



Renter to Homeowner in 90 days

Your step-by-step guide to
homeownership.



Hello & Welcome!

Cheers to you!

Congrats on taking the first step in buying your first home:
Learning how to buy your first home!

This 90-day homebuyer boot camp is filled with actionable
steps to become a homeowner in just 3 months.

Yep, just 3 months.

And the best part is, you don't have to go it alone. I am here
for you every step of the way. At any point that you need a
little bit of help or need a cheerleader in your corner.

I got you.

**Bridget Thomas,
Realtor**



@BridgetRavenRealty



@bridgetravenrealty

Questions?

As you go through this process, please take the time to write down any of your questions as they come up. We can set up weekly or monthly calls to go over everything, or text me anytime to chat.

Month One

In Month One we will:

- Mentally prepare you to buy a home
- Learn all about the homebuying process
- Get past homeownership myths
- Determine if you're actually ready to become a homeowner
- Talk about saving for your downpayment
- Make sure your finances are in order

Home Buying Process

When buying your first home, it is important to have an overall idea of what the process will look like. Here is a step-by-step breakdown and everything we will be covering over the next 3 months.



Why Become a Home Owner?

For many people, owning a home represents the stability, independence, and freedom of reaching adulthood. While that perception may be changing to some degree as more people wait longer to buy homes, it is still a major milestone. Real estate is considered by many to be a sound investment that offers unique wealth-building opportunities.

Buying a home expands options for the future, whether you plan to sell and make a profit or leverage the equity in your home to pay for other major expenses.

Homeowners are often invested in their community. They get involved in activities, volunteer for charity organizations, and help out with special events. They feel a sense of belonging that is often greater than someone who is renting for a short term.

Homeownership has far-reaching effects, financial and otherwise, starting with the buyer and continuing throughout the community.



Myths About Buying a Home

There are so many reasons people believe homeownership is out of their reach. But, when you get informed, you might just realize purchasing your first home is totally possible!

Move past these eight home-buying myths and start seeing just how affordable homeownership is!

1

FALSE: You need to make a 20% down payment

There are great options available to be able to put a smaller down payment on your home. You can apply for down payment assistance programs, use gift money or get mortgage insurance.

Speak with your agent or lender for more information & about qualifications.

2

FALSE: It's cheaper to rent

If you plan on renting for a couple of years or more, buying may be in your best interest. That's because mortgage payments are stable (when you choose a fixed-rate), where rent can increase annually.

According to data from RENTCafe, the national average rent increased 3.2% year over year.

3

FALSE: Interest rates are super high

Rates may rise or fall for a variety of reasons, but not by much. If your finances are in order and you've found a home you love, don't wait long for a lower rate. In 1981 rates were averaging over 16%.

You marry a house and date a mortgage. Refinancing later on is a reasonable plan.

4

FALSE: You need to payoff your student loans first

Student loan debt could be in your favor. It may improve your DTI, so you qualify for a better loan program or interest rate.

It may seem overwhelming to add on any more debt, but you have to remember your home will build equity, which can eventually be used to pay off high-interest debts like student loans, or credit card debt.

5

FALSE: Your credit score needs to be perfect

Your credit needs to be just as good as what you would need to rent a home.

Poor credit challenges both renters and homeowners alike. Work on strengthening your credit if it falls lower than 600. When you feel it's getting healthier, consult with a lender.

But, get a pre-approval!

6

FALSE: All lenders are the same

Rates and fees vary based on the lender. Some charge upfront fees, others don't.

Some pay their employees a commission (resulting in an added cost to you), while others don't.

Do your research or contact your agent for a list of lenders that may fit your needs best. I have some to recommend, if needed.

7

FALSE: List price is just a suggestion

In highly competitive markets, don't set your heart on a home that is on budget or above budget. Sometimes, you need to offer more than the asking price to compete.

Real estate agents know their markets. A good real estate agent can help you stay within budget and guide you through making the right offer.

8

FALSE: Fall and winter are bad times to buy

Many people think that spring is the best time of year to buy, but the reality is — too many buyers competing for limited housing can drive up prices. Score a better deal by buying during the off-season.

Many Sellers want to get out of their home before end of year, so if you don't have a home to sell - lucky you!

Signs You're Ready to Buy

Buying your first home can cause a lot of anxiety. How do you know when you're ready to buy a house?

