

FIRST TIME FLORIDA HOMEOWNER

NEWKIRK

INVESTMENTS

Creating abundance from the ground up.

FLORIDA EDITION

\\\\\\ *check it out* //////

PART ONE

Is Buying Right for Me?

In this section we'll walk through some questions and exercises to determine if homeownership is the right move for you!

WEEK 01



Thinking about Buying? Questions to Consider

Are you caught in the perpetual cycle of renting in Florida? It's time to consider the leap into homeownership—a decision that's as much about the heart as it is about the wallet. Newkirk Investments understands that there's more to buying a home than just numbers. That's why we invite you to ponder these pivotal questions to determine if you're ready—emotionally, mentally, and financially—to transition from renter to owner.

QUESTIONS TO CONSIDER

Assess your income.
Do you have a stable job and income? Do you foresee yourself staying in this line of work? What are your expenses, savings, and debts?

Determine your budget.
Your budget should include funds for a down payment, mortgage payments, property taxes, insurance, & maintenance costs. We will help with this!

How's your credit score?
A good credit score is essential for getting a favorable mortgage rate. If you aren't where you want to be, Newkirk Investments will connect you with the right people to help.

How long do I plan to stay in the area?
Consider the longevity of your investment. Real estate gains traction over time. Your readiness to stay put for several years can significantly influence the return on your investment.

Do I foresee major life changes?
Just as the tides change, so may your life. Forecast potential career advancements, family dynamics, and personal aspirations that could redefine your investment strategy.

Is the area suitable for my needs and lifestyle? Consider factors like commute, schools, amenities, and safety.

WEEK 01



Determine your Debt-to-Income Ratio

Calculating your debt-to-income (DTI) ratio is a straightforward process that helps you assess your financial health and your ability to manage new debts, like a mortgage.

Mortgage lenders typically have specific DTI requirements when approving loans and often prefer borrowers to have a DTI ratio below 43% (including the new mortgage payment).

However, some loans, like FHA loans, may allow higher DTI ratios. It's essential to understand your DTI ratio because it plays a significant role in determining your eligibility for loans and your ability to manage debt.

If your DTI ratio is on the high side, consider reducing your debt before taking on additional obligations like a mortgage.

TIP

A DTI under 36% is great, keep it up! A DTI between 37%-43% has room for improvement! A DTI above 45% may pose some challenges. Speak to a lender for advice on qualifying.

RENT	
CREDIT CARD	
CAR + INSURANCE	
PHONE + INTERNET	
UTILITIES	
STUDENT LOANS	
SUBSCRIPTIONS	
FITNESS	
TOTAL EXPENSES	
÷ GROSS INCOME	
DEBT-TO-INCOME %	

PART TWO

The Home Buying Process

In this section we'll cover what you can expect from the home buying process - from pre-approvals all the way to moving day!

STEP 1

Finances

✓ Sign a written buyer agreement
✓ The Mortgage Process
✓ Lender Questionnaire
✓ Obtain pre-approval

STEP 2

Home Search

✓ Determine wants vs. needs
✓ Complete Home Search Worksheet
✓ Preview potential properties online
✓ Schedule showings
✓ Complete Showing Checklist

STEP 3

Under Contract

✓ Write an offer
✓ Negotiate terms, accept contract
✓ Under Contract Checklist
✓ Deposit escrow, finalize loan
✓ Gather homeowner's insurance quotes

STEP 4

Due Diligence

✓ Conduct inspections
✓ Resolve & negotiate issues
✓ Lender requests & Appraisal
✓ Finalize Homeowner's Insurance

STEP 5

Closing Time

✓ Complete Pre-Closing Checklist
✓ Title search and order survey
✓ Receive closing documents
✓ Wire funds to closing company
✓ Conduct a final walk-through
✓ Closing day: It's all yours!

WEEK 02



The Mortgage Process

The first step of the home buying process is to understand how much you qualify for by meeting with a local lender and getting a pre-approval letter. It's important to interview a few lenders to find one that will be a good fit.

A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter when you're ready to buy.

QUESTIONS TO ASK LENDERS:

What type of loan do you recommend for me? Your lender should then walk you through the pros and cons of multiple loans based on your unique situation.

Do I qualify for any down payment assistance programs? Depending on your area, the type of property or your circumstances, you may be eligible. A good lender should know what's available to you.

What will my monthly payment be? This question is arguably the most important! Check with the lender about a prepayment penalty. That is, if you pay off the mortgage early (by selling or refinancing). The answer should be no!

What is the annual percentage rate (APR)? APR tells you a mortgage's true cost. The APR includes interest rate, points and fees charged by the lender, and lets you accurately compare mortgage offers.

