

# home buyers guide



  
*Brandie*  
mathison-klein group  
**KELLERWILLIAMS**  
ELITE PARTNERS III REALTY

**Brandie Mathison Klein, PA**

Office: (352) 432-3200

Email: [sales@mkghomes.com](mailto:sales@mkghomes.com)

Web: [BrandieSells.com](http://BrandieSells.com)



# TABLE OF CONTENTS

- Introduction
- Home Buying
- Terms
- How much home can you afford?
- Getting pre-approved for a mortgage
- How much do I need to save?
- Finding the right Real Estate Agent
- How to Negotiate the Best Price and Terms
- What to expect once your offer is accepted



Brandie Mathison Klein, PA, CRS, SFR, WCR, CLHMS  
Office: (352) 432-3200  
Email: [sales@mkghomes.com](mailto:sales@mkghomes.com)  
Web: [BrandieSells.com](http://BrandieSells.com)



If you are reading this, you are likely considering buying a home or helping a loved one buy their home.

Considering your home may be one of the largest assets you will likely own, you want to ensure you take all measures to avoid potential pitfalls and get it right.

That's why we created this home buyer guide - to help make it simple.

We will break down the process of the primary aspects to consider when buying your home. We hope you find this guide helpful and know that we are available to answer any questions you have moving forward.



# *HOME BUYING TERMS*

Most homebuyers begin with a simple Google search of “homes for sale” and afterwards, using free websites like Realtor and Zillow. That’s optional, but that information can often be inaccurate and out-of-date.

For the most accurate home listings and up-to-date status information, find an experienced real estate agent, who will be able to give you accurate listings and the inside scoop, including alert notifications for listings the minute they hit the market.

To be prepared for the home buying process, it's important to know the language.

Let’s start with the terms you’ll need to know while you’re searching for your dream home.



### Multiple Listing Service (MLS)

When you work with an agent, you'll have access to their multiple listing service (MLS), which combines the listings for all available homes in an area in one directory or database. The MLS gives you the first choice and an upper hand over competing homebuyers who just search free websites.

### Active vs. Pending

Once you search through home listings, you'll need to know the terms and abbreviations used to describe properties. For example, a property listed as "Active" is one that's on the market and available for you to purchase. But you may have to move quickly because other buyers may also be interested to purchase that property.

If you see that a home status is "Pending", that means it's under contract. The seller and a buyer have already agreed to terms and signed a contract. They just have a few more real estate hoops to jump through before the sale is final.





## Listing Abbreviations

Now let's discuss some common listing abbreviations:

- **BA:** Bathroom (e.g., “2.5 ba” stands for two full bathrooms and one half bathroom.)
- **BD or BR:** Bedroom
- **DR:** Dining room
- **FB:** Full bathroom (toilet, sink, and shower/bathtub)
- **FP:** Fireplace
- **HB:** Half bathroom or powder room (only toilet and sink)
- **FR/LR:** Family room or living room
- **SQ FT:** Typically refers to under-air square footage
- **HOA FEE:** Homeowner association fee (for neighborhood amenities and maintenance)
- **W/D:** Washer and dryer

## Appraised Value

Once you've found the home you want, you need to be familiar with terms associated with home value. For starters, an appraised value is an opinion of the market value for a home expressed by a licensed real estate appraiser. The evaluation is performed during your mortgage origination process. The appraiser is usually chosen by your lender, but the appraisal is paid for by you. This process protects you from agreeing to purchase a home for more than it's worth.

# How much home can you afford?



These days, renting is often more expensive than if you were to own a home. On top of that, you're at the mercy of your landlord, and your rent can continue to increase. But owning a home gives you the benefits of fixed monthly payments and building equity.

Knowing how much you can afford is one of the most important steps in your home buying process. These simple tips below can help you determine an estimate of how much you should expect to pay for your monthly mortgage payment.

1. Determine what the total income you will have each month: If you bring home **\$3,500** a month and your spouse brings in **\$4,500** a month, your monthly income would be **\$8,000**.

2. Take your monthly income and multiply it by **25%** to get the maximum mortgage payment you will want to have. If your monthly income is **\$8,000** a month, your house payment should not exceed **\$2,000** a month.

You will want to also factor in property taxes and homeowners insurance into your payment. You can take the yearly estimate of those two, divide them into 12 monthly payments and add that to your mortgage payment.







# GETTING PRE APPROVED

If you have decided to get financing, it is critically important to ensure you are working with a local reputable lender. The lender that you choose can really make your process go smoothly. The wrong lender can cause you much stress and headaches through the process, and in some cases, actually kill the sale.

What is the difference between being pre-qualified and pre-approved?

**Pre-qualified** means that you have given preliminary information to your lender, and based on the verbal information you provided, the lender feels fairly confident that you would qualify for a mortgage loan.

**Pre-Approved** means that your lender has received some basic required documentation from you, your file has gone through an initial underwriting process with the lender, and you have been conditionally approved for a mortgage loan.



Getting Pre-Approved is the first step of the home buying process, and is actually pretty easy to do. We would suggest that you contact one of our preferred lenders that are the top in their industry.

Jennifer Micklos with Movement Mortgage

[www.MyLenderJen.com](http://www.MyLenderJen.com)

(407) 203-7153

Kristin Jaimeson

<https://www.successmortgagepartners.com/kristin/>

(352) 242-1535



# Items that a lender will need to Pre-Approve you:

## 1. Income Statements

- Pay Stubs covering the last 30 days
- W-2 forms from the last two years
- Proof of any additional income
- Federal Income Tax returns ( personal and business) for the last 2 years.

