

HOME BUYING GUIDE

This guide illustrates the steps to buying a home and highlights a few first time homebuyer programs with low money down. It's a great time to buy a home with historically low rates, affordable prices and



ReShawna Leaven, REALTOR®

Keller Williams Realty
The Greetings Virginia Team

www.reshawnaleaven.com

(703) 474-1754



Are you ready to buy a home?

Do you have the pre-qualifying items to begin the process?

- ◆ Steady income in the same line of work for 2 to 3 years
 - ◆ Few outstanding long-term debts
- ◆ Savings or means of obtaining a down payment
- ◆ Ability to pay a monthly mortgage payment every month + additional costs

Owning a home has many benefits

- ⇒ Home ownership
 - ⇒ Build equity
 - ⇒ Tax benefits
 - ⇒ Freedom
 - ⇒ Community

This guide will help you navigate through the process from beginning to end. When you hire me as your buyers agent, I am committed to making sure you are aware of the process & next steps.

To schedule a **consultation**, call me at **(703) 474-1754**

What's the difference between being pre-qualified vs. pre-approval?

Pre-qualification is an informal way to see how much you maybe able to borrow. You can be 'pre-qualified' over the phone with no paperwork by telling a lender your income, your long-term debts, and how large a down payment you can afford. Without any obligation, this helps you arrive at a ballpark figure of the amount you may have available to spend on a house.

On the other hand, **pre-approval** is a lender's actual commitment to lend to you. It involves assembling the financial records mentioned such as pay stubs, W-2 forms, bank statements, tax returns, sales contracts, etc. and going through a preliminary approval process. Pre-approval gives you a definite idea of what you can afford and shows sellers that you are serious about buying.

Required Documents to Secure a Loan

- Last 2 months of pay stubs
- Last 2 yrs. of Tax returns
- Information on long-term debts
 - Recent bank statements
 - Proof of any other income
- Address and description of the property you wish to buy
 - Sales contract
 - Employment History
- Information on Credit Problems (if any)

After Applying for Loan

It usually takes a lender between 1-6 weeks to complete the evaluation of your application. It's not unusual for the lender to ask for more information once the application has been submitted. The sooner you can provide the information, the faster your application will be processed. If the loan is approved, a closing date is set up and the lender will review the closing with you.

What is RESPA?

RESPA stands for Real Estate Settlement Procedures Act. It requires lenders to disclose information to potential customers throughout the mortgage process. By doing so, it protects borrowers from abuses by lending institutions. RESPA mandates that lenders fully inform borrowers about all closing costs, lender servicing and escrow account practices, and business relationships between closing service providers and other parties to the transaction.

Your Responsibilities During the Lending Process

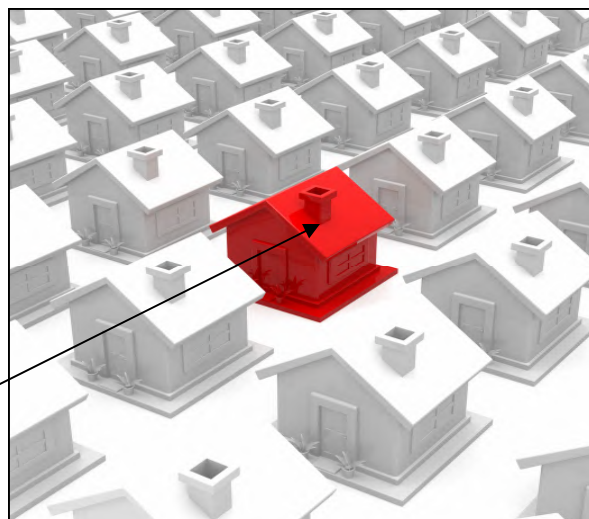
- ⇒ Be sure to read and understand everything before you sign.
- ⇒ Refuse to sign any blank documents.
- ⇒ Do not buy property for someone else.
- ⇒ Do not overstate your income.
- ⇒ Do not overstate how long you have been employed or overstate your assets.
- ⇒ Accurately report your debts.
- ⇒ Do not change your income tax returns for any reason. Tell the whole truth about gifts. Do not list fake co-borrowers on your loan application.
- ⇒ Be truthful about your credit problems, past and present.
- ⇒ Be honest about your intention to occupy the house
- ⇒ Do not provide false supporting documents.
- ⇒ Do not make any large purchases on your credit cards or your credit such as buying vehicles, furniture etc. This will hinder you from obtaining a loan and put you in default.

