



# Home Buyers Guide

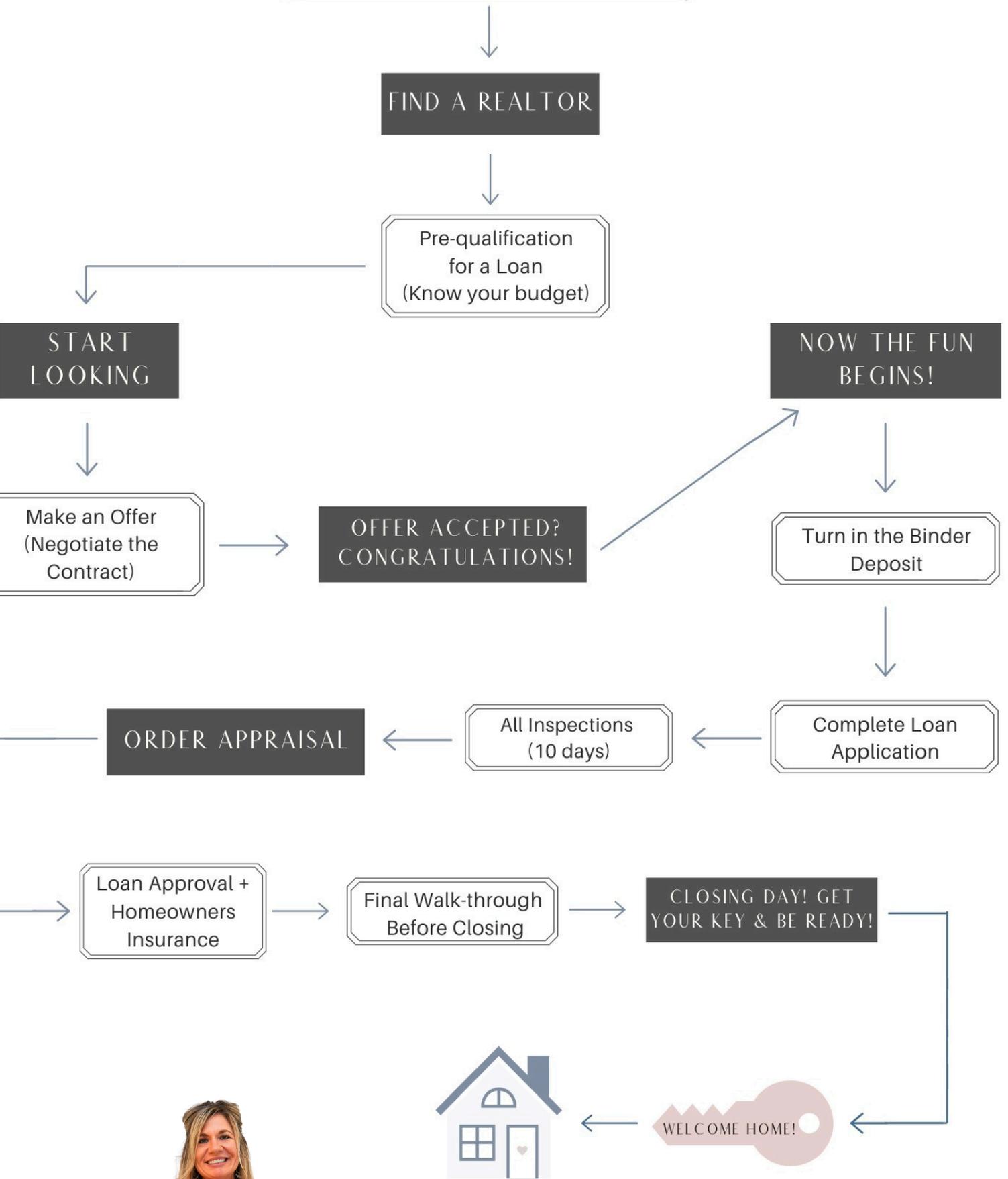
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FLORIDA HOME REALTY & MORTGAGE

# Home Buying Process



Welcome Home!





## WHY USE A FLORIDA HOMES REALTY & MORTGAGE AGENT?



### **I Care About Making Our Clients Happy**

As my client, you are my top priority. Here at Florida Homes Realty & Mortgage, we are a diverse firm that values each and every client like they are the only one. We value prompt communication and going above and beyond for our clients. It's safe to say, you won't get lost into the mix like at some larger companies.



