

THE HOME BUYING PROCESS

Buyer's Guide



**FANCEE LIFE**
REAL ESTATE
CREATING MOMENTS THAT MATTER

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LET'S STAY IN TOUCH



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A photograph of a grand, two-story interior space. A curved staircase with ornate wrought-iron railings and a wooden handrail leads to an upper level. A large, multi-tiered chandelier hangs from the ceiling. The room features high ceilings, large windows, and a white door with a decorative transom. The overall atmosphere is bright and elegant.

"You dont have to be great to

Get Started,

but you have to

get started

To Be Great "

-Les Brown

ABOUT JANE E

CREATING MOMENTS THAT MATTER.

Jane e Pope is a driven and passionate real estate professional with over a decade of experience in sales and management. Born in Detroit, Michigan, she now resides in Atlanta, Georgia with her six-year-old son, who gives her the purpose and motivation to excel in her field. Jane e is a single mother who is determined to create generational wealth through investing in real estate, and her company's mission is dedicated to help her client's achieve the same.

Jane e's educational background includes a degree in Business and over 10 years of training and experience in sales, management, and customer service. She has worked in a variety of fields, including fashion merchandising, business operations and management, and healthcare. As a licensed realtor in Michigan, she gained valuable experience and knowledge, which she now applies to her real estate business in Georgia as well.

Jane e is passionate about adding value to those around her and building long-lasting relationships with like-minded individuals. She holds several designations from the National Association of Realtors, and she is continually expanding her knowledge and expertise in the field. Her values include client satisfaction, great experiences, and creating reciprocal relationships. You can count on her attention to detail and go getter attitude to deliver results. Her clients can trust her to represent them with professionalism, care, integrity, and confidentiality.

As a dedicated professional, her work goes beyond her career. She is an avid traveler and enjoys experiencing new cuisines and ideas from different cultures. She plans to start a non-profit organization within the next five years to help single mothers with their day to day struggle of raising kids alone. A big goal of hers for the year 2023, is to start a real estate investing group with her peers and other like-minded individuals to purchase multifamily buildings and create opportunities within the community.

Jane e has a vast network of well respected, industry experts who support her and her clients. Her problem-solving attitude serves as an viable resource for her clients. Her goal is to expand her business in the Metro Atlanta market and help as many clients as possible achieve their real estate goals. She is a smart and trustworthy professional who is sure to make a positive impact on anyone she encounters.

REAL ESTATE TERMS TO KNOW

1. **Amortization:** This is the process of combining both interest and principal in payments, rather than simply paying off interest at the start. This allows you to build more equity in the home early on.

2. **Appraisal:** In order to get a loan from a bank to buy a home, you first need to get the home appraised so the bank can be sure they are lending the correct amount of money. The appraiser will determine the value of the home based on an examination of the property itself, as well as the sale price of comparable homes in the area.

3. **Appraisal Guarantee:** A clause stating that the buyer will make up the difference if the appraisal is lower than the accepted offer. Common with FHA loan borrowers.

4. **Contingencies:** This term refers to conditions that have to be met in order for the purchase of a home to be finalized. For example, there may be contingencies that the loan must be approved or the appraised value must be near the final sale price.

5. **Due Diligence Period:** Refers to the time after signing a contract that the buyer has to inspect the property and make a decision whether they want to buy the property or otherwise go forward with the transaction or back out and recoup the earnest money. Inspections are conducted during this time.

6. **Earnest Money Deposit:** Sometimes called a “good faith deposit,” is a sum of money that is included with your offer to purchase a home. Earnest money has become standard, normally 1% of the purchase price. The purpose of earnest money is to tell the seller that you're serious about purchasing the home.

REAL ESTATE TERMS TO KNOW

7. **Equity:** Equity is ownership. In homeownership, equity refers to how much of your home you actually own, meaning how much of the principal you've paid off. The more equity you have, the more financial flexibility you have, as you can refinance against whatever equity you've built. Put another way, equity is the difference between the fair market value of the home and the unpaid balance of the mortgage. If you have a \$200,000 home, and you still owe \$150,000 on it, you have \$50,000 in equity.

8. **Escrow:** a legal arrangement in which a third party temporarily holds money or property until a particular condition has been met (such as the fulfillment of a purchase agreement).

9. **Fiduciary Responsibilities:** As a fiduciary, a real estate broker will be held under the law to owe certain specific duties to his/her principal, in addition to any duties or obligations set forth in a listing agreement or other contract of employment. These specific fiduciary duties include: Loyalty, confidentiality, disclosure, obedience, reasonable care and diligence, and accounting.