Determine Your Housing Needs

Your home should fit the way you live, with spaces and features that appeal you and your family. Before you begin looking at homes, make a list of your priorities - items such as location and size.

- ◆ Do you need to be near the VRE (Virginia Railway Station) or metro, MARC train or slug lines for your job and easy commuting?
- ◆ Would you like to be in the same school district that your children currently attend?
- ◆ How far do you want your daily commute to be? 5 miles, 10 miles or no longer than 25 miles
- ◆ How many square feet does the house need to be for you?
- ◆ Create a “**MUST**” have list of items such as a large kitchen, garage, 3 bedrooms, 2.5 bathrooms.
- ◆ Current a “**WISH LIST**” list of items that you would like for the home to have but are not deal breakers such as granite countertops, stainless steel appliances, hardwood floors, etc.

Shopping for a home involves lots of research. You should have a trained licensed professional to assist you that knows the market. *Is the house in “**RED**” the one? Hire me & let’s hit the **BULLSEYE***



Essential real estate contract participants



Buyer – A person purchasing a home. The Buyer may search for a home with or without the help of a Real Estate Agent (a [Buyer's Agent](#))

Seller – A person selling a home. The Seller usually works closely with a Real Estate Agent to sell his/her home.

Real Estate Agents

Selling Agent – A person who earns a commission on the sale of a home from the seller.

Buyer's Agent – A person who earns a commission on the purchase of a home. Either real estate agent may be a certified Realtor or a lawyer specializing in real estate.

Home Inspector – A real estate professional who inspects a home prior to settlement day to report condition of the house.

Home Appraiser – A real estate professional that sets a dollar value for a home's worth, using standard appraisal criteria. The appraisal is one of the important documents required for loan approval.

Lender – A bank or mortgage company that provides the funds for the purchase of a home.

Settlement Agent - This may be an attorney with a title company or law firm that conducts the settlement (also called the closing). It is the meeting between the buyer, seller and lender or their agents where the property and funds legally



Making an Offer and Negotiating

Your real estate agent can assist you in making an offer on the house of your choice, which will include the following information:

- Complete legal description of the property
- Amount of earnest money
- Down payment and financing details
- Proposed move-in date
- Price you are offering
- Proposed closing date
- Length of time the offer is valid
- Details of the deal

All contingencies including home inspection, obtaining desired financing terms, etc. Remember that a sale commitment depends on negotiating a satisfactory contract with the seller, not just making an offer. But before signing a contract, consider asking an attorney to look it over and tell you if it protects your interests.

Final Walk Through

This will likely be the first opportunity to examine the house without furniture, giving you a clear view of everything. Check the walls and ceilings carefully, as well as any work the seller agreed to do in response to the inspection. Any problems discovered previously that you find uncorrected should be brought up prior to closing. It is the seller's responsibility to fix them.

Pre-Paid Expenses and Closing Costs

There may be closing costs customary or unique to a certain locality, but closing costs are usually made up of the following:

- Attorney's or escrow fees (Yours and your lender's if applicable)
- Property taxes (to cover tax period to date)
- Interest (paid from date of closing to 30 days before first monthly payment)
- Loan Origination fee (covers lender's administrative cost)
- Recording fees
- Survey fee
- First premium of mortgage Insurance (if applicable)
- Title Insurance (yours and lender's)
- Loan discount points
- First payment to escrow account for future real estate taxes and insurance
- Paid receipt for homeowner's insurance policy
- Any documentation preparation fees
- Home warranty can be paid by the seller, buyer or realtor

What You Get at Closing

- Settlement Statement, HUD-1 Form (itemizes services provided and the fees charged; it is filled out by the closing agent and must be given to you at or before closing)
- Truth-in-Lending Statement
- Copies of Deed and Loan Documents
- Keys to your new home



First Time Homebuyer Programs

There are many options to buying a home with little to no money down. Programs available in Virginia & Maryland home buyers. Here are a few programs to consider:

