

Essential Guide for Finding Your Dream Home

BUYER'S GUIDE

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ABOUT US

Each office is independently owned and operated
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KW PORTER RANCH
KELLERWILLIAMS®

Greetings!

My name is Long, and I am a passionate real estate agent who loves to help clients find their dream home. With extensive knowledge in the industry, I have developed a deep understanding of the local market and pride myself on my ability to provide top-notch service to my clients. My approach is centered around building strong relationships with my clients and getting to know their unique needs and preferences. I am dedicated to providing personalized attention, excellent communication, and a commitment to ensuring a smooth and stress-free transaction. I am honored to be a part of your home buying or selling journey and look forward to working with you!



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HOME BUYING PROCESS

1

FIND A REAL ESTATE AGENT

Choose a real estate agent to help you navigate the market, find properties that fit your needs, and guide you through the process.

2

OBTAIN FINANCIAL PRE-APPROVAL

Determine your budget, get pre-approved for a mortgage, research neighborhoods that fit your budget and lifestyle

3

START YOUR SEARCH

Use online real estate websites, attend open houses, and work with your agent to find homes that fit your criteria.

4

MAKE AN OFFER AND NEGOTIATE TERM

Once you find a home you like, work with your agent to make an offer. The offer should include the purchase price, contingencies, and a deadline for the seller to respond.

5

GET A HOME INSPECTION

Hire a licensed home inspector to evaluate the condition of the home and identify any issues that need to be addressed.

6

GET A HOME APPRAISAL

A home appraisal is an evaluation of the property's value by a professional appraiser. The appraiser will consider factors such as the home's size, location, condition, and comparable sales in the area.

7

CLOSE THE DEAL

Once the seller accepts your offer, work with your agent, lender, and attorney to finalize the transaction.

8

TAKE POSSESSION OF THE HOME!

Congratulations, you're now a homeowner! Coordinate with movers and utilities to make a smooth transition into your new home.



One fact about buying a house is that it can be a significant investment that may appreciate over time, providing the potential for long-term financial stability and wealth-building opportunities.



TERMS TO KNOW

DOWN PAYMENT

The initial amount of money paid by the home buyer to the seller to secure the purchase of the property.

MORTGAGE

A loan provided by a lender to the home buyer to finance the purchase of a home.

APPRAISAL

An estimate of the value of the property performed by a licensed appraiser to determine its fair market value.

HOME INSPECTION

A detailed examination of the property by a licensed home inspector to identify any potential issues that could affect the sale or value of the property.

CONTINGENCY

A condition that must be met in order for the sale to proceed, such as the buyer obtaining financing or the completion of a satisfactory home inspection

OFFER

A proposal to buy a property, including the price and terms of the sale.

CLOSING COSTS

Fees associated with the purchase of a home that are paid at the closing of the sale. This may include appraisal fees, title insurance, and attorney fees.

DISCLOSURE

The seller's obligation to disclose any known defects or issues with the property that could affect its value or safety.

TITLE

The legal right to own and sell the property, which is conveyed to the buyer at closing.

ESCROW

A third-party account that holds funds, documents, and other items related to the sale of the property until the transaction is completed.

UNDER CONTRACT

A stage in the sale process where the seller has accepted an offer, but the sale has not yet been finalized.

CLOSING

The final step in a real estate transaction where the buyer pays for the property and the seller transfers ownership.

TERMS TO KNOW

UNDERWRITING

Mortgage underwriting involves assessing a potential home buyer's financial ability to obtain and repay a loan, which includes credit checks and property appraisals.

DEBT TO INCOME RATIO

When determining whether to approve a mortgage application, lenders will assess whether the borrower's income is sufficient to cover both their current debts and new mortgage payments.

EARNEST MONEY

Earnest money is a deposit paid by a buyer to a seller during a real estate transaction, held in trust by a third party until the deal is completed, and later applied to the down payment or closing costs.

EQUITY

This refers to the gap between a home's market value and its outstanding mortgage balance.

HOME EQUITY LINE OF CREDIT

Using the equity in your home as collateral, your lender may provide you with a loan or line of credit.

PROPERTY TAXES

Property taxes are enforced by local and state government entities and may be paid as part of the monthly mortgage payment or directly by the homeowner.

MORTGAGE INSURANCE

Mortgage insurance protects lenders if the borrower is unable to repay their loan, but it is not typically required if the borrower puts down 20% or more.

MORTGAGE NOTE

A mortgage-backed loan is a loan secured by a mortgage, where the borrower commits to repaying a sum of money with standard interest over a specific timeframe.

TITLE

The legal right to own and sell the property, which is conveyed to the buyer at closing.

