

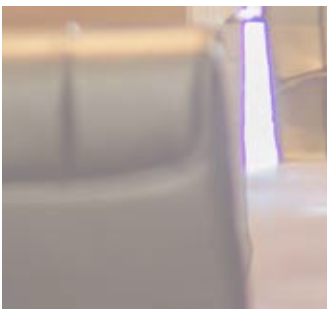


# The Buyer's Guide:

## 9 Steps to Homeownership

Presented by EverStar Realty







# Welcome!

We're excited that you're interested in getting started with your home purchase! Here at EverStar Realty we strive to provide customer service that goes beyond expectations each and every time. To that end, we've put together this **Buyer's Guide** to help you on your journey.

This booklet will break down the process into 9 easy to understand steps along with helpful information and checklists to help you be prepared for all the intricacies that go into a real estate purchase. If you follow this guide your purchase will be as simple and stress-free as possible!

As you begin to read through this guide, know that we are available to answer any questions. Every member of my team is committed to your success and satisfaction, and would be happy to assist you further.

That said, we wish you luck! We sincerely hope that you are able to find the perfect fit for your situation.

We're here for you, *Every Step of the Way*.

Best,

*Gayle Stack*

Gayle Stack, CCIM, CPM  
Owner/Designated Broker/Realtor®



# 1

## Step 1: Planning for the Future

You've decided you want to own a home. That's fantastic! Now is the time to start looking at your finances and begin to put together your plan. While it may be tempting to look at homes first, your purchasing process will be smoother if you take some time to really evaluate what debts you have, find your credit score and plan for your down-payment and earnest money.

An important first step in understanding your financial situation is to run a check for your Credit Score. This can be done at any financial institution or online. With that number in hand, you now have a starting point from which to build. A score of at least 500 is required to secure a FHA loan (with 580 required to qualify for the minimum down-payment of 3.5%) while many other lenders may require a higher score. If you're over 500, congratulations!

If your number is looking less than stellar, don't stress! The advantage you gain by reading this guide and planning ahead means that you can improve your score now, *before* you go further. But first thing's first; **What is a credit score? Your credit score is a number which represents your ability to borrow money and pay it back consistently.** That means you want to avoid missing any payments and don't let cards sit with almost or fully maxed-out balances.

### Down-payment Assistance Programs in Washington

Knowing what programs are available is half the battle. While you should check with your Realtor/Lender for your eligibility, here are two that are available:

#### 1. WSHFC Down-payment Assistance Loan Program

*This program will cover your down-payment as a loan if you meet certain requirements.*

#### 2. Veterans Down-payment Assistance Loan Program

*This program will cover your down-payment as a loan if you meet certain requirements.*

**Ask your Realtor/Lender to explain the requirements for each program!**

If you're looking to **improve your score**, here are a few tricks you can implement today:

**Request limit increases** – Your score is partly based on the percentage of available credit you're using. Keeping a low balance or increasing your limit will improve your score.

**Report inaccuracies** – While not common, if there's something wrong on your report, simply call and request removal!

**Don't open new Credit Cards** – New lines of credit hurt your score. While looking for a home, you don't want to open any new accounts or take any other loans!

Now that you're aware of all your debts and your credit score, it's time to look at planning for the down-payment. You may be assuming you need 20% of the mortgage value as a down payment, but with a FHA loan you can get down to a 3.5% payment for qualifying buyers.

There are also several assistance programs out there which will help cover the cost of the down-payment by adding it to your mortgage. To the left are two such programs.

# 2

## Step 2: Saving for the Future

Now that you have a solid understanding of where your finances currently are, it's time to figure out how much you can afford. Nothing is worse than getting excited about a home which is beyond reach, so this step is crucial in managing expectations and understanding how to overcome the barriers between you and your new home.

While you are saving according to Step 1, this is a good time to begin to analyze how much of a monthly payment you can afford. In the next step you'll discuss a recommended price range from your chosen lender, but this simple calculation will give you an estimate:

**Mortgage Payment + Monthly Debt Payments = Less than 43% of your Monthly Income**

We recommend keeping your payments in line with this equation to avoid buying more house than you can afford. With this rough number in mind, simply put your mind to saving up your cash for the down-payment and purchase process. During this time you must avoid taking any new loans or more credit debt. Then, once your savings are in place should you proceed to the next step!



## Step 3: Get Pre-Approved

With money in the bank and a rough budget in mind, you're now ready to take the next step towards owning your new home. Pre-approval. The advantage of getting pre-approved is that your loan financing is already secured when you make an offer and is therefore more attractive to sellers as your approval for the necessary loan isn't in question. While getting pre-approved isn't a requirement, it can set you apart from other buyers!

