



First Time Buyer's Guide



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Buying your First Home

The process of buying your first home can seem overwhelming and stressful. Let our team of experienced agents walk you through the process from start to finish. Our agents are the best in the area, and will ensure your home buying process is seamless. Before you start looking for homes, below are a few questions you are going to want to answer, and the answers to these questions will help guide you and your agent through this process.



1. How are you going to pay for this?

Determining if you can afford to purchase a home, and if so, how much you can afford is an important first step in the home buying process. Meeting with a mortgage lender to determine how much you can afford and getting pre-approved is the best way to get this process started. Also, make a list of your income vs debts to get an idea of a comfortable monthly mortgage payment.

2. What do you want?

When deciding what you want in a home there are even more questions you need to ask yourself. How many bedrooms? How many bathrooms? How far are you willing to commute? Do you want a move-in ready home or are you up for the DIY renovations? Take some time to think this through, and share your thoughts and ideas with your real estate agent.



3. You found your home - now what?

Yay! You have found your dream home but now what? Your agent will now help you prepare and present your offer. They will also handle all negotiations, including terms and potential counteroffers. Once your offer has been accepted you place your deposit, schedule an inspection and appraisal, secure your financing, order home owners insurance, and more. But don't worry, your agent will be right by your side through the whole process!



Monthly Mortgage Payment Estimate

Below are two charts that show the estimated monthly mortgage payment amounts based on a 15 and 30 year loan. Please note: payments do not include insurance, property taxes, HOA fees, and any other insurance.

30-Year Loan

INTEREST RATE		4%	4.50%	5%	5.50%	6%	6.50%	7%	7.50%	8%
LOAN AMOUNT	100,000	\$477.42	\$506.69	\$536.82	\$567.79	\$599.55	\$632.07	\$665.30	\$699.21	\$733.76
	150,000	\$716.12	\$760.03	\$805.23	\$851.68	\$899.33	\$948.10	\$997.95	\$1,048.82	\$1,100.65
	200,000	\$954.83	\$1,013.37	\$1,073.64	\$1,135.58	\$1,199.10	\$1,264.14	\$1,330.60	\$1,398.43	\$1,467.53
	250,000	\$1,193.54	\$1,266.71	\$1,342.05	\$1,419.47	\$1,498.88	\$1,580.17	\$1,663.26	\$1,748.04	\$1,834.41
	300,000	\$1,432.25	\$1,520.06	\$1,610.46	\$1,703.37	\$1,798.65	\$1,896.20	\$1,995.91	\$2,097.64	\$2,201.29
	350,000	\$1,670.65	\$1,773.40	\$1,878.88	\$1,987.26	\$2,098.43	\$2,212.24	\$2,328.56	\$2,447.25	\$2,568.18
	400,000	\$1,909.66	\$2,026.74	\$2,147.29	\$2,271.16	\$2,398.20	\$2,528.27	\$2,661.21	\$2,796.86	\$2,935.06
	450,000	\$2,148.37	\$2,280.08	\$2,415.70	\$2,555.05	\$2,697.98	\$2,844.31	\$2,993.86	\$3,146.47	\$3,301.94
	500,000	\$2,387.08	\$2,544.43	\$2,684.11	\$2,838.95	\$2,997.75	\$3,160.34	\$3,326.51	\$3,496.07	\$3,668.82
	550,000	\$2,625.78	\$2,786.77	\$2,952.52	\$3,122.84	\$3,297.53	\$3,476.37	\$3,659.16	\$3,845.68	\$4,035.71
	600,000	\$2,864.49	\$3,040.11	\$3,220.93	\$3,406.73	\$3,597.30	\$3,792.41	\$3,991.81	\$4,195.29	\$4,402.59
	650,000	\$3,103.20	\$3,293.45	\$3,489.34	\$3,690.63	\$3,897.08	\$4,108.44	\$4,324.47	\$4,544.89	\$4,769.47
	700,000	\$3,341.91	\$3,546.80	\$3,757.75	\$3,974.52	\$4,196.85	\$4,424.48	\$4,657.12	\$4,894.50	\$5,136.35
	750,000	\$3,580.61	\$3,800.14	\$4,026.16	\$4,258.42	\$4,496.63	\$4,740.51	\$4,989.77	\$5,244.11	\$5,503.23
	800,000	\$3,819.32	\$4,053.48	\$4,294.57	\$4,542.31	\$4,796.40	\$5,056.54	\$5,322.42	\$5,593.72	\$5,870.12
	850,000	\$4,058.03	\$4,306.83	\$4,562.98	\$4,826.21	\$5,096.18	\$5,372.58	\$5,655.07	\$5,943.32	\$6,237.00
	900,000	\$4,296.74	\$4,560.17	\$4,831.39	\$5,110.10	\$5,395.95	\$5,688.61	\$5,987.72	\$6,292.93	\$6,603.88
	950,000	\$4,535.45	\$4,813.51	\$5,099.81	\$5,394.00	\$5,695.73	\$6,004.65	\$6,320.37	\$6,642.54	\$6,970.76
	1,000,000	\$4,774.15	\$5,066.85	\$5,368.22	\$5,677.89	\$5,995.51	\$6,320.68	\$6,653.02	\$6,992.15	\$7,337.65

