

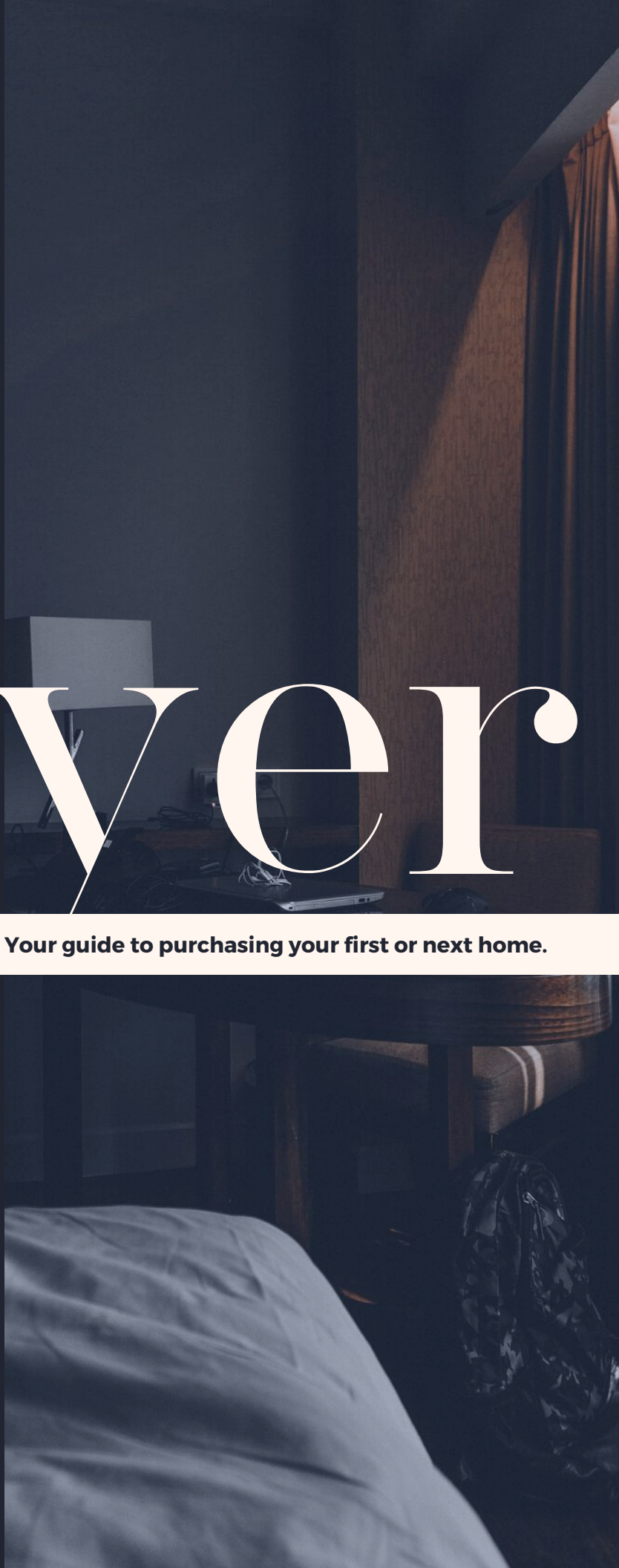


Each Office Independently Owned & Operated

# Buyer

*Guide*

Your guide to purchasing your first or next home.



# HOME BUYING PROCESS

## Steps To Buying your Dream Home

### 1. PRE-APPROVAL

Speak with a lender  
Address any credit issues  
Determine the right mortgage  
Get a pre-approval letter



### 2. HOME SHOPPING

Discuss your criteria  
Tour listings in your price range  
Adjust criteria if needed



### 3. OFFER & NEGOTIATION

Research comparables with us  
Submit a strong offer to seller  
Negotiate terms of contract  
Sign contract



### 4. DUE DILIGENCE

Schedule home inspection  
Negotiate repairs  
Begin title exam  
Finish loan process



### 5. PRE-CLOSING & TITLE

Confirm repairs are complete  
Pre-Closing walk-through  
Send funds to title company