- ♦ **FHA plus loan with VHDA** – finance your 3.5% down payment required
- ♦ **FHA 203K loan (rehab/renovation)** – renovate a home that needs repairs and upgrades.
- ♦ **USDA loan** – 100% financing with no PMI
- ♦ **Grant program: up to \$7,500** – program offered to 1st time homebuyers.
- ♦ **Maryland Mortgage Program with CDA** - \$5,000 deferred loan.
- ♦ **VA loan** with \$0 down payment & 100% financing
- ♦ Are you 10% disabled veteran getting a **VA loan**? No funding fee required at closing

My mission is to educate, negotiate and facilitate a smooth transaction with as many home buyers that hire me.

Call me to ask about these great programs!
(703) 474-1754



How do you get to work?

Consider these commuting options

Washington Metro

www.wmata.com

Virginia Railway Express (VRE)

Fredericksburg & Manassas line (service only on weekdays) www.vre.org



MARC train

<http://mta.maryland.gov/marc-train>



Slug Lines - ride the HOV-3 with other passengers in the morning. Ride to work for free. For information about slugging, go to www.slug-lines.com

Metro, county & city bus lines



Connect with me



Via my website - www.reshawnaleaven.com

Search for homes, get free reports, upcoming open houses, school data, search by MLS# and more...

Via phone or text message at (703) 474-1754

If you don't have text on your phone or not able to text during the day work **email me** at: 7034741754@mms.att.net or email me at reshawna@greetingsvirginia.com

This will text me directly to my phone. Free for you.

Find me and connect with me on Facebook & Foursquare



Are you ready to get started?

Give me a call (703) 474-1754 to review your real estate needs and I will connect you with a qualified loan officer with experience. Obstacle: If you don't have a knowledgeable loan officer that is aware of the lending process, that can cost you thousands and even WORSE the home that you want.

Appointment with loan officer via phone or in person. I will make myself available via phone conference or in-person. It's important to know your approval before viewing homes to understand budget, type of home within price range, etc.

Congratulations,
YOU ARE PRE-APPROVED!



Buyer Consultation at Keller Williams in Alexandria, Virginia. This is an critical step in the process in finding analyzing your needs and wants in a home and you have to hire me before I can work for you. My office address is 6354 Walker Lane Suite 100, Alexandria, Virginia 22310. If the Alexandria office is not ideal, we can schedule for an office nearest you. For scheduling, be allow for 48 hours to other locations to secure space.

Property Search - My website will send daily emails with new properties tailored to your specifications. I can create a search within a radius, foreclosures only, short sales only, eliminate foreclosures, short sales, acreage size and more. You will have access 24/7. Once you have identified the homes of choice, I will review the property status and connect with the listing agent to schedule an appointment.

Touring Homes Policy - I will only schedule 4 properties to view in one appointment. After you have found a home you want to write an offer on, I will prepare a market analysis of the home for your review and negotiation purposes.

Contracts

Offer to purchase - I will prepare the real estate contract with the purchase price and terms of the sale and I will set up a time to meet with you to review the contract and terms of the agreement and get the necessary signatures. I submit the contract to the listing agent to review with the seller to negotiate the terms of the deal.



Before our contract review meeting, please have the following:

- Copy of the Approval Letter

- Check for the Earnest Money or Certified Check made payable to **Keller Williams Realty** (or otherwise payable to)

Ratified Contract - After all parties have agreed to the terms of the contract, the contract is then **ratified**. I will send the ratified contract to the loan officer to finalize the loan process. Then the loan officer will schedule the appraisal to determine value. (Note: You have the right to receive a copy of your appraisal for your records if requested)

After the contract has been ratified “**time is of the essence.**” It is important to meet all deadlines and appointment schedules. The earnest money deposit will be deposited into the escrow account.

Inspections

I will setup inspection dates and times. I will attend the inspections with you to insure that they are completed and you understand the process. An addendum to the contract will be sent to the selling agent and seller if repairs are needed. If the property is an REO or short sale and purchased in as-is condition. Then the inspections are for informational purposes only.

Homeowner's Association/Condo Association Documents (if applicable)

Homeowner's Association and/or Condo Association Documents are to be reviewed and document signed with the date and time received. If you are unhappy with the conditions, you may withdraw your offer. Withdraw of purchase contract must be done by the deadline.