Here are 9 signs that you're ready to buy your first home.

.....



You have enough saved for a down payment

There are a few up-front costs associated with buying a home. But, the biggest one is the down payment. Depending on which type of mortgage you get, you need between 3% – 20% of the purchase price as a down payment.



You have decent credit

Having perfect credit isn't a requirement to get approved for a mortgage. But if your credit score is at least 640, your odds of getting approved are much higher. If your score is at least 580, you may qualify for an FHA loan with a 3.5% down payment. The higher your credit score, the better interest rate as well.



You can afford the mortgage payment

The amount of home you qualify for is tied to your debt-to-income ratio. It's typically recommended to keep your DTI ratio no higher than 36%. If you're renting a home, the chances are that your mortgage payment will be close to what you're paying in rent. Use our calculator to find out what your mortgage payment will be and how much you can afford.



You have steady employment

If you have had the same job with the same company (or at least similar type of employers/title) for at least 2 years, you're most likely financially stable enough to have a mortgage. It will also be much easier to get approved for a loan with 2+ years of steady employment. Having solid employment history is a good sign you're ready to buy a house.

✓ You plan to live in the home for at least 2 years

Buying is cheaper than renting, especially if you don't move within 3 years. If you plan on settling down in a city and don't have any immediate plans on moving, then buying is a good option for you. With inflation and home prices on the rise, there's a good chance that the home you buy today will be worth more in a few years. Buying a home really is an investment.

✓ You're tired of renting

Renting is exhausting. Paying someone else mortgage payment, helping them improve their bank account while draining yours. You can't make any upgrades, or at least it's a waste of time and money to do so. Buying a home does come with its own sense of pride. You can finally take pride in your home. Make upgrades, plant flowers, paint the walls. You can finally make it your own.

✓ You can afford to make repairs

Renting is easier in many respects. If anything in the home, like your dishwasher, breaks. You make a call to the landlord, and they fix it, costing you nothing. When you have a mortgage, you're responsible for any repairs needed. However, you can get to buy a home warranty plan, which will cover a lot of repairs for a fixed monthly cost.

✓ You're ready to grow up

Being a homeowner means taking on a certain level of responsibility. If you still find yourself out at the bars every night, then getting a mortgage may not be the wisest choice for you at the moment. Focusing on your savings and the future usually takes precedent over partying every night.

If most of these apply to you, then you may just be ready to buy your first home finally. It's time to contact a mortgage lender to get pre-approved before you start your search for your dream home.

Saving for Your Down Payment

Now that you have decided that you are prepared and ready to take on the dream of homeownership, it is time to start saving for your down payment.

As already mentioned, rarely need to put down 20% on a first home. While you may qualify for a loan that only requires 3.5% down, it is important to understand that with a lower down payment, you will have to pay a higher monthly mortgage payment and your lender will tack on private mortgage insurance. PMI is an additional cost to your monthly payment (around .58-1.86 of your loan) that will drop off once you have 20% equity in your home.

You will also want to speak with your lender or agent about closing costs. This can account for another 3-6% cost of your home purchase. These fees can be negotiated sometimes, so make sure you are working with a great agent who understands your budget and loan terms.

Saving for a 10% down payment with included closing costs is a good cushion to strive for.

Some ways to save for your down payment:

- Set aside your tax return into a home savings account
- Cut back on unnecessary monthly expenses or subscriptions
- Put 20% of your paycheck into your home savings account or as much as you can
- Ask a family member to gift you money for your down payment
- Pick up a temporary side hustle
- Start selling things you don't need or use on Marketplace



Get Your Finances in Order



Getting your finances in order is the first thing you'll want to start working on — well before you're ready to sign on the dotted line.

Start with paying down your debts. The bank wants your total debt to be no more than about 38% of your income. So if your income is \$3000/mo. then the bank figures your total debt can be \$1140/mo. for mortgage payments.

Paying down your debt as much as possible will increase your borrowing power. Start by paying down the highest-interest debt first (credit cards) before lower interest debt (car loans, student loans).

Another very important factor in getting a mortgage is your credit score. Good credit not only helps you qualify for a loan in the first place, but it also helps you get a better deal when you do get a loan.

Besides debt and your credit score, lenders will take a look at all aspects of your finances to determine your borrowing power.

