

A BUYER'S GUIDE TO *the home buying process*



BERKSHIRE HATHAWAY
HomeServices | PenFed Realty
Sara Simms



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REALTOR
BY DESIGN

WWW.REALESTATE-DESIGN.COM

quality is in the details.

A home is not only the place you build memories and share your life with friends and family; it is also the investment that builds a financial foundation for your future.

Whether representing an investor or first time home buyer, I offer expertise, accessibility, creative problem solving and aggressive advocacy. Regardless if it's your first home or your fourth, it's easy to feel overwhelmed pretty quickly.

There's a lot more to the journey than just finding the home: You need to figure out financing, negotiate on price and possibly request repairs or make concessions, get the home appraised and inspected, and make sure all the i's are dotted and t's are crossed by the time you sit down at the closing table to sign your name on a stack of paperwork.

Every day I get the pleasure of helping people make their real estate dreams and goals come true.

As your Realtor®, I will help you feel confident throughout the home-buying experience and will clearly outline each integral step that takes place and manage the transaction. Let me guide you on your home buying journey; taking a house from a property you've viewed to the place you call **home**.

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"As a Real Estate Agent & Designer, I provide value to my clients beyond a home transaction. It's a reward to be able to see the potential in a property and turn that vision into reality for someone. "



Whether you are looking to buy or sell, as a certified designer, I am able to use my experience and expertise to guide you on smart investments and product selections. My services are complimentary when you use me as your Agent.

DESIGN EYE

During showings, I'll point out potential investment opportunities so you see the true vision for the home. For new construction homes, I'm happy to assist with selecting finishes and customizations.

INTERIOR DECORATING

From paint consultations to selecting the right artwork, furniture and lighting for one room or your entire home!

INVESTMENT EXPERT

I have a keen eye for neighborhoods and homes, which will reap the biggest investments. As we all know whether you plan to stay for days or years, your home is an investment. Furthermore, after you've moved in and if you plan to do any renovations, I can guide you on how to get the most bang for your buck.

BERKSHIRE HATHAWAY

HomeServices

PenFed Realty

Berkshire Hathaway HomeServices PenFed Realty is a full service real estate company ready to assist our clients with buying or selling a home and getting a mortgage. We are a wholly owned subsidiary of PenFed Credit Union with \$20B in assets, and the marketing power of a world-renowned brand, Berkshire Hathaway HomeServices. This unique combination has contributed towards our company's phenomenal growth throughout the mid-Atlantic region, earning us the recognition as one of the Top 1% of all real estate brokerages in the country.

With more than 50 offices and 1,700 world-class sales professionals, we offer complete service coverage in Virginia, Maryland, the District of Columbia, Delaware, Pennsylvania, West Virginia, Florida, Tennessee, Kansas and Texas. In addition, we also offer specialized client services which include Luxury Collection, vacation properties, new homes, corporate relocation services and national referral network.

Berkshire Hathaway Home Services PenFed Realty is built on a foundation of trust that translates into a passion for delivering the best service for our clients. Trust is more than just a catchword at Berkshire Hathaway Home Services PenFed Realty. It's at the very core of the relationships we build with buyers and sellers every day. It's why thousands of home buyers and sellers have placed their trust in us.



OUR VISION

Integrity. Innovation. Improvement.

OUR MISSION

To provide a gateway to an enhanced quality of life and better financial opportunities for our clients, sales professionals and employees.

OUR VALUES

To be the premier provider of real estate services in the markets we serve.



Bungee

QUESTIONNAIRE

DESIRED LOCATION

Look and feel of preferred area.

PRICING & FINANCING

What is your price range? If you need financing, are you pre-qualified yet?

TIMEFRAME

Do you need to sell a current home? Are you leasing? When does your current lease end? Ideal move in time?

INTERIOR

Number of Bedrooms? Bathrooms? Total square feet? Other interior requirements?

EXTERIOR

Lot size? Garage? Pool? Pet needs? Other exterior requirements?