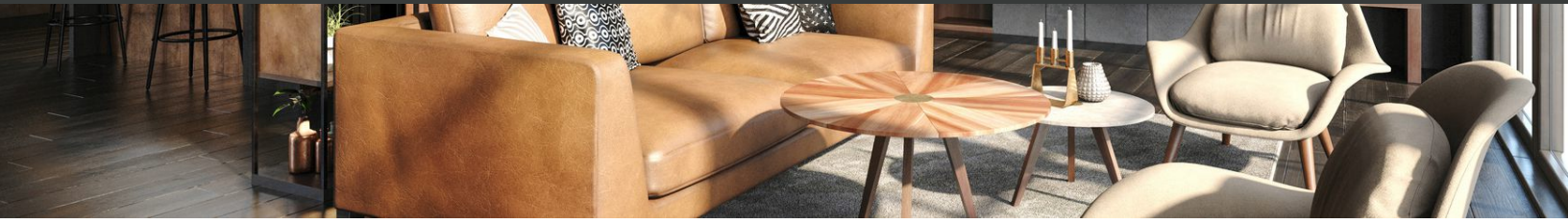
### 6. CLOSING

Review closing statement  
Sign closing documents  
Receive keys

*Congratulations!*

YOU ARE A HOMEOWNER !

# HOMES BY KONJAN



Homes by Konjan Real Estate Group is a full-service Real Estate Group offering residential and commercial services, including buyer, seller, and renter representation.

Our mission is to create a memorable experience for our clients. One that consists of providing knowledgeable information that pertains to today's Real Estate market, being available at all hours of the day to answer whatever questions you may have, and keeping you informed throughout the process so you're well aware of what is happening while we're assisting you.

We take a people-centered approach, providing a suite of real estate services that is unmatched.

*Let's Connect*



702.622.1496



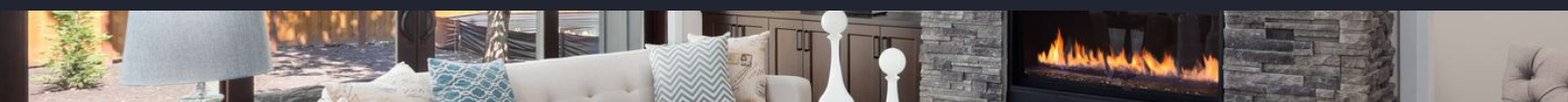
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*We'll be with you every step!*





# The Inner Workings of Home Buying

01

PRE-APPROVAL

02

HOME SHOPPING

03

OFFER & NEGOTIATION

04

DUE DILIGENCE

05

PRE-CLOSING

06

CLOSING





# 01

## Pre-Approval

### **MORTGAGE PRE-APPROVAL**

The Dallas-Fort Worth housing market is hot and home inventories have stayed relatively low whether in the city or in the suburbs. Don't miss out! Advanced loan pre-approval will allow you to make an immediate offer when you find a home you love!

### **PRE-QUALIFIED VS PRE-APPROVED**

**Pre-Qualified:** In order to be pre-qualified, a lender may or may not check your credit score and will only use the information you provide. No documentation is required at this time. This will give you an idea of what you could qualify for, but when you're serious about buying, you'll need to get pre-approved.

**Pre-Approved:** To be pre-approved, the lender will pull your credit and ask you for documentation to verify your finances. Before making an offer on a house, it is best to get pre-approved to show sellers your offer is serious and that a lender has already approved you for enough money to purchase the home.



# WHICH LOAN IS RIGHT FOR YOU?

## CONVENTIONAL LOAN

The most common type of home loan, which is offered through private lenders.

## FHA LOAN

Loans designed for those with high debt-to-income ratios and low credit scores, and most commonly issued to first-time homebuyers. Offered by FHA-approved lenders only and backed by the Federal Housing Administration.

## VA LOAN

Loans designated for veterans, spouses, and reservists, offered through private lenders and guaranteed by the U.S. Department of Veteran Affairs.

## USDA LOAN

Loans for homebuyers in designated rural areas, backed by the U.S. Department of Agriculture.