The lender will help you through the process of collecting all of your relevant financial information. **Be prepared to provide bank statements, personal identification, paystubs, tax records and credit information.**

Once the lender has this information, they will be able to tell you how much you are eligible for and for what types of loans. If all is well, you'll have your pre-approval processed and approved!

# 3

# 4

## Step 4: Selecting a Realtor

Here you are; The last step between you and your first walkthrough. Your choice of Realtor is an immensely important decision. This person is the one you're trusting with what is likely the largest purchase you will ever make. It's essential that you reach out to a few Realtors and get a sense of each one before you decide. You already have a leg up on the other guys - you're looking at EverStar Realty, a company which only employs area experts.

**Now, why hire a Realtor? A Realtor is essential to a stress-free experience.** Not only do they understand the buying process inside and out, they are able to dedicate themselves to finding homes which fit your needs. They have access to listings as soon as they become available and will be able to schedule viewings on your behalf.

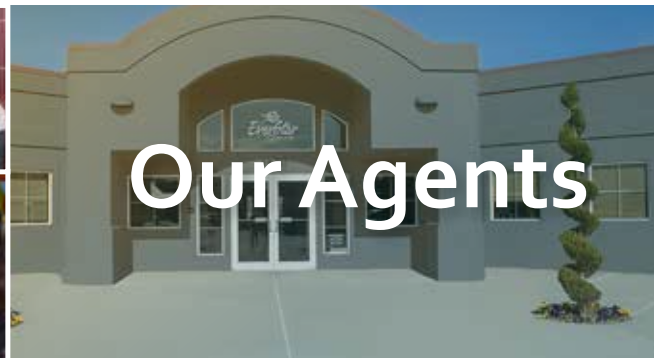
When searching with a Realtor, you can rely on their knowledge to gain a more accurate perspective of a property's potential benefits and pitfalls. Additionally, when you want to put in an offer, your Realtor can handle the necessary paperwork and communications to make sure that your offer is

- 1) Feasible
- 2) Worded correctly
- 3) Has your best interest in mind.

*In short, using a Realtor is going to give you an insight into the market that you can't get anywhere else, all while giving you the tools you need to purchase a home at the right price.*

So shop around for the right agent for you. Reach out and talk to a few Realtors. See who appears to be the best fit for your individual needs. It's good to ask questions as well; Agent availability and areas of focus are both factors which can drastically change your buying experience. With a carefully considered selection, you'll be set for success!

## Meet the EverStar Realty Team



It takes a team of experts to succeed in this business.

EverStar prides itself on having Realtors which value the customer and their experience over all else.

Reach out to one of our Realtor's to experience what all home purchases *should* be like.

# 5

## Step 5: Begin Searching!

This is the fun part. You've saved your money, secured a pre-approval and chosen your Realtor. Now, you finally get to step into some homes! It may take a good amount of time to find the correct home for you. Conversely, you may find the exact home for you in the first handful you visit. Know that there is no "correct" amount of time to look for a house nor is there a required number of homes you should see before you make your decision. Every search is different!

When you begin searching for homes, there's a few things you can do to get the most out of each walkthrough. If you're looking at multiple homes in one day then a notepad would be an excellent accompaniment. **As you go through the home, take note of the things you like and dislike as well as any concerns you have about the property.** Don't forget to mark down the address and price as well! Without these notes, it can be hard to remember which property had that awful backsplash or hidden original wood flooring.

**Communicate with your Realtor!** Some people want to know all the information possible as they go through each room, while others would rather take in the rooms *before* hearing additional details. Be sure to let your Realtor know your preferences so you can focus on the home in whatever way is best for *you*. Before leaving the property, take a moment to ask questions and find out if your Realtor has any concerns.

**Ignore that decor!** Try to focus on what the home *could be* with your belongings in it. It can be hard not to judge a home based on the existing owner's belongings but you're looking to buy the home, not their stuff!

**Similarly, make sure to try out different features of the home.** Flip light switches and run the tap. Is the pressure good? Does it take a long time to heat up? These are all aspects of the home that become your reality if you purchase, so it's crucial that you check out these things for yourself to prevent surprises later down the line.

Every person is different - if making a checklist of your focal points before viewing a home seems beneficial to you, then do it! If not, that's fine as well. Just take some time to consider what's important to you so that you can evaluate each home for your particular requirements.

### Home Search Checklist

Know the answers to these before you start looking to make your search more effective!

