



Kim Idel
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RE/MAX Jefferson City

Guide To
Buying Your Home
with **Kim**

**SCAN
ME!**



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Serving the Jefferson City and Surrounding Area

THE HOME BUYING PROCESS

Strategy

- Find a REALTOR® you can trust
- Strategic home buyer consultation
- Set up your “Backstage Pass” to the MLS

Financing

- Mortgage application
- Obtain pre-approval letter

Showings

- Concierge home showing specialist
- View your favorites
- Find your home

Offer & Negotiations

- Market analysis
- Write your offer
- Negotiations & counter offers

Protection

- Offer accepted
- Earnest money
- Inspections
- Appraisal

Closing

- Final underwriting
- Title work
- Insurance
- Utilities in your name
- Final walkthrough
- Close on your home
- Deed recorded
- Sign docs
- Get your keys



YOUR STRATEGY STARTS HERE

WE LOOK OUT FOR MANY DIFFERENT VARIABLES INVOLVED IN
YOUR 7-STEP HOME BUYING STRATEGY

- 1. Expert Advice to Setting Your Strategy**
- 2. Funding Your Dream**
- 3. Selecting Your Home**
- 4. Negotiating Your Terms**
- 5. Protecting Your Home**
- 6. Closing on Your Home**
- 7. Your Lifetime Resource**

EXPERT ADVICE FOR SETTING YOUR STRATEGY

Market Intelligence

- Economic indicators
- Trends analysis
- Interest rates
- Loan programs and qualifications
- Real estate cycles
- Seasonal advantages
- Local market conditions Micro markets
- National market conditions
- Absorption analysis
- Inventory of short sales and foreclosures
- Pocket list inventory
- Inventory fluctuation
- Rent vs. buy trends
- Market stability
- Knowledge of co-op agent's negotiation strategy
- Knowledge of mortgage options
- Knowledge of insider deals

Smart Home Buying Strategy

- Determine timing & motivation
- Evaluate needs & wants
- Out-of-pocket expenses
- Financing needs & pre-approval
- Neighborhood & lifestyle
- Quality of life
- Set expectations according to market
- Customized plan
- Inventory of vacant homes
- Rental housing vacancy rates
- Builder confidence

FUNDING YOUR DREAM

Trusted Lenders

- Best rate & terms
- Close on time
- No surprises
- Over-deliver vs. Overpromise
- Get documents on time to the title company

Decisions on Cost

- 15-year vs. 30-year mortgage
- Long-term hold
- Short-term hold
- Buy first or sell first
- Rental property
- 13th payment

Pre-Approval Process

- Application provided online
- Supportive documents to provide:
 - Drivers License
 - Pay Stubs
 - W2's
- You don't have to have a home in mind
- Estimated amount you would like to get approved for



MORTGAGE PRE-APPROVAL

How Much Can You Afford? Key Factors to Consider

- The down payment
- The interest rate
- Your debt-to-income ratio
- The closing costs associated with the transaction

Down Payment Requirements

Loan Type	Down Payment	Details
CONVENTIONAL	5%+	You can put as little as 5% down and as much as you want. Anytime you
FHA	3.5%	put less than 20% down, you will have to pay some mortgage insurance.
DOWN PAYMENT ASSISTANCE*	\$1,000+	A program for people who qualify with credit and income but do not have
VA	0%	A special program for military buyers that allows them to put almost nothing down toward the purchase.
FHA 203k	3.5%	A special product that allows you to wrap the costs of repairs or improvements to the home you buy into your mortgage.

*There are many down payment assistance programs available through our preferred vendors. Just ask us for more information to find out if you qualify.

Closing Costs

You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at the closing, unless you are able to include them in your financing.

Typically, total closing costs will range between 2–3% of your mortgage amount.



SELECTING YOUR HOME

Showings

- Request up to 6-24 hours in advance
- Select homes of interest
- View your favorites
- Proactively suggest listings that match your needs
- Showing Specialist



Lifestyle and Neighborhood

- School rankings
- Crime level
- Demographics
- Planned community
- Parks & playgrounds
- Privacy of neighborhood/gated community
- Location of home in neighborhood
- Proximity to: work, restaurants, recreation, public transportation, major roads, entertainment, etc.



Right Price — Right Home

- Property type (condo, townhouse, single family, manufactured, multi-unit, investment)
- Preferred subdivisions
- Price range
- Year built (age of home)
- Bedroom/bathroom/garage needs
- Square footage
- Landscape/lot preference
- Floor plan
- Amenities
- Appliances

TYPES OF HOME SALE TRANSACTIONS

Traditional Sale (21–45 Days)

These homes have a regular seller on the other side of the transaction. The response time on your offer to a traditional seller is usually pretty prompt (generally within 24 hours, if not less). The traditional homes will reflect the “market value” for a neighborhood.

New Construction

Brand new homes, built to your tastes and warrantied. With new construction, you get exactly what you want. New construction homes can be already built, in the process of being completed, or entirely custom.

Authorization to Show/ Pocket Listing

The seller has acquired a listing agent to assist in selling their home. The seller has made the decision to allow specialized agents to show the property with a previously agreed upon price and commission. This is an opportunity to create a win-win situation for both buyer and seller.