15-Year Loan

INTEREST RATE		4%	4.50%	5%	5.50%	6%	6.50%	7%	7.50%	8%
LOAN AMOUNT	100,000	\$739.69	\$764.99	\$790.79	\$817.08	\$843.86	\$871.11	\$898.83	\$927.01	\$955.65
	150,000	\$1,109.53	\$1,147.49	\$1,186.19	\$1,225.63	\$1,265.79	\$1,306.66	\$1,348.24	\$1,390.52	\$1,433.48
	200,000	\$1,479.38	\$1,529.99	\$1,581.59	\$1,634.17	\$1,687.71	\$1,742.21	\$1,797.66	\$1,854.02	\$1,911.30
	250,000	\$1,849.22	\$1,912.48	\$1,976.98	\$2,042.71	\$2,109.64	\$2,177.77	\$2,247.07	\$2,317.53	\$2,389.13
	300,000	\$2,219.06	\$2,294.98	\$2,372.38	\$2,451.25	\$2,531.57	\$2,613.32	\$2,696.48	\$2,781.04	\$2,866.96
	350,000	\$2,588.91	\$2,677.48	\$2,767.78	\$2,859.79	\$2,953.50	\$3,048.88	\$3,145.90	\$3,244.54	\$3,344.78
	400,000	\$2,958.75	\$3,059.97	\$3,163.17	\$3,268.33	\$3,375.43	\$3,484.43	\$3,595.31	\$3,708.05	\$3,822.61
	450,000	\$3,328.60	\$3,442.47	\$3,558.57	\$3,676.88	\$3,797.36	\$3,919.98	\$4,044.73	\$4,171.56	\$4,300.43
	500,000	\$3,698.44	\$3,824.97	\$3,953.97	\$4,085.42	\$4,219.28	\$4,355.54	\$4,494.14	\$4,635.06	\$4,778.26
	550,000	\$4,068.28	\$4,207.46	\$4,349.36	\$4,493.96	\$4,641.21	\$4,791.09	\$4,943.56	\$5,098.57	\$5,256.09
	600,000	\$4,438.13	\$4,589.96	\$4,744.76	\$4,902.50	\$5,063.14	\$5,226.64	\$5,392.97	\$5,562.07	\$5,733.91
	650,000	\$4,807.97	\$4,972.46	\$5,140.16	\$5,311.04	\$5,485.07	\$5,662.20	\$5,842.38	\$6,025.58	\$6,211.74
	700,000	\$5,177.82	\$5,354.95	\$5,535.56	\$5,719.58	\$5,907.00	\$6,097.75	\$6,291.80	\$6,489.09	\$6,689.56
	750,000	\$5,547.66	\$5,737.45	\$5,930.95	\$6,128.13	\$6,328.93	\$6,533.31	\$6,741.21	\$6,952.59	\$7,167.39
	800,000	\$5,917.50	\$6,119.95	\$6,326.35	\$6,536.67	\$6,750.85	\$6,968.86	\$7,190.63	\$7,416.10	\$7,645.22
	850,000	\$6,287.35	\$6,502.44	\$6,721.75	\$6,945.21	\$7,172.78	\$7,404.41	\$7,640.04	\$7,879.61	\$8,123.04
	900,000	\$6,657.19	\$6,884.94	\$7,117.14	\$7,353.75	\$7,594.71	\$7,839.97	\$8,089.45	\$8,343.11	\$8,600.87
	950,000	\$7,027.04	\$7,267.44	\$7,512.54	\$7,762.29	\$8,016.64	\$8,275.52	\$8,538.57	\$8,806.62	\$9,078.69
	1,000,000	\$7,396.88	\$7,649.93	\$7,907.94	\$8,170.83	\$8,438.57	\$8,711.07	\$8,988.28	\$9,270.12	\$9,556.52



