

# BUYER'S GUIDE

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REAL BROKER, LLC | RB-23337

# hello!

I'm David Lee, Team Leader of the Voyager Team

**AND YOUR LOCAL REAL ESTATE EXPERT**

I became a Realtor 10 years ago, fueled by a passion for helping individuals, such as yourself, find their dream homes. Over the years, I've grown and evolved into a DIY-er, Investor, Real Estate Mentor and assumed the role of Team Leader for the Voyager Team at Real Broker, LLC. Boasting over \$150 Million in real estate sales and helping hundreds of Hawaii's families to build their own real estate legacies.

With ownership of multiple investment properties in Hawaii, I understand the journey of an Investor and the ins and outs of homeownership. This firsthand experience has not only shaped my expertise but also fueled my commitment to guide others to build their own generation wealth through real estate.

When I'm not busy helping Hawaii's families, you'll likely find me in the kitchen, experimenting with new recipes. Cooking is not just a hobby for me; it's a creative outlet that allows me to unwind and express my passion for flavor. Or you'll find me at the airport terminal, getting ready for take-off to my next international destination (A Realtor's gotta relax too ya know!)

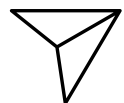
My approach to work is to arm you with the knowledge necessary to make this real estate journey as painless as possible. I am filled with excitement as we embark on this adventure, whether you are buying or selling, you've come to the right place.



*let's* **CONNECT**



David@DavidLeeHawaii.com



DavidLeeHawaii



808 277 7095

# 10 *steps* TO BUYING A HOME

- 1 FIND THE RIGHT AGENT
- 2 PREPARE FINANCES
- 3 GET PRE-APPROVED
- 4 START HOME SHOPPING
- 5 MAKE AN OFFER
- 6 UNDER CONTRACT
- 7 INSPECTION AND NEGOTIATIONS
- 8 APPRAISAL ORDERED
- 9 FINAL STEPS
- 10 CLOSING DAY





# 1 FINDING THE RIGHT *agent*

Buying a home is one of the most significant purchases in a lifetime. It is essential to have an experienced agent in your corner, always looking out for your best interest. A buyer agent's fiduciary responsibility is to represent the buyer and to ensure that they are protected.

After all, a seller has someone in their corner. A listing agent has an allegiance to the seller. Their goal is to get the seller top dollar for their home. There is incredible value in having someone working for YOUR best interests when buying a home.



## GETTING YOU IN THE DOOR

We will narrow down the homes that fit your unique wants and needs and get you in the door! I look at dozens of homes every week, and I can help you identify potential problems within a home. When repairs or changes in price need to be made, I will be your guide and handle requesting any repairs or changes in price to the sellers.

## STAYING ON TOP OF THE PAPERWORK

Buying a home involves many types of documentation. I have the experience and knowledge to navigate real estate contracts. Ensuring that nothing is overlooked, and that you truly understand what a paper means before ever signing on the dotted line.

## ON YOUR SIDE

A buyer's agent will represent your best interests. With a pulse on the local market and a sound understanding of how various amenities effect the value of a home, we will make sure we submit a competitive offer on the right house for you.

## NEIGHBORHOOD EXPERT

I work daily in neighborhoods with inspectors, contractors, and negotiating with sellers. I have the market knowledge you need to get you the home of your dreams at the best price! Understanding the local real estate market is essential when it comes time to make an offer on a house.

## PROBLEM SOLVER

I will work hard to protect all of your interests and take on any issues that may arise throughout the entire process. I work tirelessly to make sure buying a home is a fun and stress-free process.

## AFFORDABILITY

The seller typically pays the commission for both the seller's agent and the buyer's agent.



## HOW MUCH HOUSE CAN YOU 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
- 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.

- 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 typically costs between \$400 to \$800, depending on the size of the home.



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## *get* PRE-APPROVED

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.

Obtaining pre-approval for a mortgage is a crucial step before buying a house. It empowers you with a realistic budget, enables you to focus your search effectively, and enhances your credibility as a serious buyer. Sellers are more likely to consider offers from pre-approved buyers as they have greater confidence in the transaction's success. By taking the time to get pre-approved, you position yourself for a smoother home buying process and increase your chances of securing the home of your dreams.

\*The information below is provided as a guideline and is not meant to be comprehensive. For more information, please consult a licensed loan officer.