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, heater, ect..)

UNDER CONTRACT

A stage in the sale process where the seller has accepted an offer, but the sale has not yet been finalized.

PRE-APPROVAL

Pre-qualification is the preliminary evaluation of a buyer's financial information by a lender to estimate how much they are qualified to borrow, increasing the seller's confidence but not guaranteeing loan approval.

TERMS TO KNOW

ADJUSTABLE RATE MORTGAGE (ARM)

The monthly mortgage payment is subject to change over time as it is linked to a financial index that determines the interest rate.

ANNUAL PERCENTAGE RATE (APR)

This refers to the interest percentage that will be applied to a home loan.

BALLOON MORTGAGE

A type of mortgage loan that begins with low payments, but requires a sizable payment at the end of the loan term.

ASSOCIATION FEE/HOA FEE

When buying a townhome or community housing, remember to include monthly maintenance fees for common areas and amenities in addition to your mortgage payment.

FHA

A private lender-backed mortgage that is secured by the Federal Housing Administration, typically requiring a lower down payment and income to qualify.

VA LOAN

VA-guaranteed loans, offered by private lenders, provide special no down payment loan options to eligible American Armed Forces veterans.

HYBRID

A type of loan that commences with a fixed rate duration and then switches to a variable rate.

REVERSE MORTGAGE

This program caters to senior citizens seeking to convert their home equity into liquid funds.

FIXED RATE

The interest rate will remain the same for the entire life of the loan.

SHORT SALE

This is when the seller's lender agrees to accept an offer and permits the sale to proceed for an amount lower than the outstanding mortgage balance owed by the seller.

REO

Real estate owned (REO) properties are foreclosed properties that are presently owned by a financial institution, such as the bank that granted the loan to the previous owner.

MULTIPLE LISTING SERVICE (MLS)

The national list of real estate properties for sale is a reliable source for up-to-date listing information.

08 STEPS TO BECOMING A HOMEOWNER

1

FIND A REAL ESTATE AGENT

2

OBTAIN FINANCIAL PRE-APPROVAL

3

START YOUR SEARCH

4

MAKE AN OFFER AND NEGOTIATE TERM

5

GET A HOME INSPECTION

6

GET A HOME APPRAISAL

7

CLOSE THE DEAL

8

TAKE POSSESSION OF THE HOME!



PREPARE
TO BUY



FIND A REAL ESTATE AGENT

Selecting a real estate agent you trust and feel at ease with is as pivotal as discovering your ideal home. Considering the substantial investment you're poised to make, it's imperative to collaborate with an agent equally dedicated to fulfilling your needs.

By partnering with me and my team at Keller Williams Porter Ranch, you'll benefit from the expertise of me and my team committed to ensuring you not only find your dream home but also navigates you seamlessly through the entire home buying journey. Your satisfaction and successful home purchase are my top priorities.

OUR EXPERTISE

Our team possess exclusive industry insights beyond public knowledge, enabling you to discover a remarkable dream home. With our insider expertise in market trends, we transform your home search into an artful process, ensuring you secure a unique residence at an unbeatable deal.

NEGOTIATING SKILLS

Our team's proficiency and knowledge enable us to assist you throughout the home buying process, enabling you to make well-informed decisions. Our team possess the necessary skills to navigate complex negotiations and secure the best value for your investment.

PROFESSIONAL STANDARDS

Our Commitment to Professionalism

We take pride in upholding the highest standards of professionalism. Our team regularly undergoes training and compliance checks to stay informed on any changes in legal and administrative procedures. This guarantees that you receive dependable and precise guidance throughout the home buying process.

CUSTOMER SERVICE

We believe that customer service is key. Our team are committed to providing exceptional service and answering any questions or concerns you may have. We treat our clients with the same level of respect and care that we would want for ourselves.

02

OBTAIN YOUR PRE-APPROVAL

DETERMINE YOUR BUDGET

Calculating a Realistic Home Budget

Before purchasing a home, it's important to determine how much you can afford to spend. This involves considering your income, expenses, and debts. Keep in mind that the costs of property taxes, homeowner's insurance, and home maintenance should also be factored in, not just the mortgage payment.

GET PRE-APPROVED FOR A MORTGAGE

To ensure a seamless home buying experience, it's crucial to determine your budget beforehand. This will give you a clear idea of how much you can afford. Additionally, researching and comparing mortgage rates and terms from various lenders is vital to find the best option tailored to your financial situation.



02

OBTAIN YOUR PRE-APPROVAL

DOWN PAYMENT

The down payment is the initial payment made by the home buyer to the seller to secure the purchase of the property. It usually ranges from 10% to 20% of the home's purchase price, but can be as low as 3.5% with FHA or 0% with VA depending on the loan type.