Can I lock-in an interest rate? If so, for how long? Do you charge to lock in a rate?

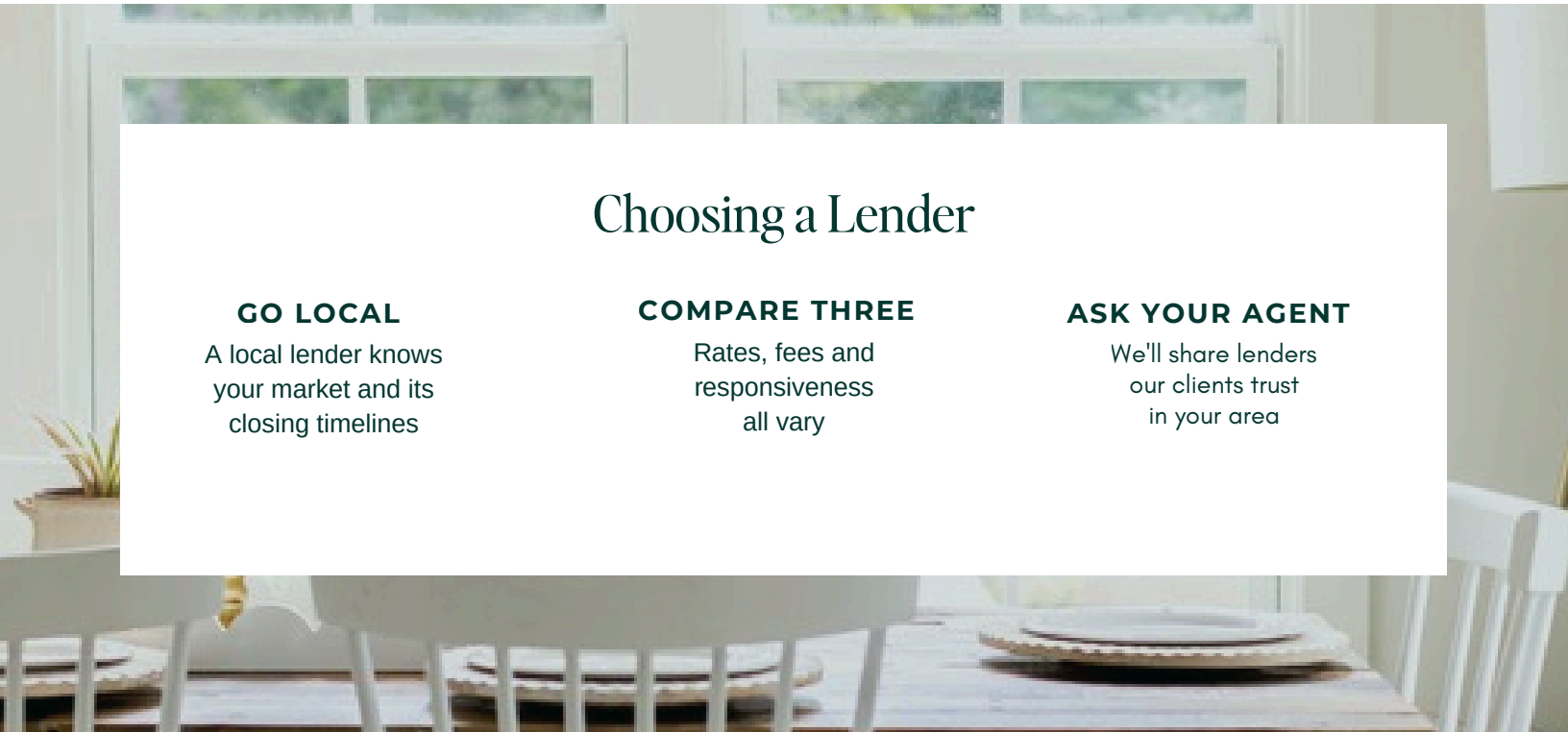
What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? 3-6% of your loan value is typical.

Will I pay mortgage insurance? If you put down less than 20% on a conventional loan, it's likely you will. Ask the lender if it's a one-time or ongoing fee.