TYPE OF LOAN	DOWN PAYMENT	TERMS	MORTGAGE INSURANCE	MINIMUM CREDIT SCORE
CONVENTIONAL	3 - 20%	15-30 Years	On down payments under 20%	620
FHA	3.5 - 20%	15-30 Years	For 11 years or life of the loan	500
VA	None	15-30 Years	None	640
USDA	None	15-30 Years	None	640

Information deemed reliable but not guaranteed.

# HOME LOAN APPLICATION

To determine loan eligibility, lenders typically require the following types of documents from each applicant:

## INCOME:

- Federal tax returns: last 2 years
- W-2s: last 2 years
- Pay stubs: last 2 months
- Any additional income documentation: pension, retirement, child support, Social Security/disability income award letters, etc.

## ASSETS:

- Bank statements: 2 most recent checking and savings account statements
- 401(k) or retirement account statement and summary
- Other assets: statements and summaries of IRAs, stocks, bonds, etc.

## OTHER:

- Copy of driver's license or ID and Social Security card
- Addresses for the past 2-5 years and landlord's contact info if applicable
- Student loan statements showing current and future payment amounts
- Documents relating to any of the following if applicable: divorce, bankruptcy, collections, judgements or pending lawsuits

## Documents Checklist





# 02

## Home Shopping

### **FINDING YOUR DREAM HOME**

Create a list of what you want in your new home. Include must haves as well as what you would like to have but aren't deal breakers.

### **MAKE YOUR LISTS!**

In order to help you find your best home matches, please take a moment to review your "wants", "needs" & "must haves". Location, schools, square footage, number of bedrooms, baths and amenities are all important items to consider. These criteria will help define our search, making this an imperative step in finding your dream home!



# HOUSE HUNTING TIPS



## INVESTIGATE THE AREA

Drive around neighborhoods that interest you to get a feel of the area, how the homes are cared for, what traffic is like, etc.



## ASK AROUND

Talk to family, friends and co-workers to see if anyone might know of a house for sale in an area you're interested in. One of them may even know of someone that's thinking about selling but hasn't put the house on the market yet.



## KEEP AN OPEN MIND

Finding your dream home isn't always an easy task! Have a priorities list but keep an open mind when viewing houses.



## TAKE PICTURES & NOTES

When you visit multiple houses it gets difficult to remember specific details about each one. Take photos and notes while touring houses so that you can reference them later when comparing the properties that you've seen.



## BE READY TO MAKE AN OFFER

When you find a home you want to buy, keep in mind there may be others interested in it as well. Be ready to make a solid offer quickly in order to have the best chance at getting that home.

# 03

## Offer & Negotiation

When we have found a home that you're interested in buying, we will quickly and strategically place an offer. There are several factors to consider that can make your offer more enticing than other offers:

### **PUT IN A COMPETITIVE OFFER**

We will decide on a reasonable offer price based on current market conditions, comparable properties recently sold in the area, the property value of the house and the current condition of the house.

### **PAY IN CASH VS. LOAN**

Paying in cash versus taking out a loan offers a faster closing timeline and less chances of issues arising, making it more appealing to sellers.

### **PUT DOWN A LARGER DEPOSIT**

An offer that includes a larger earnest money deposit presents a more serious and competitive offer.

### **ADD A PERSONAL TOUCH**

Include a letter to the sellers with your offer, letting them know what you love about their home. Adding this personal touch can give you an advantage over other offers by making yours stand out from the rest.

### **BE FLEXIBLE & ADAPTABLE**

In this market, some home sellers will request a leaseback of their home, others would prefer a quick closing. Some buyers are going as far as waiving inspections, option periods and even appraisals (cash buyers). Discuss these options with us so that we can prepare your best offer.





# 04

## Due Diligence

Once the contract is accepted & the non-refundable option fee is paid, the home is now in the Option Period. During this time, inspections will be completed & based on this, you may proceed with the contract, re-negotiate or terminate the contract. Once the option period has expired, and if you have decided to purchase the home, the home is then considered Under Contract.

