



Home Buyers Guide

Buying a home is an exciting time. It can also be stressful, confusing and overwhelming.

This 10-step guide will give you answers to questions you were too shy to ask and answers to questions you may not have thought of. This guide will give you the road map you need to enter into homeownership.

>STEP 1: Map out a plan, timeline and budget.

It seems obvious enough, but I can't tell you how many buyers I work with who miss this important first step. Your plan doesn't have to be elaborate, but it should give you an idea of where you want to live and answer the following questions:

What's important, the house, the commute, being close to family and friends? When do you want to move? Could you do this in the winter versus the spring or summer? Sometimes if you can purchase in the winter you may be able to negotiate a better deal because there is less competition in the winter. What is your budget? Look at your current expenses. How much are you saving each month? The standard rule for lenders is that your housing payment should not take up more than 28% of your income before taxes.

>STEP 2: Hire a realtor!

This is a critical step as a buyer. Your realtor can help you navigate the whole process; they have relationships in the marketplace. For example, I like to help my buyers work with local lenders I work closely with. This is important because local lenders have a hands-on approach vs. the nameless, faceless big banks. The first questions I ask my buyer if they are working with a lender are:

How accessible is the lender? Can you call him on his cell phone? Does he get right back to you? Is he willing to meet you in person? Does he talk to your realtor? Think of it this way: your realtor is the quarterback of the whole process. They can help you find the best lender, attorney, and other pertinent players that will help you get the touchdown - otherwise known as the closing table.



>STEP 3: Purchase Power!

How much do you think you can afford? Recall step 1. Your housing payment should not take up more than 28% of your income before taxes. This debt-to-income ratio is called the housing ratio. Your lender will partner with you and help you understand all the dollars involved in the transaction of purchasing real estate, as well as estimate your monthly payments. Again, it's important to work with someone who is accessible. I have had multiple situations where my buyers decided to use a different lender who was out of state. The lender would only communicate via email and was never available live. The closing did not happen on time and my buyers were in a hotel for the weekend until they could close. This does not happen frequently, but it speaks to my point about working with your realtor and utilizing their resources. Ok, now let's briefly talk about getting pre-approved. This is important. I have multiple buyers that don't want to do this step due to being misinformed. You need to get pre-approved to know how much you can afford and make an offer on a property. It's also critical to be pre-approved before looking at properties. You are wasting your time if you start looking at \$600,000 properties to find out you can only afford \$450,000 homes. This is setting yourself up for disappointment, undo stress and mismanaged time! In some areas, sellers won't even show you the property unless you produce a pre-approval.

>STEP 4: House Shopping!

You hired your realtor, you've been pre-approved and now it's time for some HGTV fun: house shopping! This is what I love about my job. We look at your plan, your budget and your wish list, and I get to go to work! The best starting point is locking into a local realtor website like www.melissamayerrealestate.com and signing up for daily listings sent right to your in-box. Once you start to see what's truly available, you can work with me to set up times to see these homes. Pictures can tell you a lot but nothing beats seeing the home in person. You can also hit a bunch of open houses to get an idea of the inventory in the area you want to live.

>STEP 5: You found your perfect home match!

Now we really go to work. I assess the current market trends to determine the best offer for the home. Let's dig in here a bit because for some reason, some buyers think that if they are making an offer on a house that they should start \$30,000-40,000 less than the asking price. Let me let you in on a little secret: most realtors do not price their listing with such a large discrepancy. I am not saying that you could never make an offer that low but several things need to come into play before you do. For example, if the home has been on the market for one day then, no, you won't have a shot offering \$40,000 off the list price. Trust your realtor; we are bound by an ethical code of conduct and have a fiduciary responsibility towards the party we are representing at the time of the transaction. In this case, my responsibility is to you the buyer. I have never let my buyers overpay for a property and always have my buyers' best interest as the center of any real estate transaction. We make our initial offer on the property; it does not mean that the seller is going to take it, but I will prepare you for the negotiation. Even if you are offering full asking price, there maybe be parts of the offer that the seller wants to negotiate - like when you will get your mortgage commitment or the closing date. This is why it's important to hire a realtor like me. I will walk you through each step and help you negotiate the best deal.



>STEP 6: Yes! The seller has accepted your offer.

Now we order the home inspection. Don't worry, I have several home inspectors with whom I do a lot of work and will guide you through the process. Here is another important note: the home inspection is like an updated bible to the property. Some buyers think that this is the opportunity to renegotiate if something comes back from the home inspection. My goal is walk you through the process and if something is structural, mechanical, or has mold or pests, then we have more dialogue with the seller about taking care of these types of issues. We always have the opportunity to walk away from the deal at this point.

>STEP 7: Purchase and Sale time!

Ok! We worked out issues - if any - from the home inspection. Now we are ready to go to Purchase and Sale. This is when you will give either a bank check or a personal check for the second deposit, typically 5% of the purchase price. These legal documents are not only handled by both realtors (selling and buying side), but also by the attorneys that are working on either side. Typically, the lender will assign the attorney to the file.

>STEP 8: Exhale!

The P&S is the second to last step of the real estate transaction and then you usually have 4-5 weeks before you close. In that time, you will work closely with your lender, who will be requesting an overwhelming amount of information as they get your loan approved. Don't worry, I am still here for you and will be available to answer any questions you may have about the process, or lend an ear just to listen.

>STEP 9: Final Walkthrough!

Yup, we get to do a final walkthrough of the property to confirm the house is still in the same condition we saw it at the home inspection. We also confirm that work we requested done during the home inspection is completed. Usually, the final walk through takes place the evening or morning before we close.

>STEP 10: Closing Day!

Congrats! We have arrived! The closing typically takes place at the attorney's office, or the registry of deeds. The three most important things you need to have at closing are:

Your final bank check (not personal). Your loan officer will give you those numbers prior to the close, and, trust me, they do the best they can to get them to you with ample time to get to the bank and grab the check.

Second, have your MA state-issued license.

Third, your smiling, happy face, so we can take awesome pictures of this life event!

This guide is just a guide; the process is the same for the purchase of a town home or condo. We just ask for more information up front from the seller in order to understand the condo association and how it's run. Contact me directly with any questions!

