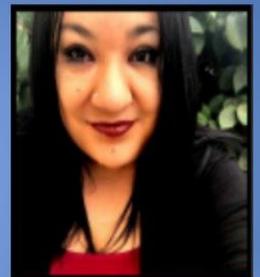


# A Buyers Guide



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The purchase of a home is one of the largest purchases you'll ever make! When you're ready to take this journey, you'll want a Real Estate



Agent that commits to your goals and works hard to assist you in fulfilling your housing dreams.

With many resources, including multiple forms of technology, social media, personal marketing and advertising, I have the ability to

guide and assist you through the home buying process with my expertise.

Tirelessly, I will search for the ideal home with little to no hassle for you. Within this guide, I will prepare you for the home buying experience and arm you with information and education in the home buying process.

Please feel free to ask any questions at any time! I look forward to meeting your real estate needs!

# Why do I need an agent?

With an experienced, qualified Agent, you have someone who works as a liaison between a Buyer and a Seller. Your Agent has access to information and properties that you may not be able to access and provides a pain free process for you.



**Home Searching** - When searching for your dream home, your Agent can determine if the home meets your needs, make appointments to view homes and find information that normally wouldn't be available to you. Without an Agent, when you find your dream home, you may not know how to negotiate the best deal. You may also become confused when others use real estate terms. An agent is skilled in all real

estate terms and will be able to explain them and explain the various situations that can occur during negotiations.

**Contracts** - The offer/purchase contract is designed to protect you as a Buyer and possibly back out of the deal if conditions in the contract are not met. Though, how will you know and understand the contract? One mistake within the contract can cause the deal to fail or effect your financing. An Agent deals with these contracts on a regular basis and knows what conditions need to be met during the deal.

**Care** - When hiring an Agent, you are hiring a professional, just like your Doctor or Plumber. You can count on a professional to learn your specific needs and care about your needs. Your Agent will care about your time, and make the most of your time when showing you homes.

While these are just a few reasons why an Agent is important, ultimately, when you hire an agent you have someone who agrees to represent you and will be bound by common law to a fiduciary obligation to you. Your Agent is literally bound by the law to work in your best interest, not their own. If your Agent is a member of the National Association of Realtors® they are held to a much higher standard and

must follow NAR's Code of Ethics.

# Where do I start ?

Your first step before even viewing homes is to determine what you qualify for. There are many lenders to choose from, but if you aren't sure who to choose, seek the advice of your Agent, we always have preferred loan officers that we have worked with and achieved proven results.

You'll meet with the loan officer, determine what amount you qualify for and be issued a pre-qualifying letter. It's beneficial to pre-qualify before house hunting as it gives you the ability to view only homes that you can afford. A pre-qualification also makes you appear serious to a Seller and may make your offer more competitive. It's not required that you obtain a pre approval prior to home shopping, but in a seller's market, the competition among Buyers is significant.

When meeting with a loan officer, you'll want to bring along your photo ID as well as the following items in order to streamline the lending process.

## Income

You'll need 30-days of most recent payroll stubs. , including overtime, bonuses, differential pay as well as any other pay received from employment. Example: if paid weekly, need 4 stubs, bi-weekly 2. Monthly 1. You will also need copies of your recent year W-2s.

If you are self-employed or receive real estate income from rentals you'll need to provide year-to-date profit/loss statements, two years of form 1099s and full tax files. With rental income, you'll need to document the rental income, provide the current lease, and market value of your income property.

If you receive any other income, you will need to provide documentation regarding this income. Of course your Agent and loan officer will communicate any additional items need.

## Assets

You will want to collect and provide 2 consecutive months bank statements for every adult who will be listed on the loan application. All pages of the bank statement are needed, even the pages that are blank.

If you hold other accounts, such as IRA's, retirements, investment accounts, stocks and bonds, or CDs, you will need to provide the statements for these accounts, including all pages, as well.

Your lender may need further information and documentation for your assets, be sure to communicate with your Agent and loan officer.

## Credit Score

Credit Scores are also an important factor in qualifying for a home loan. There are many types of loans and minimum credit score number requirements vary for each type of loan.