## 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

## 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

# TYPES OF mortgage loans

	WHO QUALIFIES	DOWN PAYMENT	UPFRONT MORTGAGE INSURANCE	MONTHLY MORTGAGE INSURANCE	MINIMUM CREDIT SCORE
<b>VA</b> Department of Veteran Affairs	Veterans Personnel with honorable discharge Reservists & National Guard Surviving Spouses	NONE	NONE	NONE	580
<b>USDA</b> Department of Agriculture	Someone who is buying a home in a USDA -designated rural area.	NONE	2% of the loan amount. Can be rolled into loan amount.	REQUIRED	640
<b>FHA</b> Federal Housing Administration	Anyone who meets the minimum credit and income levels.	At least 3.5% of purchase price	1.75% of loan amount	REQUIRED	580-640
<b>203K</b> Federal Housing Administration	Anyone who plans to purchase a fixer-upper or needs to renovate their home and meets credit & income requirements	At least 3.5% of purchase price	1.75% of loan amount	REQUIRED	580-640
<b>CONVENTIONAL 97</b>	Depending on the program, available first time home buyers (a buyer who hasn't owned in the last three years) can put 3% down with a Conventional 97 program.	Varies from 3%-20% of purchase price	NONE	REQUIRED	620
<b>SELECT SMART PLUS</b>	Anyone who meets lenders credit, income & debt level requirements	Varies from 3% -20%, but typically ranges from 5-20%	NONE	REQUIRED	620





## 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 videos 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 on recent sales and current buyer activity in the area, as well as the value of the property in its current condition. Negotiations may take place after the offer is presented.



## *tips*

We will make sure to check every little detail of each house

- Test the plumbing
- Test the electrical system
- Open and close the windows & doors to make sure they work properly

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?



# make AN OFFER

## WHEN TO MAKE AN OFFER:

So you have found THE house! Congrats! Depending on the market we are in, time may be of the essence in presenting an offer.

## 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 its 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 Offer

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

### •Write the Seller a Letter

We will make your offer stand out by writing a personal letter to the seller, explaining why you fell in love with their home.

### •Offer to Close Quickly

Many sellers prefer to close within 30 days.



## AFTER YOU SUBMIT AN OFFER

### THE SELLER COULD:

#### •Accept the Offer

#### •Decline the Offer

This happens if the seller thinks your offer isn't close enough to their expectations to further negotiate.

#### •Counter-Offer

A counter-offer is when the seller offers you different terms. If this happens, you can:

- ACCEPT THE SELLER'S COUNTER-OFFER
- DECLINE THE SELLER'S COUNTER-OFFER
- COUNTER THE SELLER'S COUNTER-OFFER

You can negotiate back and forth as many times as needed until you reach an agreement or someone chooses to walk away.

### Offer is Accepted-Congrats!

You will sign the purchase agreement and you are now officially under contract! This period of time is called the contingency period. Now inspections, appraisals, or anything else built into your purchase agreement will take place.



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## *under* CONTRACT

When a house is under contract, it means that a buyer and seller have reached an agreement on the terms and conditions of the sale. During this period, the buyer typically conducts inspections, obtains financing, and fulfills any contingencies outlined in the contract. The seller may address repair requests or negotiate modifications to the agreement. Both parties work towards meeting the conditions required for a successful closing, including the completion of necessary paperwork and coordination with relevant professionals such as appraisers, lenders, and title companies. Once all requirements are satisfied, the sale moves towards the closing stage, where ownership of the house is officially transferred to the buyer.

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## *order* AN INSPECTION

Property inspections are done to make sure that the home is in the condition for which it appears. If the property inspector finds any issues, the buyer can decide if they want to back out of the contract or renegotiate the terms of the sale.

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. Typically there is room for negotiation, but some of these items can be deal breakers. It is necessary for both parties to come to an agreement on what will be repaired and what will not, and if there will be a credit offered to the buyers in order to accommodate for the repairs. We will be mindful and reasonable on smaller items while being very cautious and vigilant of potentially significant issues.



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## 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.

### PROPERTY TITLE SEARCH

This ensures that the seller truly owns the property and that all existing liens, loans or judgments are disclosed.

### HOME OWNERS INSURANCE

You'll need insurance for the new home before closing. This will protect against things like fire, storms, and flooding.



## INSURANCE REQUIREMENTS

Homeowners insurance protects your home and possessions against damage and theft and is required by lenders before finalizing your loan. Policies vary and are completely customizable, so it's recommended to get quotes from multiple companies to compare price, coverage and limits. In the State of Hawaii, flood (if in a flood zone) and hurricane insurance are required by lenders as part of their mortgage approval.

