, but is not a guarantee that the loan will be approved.



PRINCIPAL	The underlying amount of the loan which is actually borrowed.
PROPERTY TAXES	These are the taxes that are enforced by the city, town, county, and state government entities. Sometimes they are included in the total monthly mortgage payment paid to the lender and sometimes they are paid directly by the home owner.
REO	Real estate owned properties or foreclosed properties currently owned by a financial institution such as the bank that made the loan to the previous owner.
REVERSE MORTGAGE	This is specifically for seniors and it allows them to convert the equity in their home to cash.
SHORT SALE	A situation when the seller's lender is willing to accept an offer and allows the sale to be completed for an amount less than the mortgage amount owed by the seller.
TITLE	A legal document proving current and proper ownership of the property. Also referred to as a Title Deed, this document highlights the history of property ownership and transfers.
UNDERWRITING	The process in which the potential home buyer is evaluated for their financial ability to obtain and repay a loan. This normally includes a credit check and an appraisal of the property.
VA LOAN	Special no down payment loans that are available to Americans who have served in the Armed Forces. These loans are issued by private lenders and are guaranteed by the Department of Veterans Affairs.



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