Here's a list of what lenders are likely to consider:

- FICO® credit scores and credit history
- Down payment amount
- List of assets (stocks, real estate, etc.)
- Income/pay stubs and employment history
- Tax returns
- Bank statements for two to three months
- Desired loan amount compared to value of home
- Total debt compared to income — your debt-to-income ratio
- Rental history (if you're currently renting or have rented in the past)

Debt-to-Income Ratio

Your debt-to-income ratio (DTI) compares how much you owe each month to how much you earn, specifically, the percentage of your gross monthly income (before taxes). Lenders like to see a percentage below 38%.

Monthly Debt

Amount

Monthly rent payment

Monthly car payment

Monthly child support/alimony

Monthly credit card payment (min payment)

Monthly student loan payment

Total monthly
bills

÷

your gross monthly
income

=

Your Debt-to-
income ratio



Credit Scores Guidelines

These are subject to change.



FHA Loan

500-580



VA Loan

580



USDA Loan

620



Home Ready/Home Possible Loan

620



Conventional (e.g. 30-year, ARM)

620



FHA 230K Rehab Loan

640

Get your credit in good standing

If working on your credit score is on your list of things to do, here are some tips to guide you in the right direction.

To start repairing your credit, you have to know what you need to repair. Read through your credit report to see what the negative items may be adversely affecting your credit score.

By law, you're entitled to free credit reports from each of the three credit bureaus each year.

Once you get your reports, you will need to look through them to determine what needs to be repaired.

Next, you will want to start working on your payment history. Your payment history impacts your credit score more than any other factor. Get current on accounts that are past due.

Next, take care of collection accounts by paying them off.

Finally, you will want to start paying down your highest balances on cards and loans. Keeping credit card balances below 30% of your limit is ideal.

If you are overwhelmed by the amount of debt or issues with your credit, it is a good idea to speak with a credit repair company that can help you create an action plan and walk you through the processes.

Boost Your Score

Establishing good credit habits is essential so that you can build and improve your credit history and credit score. If your credit score is good but could use some improvement before applying for a mortgage, take a look at the list below for ways to boost your credit score.

Remember, homebuyers can buy a home with credit scores as low as 500, but you may pay higher interest rates. You will want to discuss with your lender what the difference in monthly payments might look like with a higher score. If your credit score is below 500, boosting your credit score may only take a few short months and you could be ready to become a homeowner in no time!

Practice good credit habits:

- ✓ Make your payments on time and pay at least the minimum if you can.
- ✓ If you use credit cards, keep your percentage of debt below 30% of your limit.
- ✓ Avoid applying for multiple credit accounts close together.
- ✓ Keep credit card accounts open. It helps build good credit history and you want to keep that credit limit.
- ✓ Check your credit report yearly. Make sure there are no issues that need to be disputed.

Make a list of the steps you need to take to improve your credit score if needed.

[illegible]

Month One - Done

Create your plan of action for month one

What documents do you need to gather or prepare?

What do you need to do to gather your down payment?

Is there anything you need to do to improve your credit?

Other?

Month Two

In month two we will:

- Get you prepared to get pre-approved for a loan
- Meet with local lenders
- Hire your real estate agent
- Begin determining your home wants and needs
- Start the home search process



Pre-Approval

Before you even starting looking online at houses, you should know what you can afford and get a mortgage for. This prevents a lot of heartbreak down the line.

You have your credit in check and a savings plan for your down payment. Now it's time to reach out to your local lender and find out exactly how much home you qualify for and get pre-approved for a mortgage.

This will tell you exactly how much home you can afford or how much you want to spend on your monthly payment.

You may think that you will want to spend \$400,000 on a new home, but a lender may think otherwise. Or, you may qualify for \$500,000, but not want to make the higher monthly payment that comes with borrowing more money.

Make sure you are getting pre-approved by your lender and not just pre-qualified. A pre-approval will give you your exact loan terms and will be required when making an offer. Another tip is to get a generic pre-approval with the amount, not a specific home address, so you can use on any offer you make.

NOTE: A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter until you're ready to buy as it can take some work and will show on your credit report..

Loan Types

A mortgage is a type of loan that you can get from a bank or other lender to help you buy a house or other property. Mortgages come with various interest rates, down payments, and terms—all of which can vary depending on the lender.

A down payment on your mortgage is the money you pay upfront when buying a home. The lender will fund the rest.

These are the 4 main types of loans available for most borrowers, but your lender may have other programs available to you depending on your circumstances.