### **Expert Knowledge of the Real Estate Industry.**

We have years of successful experience in all areas of the Real Estate market here at FHRM. Our in-house team consists of seasoned Brokers, highly rated Sales Agents and an educated and proven marketing team to help you find your dream home or list and successfully sell your current home. You can rely on us to help you succeed in all of your Real Estate needs!



### **Amazing Negotiating Skills.**

Our team has been getting our clients what they want for years now at the negotiating table! With expert knowledge of Real Estate contracts and amazing negotiation skills, we are able to help assist our clients in getting the best end of the deal in everything from negotiating the asking price to making repairs.



### **A Full-Service Experience.**

Our company differs from other real estate firms out there because we provide a full-service experience for our clients. Not only do we offer residential sales services, but we can help you build your investment portfolio. We can offer you the full package in whatever your Real Estate needs may be.

# GET YOUR PRE-APPROVAL



1

## Get In Touch With Our Preferred Partners or Your Chosen Lender

We will send you the contact information for our preferred partners who have an excellent history of providing amazing service to our clients. If you have already chosen your lender, then now is the time to reach out to them and request the steps for pre-approval.

2

## Provide Required Documents to the Lender

The last 30 days of check stubs, the last 60 days of bank statements and your last 2 W2's and tax returns is generally what is needed to begin the process. If moving to a new state, a letter of employment may be required. Your chosen lender will have an application that requires you to submit these documents and prove your employment/income history. To summarize, you will need:

### YOU WILL NEED TO PROVIDE YOUR LENDER THESE ITEMS TO GET PRE-APPROVED:



Bank Statements



Paycheck Stubs



W-2 Statements



Tax Return Documents



Employment History

3

### Get All The Details Now

Ask your lender about any down payment assistance programs you are interested in, the different types of mortgages available and all fees associated with your mortgage such as taxes, home-owners insurance and potential HOA/CDD fees. Now is the time to learn about your best options with your lender.

4

### Determine What You Can Afford

Keeping all of these potential costs in mind, determine what you can afford. Factor in your down payment, closing costs, mortgage and interest rate. Your debt to income ratio will be calculated by your lender along with your available funds. These numbers will help your lender come to a decision on what mortgage amount you can afford.

## WHY YOU NEED TO GET PRE-APPROVED FIRST



### The Housing Market Has Been Extremely Competitive.

In recent years the housing market has become extremely competitive as interest rates have dropped to the lowest they've been. It has been a seller's market and this can be challenging for buyers. Buyers can find themselves competing with other multiple offers which can lead to not getting the deal or in a bidding war. Our agents here at More Homes recommend buyers get a pre-approval letter first before beginning the house hunt as this speeds up the process, raises your chances in a competitive market and shows sellers that you are a serious buyer.



### A Pre-Approval Will Help You Determine What You Can Truly Afford.

Getting your pre-approval with your lender will help you determine your budget and what you can truly afford month to month. Then, with the help of your Realtor, you can begin looking at homes in your price range. Most Realtor Estate Brokerages require you obtain pre-approval before taking you on a home tour.

# DISCUSS YOUR MUST HAVES



## Determine Your Wants & Needs For Your Dream Home.

Decide what factors are most important for you in a home - essentially what is non-negotiable. For some, these factors include choosing between a historic or a newer construction home. Are school districts important? If so, which county is a better choice for your child?



## Features of the Home.

Other specific features of your perfect home are worth considering before purchasing such as do you need more family space than just a living room? Do you prefer a home that is completely renovated? Or are you willing to complete some of these projects yourself?

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Here are some other specifics to consider when looking:



Renovated **versus** unrenovated bathroom and kitchen?



Square footage? Number of bedrooms & baths? Storage space?



Larger yard **versus** smaller one with less general upkeep?



Urban or rural home? Traditional or modern? Extra land for future projects?

# GET READY TO FIND YOUR DREAM HOME



Once you get pre-approved, you can begin seriously looking for homes that fit your wants and needs. Your agent will begin sending you listings that meet your qualifications and set you up for automated listing alerts on the Multiple Listing Service (MLS).

Offers can begin after this point, as you tour homes with your agent. Your home tour will include listings that are in your **budget** and **preferred areas** of town. Please give your agent immediate **notice** for any home you'd like to tour, that way they can best accommodate you into their schedule. If you need to cancel for whatever reason, try your best to give at least **2 hours notice**.

*We LOVE touring our clients and being an instrumental service in finding that perfect fit!*



## MAKE AN OFFER

Now that you have found your dream home, we will work on submitting an offer.