## CLOSING DISCLOSURE

At least 3 days before closing, lenders are required to provide you with a Closing Disclosure (CD) with your final loan terms and closing costs for you to review. Closing costs for the buyer typically range from 2-5% of the purchase price, which can include lender fees, lender's title insurance, and HOA dues if applicable.

## FINAL WALKTHROUGH

Within 72 hours of closing we will do a final walk through of the home before signing the final paperwork. The last step is to verify that no damage has been done to the property since the inspection, that any agreed upon repairs have been completed, and that nothing from the purchase agreement has been removed from the home.





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# closing DAY



## CLOSING DAY

Closing is when you sign ownership and insurance paperwork and you receive your new home's keys! Typically, the road to closing takes 30-45 days. During this time, purchase funds are held in escrow, where your money is held safe until the transaction is complete.



## CLOSING TABLE

Who will be there:

- An escrow and title company officer
- Your real estate agent
- Your loan officer
- Any real estate attorneys involved in the transaction

The closing typically happens at the title company. 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
- Copy of the sales contract
- Homeowner's insurance certificate
- Proof of funds to cover the remainder of the costs

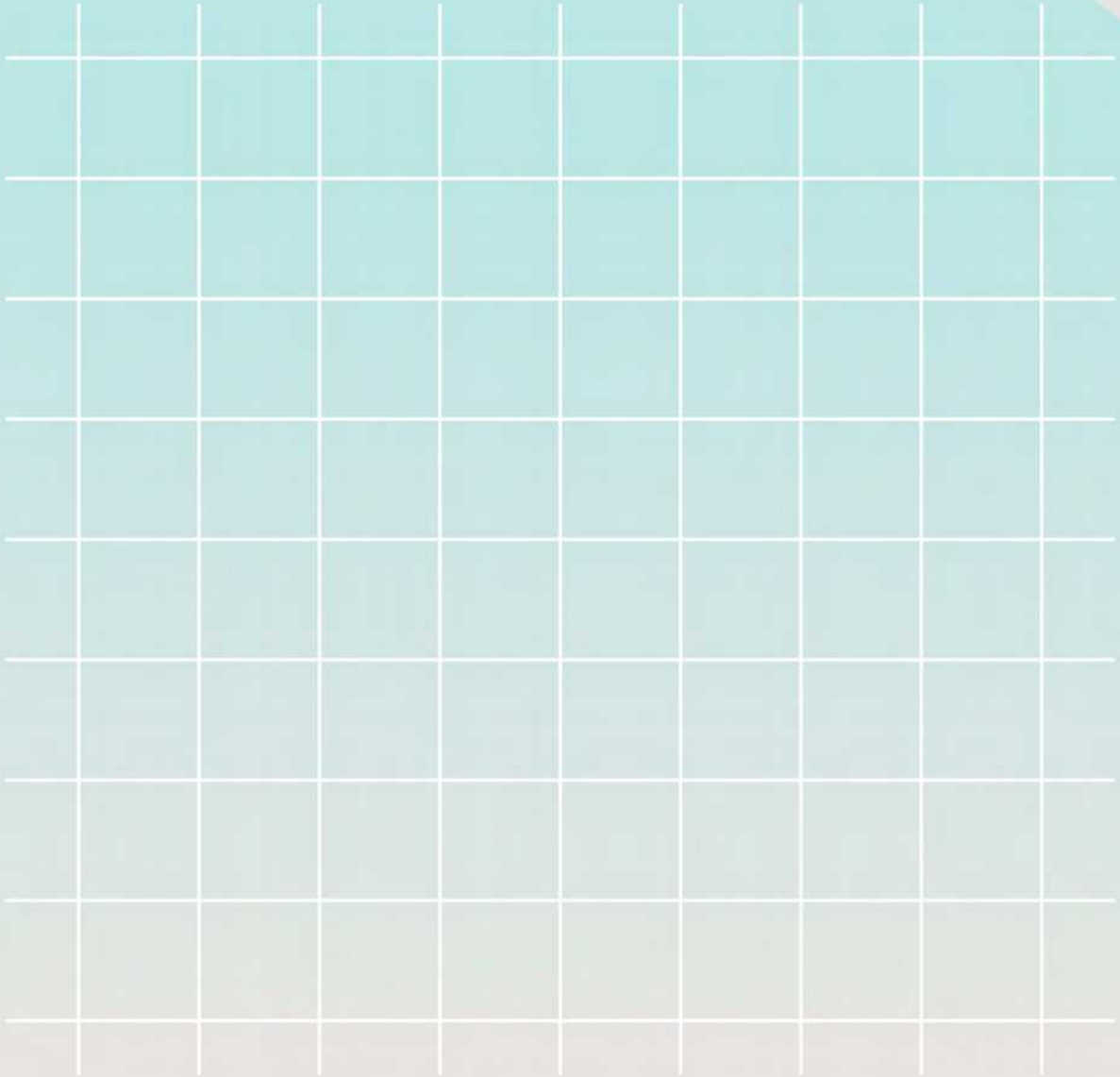


## RECEIVE YOUR KEYS

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!