NEGOTIATING YOUR TERMS

Position of Strength

- Pre-approval in hand
- Type of financing
- Negotiating with listing agent
- Comparable sales to support offer

Seller Concessions and Offer Details

- Seller contribution to buyer's closing costs
- Home warranty
- Inspection repair costs
- Closing date
- Title policy/escrow fees
- Contract acceptance
- Timeline
- Property inspection timeline
- Negotiate repairs

Multiple Offer Strategy

- Zero repair allowance/Waive Inspections
- Increased earnest money
- Escalation Clause
- Closing date
- Waive appraisal

MAKING AN OFFER

Offer Terms

- Sales price
- Comparative market analysis (comps)
- Earnest money
- Financing terms
- Inspection period
- Closing date
- Personal property
- Other applicable addendum like Lead Paint Disclosures, Short Sale Contingencies, etc.
- Seller contribution to YOUR closing costs (if requested)

Offer Terms

Example — Asking the seller to cover a portion of your closing costs.

$$\text{\$300,000} - \text{\$9,000} = \text{\$291,000}$$

YOUR OFFER

(Total amount of your purchase price)

SELLER'S CONTRIBUTIONS

(Amount of your closing costs you ask the seller to pay for you)

NET OFFER

(Final amount the seller is actually receiving, viewed as your actual offer)

A Note about Multiple Offers

Make offers you want the other party to sign. It is important to remember that the more competition there is for the home, the higher the offer will have to be, sometimes even exceeding the asking price. Remember, be realistic, but it all comes down to market value, solid comparable sales, and comparable homes on the market.

PROTECTING YOUR HOME

Home Inspection

- Eliminate potential surprises
- Identify potential “deal killers”
- Walk-away leverage
- Safety and structural concerns

Home Warranty

- Cover the mechanical systems and major appliances in the home for a year
- Can save buyers thousands of dollars
- Can be paid for by the seller
- Can renew after the first year is up

Future Home Maintenance Costs

- Heating and cooling costs
- Age of appliances
- Utility costs
- Home owners association dues
- Lawn and landscape maintenance

INSPECTIONS

Home Inspections

We highly recommend that you have a professional home inspector conduct a thorough inspection.

The inspection is intended to report on significant damage or serious problems that require repair. *It is not a "pass or fail" scenario.* The Inspector's job is to make you aware of recommended or necessary repairs.

The Inspection Will Include the Following

- Appliances
- Plumbing
- Electrical
- Heating and Air conditioning (depending upon the season)
- Roof and Attic (if accessible)
- Foundation
- General Structure

COMMON PRICES for the home inspector

1600 sq ft and less	\$435
1600-2400	\$465
2400-3200	\$495
3200+	(Call for pricing)
Pest Inspections	\$95

The seller may be willing to negotiate the completion of repairs, or you may terminate during the inspection period.

Your inspection is a contingency to the purchase agreement and needs to be completed and repairs negotiated within the due diligence date.

CLOSING ON YOUR HOME

Home Owner's Insurance

- Highly competitive rates
- Impacts your monthly payment

Title Company

- Quality management of process
- Manage all parties in the transaction
- Leverage for getting problems resolved
- Closing on time
- Protecting your interests
- Transferring ownership of the property to you

PrePays

- Inspections
- Appraisal

Lender Fees

- Processing Fees
- Employment Verification
- Recording and Application Fee
- Etc. Fees are unique based on each lender

The Final Details

- All documents to the lender in a timely manner
- Lender repairs where applicable
- Closing & settlement review
- Potential deal killers
- Transfer of utilities
- Moving into your new home

WHAT TO EXPECT AT CLOSING

Who Will be There?

- You, the buyer(s)
- Buyer's Agent
- Lender
- Title Company

What Will You Need?

Bring a valid government-issued photo ID and a second form of ID showing your name.

Bring a cashier's check for your cash to close (your mortgage officer will tell you the amount prior to closing)

What Is Expected from You at the Closing?

If financing the property, your lender will require you to sign a document, called a promissory note, as evidence that you are personally responsible for repaying the loan. You will also sign all title and deed documents putting you as the official homeowner!

When to Expect Keys

The lender will fund your loan, and the title company will release the package to be recorded with the county. Keys are exchanged at closing and you will take full access of the home.

YOUR LIFETIME RESOURCE

On-Going Real Estate Support

- Post closing questions
- Updated market information
- Helping your friends and family

Trusted Contractors

- Handymen
- Cleaning companies
- Carpet cleaning
- Exterior maintenance
- Painting & remodeling
- Siding/Windows/Decks

Raving Fan Club

- Parties
- Holiday giveaway
- (ex. Thanksgiving Pie, Movie Day)
- Helpful videos of home ownership
- Market Snapshot
- Giveaways

The Home Buying Process



1

OFFER SENT

Once you've decided on the home of your dreams, our team will sit down and discuss making an offer — in terms of amount offered, contingencies, loan type, and any other special requests.

2

PRICE NEGOTIATIONS

After your offer has been received, sometimes your needs to be advocated for. Our team of expert negotiators will discuss different options and tactics we can employ to ensure you're getting the best deal.

3

CONTRACT ACCEPTANCE

It's good for both parties! You and the seller have agreed upon the terms and price for the home. The contract is signed, and has been sent to the title company. We're in escrow folks!

4

DELIVERY OF EARNEST MONEY

You will deliver the earnest money deposit to the title company within 72 hours after contract acceptance. This deposit is provided in order for the seller to mark your home "Pending" on the market while all of your needed inspections are completed on the property.

5

INSPECTIONS & NEGOTIATIONS

During this time we will make recommendations and help schedule all inspections you wish to have done on the property. Once this has been done, we will negotiate any repair requests you have on your behalf. All parties will sign an amendment agreeing to repairs, if applicable.

6

APPRAISAL

As the buyer, your lender will order an appraisal of the home. Once this is done, an appraiser will visit the home to verify the value of the property.

7

FINAL WALK-THROUGH

Typically right before the close of escrow, we will walk through the home with you to ensure the home is in the same condition as the day all parties went into contract. We will also review completed repairs at this time as well.

8

CLOSING DAY

Congrats! Escrow has now closed upon the agreed upon date in the contract. The transfer of ownership and funds occurs at this point and the property is on record!