We will need to determine:

1. The **Earnest Money Deposit** to put down on the home
2. The **Purchase Price** to submit for the home
3. Any **Contingencies** of the contract

1. Submitting an offer with an **Earnest Money Deposit**, or the amount down that goes towards your downpayment, will make your offer stronger and more likely to be accepted. Putting down a larger deposit gives you even more leverage.

2. Your agent will do a Comparative Market Analysis (CMA) on the home to assist you in putting in down the best **purchase price**, or the cost of the home. This will be done with consideration given to your budget and your desired home purchase price.

3. Your agent will list any **Contingencies** you have on the contract, such as the home needing to be inspected before closing (highly, highly recommended), mortgage financing approval, your home needing to sell for your new home to be bought and so on.

### Key Terms

**Earnest Money Deposit:**

Amount down or deposit that goes towards your down payment.

**Purchase Price:**

Total cost of the home that the seller has agreed to sell it for.

**Contingencies:**

Items included in the contract that give you permission to back out of the contract if things don't go as planned such as the home inspection, mortgage financing approval and so on.

### TIPS TO PUT IN YOUR BEST OFFER:

- Be ready to close in 30-45 days
- Have Earnest Money Deposit available
- Move fast, time is of the essence
- List your current home on the market before searching

# NEGOTIATE THE CONTRACT



After drafting the offer, your agent will now send the contract to the seller. The seller will either:

- Accept The Offer**
- Decline The Offer**
- Counteroffer**

**The Seller Accepts Your Offer** - Congratulations! Once the sellers sign, you are officially under contract and on track to closing on your new home!

**The Seller Declines Your Offer** - If you don't want to give up just yet and this wasn't your highest & best offer, you can try to submit another offer. Otherwise, we will begin moving on and looking at new homes.

**The Seller Makes You A Counteroffer** - You can either accept this counteroffer if it is in your budget, submit a counteroffer of your own or decline the offer and walk away. You are able to negotiate back and forth with the sellers as many times as it takes to reach a mutual agreement.

## Key Terms

**Purchase Agreement:**  
The purchase or home sale contract.

**Contingency or Inspection Period:**  
Period where all contingencies such as home inspection, appraisal and loan financing needs to be approved to move forward. Typically lasts 30-60 days.

Once a mutual agreement is decided upon, both parties will sign the **Purchase Agreement**, the purchase or home sale contract, and you are now officially under contract! You have now entered the Contingency or Inspection Period, where all contingencies such as home inspections, appraisal and loan financing needs to be approved to move forward. This typically lasts 30-60 days, but your contract will state how long the period is for your home.



# GET A HOME INSPECTION

## Key Terms

### **Home Inspection:**

An examination of the home that gives the buyer information about the state of the electrical, plumbing, foundation, roof, structure and more before purchasing.

### **4-Point Inspection**

An inspection of the home that checks the 4 major areas for insurance purposes. Generally done on homes older than 30 years.

### **WDO Inspection**

An inspection that checks for Wood Destroying Organisms such as termites and beetles. Checks for past and current wood rot and damage.

One of the most important steps you can take to make sure your potential new home is a good investment and to be aware of the condition it is currently in is to have it inspected. Most homes will have minor things wrong with them, so it is important to expect some minor fixes needing to be made. Your home cannot pass or fail an inspection, it is designed more for informational purposes.

### **What Does An Inspection Cover?**

A regular home inspection will cover the plumbing, electrical, roof, appliances, HVAC system and the general structure inside and out.

### **How Long Is The Inspection Period and Timeline?**

Inspection periods can vary, but commonly the buyer has **7-10 days** to get the home inspected after the date the contract begins. This is called the inspection period and the buyer may have the right to back out of the deal during this timeframe.

### **What Is a 4-Point Inspection?**

A 4-point inspection is the inspection that insurance companies use to determine if the home is a risk to insure.

These types of inspections will check for:

- 1.) Plumbing,
- 2.) Electrical
- 3.) Roof and structure
- 4.) HVAC system

**\*\*Most insurance carriers will require you to get a 4-point inspection if the home unless it is a new home.**

# WHAT TO LOOK OUT FOR



## What Is a WDO Inspection?

WDO, or wood destroying organism, is also referred to as a termite or wood rot inspection. The inspection will look for past termite damage, current infestation and other sources of wood decay.