Real Estate Common Terms Glossary

Adjustable Rate Mortgage (ARM): A mortgage loan with a fluctuating rate

Amortization: When a loan payment consists of a portion which will be applied to pay the accruing interest on a loan, with the remainder being applied to the principal.

Appreciation: An increase in the value of a property due to changes in market conditions, inflation, or other causes.

Arms-Length Transaction: Both parties to a transaction are acting in their own self-interest. Neither party is pressured by or acts in connection with the other to assure the fair market value of the property.

Assessment: The placing of a value on property for the purpose of taxation.

Assessed Value: The valuation placed on property by a public tax assessor for purposes of taxation.

Closing Costs: Closing costs are separated into what are called 'non-recurring closing costs' and 'pre-paid items.' Non-recurring closing costs are any items which are paid just once as a result of buying the property or obtaining a loan. 'Pre-pays' are items which recur over time, such as property taxes and homeowners insurance. A lender makes an attempt to estimate the amount of non-recurring closing costs and prepaid items on the Good Faith Estimate which they must issue to the borrower within three days of receiving a home loan application

Closing Disclosure: A final statement of loan terms and closing costs. The buyer must receive it three business days before closing. Replaced the old HUD-1 form.

Commission: A percentage of the sale that is paid to the real estate professional. In most cases, commissions are paid for by the seller of the property.

Conventional Mortgage: A mortgage loan not insured by the government or guaranteed by the Veterans' Administration. It is subject to conditions established by the lending institution and State statutes.

Deed: The legal document conveying title to a property.

Depreciation: The opposite of appreciate, this is when the value of the property declines for a variety of reasons.

Earnest Money Deposit: A partial payment by a buyer when submitting a contract that demonstrates the buyer's commitment to the deal. The money, which is held in an escrow account, goes toward closing costs.

Equity: A homeowner's financial interest in a property. Equity is the difference between the fair market value of the property and the amount still owed on its mortgage and other liens.

Escalation Clause: A tool used by buyers to outbid competitors for a property. In the contract offer submitted by the buyer to the seller, the buyer states he will increase his offer by a certain amount if the seller receives offers higher than his.

Fixed-Rate Mortgage: A mortgage in which the interest rate does not change during the entire term of the loan.

Foreclosure: A property seized by the mortgage lender due to the homeowner failing to make full payments on their mortgage. The lender will sell the home in hopes of recovering the lost balance.

FSBO (For Sale By Owner): A FSBO is a property that is being sold by the current homeowner without the aid of the real estate agent.

Listing: A list of information about a home that is currently on the market.

Principal: The amount borrowed or remaining unpaid. The part of the monthly payment that reduces the remaining balance of a mortgage.

Pre-Qualified: An informal estimate of how much a buyer can afford to borrow for a mortgage. It does not include an analysis of a buyer's credit report or an in-depth look at his ability to purchase a home.

Private Mortgage Insurance (PMI): The monthly insurance payment a lender must pay if the down payment is less than 20% of the sale price.

Seller Assist: Money given from the seller to the buyer at settlement to pay for part of the closing costs. The amount will vary depending on what the mortgage company will allow.





The ABCs of Real Estate

A

Appraisal: An estimation of a home's market value by a licensed appraiser based on comparable recent sales of nearby homes.

B

Backup offer: An offer on a home under contract that becomes active if the primary contract falls through.

C

Contingent offer: An offer that is accepted by the seller, but certain conditions must be met before the sale is final.

D

Down payment: The percentage of the home purchased price (usually between 5% and 20%) paid upfront in cash.

E

Escrow: A neutral third party that holds funds from the buyer and distributes them when all conditions have been met.

F

Federal Housing Administration (FHA): The government agency that insures loans designed for low- to moderate-income borrowers.