SOURCE: NERD WALLET

Mortgage Cheat Sheet

LOAN TYPE	REQUIREMENTS	ADDITIONAL INFO
CONVENTIONAL LOAN	Credit score of 620 or higher, down payment of 3-20%, private mortgage insurance (PMI) if down payment is less than 20%	Most popular loan type, offers fixed and adjustable rates
FHA LOAN	Credit score of 580 for 3.5% down payment (500-579 for 10% down), mortgage insurance required	Backed by the Federal Housing Administration, includes upfront and annual mortgage insurance premiums
VA LOAN	For veterans, active-duty service members, and some members of the National Guard and Reserves, no down payment required, no PMI	Backed by the Department of Veterans Affairs, no loan limits but full entitlement is required
USDA LOAN	For rural and suburban homebuyers, income limits apply, no down payment required	Backed by the U.S. Department of Agriculture, aimed at helping low- to moderate-income individuals
JUMBO LOAN	Credit score above 700, down payment of 10-20%, no PMI but higher interest rates might apply	For high-cost areas, loan amount exceeds the conforming loan limits set by FHFA



Choosing a Lender

GO LOCAL
A local lender knows your market and its closing timelines

COMPARE THREE
Rates, fees and responsiveness all vary

ASK YOUR AGENT
We'll share lenders our clients trust in your area

Lender Questionnaire

NAME: _____ **COMPANY:** _____

PHONE: _____ **EMAIL:** _____

What type of loan do you recommend for me and why?

Do I qualify for down payment assistance programs?

What is the interest rate? What is the APR?

Will I pay mortgage insurance?

What will my monthly payment be?

Can I lock in an interest rate? If so for how long? Are there fees associated?

What will my closing costs be? Are they a part of my loan, or will I pay them at closing?

WEEK 03



Determine Your Wants vs. Needs

Before we hop into the home search, I like to advise my clients to create a "Needs" list and a "Wants" list. This will help us to really focus on the things that are most important in your future home. Needs are the non-negotiable.

They are the features you simply must have in your next home. Wants are the ones you'd like to have, but you can add or change down the road. Remember you can't change the lot, the location, or the price you paid.

NEEDS MIGHT LOOK LIKE

✓ Enough bedrooms for your family
✓ First floor master bedroom
✓ Close proximity to work or school
✓ Attached two-car garage
✓ Yard for children or pets

WANTS MIGHT LOOK LIKE

✓ Specific paint or exterior color
✓ Fenced-in backyard
✓ Specific flooring
✓ Kitchen amenities or appliances
✓ Walk-in shower or double vanity

NEEDS	WANTS

Home Search Worksheet

What area are you looking to buy in?

What do you like about this/those area(s)?

How many bedrooms, bathrooms, and preferred square footage? 1 or 2 story?

Do you have children? Pets?

What's your favorite style of home?

What are the top 5 most important things in your future home?

What is a non-negotiable feature or aspect needed your future home?

Anything else we should keep in mind during our search?

WEEK 05



The Home Search Process

Create an account on the Newkirk Investments' webpage.
Use this QR code to create an account - it is the easiest way to stay in contact with your Newkirk Investments' agent with any homes that catch your eye.

Use the search filters, but don't go crazy. You don't want to restrict your search so tightly that you only have a handful of homes to view. Keeping your wants vs. needs list in mind, expand your geographic search, and add 25-50K to your max price since there is sometimes wiggle room with pricing and negotiations.

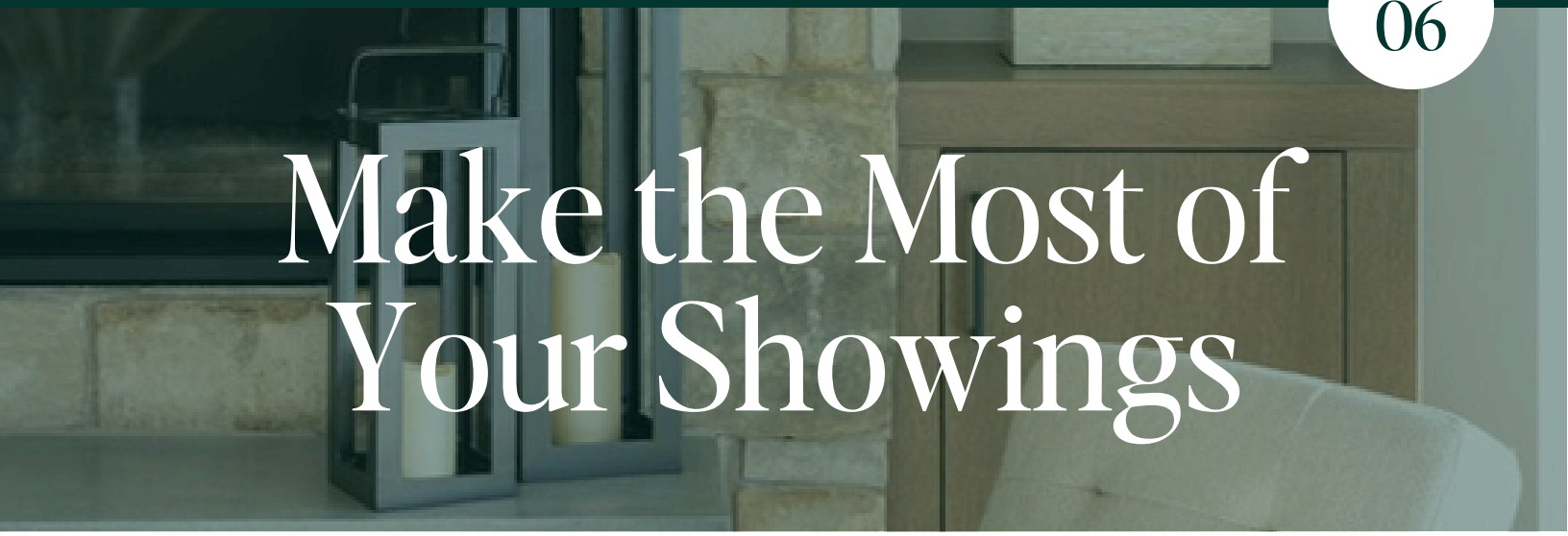
If you find something that catches your eye, check out the Google street view.
Online pictures can be deceiving so a virtual 'walk down the street' will give you a better sense of the house and surrounding area.