10. **Private Mortgage Insurance:** Private mortgage insurance (PMI) is an insurance premium that the buyer pays to the lender in order to protect the lender from default on a mortgage. These insurance payments typically end once the buyer builds up 20% equity in a home.

11. **Title Insurance:** Title insurance is often required as part of the closing costs. It covers research into public records to ensure that the title is free and clear, and ready for sale. If you purchase a home and find out later that there are liens on the home, you'll be glad you had title insurance.

12. **Rate Buy Down:** A buy-down is a mortgage financing technique with which the buyer attempts to obtain a lower interest rate for at least the first few years of the mortgage or possibly its entire life.

OWNING A HOME IS MORE THAN A FINANCIAL INVESTMENT

It's an investment in the quality of life – particularly if you have a family or if you're planning one. You can decorate or renovate however you like, customize your landscape, and rule the roost! It's your home.

This guide provides a detailed look at the home-buying process.



THE BUYING PROCESS

WHAT DOES IT LOOK LIKE?

Consultation

Pre-Approval

Make an Offer

Home Search

Home Inspection

Appraisal & Underwriting

Title Search &

CLOSING!!

STEP BY STEP

BUYING

CONSULTATION

This is where we you discuss your readiness to buy & what type of home best suits your needs.

- Do you know your current credit score & do you have savings?
- How soon are you looking to move?
- What areas and neighborhoods are you considering?
- What is your Plan B, if you can't find the home you have in mind?
- What are some of your must haves?
- What are deal breaker items?

PRE-APPROVAL

This is a quick necessary process the helps narrow down and determine how much you can afford!

Lenders typically recommend a home that costs no more than three to five times your annual household income, with a 20% down payment. However, there are **MANY** different financing structures that require little to no many down they can make work for you!

DID YOU KNOW? 88% OF ALL BUYERS WORK WITH REALTORS!

H O U S E

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FINDING "THE ONE"

I will tailor listings based on your criteria. I funnel all properties and pick the best to view, and will filter out the homes that will not work.

Most buyers look at approximately 10 properties and are then ready to make an offer. At that time, if you have not found a home you are looking for - it's HIGHLY recommended that we sit down and review your criteria to make sure that we are still looking for the right house!

Once you find one you love... it's time to determine the market value of that property. I will compare that home to others that have sold and from there we will determine the value for the home!

MAKING AN OFFER

Now is the exciting time! When you are ready to write an offer, I will walk you through the contract. It is important to write a fair offer or you can run the risk of the seller not responding or even losing the property to another buyer making an offer.

- *Write the Offer*
- *Negotiate the Offer*
- *Satisfy Conditions*

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INSPECTIONS AND MORE

HOME INSPECTIONS

The immediate step after your offer is accepted is to schedule a home inspection. You will have a certain number of days to complete this inspection after the offer was accepted.

Your home inspection report will verify that all items considered defective or problems relating to the safety of the home are corrected prior to closing. During this time you negotiate repairs, price reductions, or seller concessions.

APPRAISAL, TITLE SEARCH & UNDERWRITING

The title is right to own, possess, use and control of a property. When purchasing a home you are buying a seller's title to the home. Before closing, a title search is done to ensure there are no liens, or problems that might prevent a clean title for you to close on the home.

This should be ordered by the seller or their agent when the home is initially listed to prevent delays in closing.

An appraisal is an estimate of the property value. The appraisal is not only to justify the lender's investment, but to help keep the buyer from overpaying on a property. Your lender will typically hire an appraiser and charge you the fee. This is normally an upfront fee prior to closing.

Once the underwriter confirms all final commitments have been met, the lender approves your home loan! You will receive a letter outlining loan terms to your mortgage agreement. Your final letter will include your annual percentage rate, monthly fees, and repayment info for the loan.



CLOSING TIME

The closing process finalizes your home purchase.

