

FIRST-TIME HOME BUYERS SEMINAR

Everything you need to know to make buying your first home easy and affordable.

Presented by:
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WHY BUY?



- Tax deductions
- Stable housing costs
- Appreciation on your investment
- Gain equity
- Freedom to decorate and make improvements
- You control your property*

Each of you have your own individual needs that are important to owning a home.

ARE YOU READY TO BUY?

- Steady Income
- Pay Bills on Time
- Low to Medium Debt
- Down Payment Available
- Ability to Pay Mortgage



THINGS NOT TO DO...



- Do not make any large purchases, such as a car
- Do not make a sudden job change
- Do not move money around

When preparing to buy a home you need to look reliable and responsible to mortgage companies!

HOW DO I BUY A HOME?

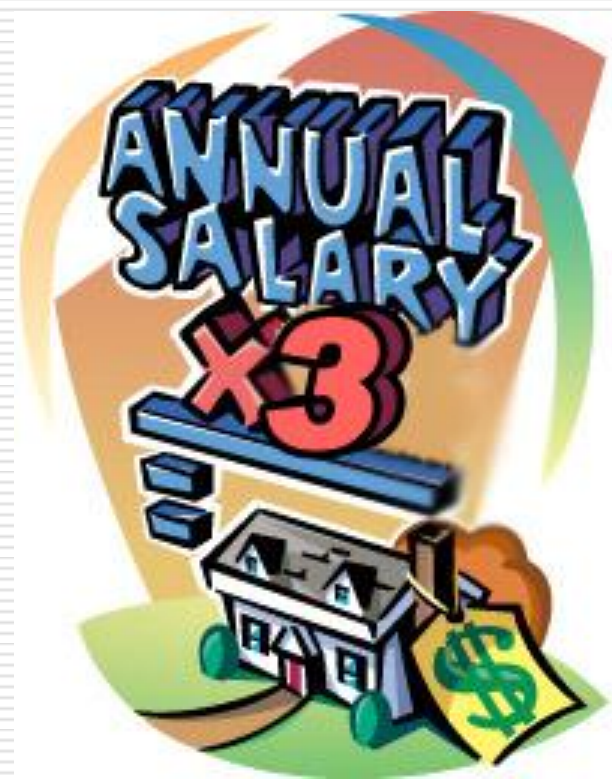
- ❑ 1st – How much home can you afford?
- ❑ 2nd – Type of Home
- ❑ 3rd – Start Shopping
- ❑ 4th – Write an Offer
- ❑ 5th – Home Inspection
- ❑ 6th – Closing



Simple as 1, 2, 3 ... 4, 5, 6!

STEP 1 – HOW MUCH HOME CAN YOU AFFORD?

- ❑ Housing costs < 29% of gross income
- ❑ Housing costs and debt no more than 36% of gross Income



STEP 1: MEET WITH A MORTGAGE PROFESSIONAL TO...

- Review credit
- Calculate income
- Establish price range
- Determine what loan program best fits your needs
- Issue pre-qualification letter



The best time to start planning is NOW!!!

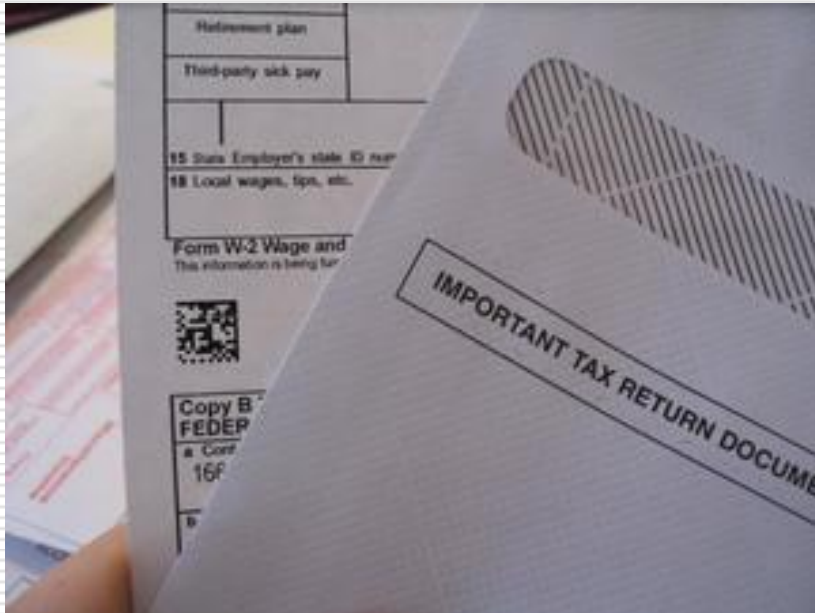
STEP 1: THE PRE-QUALIFICATION LETTER

- ❑ Lets the realtor know what you can afford before you begin to shop
- ❑ Shows sellers you are serious about buying and strengthens your negotiating power
- ❑ Can make an offer as soon as you find the home you want



The pre-qualification letter is literally your ticket to making your dream of homeownership a reality!!!

STEP 1: DOCUMENTS NEEDED FOR PRE-APPROVAL



- Pay stubs (2-3 months)
- W-2 forms (2 years)
- Tax returns (2 year)
- List of long term debt
- Recent bank statements
- Proof of any additional income

Your lender will specify exactly what they need from you. Just be prepared to show these docs.

STEP 2: WHAT TYPE OF HOME?

- ❑ Type of community
- ❑ New home or existing
- ❑ Fixer-upper or ready to move-in
- ❑ How many bedrooms and bathrooms
- ❑ Townhome/Condo or Single-Family Residence
- ❑ School district



Your Realtor will help narrow your search to find the perfect home for you.