Use the "heart" button.
When searching through homes, use the favorite button so those properties will appear in your dashboard. Your agent will be able to see these as well, ensuring that you are on the same page.

If a home you like is "pending" or "under contract" don't panic!
Don't shy away from a home because it is "pending" or "under contract." Pending contracts do fall through occasionally, so keep it on your list, especially if it checks all your boxes.

Jot down the MLS number & address.
Send your list to me and I will call the listing agents to gather pertinent info. Next, look for some time in your calendar to tour the homes on your shortlist. Hold more time than you think you'll need.

WEEK 06



Make the Most of Your Showings

You're SO READY to get inside those homes on your shortlist and see for yourself if one of them is soon-to-be your new address.

I know you're excited, but it's important to go into those showings calm, cool, and with your thinking cap on. Below is a quick list of how to do just that!

KEEP THIS IN MIND AT SHOWINGS

Read over your wants vs. needs list and revisit your budget. Having this fresh on your mind will help you stay objective and focused.

Take pictures and videos to jog your memory later.

Consider the lot, lot size, and location, all of these things cannot be changed.

Look for signs of structural integrity. Water damage, cracks in walls or ceilings, sloping floors, and other potential issues.

Pay attention to noise levels from nearby roads, airports and railways

Examine the roof for leaks, missing shingles, or other damage. Inspect siding, windows, doors, and the overall exterior condition.

Consider layout & space. Does the property's layout suit your lifestyle? Check room sizes, storage space, and the flow between rooms.

Look past decor & staging. These things will soon be gone

Consider the potential resale value of the property by researching the historical appreciation rates

ADDRESS

EXTERIOR RATING (1-10)

INTERIOR RATING (1-10)

LIST 3 PROS OF THE HOME:

LIST 3 CONS OF THE HOME:

TOOK VIDEOS / PHOTOS

☐ YES ☐ NO

INITIAL REACTION (CIRCLE)

NO MAYBE VERY INTERESTED IT'S THE ONE!

ADDRESS

EXTERIOR RATING (1-10)

INTERIOR RATING (1-10)

LIST 3 PROS OF THE HOME:

LIST 3 CONS OF THE HOME:

TOOK VIDEOS / PHOTOS

☐ YES ☐ NO

INITIAL REACTION (CIRCLE)

NO MAYBE VERY INTERESTED IT'S THE ONE!

WEEK 07



Make Your Offer Stand Out

So you think you've found "the one" and you're ready to put in an offer—one that will be simply irresistible to sellers.

Let's talk about making an offer that truly stands out. Below are my tried and tested recommendations.

WRITING A COMPELLING OFFER

Include a pre-approval letter that shows that you're serious, qualified, and ready to purchase.

Lean on a trusted agent who can help you compose an offer that gives you every advantage in landing the home!

Put your best foot—and price—forward. You may only get one shot, so make it count. Use comps and trends as a guide, but go in with a strong number you know a seller would find favorable.

Use a friendly tone. Let the sellers know you want their home—and that you'll be easy to work with all the way to closing.

Propose to close quickly. Include contingencies only if you must. If you need to sell your current home before purchasing, disclose it here.

Offer a solid escrow deposit. A larger deposit shows the seller you're committed. Your agent will help you choose an amount that makes sense for you.

WEEK 08



We're Under Contract!

Your offer has been accepted — cue the confetti! And while it'll be a few more days until you can move in, you're well on your way to closing the deal on your new home sweet home.