A FEW THINGS TO BRING

- A valid, current, government issued photo ID
- All final cost in a payable form
- Any outstanding documents for the title company or loan officer

CLOSING COSTS

Fees typically total 4% - 9% of the total purchase price and can include:

- Escrow Fees
- Recording Fees
- Application and Underwriting Fees
- SIDs and/or LIDs
- Appraisal Fees
- Local Transfer Taxes / Intangible Gov Tax
- Homeowners Insurance
- Homeowners Association Fees
- Title Insurance

Buyer Mistakes

Avoid These Mistakes When buying Your Home

GETTING TOO EMOTIONAL

Think it's impossible? It's actually not. Once you decide to buy a home, start thinking of yourself as a businessperson and investor rather than just a future homeowner. In fact, forget that you're the "Buyer" altogether. By looking at the transaction from a purely financial perspective, you'll distance yourself from the emotional aspects of buying the property. While it is important to factor in certain emotional aspects, don't let it cloud your judgment. Real estate is an investment. Don't let emotions distract you from that.

HOME SHOPPING BEFORE GETTING PRE-APPROVED

It's more fun to look at homes than it is to talk about your finances with a lender. So that's what a lot of first-time home buyers do: They visit properties before finding out how much they are able to borrow. Then, they are disappointed when they discover they were looking in the wrong price range (either too high or too low) or when they find the right home, but aren't able to make a serious offer. How to avoid this mistake: Talk to a mortgage specialist about getting pre-qualified or even pre-approved for a home loan before you start to seriously shop for a place. The pre-qualification or pre-approval process involves a review of your income and expenses, and it can make your bid more competitive because you'll be able to show sellers that you can back up your offer.

EMPTYING YOUR SAVINGS

If you buy a previously owned home, it almost inevitably will need unexpected repairs not long after closing. Maybe you'll need to replace a water heater or pay a homeowner's insurance deductible after bad weather. How to avoid this mistake: Save enough money to make a down payment, pay for closing costs and moving expenses, and take care of repairs that may come up. Lenders will give you estimates of closing costs, and you should call a few moving companies for an estimate to get an idea of your moving expenses.

CHOOSING THE WRONG LENDER

Shopping for a mortgage is like shopping for a car or any other expensive item: It pays to compare offers. Mortgage interest rates vary from lender to lender, and so do fees such as closing costs and discount points. But according to the Consumer Financial Protection Bureau, almost half of borrowers don't shop for a loan. How to avoid this mistake: Apply with multiple mortgage lenders. A typical borrower could save \$430 in interest just in the first year by comparing five lenders. All mortgage applications made within a 45-day window will count as just one credit inquiry.

Buyer

QUESTIONNAIRE

DETERMINE THE FEATURES YOU ARE LOOKING FOR IN YOUR IDEAL HOME AND PRIORITIZE WHICH ITEMS ARE MOST IMPORTANT TO YOU. NO HOUSE IS PERFECT, BUT THIS WILL HELP US FIND THE BEST MATCH FOR YOU.

TYPE OF HOME:

- SINGLE FAMILY HOME TOWNHOUSE CONDO

CONDITION OF HOME:

- MOVE-IN READY SOME WORK NEEDED IS OK FIXER UPPER

DESIRED FEATURES:

_____ BEDROOMS _____ BATHROOMS _____ CAR GARAGE

IDEAL SQUARE FOOTAGE: _____

DESIRED LOCATION/NEIGHBORHOOD/SCHOOL DISTRICT: _____

DEALBREAKERS: _____



GET YOUR CREDIT IN CHECK

Make sure you're financially prepared for homeownership. Do you have a lot of debt? Plenty saved for a down payment? What about closing costs? Ask yourself "how much house can I afford?" before you go further. Additionally, know that lenders look closely at your credit score when determining your eligibility for a mortgage loan. Check your credit score and do anything you can to improve it, such as lowering outstanding debt, disputing any errors and holding off on applying for any other loans or credit cards.



FIND THE RIGHT LENDER

Just like you want to get the home that best suits your needs, you'll want to find a lender that best suits you. We suggest you consider using a broker to help you find a lender, talk to your agent—we are here to help, ask friends and family for referrals, and compare at least three lenders.



GET ORGANIZED

A lender will need information from you in order to get you pre-approved for a mortgage loan. Here are few things to have ready for them:

- W-2 forms from the past two years
- Pay stubs from the past 30 days
- Tax returns from the past two years
- Proof of other sources of income
- Recent bank statements
- Details on long-term debts such as car or student loans
- ID and Social Security number

**If you're self-employed, you may have to provide proof of your financial stability, including reasonable credit score, profit & loss statement, Year-to-date revenue, and possibly providing business tax returns.*

In a competitive market, sellers may ask for proof of pre-approval. This document can help strengthen your offer! Make sure to get a pre-approval letter from your lender before we start viewing homes.



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