Conventional (ARMs, 30-year, etc.)

A conventional mortgage or conventional loan, is any type of home buyer's loan that is not offered or secured by a government entity. Instead, conventional mortgages are available through private lenders, such as banks, credit unions, and mortgage companies. You will need to put down 20% to secure this loan.

Federal Housing Administration (FHA)

A FHA loan gives borrowers a chance to buy a home with a lower minimum down payment (3.5%) and lower credit scores, than many conventional loans. You'll need a credit score of at least 580 to qualify. If your credit score falls between 500 and 579, you can still get an FHA loan as long as you can make a 10% down payment. FHA may limit the type or condition of property you can buy.

Veterans Administration (VA)

VA loans assist active service members, veterans, and surviving spouses to become homeowners. VA loans offer up to 100% financing on the value of a home. VA loan recipients do not have to be first-time home buyers, but they may limit the type or condition of property you can buy.

U.S. Department of Agriculture (USDA)

A USDA home loan is a zero down payment mortgage for eligible rural and suburban homebuyers. A USDA loan allows you to get low mortgage interest rates, even without a down payment. If you put little or no money down, you will still have to pay a mortgage insurance premium.

Lender Questions

There is no one size fits all when it comes to working with lenders and the terms that they can give you for your loan. It is important to interview about 3 different lenders and find out which is the best fit for you. You don't need to stick with your regular bank, it's a common misconception and it doesn't necessarily make the process any easier.

Here is a list of questions to ask each lender:

1. What is the interest rate you are offering, and how did you arrive at it?
2. How will the rate change over the life of the loan?
3. If an adjustable-rate mortgage (ARM), what is the worst-case scenario I could face when the rate resets?
4. Are you locking in my rate? For how long? What does the lock cost me?
5. Could you estimate closing costs for my loan?
6. Can you explain an annual percentage rates (APR), and what is it for this loan?
7. What am I paying in points?
8. What are my monthly payments?
9. Do I need to pay private mortgage insurance (PMI?)
10. Are there any prepayment penalties on this loan?
11. Here's my timeline. Are you certain you can get this done in time for closing?

List of Preferred Lenders

Phil Bujnowski, Altra Federal Credit Union
(608) 787-4545
pbujnowski@altra.org

Angela Czerwinski, WNB Financial
(608) 399-3188
angelac@wnbfinancial.com

Su Vang, Coulee Bank
(608) 784-3911
svang@couleebank.net

Lender Questionnaire

Use this questionnaire as you talk with and interview different lenders

Name:

Company:

Phone Number:

Email:

What is the interest rate you are offering, and how did you arrive at it?

How will the rate change over the life of the loan?

If an adjustable-rate mortgage (ARM), what is the worst-case scenario I could face when the rate resets?

Are you locking in my rate? For how long? What does the lock cost me?

Could you estimate closing costs for my loan?

Can you explain an annual percentage rates (APR), and what is it for this loan?

What am I paying in points?

What are my monthly payments?

Do I need to pay private mortgage insurance (PMI?)

Are there any prepayment penalties on this loan?

Here's my timeline. Are you certain you can get this done in time for closing?

Let's Get Looking!

With approval from your lender, it's time to begin searching for your new home. While it's fun to dream about all the possibilities your new home might encompass, getting serious about finding a home to buy will eventually require a series of choices based on what's possible and practical. You will want to start your search by price and then look for all the other wants and needs available to you in that price range. Here are 6 strategies for finding the perfect home for you.

01 Right Price

Price will ultimately dictate what you can afford. If you are searching in a seller's market, it is best to look for homes under the top of your budget. This will give you leverage to put in a great offer and compete with other buyers. If we are in a buyer's market, it is okay to take a look at homes just above your budget, as you may be able to negotiate the price down. Your agent should help with this!

02 Location, Location, Location

Finding the right location should be at the top of your list. While you can make cosmetic changes to your home down the road, you can't change out school districts, ease of commute to work, yard size, or the safety of where you live. It's important to look at how the location will play into your lifestyle now, and in the future. Are you planning to have kids, is your work switching to more work-from-home positions? Do the neighbors upkeep their homes to help your home appreciate in value, or are the neighboring homes deteriorating?