Here's a quick rundown on what happens after you make an offer and your new home is "under contract."

YOUR OFFER WAS ACCEPTED! WHAT'S NEXT?

Provide an Earnest Money Deposit – This is a good faith deposit to show your commitment to buying the property. This deposit is typically held in an escrow account until the closing.

Schedule Home Inspection – Depending on the results, you may negotiate with the seller for repairs or credits. Schedule this immediately!

Order Appraisal – Your lender will initiate this to ensure the property's value matches the sale price. If the appraisal comes in lower than the agreed-upon price, you may need to renegotiate with the seller or come up with additional funds.

Finalize the Loan – You'll provide documents and go through underwriting with your lender.

Title Search – A title company will conduct a title search to ensure there are no liens or legal issues with the property's ownership. You'll also purchase title insurance to protect against unforeseen title problems.

Final walk-through – Shortly before the closing date, you'll have the opportunity to do a final walk-through of the property to ensure it's in the agreed-upon condition.

Closing Day – Sign all necessary documents, pay remaining closing costs and the down payment. The title is officially transferred to you, and keys are exchanged.

Funding and Recording – Once all documents are signed and funds are transferred, the transaction is recorded with the county or local municipality. This officially transfers ownership from the seller to you.

Under Contract Checklist

- [ ] **Send Escrow Deposit**
  Escrow deposit amount: _____
  Escrow deposit recipient: _____

  Be very careful when wiring funds.
  Never trust wiring instructions sent via email.

- [ ] **Begin Loan Application**
  Start your loan application within 5 days from the executed contract date.

  During your loan processing, it is VERY IMPORTANT not to make any major job changes, major purchases, or open new credit cards, as any of these activities could alter your qualifications.

- [ ] **Schedule Inspections**
  The last day to renegotiate or cancel the contract due to issues revealed by the inspections is:_____

- [ ] **Obtain Home Insurance**
  Contact insurance companies for quotes before the end of the inspection period

Important Dates

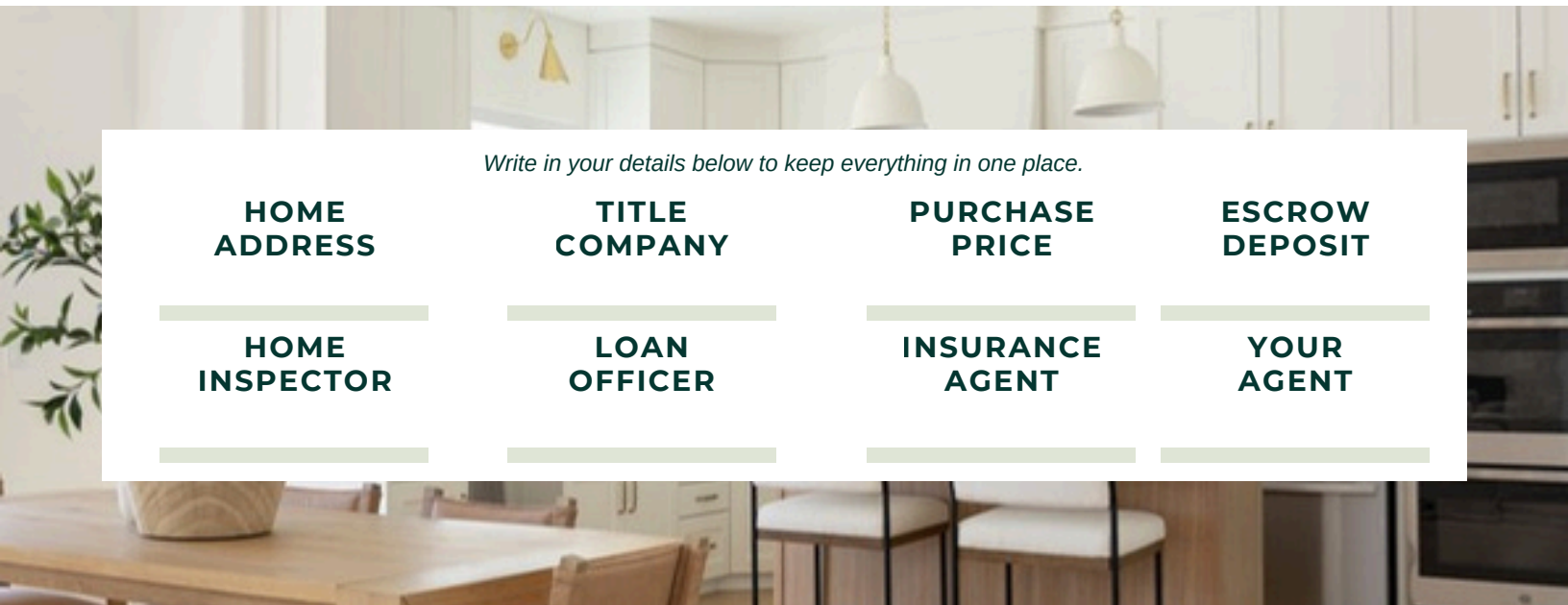
EXECUTED CONTRACT DATE

ESCROW DEPOSIT DUE

LOAN APPLICATION DUE

INSPECTION PERIOD ENDS

ESTIMATED CLOSING DAY



Write in your details below to keep everything in one place.