1. Price Range \_\_\_\_ K — \_\_\_\_ K

2. Sq. Ft. \_\_\_\_\_

3. # of Beds/Baths \_\_\_\_ Bed / \_\_\_\_ Bath

4. Required Features

\_\_\_\_\_  
\_\_\_\_\_

5. Preferred Features

\_\_\_\_\_  
\_\_\_\_\_

# 6

## Step 6: Making an Offer

You've found the one! Perhaps it's been a few months of searching, or maybe it's only been a few days! Either way you've walked through a house, looked up and down at it and hopefully been able to go weigh the pros and cons after a good night's rest. Still want it? Great! Then it's time to move to the next step - Making an Offer.

This step is fairly easy. On your end, all you have to do is let the Realtor know that you wish to put an offer on the property. They will be able to give advice as to what price you should put forward and any terms to attach to the offer. **Before you have the Realtor put in the offer to the Seller however, make sure that you're ready to move forward if your offer is accepted. You should be ready with your Earnest Money!**

Along those lines, it's also important to manage your expectations. At this stage, even with your offer on the table, the Seller likely has to look through multiple other offers and decide what works best for them. That means there's a chance that your offer won't be the one that's accepted. If this happens, you'll find your continued search easier if you held off on looking for new paint swatches!



## Step 7: Home Inspection/Appraisal

Congratulations! Your offer has been accepted by the seller. Things are going to speed up now. Immediately following the acceptance of an offer, you will be asked to put forward your Earnest Money. This is a security deposit for the Seller while you do the necessary inspection and appraisal. Luckily, your Realtor will likely handle the scheduling of these for you!

**The inspection will reveal any major issues with the home as well as any minor issues.** Don't be scared off by a lengthy list! Inspectors are required to take note of every little detail. With this list in hand, you can tailor your offer to include requests for repairs by the Seller, unless they've specified the home to sell as-is.

Next, you'll have an Appraisal scheduled so that the banks have assurance that your purchase is at an acceptable price for the property! With an approved Appraisal in hand, the end is in sight!

# 7

# 8

## Step 8: Final Walkthrough - Be Ready!

You're nearing the end now! At this point you will meet with your Realtor again and go through the property. This usually takes place 3-4 Days before the Closing Date and will be your last opportunity to confirm that any requested repairs have been made and that all belongings which will remain in the home are present.

**During this last visit, you want to take a hard look at the property.** This home is about to become your responsibility, after all! You may also request for the inspector to be at your final walkthrough to confirm that all repairs have been made correctly. At this time, be sure to rely on your Realtor and communicate with them to make sure you aren't missing anything.

**One last reminder; Do NOT make any big purchases at this time!**

While your head is focused on your new home, don't forget you still have other arrangements to make! **After your walkthrough it's good to stop a moment and make sure you've taken care of all necessary plans to facilitate your moving day.** That includes the moving truck, time off work, wrangling some helping hands and having a move-out day for your current residence.

## Step 9: On Closing Day

It's here! Undoubtedly you're excited - you're minutes away from officially completing your home purchase. Today your job is to take yourself to the agreed upon Title company and begin signing away!

Your Realtor will meet you there and help you through the entire process. The Escrow Officer will explain what each of the forms means and your Realtor can help with any additional questions you may have. These are important documents so it's crucial you understand and are comfortable with each of them.

With a cramped hand, you'll eventually reach the end of the stack. The last form between you and your new home. One scribble later and here you are! Congratulations!

# 9





# CONGRATULATIONS!

## 10

### Step 10: What next?

We know what you're thinking. Step 10? I was supposed to be finished!

However, with being a new homeowner you have now stepped into new territory. You may be excited but there are still some things which must be attended to in the next few days.

The first thing you should take care of is to make sure that all utilities are put under your name and set up for payments. The last thing you need is for the power to go out while you're moving your stuff in or the water to shut off during your housewarming party! Depending on your specific home you may have an HOA handling some utilities but chances are you'll need to reach out to the entire gambit.

**Water, Electric, Irrigation, Sewer and Garbage are your first phone calls.** Then, you'll want to make sure to get your mortgage payments set up in addition to being aware of your property tax obligations. With all of those under control you can finally turn your attention to the fun stuff:

*Making this house your home.*

In no time at all, you'll be able to walk through that front door and see the reward for all your hard work. It took a lot of your time, money and planning to get here. **Now enjoy the payoff and know that when the time comes for your next move, EverStar Realty will be there for you Every Step of the Way!**

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***With You Every Step of the Way.***

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