03 Long Term Plans

Does this home have enough bedrooms and bathrooms for an expanding family or aging parents that might be moving in down the road? Do you want to avoid stairs? Prefer to finish the basement later one? Is the backyard big enough for a pool or a garden someday? Are you able to make important renovations to the home as the years go on?

04 Property Condition

Being a first-time homeowner, you may think it would be a fun project to get a home that needs fixing up. But don't let HGTV fool you. Home repairs require a lot of work and time and can be costly. If you do not have experience with this type of work, you may want to consider move-in-ready homes that you can make small upgrades to versus a home that needs a lot of repairs. Not sure? Ask your agent for some ballpark figured on the projects you would undertake on a property.

05 Cosmetic vs. Major Issues

The paint can be changed. Wallpaper can be removed. Cabinet hardware and light fixtures are a weekend project. But, a big backyard? You can't just 'add more yard.' Don't spend time focusing on the minor decor that is not your style. It can be changed. And try to look past the current homeowner's choices and personal items.

If the home encompasses a lot of other important wants and needs, it would be wise to focus on that and picture the home with a clean slate.

06 Wants & Needs

Make a list of all the things your home must have versus additional items that would be added bonuses.

You might want an updated kitchen, but your home must have 3 bedrooms and 2 baths to fit your family comfortably. The kitchen can always come later. You may want new appliances or different doors, but the neighborhood isn't something you can adapt later on.

Home Buyer Questionnaire

In order for me to understand your needs, I've created this list to get to know what your needs and wants are in your future home. Take some time to fill it out and send back so we can start searching for homes that meet your criteria.

What area are you looking to move to?

Is there a specific school district you need to be in?

How many bedrooms, bathrooms, and preferred square footage?

Do you prefer a 1 or 2 story? Single family? Condo? Multi-level? New Construction?

What's your favorite style of home?

Does your home need to have a home office? A gym? Any other special room or feature?

Any other wants or needs that I should be aware of?

Prioritizing



It's now time to start making a list of your wants and needs in your new home before you take the time to go out and look at homes.

A good way to start is to sit down with your family and make a list of everything that comes to mind. You can then divide that list into the specifics that any home you consider must include (needs) and the features it would be nice to have (wants).

Remember: A need is a necessity. It is essential, and you must not go without it.

A want is something that you might find beneficial but could live without or make those changes later down the road.

Your list of wants and needs may change as we tour homes, but give it a good start by creating your list on the next page.

Examples of wants

- A fireplace in the main bedroom
- Updated, white kitchen
- Granite countertops in the kitchen
- A walk-in shower in the main bathroom
- Hardwood floors throughout

Examples of Needs

- Enough bedrooms or square footage for the size of your family
- Within 10 miles of your work commute or your school district
- Big backyard for kids and pets
- A 2-stall garage
- 1 story home because family member can not use stairs
- Specific school district

Our Wants and Needs

Wants

[illegible]

Needs

[illegible]

Search Tips & Tricks

Now the exciting part begins! It is time to start searching for homes and making a list of what homes you would like to see in person. You've made your list of wants and needs, and now it's time for us to use our home searching tools together to find you your perfect home.

While I will be sending you homes that meet your parameters as soon as they hit the market. I know it's fun to hop online yourself and check out homes. I've put together a few tips to best utilize the online world for home shopping. When you find homes you would like to see, just send me the address and I can set up an appointment for us to go tour the home.

Pending or Contingent

Homes that say they are "Contingent" or "Active (C)" generally have an offer, but it is contingent on things like home inspection or financing. It is still available to show and accept offers. "Pending" generally means all contingencies are removed and the home is just waiting for closing. These usually are unavailable for buyers to tour.

List Price

Don't get fooled by homes that seem too good to be true. There are many reasons why homes are not priced as you'd expect. When you see a home "Off Market" or "Pre-foreclosure" those prices are typically not associated with the real value of the home.

Also, try not to write off a home that appears "overpriced" according to automated value estimates on sites like Zillow. These value estimates can be way off, therefore, distorting your perception of a home before you give it a chance. Your agent can help you determine market value for your offers.

Filter Functions

It can be easy to search with very specific criteria that exclude many great potential properties. Unless it's an absolute deal-breaker or you're getting far too many results, try to avoid filtering by specific features or amenities.

Examples of these kinds of searches include homes with fireplaces, attached garages, fenced yard, pool, formal dining room, etc. Many of these features can be added later on, and sometimes these fields don't have the correct information entered to begin with.