HOME ADDRESS	TITLE COMPANY	PURCHASE PRICE	ESCROW DEPOSIT
HOME INSPECTOR	**LOAN OFFICER**	**INSURANCE AGENT**	**YOUR AGENT**

WEEK 09



Inspections & Insurance

What is a home inspection?
The inspection will uncover any issues in the home that would have otherwise been unknown. You will receive a written report of the inspection. I recommend that you are present for the inspection, so that you may ask any questions.

What does the "inspection period" mean? Inspection periods are market dependent and usually 10 days. During this time, the buyer has the right to hire a professional to inspect the condition of the home.

If the results of the report reveal any issues, the buyer may ask the seller to cover the costs of these repairs or reduce the sale price.

If an agreement can not be made, the buyer has the right to back out of the contract and get the escrow deposit back with no consequences.

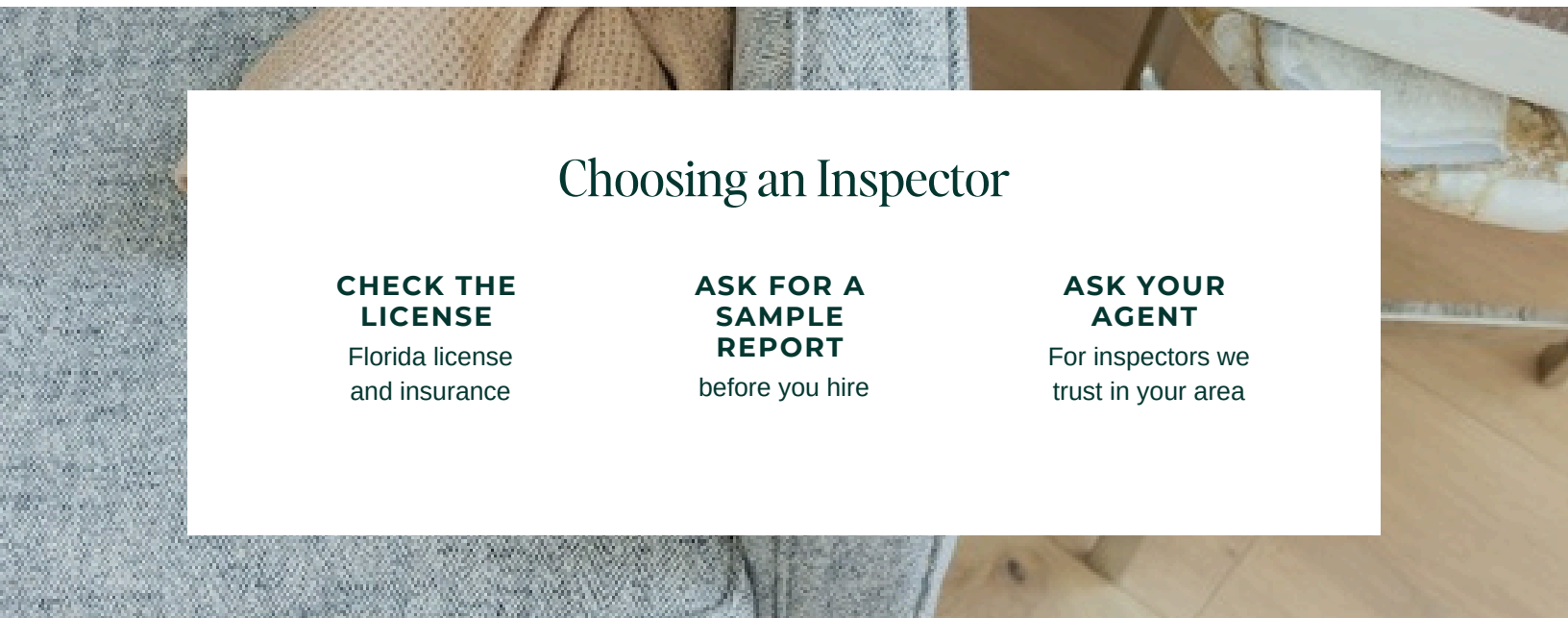
The home seems fine, do I really need a home inspection?
The home may appear to be in perfect shape, but some of the costliest problems are difficult to spot: leaks, termite damage, foundation issues, poor ventilation, faulty wiring, and drippy appliances. Before you sign on the dotted line, have a professional thoroughly assess the home for problems.