Here are the steps that follow:

### **PUT YOUR DEPOSIT INTO AN ESCROW ACCOUNT**

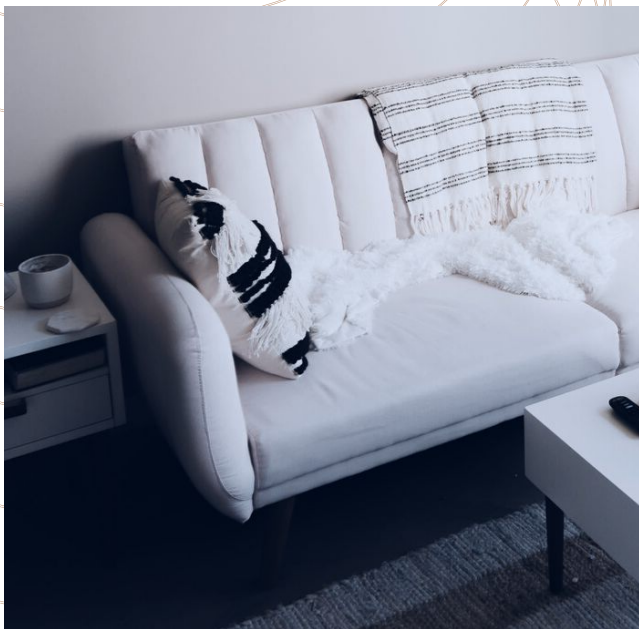
Your earnest money deposit will be put into an escrow account that is managed by a neutral third party (typically a title company or bank) who holds the money for the duration of the escrow period. They will manage all the funds and documents required for closing, and your deposit will go towards your down payment which is paid at closing.

### **SCHEDULE A HOME INSPECTION**

Home inspections are optional but highly recommended to make sure that the home is in the condition for which it appears. Inspections are typically completed within 10-14 days after signing the sales agreement.

### **RENEGOTIATE IF NECESSARY**

The home inspection will tell you if there are any dangerous or costly defects in the home that need to be addressed. You can then choose to either back out of the deal completely, ask for the seller to make repairs, or negotiate a lower price and handle the repairs yourself.



*We'll be with you every step!*



# 04

## Due Diligence



### **COMPLETE YOUR MORTGAGE APPLICATION**

Once you've come to an agreement on the final offer, it's time to finalize your loan application and lock in your interest rate if you haven't done so already. You may need to provide additional documentation to your lender upon request.

### **HOME WARRANTY**

A 1-year optional warranty may be available to cover repairs on appliances and systems in the home. This may include the HVAC, plumbing, and electrical systems of the home.

### **TERMITE INSPECTION**

A termite inspection is sometimes required by lenders and insurance as part of the home buying process. Termite damage can be costly, so it's only natural that your lender and insurance would include inspection as a stipulation of the sale. Because termites are considered a preventable problem, it is often not covered by insurance, and so your lender will require it be treated and repaired prior to closing.



# 04

## Due Diligence

### **TITLE SEARCH**

Before your purchase can be considered legal, a Title Search is conducted. This examination includes all city records of the property's title history, including deeds, court records, indexes, and other documents. The purpose of this search is to confirm the seller has the legal right to sell the property in question, and that there are no hindrances that may prevent the buyer from taking full possession.

### **APPRAISAL**

An appraisal is required by the lender to ensure the value of the property meets the value of the loan. Although this is in their best interest, it also confirms you won't be over-paying for your new home! Typically, the lender contracts the appraiser, and incorporates the fee into the closing cost.

### **FINAL LENDER COMMITMENT**

Once these steps are completed, your lender will issue a Final Commitment Letter. This letter covers all loan terms and agreements for the mortgage they are granting for this purchase. It will also outline all mortgage fees and any stipulations prior to closing.



# 05

## Pre-Closing

### **PROOF OF INSURANCE**

An additional stipulation of the mortgage agreement is proof of homeowner's insurance. You can incorporate this fee into your monthly mortgage payments.

### **UTILITIES**

Prior to closing, you should schedule all utilities to be changed to your name in time for when you take possession of your new home.