Google Street View

Get a really great feel for what the home looks and feels like the Google street view tool. Listing photos can be deceiving when wide-angle lenses are used, or you don't see that the neighbor next door has a large rock collection in his front yard or it backs up to a major highway. Take a stroll down the street and get a good idea of what the neighborhood looks and feels like.

Showing Checklist

Print this and bring to each showing.

Address:

Bedrooms

Price:

bathrooms

Sq ft:

Fist impression

Outside Exterior

1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Inside layout

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Neighborhood

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Location

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Amount of repairs/updates needed

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

3 Pros

3 Cons

Yes

No

Maybe

Let's make a deal!

Month Two - Done

Create your plan of action for month two

Contact 3 Lenders

What additional documents does your lender need to get your pre-approved?

What additional funds do you need for closing?

Determine needs/wants to give your agent.

Month Three

In month three we will:

- Submit offers on your chosen home
- Negotiate a fair deal to get your offer accepted
- Enter escrow and begin the closing process
- Complete inspections
- Finalize your loan
- Close on your new home!

Contract to Closing Timeline

Now that we've looked at a few homes and you've decided you're ready to make your offer, it's important to know what to expect next and what will take place once you have an accepted offer. As your agent, I will guide you through each of these and help you to be prepared for each one. Here is a quick timeline of what to expect when you're ready to put in an offer on your dream home.





How to Close Successfully

NOTE: Getting pre-approved for a mortgage DOES NOT guarantee closing on the loan. Mortgage lenders will check your credit during the pre-approval process, and again right before closing. So it's imperative that your credit and financial situation remains the same.

To keep closing on schedule and avoid delays, here's what you need to do and not do:

Do

- Submit all initial documents on time
- Gather your financial documents for your lender
- Keep paying bills on time
- Keep your lender updated on any big financial changes

Don't

- Open or close bank accounts
- Don't finance any other large expenses
- Change jobs
- Open any new credit lines (cards, loans)
- Close any lines of credit
- Spend lots of cash
- Go MIA from your lender

Making Offers

Now that we've found a home that you've fallen in love with, it's time to make an offer.

Making an offer is basically sending a proposal to the seller's agent, who presents it to the home seller. If they like your terms and conditions made in the offer, they will accept it. If not, they will counter back with their own terms and conditions. Counter offers are COMMON.

Once an offer is accepted, it is signed and legally binding. It is important that your offer contains all requirements as there will be no going back to make changes without giving a seller the chance to cancel the entire agreement.

Tips for Strong Offers

Whether we are in a buyer or seller's market will depend on how you and your agent will decide to structure your offer. If we are in a buyer's market, you may be able to ask for better terms that are in your favor, such as asking the seller to help with your closing costs or to include the riding lawn mower. There is no guarantee that the seller will approve of these terms, but sometimes it's worth asking.

But if the market is a bit more competitive for buyers, you will want to put your best foot forward, as you will be competing with possible multiple offers on the home you want.

If that is the case, remember these tips for making your best offer:

- Know your budget. Don't go offering more than what you can financially afford.
- Consider writing the seller a nice letter letting them know how much you love their home and what it would mean to you and your family to make new memories in their home.
- Write up favorable terms for the seller. Don't be unreasonable in your requests on terms such as asking the seller to pay for certain inspections.
- Cash is king. If you can afford to do so, sellers love an offer that almost always guarantees money in their pocket and not having to risk your loan falling through.
- Shorten your inspection period. When you finish your inspections quickly, it assures the seller that you are still moving forward with the sale and not backing out.

Negotiating

Speaking of negotiations, negotiating a contract can sound intimidating. But, don't let it scare you. Negotiations are a critical part of any real estate sales contract and there is nothing wrong with doing all you can to get the best deal possible.

Everything is (potentially) negotiable! This is important to understand because if you don't ask you don't get. Keep in mind that requests should be respectful and within reason and remember the seller also has the right to refuse. It's then up to the buyer to decide whether or not to move forward with the deal.

Below is a list of most negotiable items that you can include in your offer.