3 Financing Tips



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.



BE PREPARED

A lender will need information from you in order to get you pre-approved and through the home buying process. Here are a few things to have ready for them:

- W-2 forms from the past two years
- Pay stubs from the past 30 days
- Federal 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 extra proof of your financial stability, including having a higher credit score or large cash reserves, 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 before we start viewing homes.

STEP BY STEP

Buying

01

consultation

Let's meet up to discuss what you are looking for. Together we can plan and strategize your home buying journey.

02

pre-qualified

If you need financing, get pre-approved by a lender or bank.

03

home search

As your agent, I will narrow down options for your review. Provide your honest feedback with every showing.

04

make an offer

Negotiate the offer and get it accepted!
Contingent on inspection and financing.

05

home inspection

Discuss Results, decide if any repairs are needed and if you want to move forward.

06

appraisal & title search

The bank or lender orders the appraisal, title search and final financing is set.

07

closing

Sign papers and pop the bubbly!
Congratulations,
you are home owner!



THE INITIAL PROCESS

1. *Consultation*

We'll sit down to chat about your needs, wishes and wants in your new home!

- How long have you been looking for a new home?
- What areas and neighborhoods are you looking at?
- What is your Plan B, if you can't find the home you have in mind?
- What are some of your must have items?
- What are deal breaker items?



2. *Pre-Approval*

This is a quick necessary process that 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 they can make work for you!

*Did you know? Commission is paid by the Seller!
The Seller typically pays the listing Broker a commission,
which is shared with the selling Broker.*

HOUSE HUNTING

3. *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!

4. *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

Purchase Price, Inspection Timeframes,
Earnest Money Deposit, Closing Date

- Negotiate the Offer

If the Seller(s) counters your initial offer,
you have the option of accepting or
countering back.

- Satisfy Conditions

Execute the contract based on the
agreed upon terms.



INSPECTIONS AND MORE

5. Home Inspection

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. This also includes any additional inspections such as well/water quality, septic, chimney, radon and wood destroying insects.

As long as you are not purchasing the home "as-is", you have the right to request the Seller to make repairs found in the home inspection report. These repairs exclude anything cosmetic.



6. Appraisal, Title Search & Lender Letter

The title is the right to own, possess, use and control 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.

An appraisal is a valuation 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 at closing.

Final commitment lender's letter approves your home loan! You will receive a letter and loan term to your mortgage agreement. Your final letter will include your annual percentage rates, monthly fees, and repayment info for the loan.



CLOSING TIME

7. Settlement Day

The closing process finalizes the sale of your home.

A FEW THINGS TO BRING

- A valid government issued photo ID
- Any outstanding documents for the title company or loan officer

CLOSING COSTS

Prior to closing, you will be given wire instructions to transfer closing costs and settlement fees.

Fees typically total 3% - 7% of the total purchase price and can include:

- Escrow Fees
- Recording fees
- Application and Underwriting fees
- Front Foot Benefit Fees or Capital Assessment
- Appraisal Fees
- Local Transfer Taxes
- Homeowners Insurance
- Homeowners Association Fees

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 the process. Real estate IS an investment. Don't let emotions distract you from that.

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 professional about getting pre-qualified or even preapproved for a home loan before you start to seriously shop for a place. The pre-qualification or preapproval 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 an unexpected repair not long after. 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 can call around to get estimates of 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.

RESOURCES



QUICK GUIDE TO LOCAL SERVICE PROVIDERS IN THE AREA

HOME INSPECTOR

Altair Inspection
Stephen Toman
410-978-8178
www.altairinspection.com

TITLE COMPANY

Capitol Title
Severna Park, MD
410-544-0393
www.capitoltitle.com

LENDER

Primary Residential Mortgage Inc.
Glen Peterson
443-593-2173
gpeterson@primeres.com

MOVERS

Doyle Moving Services
833-668-3367
www.doylemovingservices.com