When should I schedule the inspection? Schedule all inspections immediately, so if we need to negotiate any repairs we can before the inspection period ends.

What about home insurance? Once you have a signed contract, start looking for insurance providers immediately. Your lender will typically require evidence of insurance coverage before they approve your mortgage. Gather multiple quotes!

Inspections Cheat Sheet

INSPECTION TYPE	DESCRIPTION	AVERAGE COST
STANDARD	The standard home inspector's report will cover the condition of the home's heating system; central air conditioning system; interior plumbing and electrical systems; the roof, attic and visible insulations; walls, ceilings, floors, windows and doors; the foundation, basement and structural components.	**$400-500**
FOUR-POINT	The Four-Point Inspection examines 4 main things: Electrical, HVAC, Roof & Structure, and Plumbing. The Four-Point will most likely be required by your homeowner's insurance if the home is more than 30 years old.	**$100-120**
WDO	The WDO Inspection is the Wood-Destroying Organism Inspection. Ask your lender if your loan requires any certain inspections such as a WDO inspection.	**$110-125**
ADDITIONAL INSPECTIONS	Pools, septic systems, wind mitigation and roof certifications may need their own inspections. Wind mitigation can lower your insurance premium.	**varies**



Choosing an Inspector

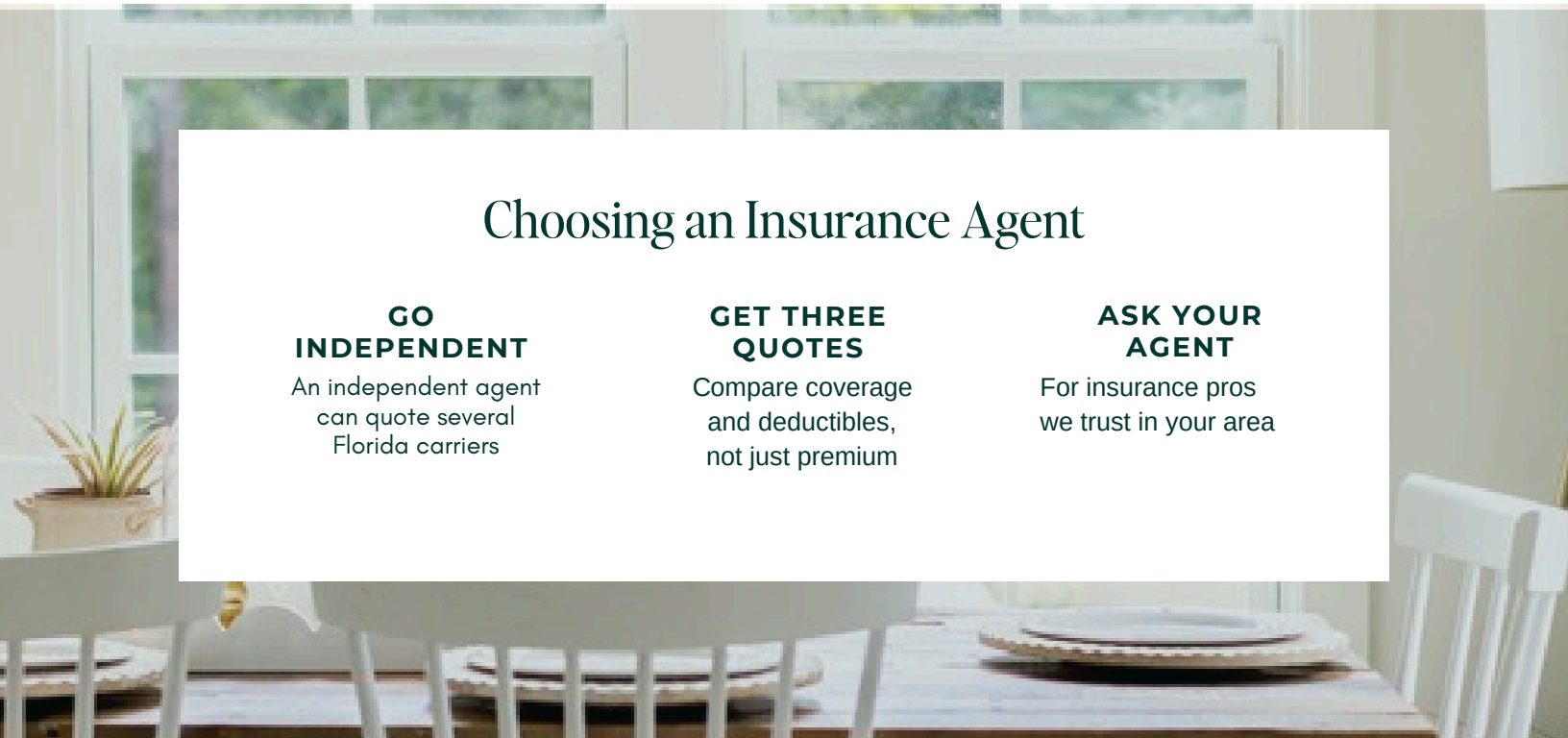
CHECK THE LICENSE
Florida license and insurance