### **FINAL WALK THROUGH**

This is your opportunity to make sure it's in the same condition as the inspection, and to review any outstanding items required by the agreement. It's an opportunity to have peace of mind before the sale finalizes. Although this step is not mandatory, it is highly recommended. We would be happy to complete the final walk through with you.

### **CLOSING DISCLOSURE**

At least 3 days before closing, lenders are required to provide you with a Closing Disclosure with your final loan terms and closing costs for you to review. Closing costs for the buyer typically range from 2-5% of the purchase price, which can include lender fees, lender's title insurance, and HOA dues if applicable.





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## DON'T FORGET ABOUT FINANCING

Before closing on your new home, there are some key times you need to check in with your lender! Don't risk getting caught off guard by a refusal to commit.

### **LARGE PURCHASES**

You might think pre-approval means you're set to go, but you should avoid making any major purchases that require opening a new line of debt until after the close of your home. This includes things like student loans, car purchases, or large furniture purchases. Don't risk losing your mortgage approval!

### **ADDING CREDIT**

Do not open any lines of credit or apply for new credit cards without speaking with your lender first. This will alter your original income and debt ratios that your approval was dependent on.

### **MAINTAIN YOUR CREDIT**

Don't miss any bill payments! This is the easiest way to maintain your credit during the closing process.

### **LARGE TRANSFERS**

Your lender may flag your account as suspicious if you transfer large sums of money between accounts or make any large undocumented deposits. This could risk your approval.

### **DON'T QUIT YOUR DAY JOB**

Your mortgage approval was dependent on stable income. Don't change jobs during the closing process, or you may be deemed too risky for your mortgage.



# 06 CLOSING

## YOUR CLOSING CHECKLIST:

- Bring your valid, government-issued photo ID.
- Have a cashiers check ready for the total amount due as laid out by your HUD-1 document.
- Obtain any outstanding documents required by title company or lender.

## THE FINAL CLOSING PROCESS

By reviewing your contract of sale, the escrow officer will be able to determine what fees are owed by whom and prepare your final closing documents. Part of conducting the closing will also involve ensuring all fees are paid, the Seller receives the money owed, and that the Buyer's title is recorded.

## THE COSTS OF CLOSING

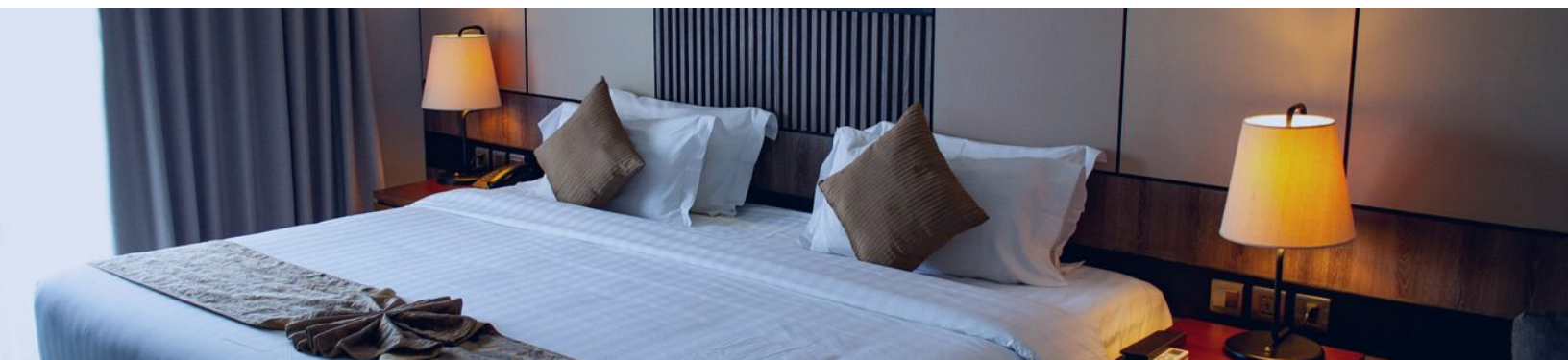
Both the Buyer and Seller will incur various fees over the course of the sale. For the Buyer, these fees typically include:

- Mortgage Application fees
- Underwriting fees
- Title Search
- Title Insurance
- Appraisal fees
- Land transfer taxes
- Homeowner's Insurance
- Escrow fees
- Notary or Recording fees
- Home Owner's Association or Condo fees, if applicable

## POST-CLOSE REMINDERS

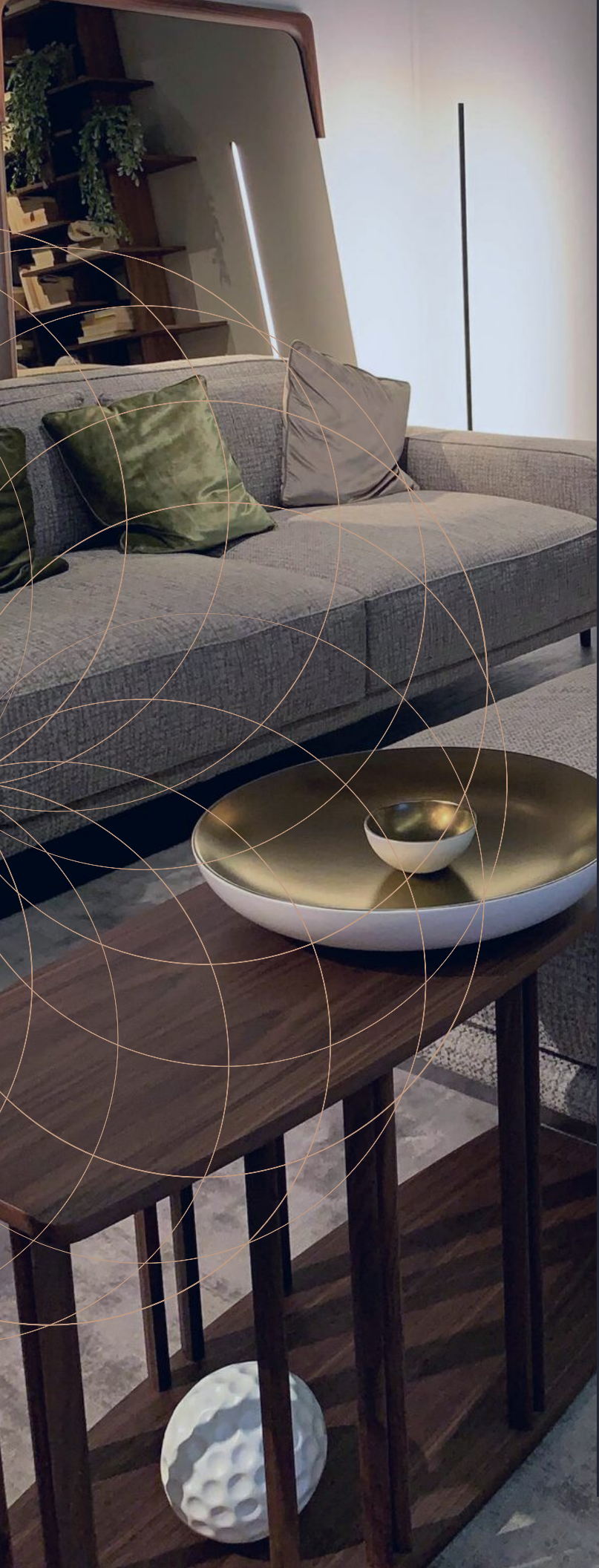
Keep all your closing documents.

WIRE FRAUD : DO NOT COMPLY WITH EMAIL INSTRUCTIONS TO WIRE FUNDS - ALWAYS VERIFY WHO YOU'RE SENDING TO!



Congratulations on your new purchase!





# Congratulations!

**Buying a home is a major undertaking. Great work on completing your purchase successfully!**

As your Real Estate agent, your best interest is at the heart of what we do. You can trust in us to represent you and guide you through this process so you can have the best possible experience. We believe that quality is in the service.

If you enjoyed working with us, please share your experience and our contact information with your friends, family, co-workers and the like! Your referrals are always honored and appreciated. Thank you!





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*We believe that  
quality is  
in the service.*



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