G

Good Faith Estimate (GFE): A form used by lenders to give to borrowers with an estimate of fees due at closing. This form was replaced by the Loan Estimate in 2015.

H

Homeowners Association: A management organization within a community, subdivision or neighborhood that creates and enforces rules for properties within its jurisdiction.

I

Inspection: An examination of a property and its systems performed by a qualified professional, usually before the sale of a home.

J

Jumbo mortgage: A mortgage that exceeds the conforming-loan limit, commonly used for luxury home purchases.

K

Key rate: An interest rate set by the federal government that determines the cost to borrow money—in this case, a mortgage to buy a new home.

L	Loan-to-value (LTV): The risk assessment ratio used by lenders. To calculate the LTV, divide the mortgage by the appraised value.	T	Title: The right to ownership of real property recognized and protected by the law.
M	Multiple Listing Service (MLS): A database for real estate agents to list and market for-sale homes.	U	Under contract: A buyer has submitted an offer and the seller has accepted, but the closing is not final.
N	Net proceed: The amount received by the seller at closing after all other costs have been deducted.	V	VA loan: A mortgage loan for veterans and their spouses, made by private lenders and guaranteed by the U. S. Government.
O	Open house: An event hosted by a listing agent to showcase a home to potential buyers.	W	Walkthrough: The final inspection conducted before a home sale is final.
P	Pre-approval letter: A letter indicating that a lender is willing to loan a specific amount of money for a home purchase; pre-approval does not guarantee a loan.	X	X marks the spot: Where you sign for your dream home!
Q	Quitclaim deed: A deed that transfers property rights without any validation of ownership; typically used between spouses and family members.	Y	Yield-spread premium (YSP): The amount a lender pays a mortgage officer for selling a loan with a higher interest rate than the par rate.
R	Real estate owned (REO) property: A repossessed property owned by a lender after an unsuccessful sale at auction.	Z	Zero lot lines: A residence build very close to—or directly on—the property line.

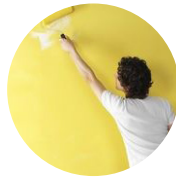


10 Things to Ignore When House Hunting

1

A Home's Age

Quality materials, classic style, charm and inherent character can be hard to find in newer builds.



2

Paint Colors

Repainting is cheap, easy and fast. Focus on the structure of the room, window placement, and other permanent features.

3

Wallpaper

It might take a little elbow grease, but wallpaper is easily replaced or covered.



4

Kitchen Appliances

If you leave room in the budget for new features, that avocado-green fridge shouldn't be a deal breaker.

5

Hardware

Drawer pulls, doorknobs and sconces are simple to update, so don't let ugly ones deter you from seeing an otherwise charming room.



6

Carpets

Don't cross a home off your list because of ho-hum flooring. You have many options for replacing it that won't break the bank.



7

Odors

Except for a serious mold problem, most smells can be eliminated with a powerful deep cleaning.

8

Curb Appeal

Your agent brought you to the home for a reason: find it! Envision different landscaping or a tidy porch and you just might see the home of your dreams.



9

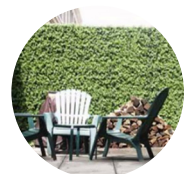
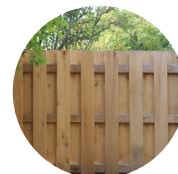
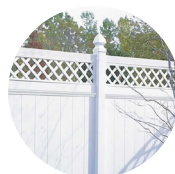
Popcorn Ceilings

Removing that crud can be messy and pricey, but it's worth doing.

10

Lack of Privacy

Fences and hedges make great neighbors. Your agent might also have ideas about possible solutions.





Moving Checklist Tips

So you found your new home! Now what? A lot goes into the moving process, but if you start with a clear plan, you'll have less stress and maybe even enjoy it!