Prior to closing

A week before closing, you will need to order, **homeowner's insurance** a week before settlement. Homeowner's insurance – the amount of the insurance will depend on the property as well as your credit rating. Consider bundling your car and homeowners insurance. You will get a better discounted rate.

Consider this list of Homeowner's Insurance Companies:

- Nationwide
- Allstate
- Farmers
- Liberty Mutual
- Travelers
- USAA *if you are a member

Transfer utilities in your name. I will supply a list of the utility companies with phone #s and addresses for your reference. (I recommend waiting until the day before the closing just in case there may be some delays) I will review the **HUD-1 before settlement** to make sure the fees and items are correct prior to going to settlement.

**It sounds like a lot and if you hire me,
I will be with your every step of the way!**

Don't get overwhelmed!!!

Questions to Ask When Choosing a REALTOR®

Make sure you choose a REALTOR® who will provide top-notch service and meet your unique needs.

- ◆ How long have you been in residential real estate sales? Is it your full-time job?
- ◆ How many homes did you and your real estate brokerage sell last year?
- ◆ How many days did it take you to sell the average home?
- ◆ How did that compare to the overall market?
- ◆ How close to the initial asking prices of the homes you sold were the final sale prices? What types of specific marketing systems and approaches will you use to sell my home?
- ◆ Will you represent me exclusively, or will you represent both the buyer and the seller in the transaction?
- ◆ Can you recommend service providers who can help me obtain a mortgage, make home repairs, and help with other things I need done?
- ◆ What type of support and supervision does your brokerage office provide to you?
- ◆ What's your business philosophy?
- ◆ How will you keep me informed about the progress of my transaction? How frequently?
- ◆ Could you please give me the names and phone numbers of your three most recent clients?



5 Common First-Time Home Buyer Mistakes

- ◆ Buyers **don't ask enough questions** of their lender and end up missing out on the best deal.
- ◆ Buyers **don't act quickly enough** to make a decision and someone else buys the house.
- ◆ Buyers **don't find the right agent** who's willing to help them through the homebuying process.
- ◆ Buyers **don't do enough** to make their offer look appealing to a seller.
- ◆ Buyers **don't think about resale** *before* they buy. The average first-time buyer only stays in a home for four years.



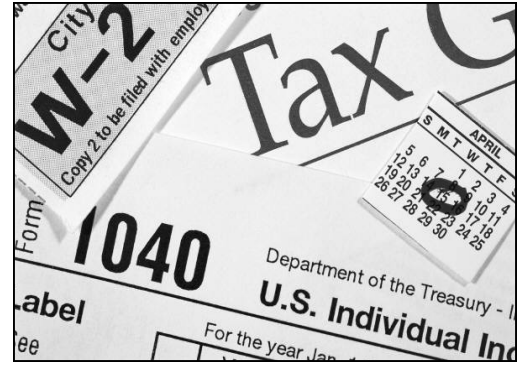
What's a Home Warranty?

A home warranty is a service contract, normally for one year, which helps protect home owners against the cost of unexpected covered repairs or replacement on their major systems and appliances that break down due to normal wear and tear. Coverage is for systems and appliances in good working order at the start of the contract. Check your home warranty policy to see which of the following items are covered. Also find out if the policy covers the full replacement cost of an item.

- ◆ Plumbing
- ◆ Electrical systems
- ◆ Furnace
- ◆ Water heater
- ◆ Heating ducts
- ◆ Water pump
- ◆ Dishwasher
- ◆ Garbage disposal
- ◆ Stove/cook top/ovens
- ◆ Microwave
- ◆ Refrigerator
- ◆ Washer/dryer

7 Reasons to Own Your Home

1. Tax breaks. The U.S. Tax Code lets you deduct the interest you pay on your mortgage, your property taxes, as well as some of the costs involved in buying your home.



2. Appreciation. Real estate has long-term, stable growth in value.

3. Equity. Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home.

4. Savings. Building equity in your home is a ready-made savings plan. And when you sell, you can generally take up to \$250,000 (\$500,000 for a married couple) as gain without owing any federal income tax.