IMPROVE YOUR CREDIT SCORE

Importance of a Strong Credit Score for
Favorable Mortgage Rates

Maintaining a good credit score is crucial if you want to secure a desirable interest rate on your mortgage. To elevate your credit score, focus on paying off outstanding debts and avoiding late payments.





FIND YOUR
DREAM HOME



START YOUR SEARCH



MAKE A LIST OF MUST-HAVES AND NICE-TO-HAVES

To simplify your home search, compile a list of must-have features such as the number of bedrooms, bathrooms, location, and yard size. Additionally, include a list of features that would be nice to have, but are not necessary.



RESEARCH NEIGHBORHOODS

When searching for a new neighborhood, research important factors such as school quality, safety, public transportation access, and local amenities.

ATTEND OPEN HOUSES AND HOME SHOWINGS

Attending open houses and showings is crucial to improve your home search. Take notes and pictures to better understand and recall details about the homes you're interested in.

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04

MAKE AN OFFER AND NEGOTIATE TERM

Submitting an Offer on a Property with Your Real Estate Agent

When you find a property that catches your eye, collaborate with your real estate agent to submit an offer to the seller. Your offer should encompass the purchase price, contingencies, and any other terms and conditions that you would like to propose.

PREPARE FOR NEGOTIATIONS

When making an offer, be prepared to negotiate if the seller counters with different terms or a price. Work with your agent to create a counteroffer that satisfies both parties.

BE FLEXIBLE

Negotiations often require compromise. When discussing the sale of a property, keep in mind market trends, the seller's motivation, and the condition of the property.



GET A HOME INSPECTION



Home Inspection: What It Is and Why It's Important

A home inspection is conducted by a professional home inspector to evaluate the condition and structure of a property. The primary objective of the inspection is to identify potential issues that could impact the property's value or pose a safety hazard.

What to Expect During a Home Inspection?

A home inspection is a thorough evaluation of a property that examines various systems, including electrical, plumbing, HVAC, and structural components such as the roof and foundation. Additionally, the inspector will search for evidence of water damage, pest infestations, and other potential issues. Following the inspection, the inspector will provide a detailed report highlighting any issues found. This report is useful for negotiating with the seller for repairs or to adjust the purchase price.





FINAL STEPS



GET A HOME APPRAISAL

An Overview of Property Appraisals and Their Impacts

During a property appraisal, the appraiser will take several factors into account, including the location, condition, size, and comparable sales in the area. They will then provide an estimated value of the property based on their analysis. It's important to note that the appraisal can affect your financing, as lenders will use it to determine the amount they are willing to lend you.



APPRAISAL CONTINGENCY

It is common for buyers to include an appraisal contingency in their purchase agreement, which allows them to back out of the purchase if the appraisal comes in lower than the purchase price.

APPRAISAL COST

The cost of the appraisal is typically paid by the buyer and can range from a few hundred to a few thousand dollars, depending on the type of appraisal and the size of the property.

HOMEOWNER'S INSURANCE

Be sure to obtain homeowner's insurance to protect your investment in the home.

PROPERTY TAXES

The appraisal can impact your property taxes, as the assessed value of the property is used to determine the amount of property taxes you will owe. If the appraisal comes in higher than expected, you may need to budget for higher property taxes.

CLOSE THE DEAL

REVIEW THE CLOSING DISCLOSURE

A few days before the closing, you will receive a closing disclosure from your lender that outlines the final details of your loan, including the loan terms, interest rate, and closing costs. Review it carefully to make sure everything is accurate.

CONDUCT A FINAL WALKTHROUGH

Before closing, conduct a final walkthrough of the property to ensure that any repairs or requested changes have been made and that the property is in the same condition as when you made your offer.

REVIEW AND SIGN CLOSING DOCUMENTS

During the closing, you will review and sign several documents, including the mortgage note, the deed of trust, and the settlement statement. Review them carefully and ask your agent or attorney any questions you may have.

PAY CLOSING COSTS

You will be required to pay closing costs, which may include appraisal fees, title insurance, attorney fees, and other charges.

TAKE POSSESSION OF THE HOME!!!

CONGRATULATIONS ON CLOSING THE DEAL AND BECOMING A HOMEOWNER!

Moving in is an exciting step in the home buying process. Here's what to expect when you're ready to move into your new home

- Hire a moving company
- Pack and label your items
- Transfer utilities
- Change your address with the post office and relevant organizations
- Unpack and settle in
- Explore your new neighborhood



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Disclaimer:

This information is not intended to solicit the offering to another

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Information is deemed reliable, but not guaranteed!