### Conventional Loans - ideal for borrowers with good or excellent credit

- ★ Generally require a score of **780** and above for the best rates.
- ★ To qualify for a good rate, you may have a **700 - 779**
- ★ With a 660 - 700 you would qualify for an average rate.
- ★ 650 and below, you may qualify for this loan, depending on the size of your down payment

### FHA Loans - often an only option for borrowers with high debt-to-income ratios & low credit scores.

- ★ With a 620 and above, borrower may qualify for %3.5 down.
- ★ A 580 - 620 you may qualify with a %10 down

You may also qualify for down payment and closing cost assistance. Be sure to communicate with your Realtor and Lender for information on more programs!

The above information is to give you an idea of where to start and what to collect for your meeting with your Loan Officer. There are many more restrictions, be sure to discuss further details with your Agent and Loan Officer.

### Debts

You want to be sure that your overall debt does not exceed your income. Lenders will review your payment obligation to your existing debts. This may include, but won't be limited to, student loans, auto loans, credit cards, etc. Be sure to disclose all debts and payments made to debts to your Loan Officer.

### Other Records

Other records & documents you may need are, but not limited to : Divorce records, bankruptcy, foreclosures, gift letters for moneys gifted to you for purchasing your home and possibly rental history if you're currently renting.

If you've met with your Agent and Loan Officer only to find that you are just a few points off with your credit score, don't give up!!!

Your Agent and Loan Officer may have contacts that could assist you with credit and often times a lender will tell you exactly what you need to do to correct your credit in just 4 to 6 months!

# I'm qualified! Now what?

Now you and your Agent can go home shopping! You will be armed with a pre-approval letter, that will indicate exactly how much you qualify for. As I noted earlier, a pre-approval letter will show a Seller that you are serious should you decide to have your agent write an offer on a home you like.

## Submitting an Offer

Once you find the home you love, your Agent will submit an offer to the listing Agent in the transaction. If your offer is accepted, you will need to provide a deposit, which is usually 1% of the homes sale price.

In some cases, a Seller may counter your offer, which means they may request changes in the terms you and your Agent submitted in the offer. Typically counter offers move swiftly and the deal progresses.

## Escrow

Once the offer is accepted your Agent will open escrow. Escrow protects both the Buyer and the Seller in a transaction by ensuring that both parties perform according to the provisions of the contract. Escrow fees are common costs associated with buying and selling homes.)

During your escrow, you want to be sure NOT to buy anything on credit, use credit cards, do not buy vehicles or obtain vehicle loans, personal loans, make large deposits into your bank accounts, keep up all payments on credit cards and other existing loans. If you do not adhere to these rules, you may no longer qualify for your home loan, escrow will fall through and the home you wish to purchase may be sold to another!

## Inspections

There are multiple types of inspections that you can invest in while you're in escrow. In some cases, some inspections will be required and in other cases, none will be required. Here is a quick summary of a few inspections :

### Termite Inspection

In some cases it is a requirement to obtain a termite inspection. For example, if you are using a VA Loan, you mandatorily must have a termite inspection completed during escrow. Be sure to discuss this with your Agent and Loan Officer.

### Home Inspection

A home inspection is not a requirement, but is definitely a wise investment. An inspection will find major defects in the property that may cost you an enormous amount of money to correct. Having this knowledge allows you to make an informed decision on the purchase of this home. Discuss with your Agent and Loan Officer in more detail!

### Appraisals

During the escrow the home will need an appraisal. An appraisal determines the market value of the property. If the appraised value doesn't match the purchase price, you may have to renegotiate the price with your Agents help. Otherwise, the loan may not be funded.

### Closing Escrow

The close of escrow means all inspections, appraisals, and negotiating have been completed and the sale is final. Any closing fees your Loan Officer discussed with you will now be due. You'll transfer the funds to the escrow account and the final closing paperwork will be signed by the Seller and the Buyers.

Once all loan conditions have been met, the Lender will fund the Buyers loan according to the Lenders instructions. Upon funding, the Escrow Holder will distribute proceeds according to instructions. This includes distributing proceeds to Seller minus any Seller closing costs and potential liens against the property. Once all funds have been disbursed and the Grant Deed transferring Title to the Buyer has been recorded, you will receive the keys to your new home!

If you are currently working under agreement with another realtor, please disregard this communication as it is not

meant to be a solicitation for your business.