5. Predictability. Unlike rent, your fixed-mortgage payments don't rise over the years so your housing costs may actually decline as you own the home longer. However, keep in mind that property taxes and insurance costs will increase.

6. Freedom. The home is yours. You can decorate any way you want and benefit from your investment for as long as you own the home.

What you should know about Title Insurance

Title insurance protects the holder from any losses sustained from defects in the title. It's required by most mortgage lenders. Here are five other things you should know about title insurance.

It protects your ownership right to your home, both from fraudulent claims against your ownership and from mistakes made in earlier sales, such as mistake in the spelling of a person's name or an inaccurate description of the property.

It's a one-time cost usually based on the price of the property.

It's usually paid for by the sellers, although this can vary depending on your state and local customs.

There are both lender title policies, which protect the lender, and owner title policies, which protect you. The lender will probably require a lender policy.

Discounts on premiums are sometimes available if the home has been bought within only a few years since not as much work is required to check the title. Ask the title company if this discount is available.

What you should know about Homeowner's Insurance

Know about exclusions to coverage. For example, most insurance policies do not cover flood or earthquake damage as a standard item. These types of coverage must be bought separately.

Know about dollar limitations on claims. Even if you are covered for a risk, there may be a limit on how much the insurer will pay. For example, many policies limit the amount paid for stolen jewelry unless items are insured separately.

Know the replacement cost.

If your home is destroyed you'll receive money to replace it only to the maximum of your coverage, so be sure your insurance is sufficient. This means that if your home is insured for \$150,000 and it costs \$180,000 to replace it, you'll only receive \$150,000.

Know the actual cash value. If you chose not to replace your home when it's destroyed, you'll receive replacement cost, less depreciation. This is called actual cash value.

Know the liability. Generally your homeowner's insurance covers you for accidents that happen to other people on your property, including medical



Frequently Asked Questions

Q: What is the current interest rate? Rates change daily so it is hard to pinpoint the rate. Your rate with your home purchase would depend on your credit worthiness, income and other qualifications.

Q: Where can I find an application for a loan? You can find an application for your mortgage loan by [clicking here](#). This is a standard form that will be used by any loan officer/mortgage company.

Q: What is “subject to third party approval” in a listing mean? When you see “subject to third party approval” in a listing, it typically means that the property is in pre-foreclosure status. Though in some instances, property sales have to be reviewed and approved by someone else other than the current homeowner such as an attorney, relocation firm, etc.

Q: I am viewing a listing online what does CNTG/KO and CNTG/NO KO mean? When you see the status of a listing in a CNTG status, that means that the property has a contingency on the contract and all items are waiting to be resolved by a specified deadline in the contract. A contingency may be a home inspection, third party approval, appraisal, etc.

Q: What is the value of my house? Fill out a CMA request on my site and I will send you a report of your homes value based on recent sales in the area.

Q: Can I search for foreclosures on your website? You can create a home search for foreclosures on my site. I have to make some changes to your search in the back office of my site. Just send me an email with your request.

Q: Can I get a good deal buying a foreclosure? Sure, you can in some instances get a property for a good price. Banks typically want to try to sell properties at the current market values in order to keep the market stable.

Q: What areas do you practice real estate in? I practice real estate in Northern Virginia and Maryland.



WHO IS RESHAWNA LEAVEN?

My name is ReShawna Leaven. I am a native of the Northern Virginia area for over 14 years. I have been practicing real estate since 2002 as a licensed Realtor® in Virginia and Maryland. I am with Keller Williams Realty in Alexandria with The Greetings Virginia Team. My office is conveniently located in the heart of Alexandria near Kingstowne.

What type of experience do you have?

I have assisted 1st time homebuyers, empty nesters, property management and investors. I always stay up to date with the market trends for housing prices and financing updates.

Why did you get in the real estate business?

I love homes and people. My goal is not to have a client one time. I want to have a client and friend for life. Real estate is a very emotional process when buying and selling a home. It's important to have someone in your corner with your best interest at heart. I always want to "WOW" people. There are over 15,000 realtors in the DC metro area. Find out how I can "WOW" you and your family.

What are you doing when you are not selling real estate? I am a social butterfly. I attend area happy hours, gatherings, keep up to date with area events and blog so area residents will be informed, educate young woman on life choices and enjoy time with family and friends.