ASK FOR A SAMPLE REPORT
before you hire

ASK YOUR AGENT
For inspectors we trust in your area

Home Insurance Cheat Sheet

INSURANCE TYPE	DESCRIPTION	AVERAGE ANNUAL COST
HOMEOWNERS	Covers loss from disasters, theft and accidents. In Florida, premiums depend heavily on roof age, construction, wind mitigation features and distance to the water. Ask about a separate windstorm deductible.	**Varies — get quotes early**
FLOOD	Protects against flood damage. Required by lenders in high-risk flood zones and worth considering anywhere near the coast, a river or a lake.	**Varies by flood zone**



Choosing an Insurance Agent

GO INDEPENDENT
An independent agent can quote several Florida carriers

GET THREE QUOTES
Compare coverage and deductibles, not just premium

ASK YOUR AGENT
For insurance pros we trust in your area

Pre-Closing Checklist

BRAVO! HERE'S WHAT YOU'VE COMPLETED SO FAR:

- ✗ **Under contract**
- ✗ **Inspections**
- ✗ **Obtain home insurance**

THE CLOSING TABLE IS NEAR! HERE'S WHAT'S NEXT:

Order Appraisal

An appraisal is an estimate of the value of the property by a licensed professional appraiser. Once problems are resolved from inspection, the lender will order an appraisal, paid for by you. The appraisal verifies the value of the property for the lender and to protect you from overpaying.

The contract is contingent upon whether the appraisal comes in at or above the purchase price. If the appraisal comes back low, it's back to negotiations!

Obtain Mortgage

You have 5 days from the date of contract execution to begin the mortgage loan application. During the 30-45 days before closing, your lender will be finalizing the loan.

Conduct Survey

Unless a recent survey of the property exists, a recent one will be requested. The survey is a sketch showing a map of the property lines and boundaries and reveals if there are any encroachments on the property. The survey is ordered by the title company and paid for by the buyer as part of the closing costs.

TIP

It is very important not to make any major job changes, purchases, or open new credit cards, as any of these activities could alter your qualifications for a loan.

Title Search

The title company will conduct a title search to ensure the property is legitimate and that there are no outstanding mortgage liens, judgments, easements, leases, unpaid taxes, or other restrictions that would impact your ownership.

Once the title is found to be valid, the title company will issue a title insurance policy which protects lenders or owners against claims or legal fees that may arise over ownership of the property. This will be included in closing costs.

Clear to Close

The magic words! This phrase means the mortgage underwriter has officially approved all documentation required to fund the loan. All that remains is the actual closing process.

WEEK 12



It's Closing Time!

You've received the magic phrase "clear-to-close" and we've scheduled our closing date and time.

Here's a quick rundown on what you can expect from closing day!

WHAT TO EXPECT FROM CLOSING DAY

When is the final walk-through?
The final walk-through allows the buyers to do one last walk through before closing to confirm that the seller made the repairs that were agreed upon. The walk through also ensures no new problems have occurred while under contract. We will typically schedule the walk through right before closing.

Who will be at closing?
Situations vary, but you can expect some combination of these folks: Buyer (that's you!), seller, real estate agents, closing attorney, mortgage lender, and the title company representative.

What will I do?
Stretch those fingers and get ready to sign, sign, sign! At closing, the seller will sign ownership of the property over to you, and you'll sign to receive possession.

What should I bring?
Bring a photo ID and a cashier's check to pay any closing costs. Your agent will share any other documents specific to your situation. The closing process is relatively simple but be prepared for A LOT of paperwork. (And always, always, always ask if you have a question along the way.) The good news is once you've signed the last page, it's time to get a hold of those keys and celebrate!

Have questions about buying? Reach out!



We're always happy to answer your questions and talk through the home buying process. Send us a message or give us a call.

Newkirk Investments

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