- Join the de-cluttering revolution! Don't spend time, energy and money on moving things you don't need or want anymore. Sell, toss or donate items accordingly. Plan an estate sale to off-set moving costs if you have a significant amount that ends up in the sell pile.
- Research reputable moving companies and get at least two quotes. Decide which services you need. There is a wide range in what companies offer and what they charge- especially for non-local moves- inventory, packing, shipping and storage are all options.
- Get your supplies together. Most moving companies will drop boxes and wrapping material off to you at your convenience. Give yourself the gift of time by starting early and picking small areas to tackle. Don't get overwhelmed by trying to do too much at once. And feel free to bribe friends and family with food and drink!
- Label, label, label. Nothing's more frustrating than digging through unmark, and vaguely labelled boxes when looking for an item. Get as specific as you can. "Kitchen" encompasses a lot- is it a rolling pin that you're looking for or your everyday utensils? For personal items, it's a good idea to have everyone pack a suitcase with clothes and toiletries as if they were going on a week long trip. For the kitchen- a plastic tote with the basics to get through the first few days is also helpful. And no one will judge you if you're eating from paper plates and plastic cups the first week!
- Notify important services that you'll be moving and give them a move-out date as soon as you can. You'll want to do the same on the other end, so you're not without any utilities on moving day. Don't forget internet and cable, as well as security. File a form online with the postal service to forward your mail to your new address.
- Start a file for new providers in the area you're moving to, and start seeking good referrals. Having child and pet care ready as move-in day approaches can be especially helpful when getting settled in. Doctors, dentists, salons and gyms are other services and facilities worth looking into sooner, rather than later. You may want to get a cleaning service in pre- or post- move as well.
- Moving day is here! Be as clear as you can with anyone helping you move, but listen to the experts as well. In your mind, you may have a game plan of exactly how the day is going to unfold, but when it comes to moving, flexibility is key! If there are fragile or special items that you are planning on moving yourself, make sure those are clearly marked and out of the way. Make sure furniture, rugs and art work are properly protected from the dirt and movement of the truck, and that fragile items are clearly labelled.
- Once the last box is loaded, do a final walk through. This includes, drawers, cabinets, dishwasher, refrigerators, medicine chests and closets. Most premises are required to be left in broom-swept condition. Hiring a cleaning crew to do a move-out cleaning is helpful if you are short on time, and is a nice bonus for the new homeowner. Leave extra keys, openers and any useful numbers and manuals in an easy to see spot. Turn off the lights, lock the door, and get ready to do everything in reverse!





Coverage all over Western New York

Gurney Becker & Bourne not only has longevity in the commercial and residential real estate industry in WNY, but we also have 3 dedicated offices located in Downtown Buffalo, Orchard Park & Williamsville to better serve all of our clients from East Aurora to Clarence and everywhere in between.



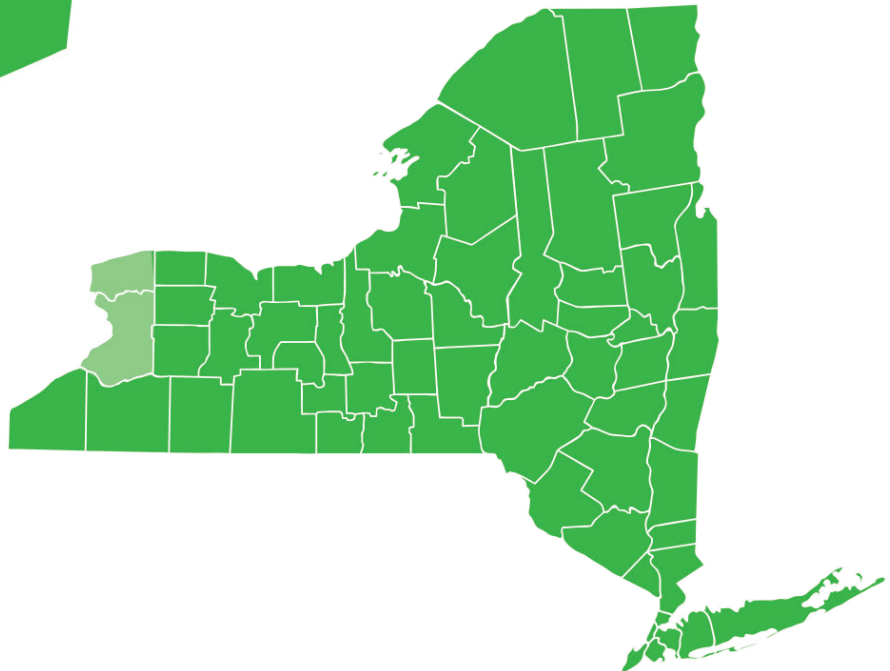
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