## How Much Does An Inspection Usually Cost?

A general home inspection usually costs between **\$250-\$500** depending upon the company, size of your home and if you are getting any additional inspections done.

## What to Look Out For:

Your real estate agent will be well-versed in the inspection process and know what to look out for as major red flags. Certain repairs need to be dealt with immediately and are of the highest importance and others are more minor, common and can be dealt with later on. The purpose of the inspection is to be made aware of major structural, plumbing or other expensive items that need to be handled in the home.

## **NEGOTIATING REPAIRS OR COMPENSATION:**

When the inspection report comes back, you will go over it with you Realtor. The two of you will discuss any major areas of concern, if they exist, and you will determine what you'd like either repaired or compensated before closing. These requests will be negotiated between you and the seller until an agreement has been met.

Credits or compensation for the repairs would come off of your closing costs and may be easier for the seller than taking care of the actual repairs. This can positively affect the amount of cash you would need to bring to the closing table.



## PROCESS & FINALIZE LOAN WITH LENDER



### What Is The Appraisal?

Your lender will order an appraisal, or the valuation of the home for mortgage purposes. The appraiser will provide a non-biased opinion of the home's value after taking into consideration all amenities and features of the home and the current market value. The home's appraisal value is also going to take into account recent sales in the immediate area or similar properties. The appraisal will cost somewhere between **\$300 to \$500**, depending on the company used and size of the home.

Your lender will want to ensure that you are not over-borrowing for the home, as the home is collateral for the mortgage. Hence the need for the appraisal. Once you get the appraisal back, it can go one of **two** ways: 1) The appraisal comes in at the price of the contract or above and therefore the transaction will go as planned; 2) The appraisal comes in below the contract price and this can either cause delays to the transaction or call off the contract. As the buyer in the contract, you can use a low appraisal to benefit you and attempt to negotiate with the seller to lower the sales price, with the help of your agent.



### After Appraisal, The Loan Is Submitted for Underwriting

At this step in the loan process, after the appraisal, you will work directly with your lender on finalizing the loan. This is the final approval stage and is in the hands of your lender. Your Realtor will be waiting for further instruction and final approval of the loan.

# GET READY FOR CLOSING



## Turn On The Utilities At Your New Home.

Before getting the keys to your new home, you will need to schedule the utilities to be changed over from the seller's name to the buyer's name, your name, before the move-in day. Schedule them to start the day of your closing.



**DUVAL CO. - JEA UTILITIES**  
(904) 665-6000



**BAKER - CITY OF MACCL. UTILITIES**  
(904) 259-6261



**NASSAU - FPL, FPU AND OKEFENOKE**  
FPL: (800)226-3545  
FPU: (800)427-7712  
OKE: (904)845-7477



**CLAY - CLAY ELEC., OPU, GCU**  
OPU: (904)278-3016  
GCU: (904)297-7500  
CLAY: (904)272-2456



**TECO - GAS COMPANY**  
(904) 739-1211



**BEACHES ENERGY SERVICES**  
(904) 247-6241

## Final ALTA Settlement Statement - Closing Disclosure

One to three days before closing you will receive a settlement statement, that will list all of the costs of your loan, money for closing and taxes and fees due to the county. You will have the time before closing to review the document and make sure everything is correct. If anything seems amiss, you can contact the title company where you will be closing or your lender for any concerns. The amount that will be due to the title company for closing cost will be listed on there. You can wire the money to title company using the instructions they provide or bring the total amount in a cashier's check to closing.



## CLOSE ON YOUR NEW HOME!

*You Finally Made it to Closing Day! Congrats!*

Congrats! You are about to become a home owner! On your closing day, and before your closing appointment, we will do a final walk through of your new home to make sure that everything is still in the condition it was in when you put an offer on the home. You will either be participating in a face-to-face closing and will have requested work off, or will have set up a mail away closing and the title company will go through the whole process with you. Below we've listed the items you will need to bring with you on the closing day and who will be there with you!

### Items to Bring With You to Closing:

- Driver's License
- 2 Hours of Your Time
- Closing Costs paid as a cashier's check at closing or paid before with a wire transfer



### Who Will Be There:

- You (as the buyer)
- The sellers
- Buyers agent
- The sellers agent
- The Closing Attorney or representative for the title company

The closing attorney or title company representative will walk you through signing all of the documentation for your new home and explain every important document to you. Your funding will be processed and you will receive the keys to your **new home**! Now it's time to move on in!

# Home Sweet Home



Let's accomplish this together!



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