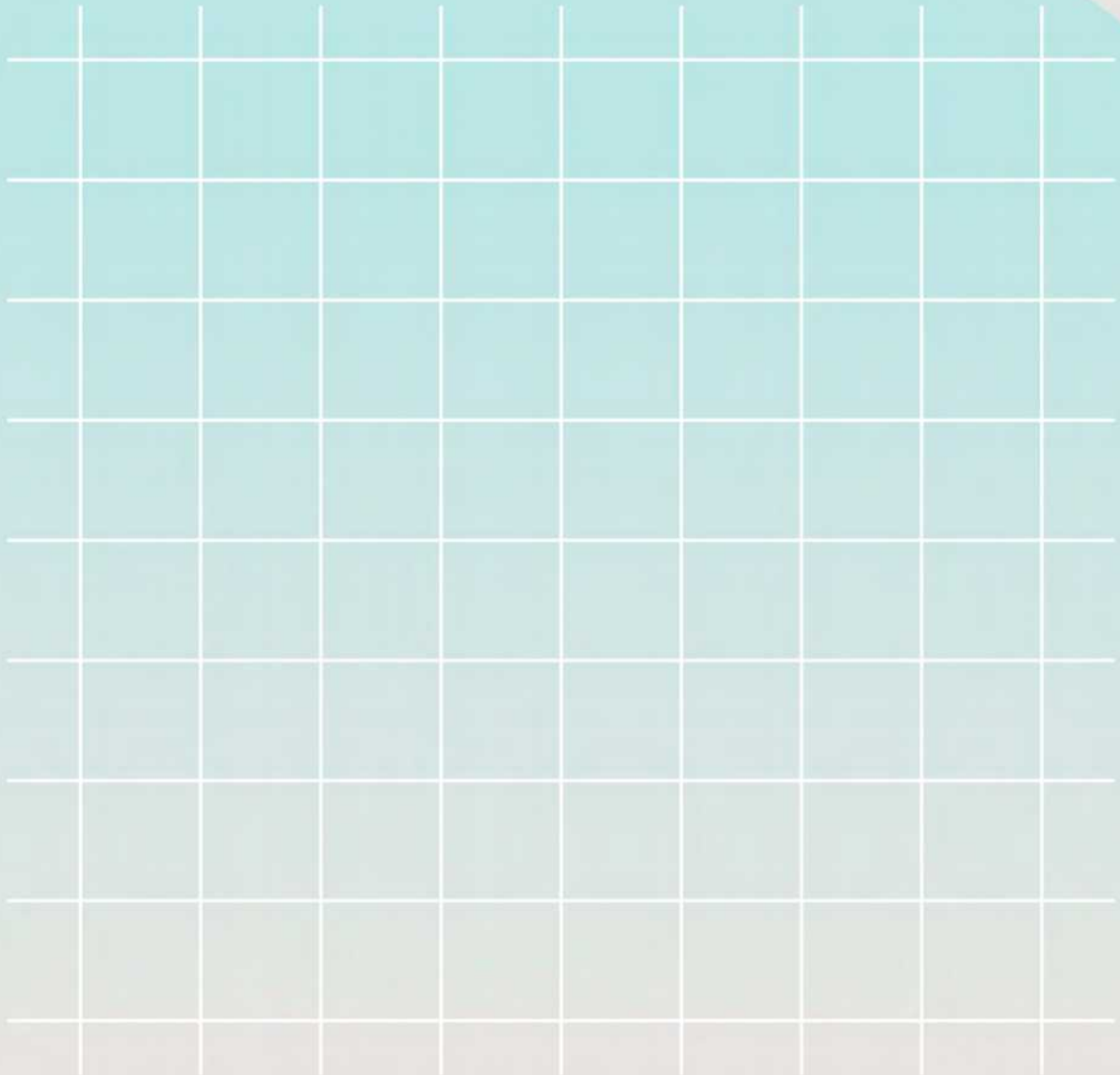


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*Mahalo!*