Common Negotiation Points
Price
Who Pays for Inspection Costs
Value of Home Warranty
Buyer's Closing Costs
Transfer Fees
Home Repairs
Close Date

BUYER NEGOTIATING TIPS:

- Be prepared to walk away. This may be the hardest part of any negotiation. While on the surface it may seem like you "lost," the reality is that the deal did not meet all of the criteria you needed for it to be successful.
- Avoid too many back-and-forth requests. Nothing can sour a seller on a deal faster than endless additional requests after an initial contract is offered.
- Contingencies can break a deal. While sometimes necessary, sellers often are reluctant to enter into a deal that involves too many, or any, contingencies). It's best to limit these or totally avoid them when possible.

Home Inspections

Your offer was accepted! It's almost time to pop the champagne!

But first, it's time to start your due diligence by gathering as much information about your new home as you can. This is your inspection period, where you typically have up to 15-21 days to schedule inspections and make any requests for repairs before you are locked into your contract.



A home inspection is practically a must when buying a home and often required when using a loan to finance. This is a direct buyer cost and most home inspectors charge a few hundred dollars for their service.

A home inspection will be done by a professional, who will check for anything that may be wrong with the house. Think mold, leaky roof, faulty foundation. They also mark minor things, such as missing tiles in the bathroom or broken seals around the faucet.

You can attend the inspection, and should during the last hour when most findings are ready to be shared. After the inspection is complete, you and the seller will get a full report on the home and any faulty findings. Should something come up, you usually have an opportunity to ask the seller to fix the issue, back out of the contract, or decide to fix them after you move in.

Most lenders however, will require major issues to be fixed before they will sign off on the loan.

Repair Request

Once you have the inspection report in hand, you can request that the seller repair the items found. They may agree or decline. Or, in some cases, they might offer you “repair credits” instead. These essentially lower the selling price, giving you more cash to do the repairs yourself once you own the home.

Home Appraisal

A home appraisal is needed if you are financing your home. It is required by the bank to estimate the value of the home. Just because you and the seller agreed to a price, doesn't mean that the bank will. After all, the home is their collateral in case you can't make your mortgage payment. The bank can then foreclose on you and resell the home.

If the home is appraised for less than the agreed upon price, the seller will need to either come down in price, or you will have the choice to make up the difference with cash, or you may back out of the deal.

An appraisal is a good thing for a buyer overall. It will keep you from falling in to a bad deal and overpaying.

Home Insurance

Before closing on a new home, your lender will require you to purchase a home insurance policy. Until your home is paid in full, your lender holds a lien on your property, so it's in their best interest to make sure that the property is insured while you're paying down your mortgage.

You may also want to protect your home even further with flood insurance, hazard insurance or earthquake insurance. You can start shopping for your policies as soon as you've solidified your new address. Shopping for homeowners insurance early gives you more time to select the right policy and look into ways you can save.

Final Steps



Meet Loan Conditions

This is where you will provide all documents and have completed all requirements from your lender in order to secure your loan. These conditions include terms like bringing in your down payment, taking care of an outstanding judgement or getting a required flood insurance plan.

Prepare to Move

At this point, you have just a few days left until the home becomes yours and you can move in! Make sure you have movers hired and have a packing plan in place to make life a little easier. Schedule utility changes and decide who can help with the kids or pets while moving, if needed.

Final Walkthrough

One of the very last things you will complete is a final walkthrough of the home. This ensures it's in the condition the seller agreed to leave it in and identifies any issues before you close on the house. Once you sign off on the final walkthrough, any issues that happen with the home are now your responsibility.

Review Disclosures & Finalize

Lastly, you will take the time with your lender or closing agent to review all closing documents and disclosures. Review your loan terms as there may be minimal changes in fees by the time you are ready to lock in your rates.

Grab the Keys!

Congratulations!
It's time to collect the keys and start moving in as you are an official homeowner!

Month Three - Done

Create your plan of action for month three

List 3 home inspectors to get quotes from

Lender additional needs?

Research home insurance

List of local movers

Other?

Congrats!

Thank you so much for letting me help assist you in this process of your future in home ownership!

Home ownership is a wonderful thing and something to be celebrated. and I hope this guide has been valuable in your destination to becoming a homeowner.

Should you have any other questions or need assistance, please reach out. I am here to help you every step of the way and can help to provide a stress-free home-buying experience.



Bridget Thomas, Realtor®
Raven Realty
Cell: (920) 980-7356
RavenRealtors.com/Bridget
bridget@ravenrealtors.com



@BridgetRavenRealty



@BridgetRavenRealty

"Success occurs when opportunity meets preparation"

RavenRealtors.com/Bridget