STEP 3: START SHOPPING



- Hire a Realtor
- Search within Price Range discussed with Lender
- Needs come first, Wants come second

STEP 3: YOUR REALTOR CAN HELP AND PROTECT YOU

- ❑ Guides you through the process, buying or building
- ❑ You get updated listings as soon as they hit the market
- ❑ Can provide you with lists of homes that meet your requirements
- ❑ Listing realtor is bound to protect and represent the seller



The buyer's agent will protect and represent you!!!

STEP 4: DETERMINING THE AMOUNT OF THE OFFER

- ❑ What are comparable homes selling for
- ❑ What is the home's condition
- ❑ How long has the home been on the market
- ❑ What is the seller's situation

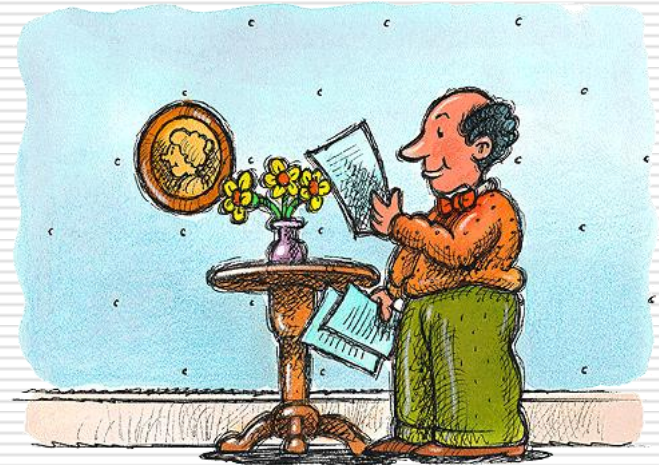


Negotiation Process #1

STEP 4: YOUR REALTOR WILL ASSIST YOU

□ Which includes:

- Legal description of property
- Amount of earnest money
- Down payment and financing details
- Proposed closing date
- Price you are offering
- Length of time offer is valid
- Seller concessions



This is when having a professional on your side really “pays off”!!!

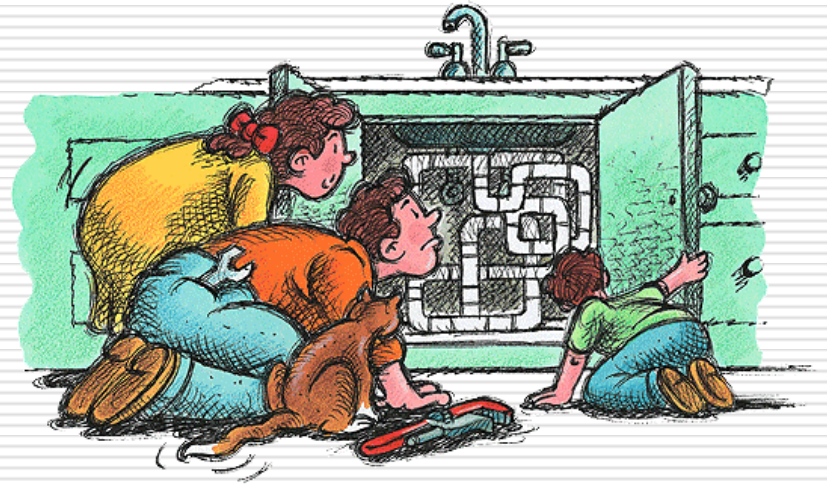
STEP 4: ABOUT THE EARNEST MONEY

- ❑ Usually between 1%-5% of the purchase price
- ❑ If offer is accepted, earnest money becomes part of your down payment or closing costs
- ❑ If offer is rejected, the money is returned to you
- ❑ If you back out of the deal, you forfeit the money



STEP 5: HOME INSPECTION

- ❑ Contract should be contingent upon it
- ❑ Professional inspector evaluates safety and condition of the home
- ❑ Includes structure, construction and mechanical systems



Your Realtor will recommend a certified inspector, go through the report with you and negotiate items that need to be addressed.

Negotiation Process #2

YOU HAVE A RATIFIED CONTRACT, NOW WHAT?

- Sit down with mortgage professional and complete your mortgage application
 - Appraisal is ordered to determine value
 - Title Insurance
 - Homeowner's Insurance
 - Underwriting
 - Clear to close



Closing date is scheduled with your title company

STEP 6: CLOSING DAY

- ❑ HUD-1 will list money you owe the seller and money the seller owes you
- ❑ Obtain cashier's check from the bank
- ❑ Sign closing documents
- ❑ Deed and Note are recorded
- ❑ Keys exchanged



Welcome Home!!!

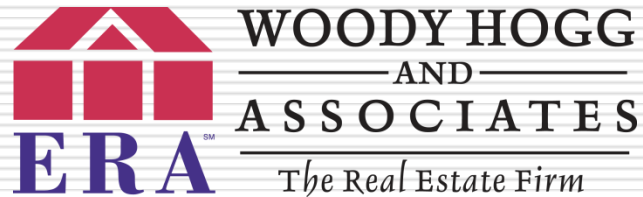
Recapping the Home Buying Process

- First-Time Home Buyer's Seminar
- Mortgage counseling;
get pre-qualified
- Find a realtor and begin shopping
for your new home
- Select a home and make an offer
(Negotiation #1)
- Fill out loan application
- Get home inspection
(Negotiation #2)
- Get your loan approved
- Close your loan, get your keys
and move in to your new home!



Have Questions?

If you have questions or would like to see this presentation in person, please feel free to contact:



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