## 2. Assets

- The latest quarterly statements for asset accounts such as 401(k), IRA, stock accounts, mutual funds
- Bank statements
- If you are receiving gift funds from a loved one: a gift letter saying you do not have to pay the gift back.

## 3. Identification

- Drivers License
- Social Security number or card
- Authorization for them to pull your credit
- Employment verification

Your lender will go through all the different loan and down payment options that will best fit your situation and goals.

How much  
do I need to  
save?



## Down Payment

Depending on what type of loan you get will determine how much you need to save for your down payment.

In some cases, you could get a 100% loan if you're a Veteran or if you qualify for a USDA loan.

In other cases you might qualify for as little as 3% down for a conventional loan.

If you bought a house for **\$275,000** this is how much you would need to save for your down payment:

3% Down Conventional - \$8,250

3.5% Down FHA - \$9,625

5% Down Conventional - \$13,750

10% Down Conventional - \$27,500

20% Down Conventional - \$55,000

The Down Payment does not include your Closing Costs.



## Closing Costs

When you close on a home, you will have some standard closing costs that are associated with purchasing a home. These costs include appraisal, survey, home inspections, lending fees, title fees, and more.

Typical closing cost average about 3-4% of the overall purchase price of the home. Using the example of the \$275,000 purchase, you should expect to have between \$8,000-\$10,000 available for your closing costs in addition to your down payment. Sometimes, some of this amount can be negotiated with the seller.

### Costs that you spend prior to closing

- **Earnest Deposit** - When you make an offer, the deposit is a sum of money you place in escrow to demonstrate your good faith to the seller for the purchase. You decide the amount of deposit, but the trend is typically 1-2% of purchase price, and those fund go towards your purchase price at closing.
- **Home Inspection** - A home inspection is performed by a licensed home inspector to determine the condition of the home. The cost for a typical standard home inspection ranges from \$400-\$600.
- **Appraisal** - Your lender will required you to pay for the appraisal up front. That cost is typically between \$350-\$450.





# Finding the Right Real Estate Agent

It is easy to let the excitement of finding your dream home whirl you into a home search. However, it is critical that you have an experienced real estate professional there to guide you through the process. Here are some key tips to remember when finding the right agent.

## **WHY you need a Real Estate Agent, and more specifically a Buyers Agent:**

Your Buyers Agent will help navigate through all the different inventory available and arrange access to view those homes. They are also oftentimes aware of upcoming listing that aren't on the market yet.

A professional Buyers Agent is very knowledgeable about the different market conditions of each neighborhood, and can provide supporting data and comparable sales to help you make an educated offer on your dream home.

They will walk you through the offer process and help you negotiate the best deal for your home, including contingencies that might be important to you.

Once under contract, they will help guide the process for your inspections, appraisal, and financing, to ensure things move along smoothly up through the closing day.

## **WHO you Choose as your Buyers Agent matters:**

The process of finding a home and making an offer can be exciting and fun. With all the moving parts however, it's not uncommon for unexpected issues to arise during the contract to close process. Having an experienced Buyers Agent by your side can prove to be invaluable in those times.

## **HOW to Choose the Right Buyers Agent:**

Using a friend or family member who has their real estate license is not always the best criteria for choosing an agent. It's important to hire an agent who has experience and a proven track record of success in the real estate market.





## Things to look for in your Real Estate Agent...

Ensure the agent you choose is a Full-time agent with at least a few years of experience.

Ask them to provide a list of at least 35 closed transactions per year to show proof that they have successfully closed more than the other 90% of agents in their market.

Read their online reviews.

Great Communication skills are a must.

It's important that they possess a servants attitude that really makes you feel that you are one of their only clients.

Ask if they have a team member available to show you houses in the event your schedules clash and you need to see a home immediately in order to not miss out on an opportunity.



## How Much Does a Buyers Agent Cost?

Typically the seller has already agreed to a brokerage commission split for their listing agent and your Buyers Agent. On top of that, your Buyers Agent may end up saving you several thousand dollars because of their negotiating skills going to work for you. This is why it's a no-brainer to hire a seasoned, professional Buyers Agent.

### Loyalty and why it's important:

Just as you want your agent to work diligently for you and be available at a moments notice to arrange a showing at the home of your dreams, it is equally important to commit to one agent who you trust.

Agents operate under a strict code of ethics. Once you commit to an agent, it's important to stay loyal to that agent throughout the purchase contract. When your agent knows you are committed to them, they will go out of their way to ensure you have an incredible experience.

If you go to an open house or a new home community, you will be greeted by another real estate agent. It's important to immediately let that agent know that you already have representation and give them your Buyers Agent's name.

# How to Negotiate Best Price & Terms

Once you have found your Dream Home, you want to make sure you get the best price and terms possible.

Understanding the market conditions in which you are buying will help in determining the best way to approach your offer. It is not always the purchase price that is the most important negotiating tool. This is where a great agent will really shine by helping you navigate the negotiations to arrive at the best offer and terms for you.

Your Buyers Agent should provide you a comparative market analysis for the home you want to pursue. This will help you to know what other similar homes have recently sold for in the neighborhood and help you with determining the purchase price you want to offer.

If you are writing an offer in a competitive market, you may find yourself in a multiple offer situation. If this is the case, there are several key aspects of your offer that a seasoned agent can help you negotiate to make you stand out from the competition.



## What if you get a counter offer?

It's very common for your first offer presented to be countered by the seller. It's important to know some things that make your offer stronger and what can weaken your offer.

### Some strengths can be:

A cash offer

You're pre-approved (not just pre-qualified) for your mortgage financing

Flexible dates, like inspection period & closing date

You don't have to sell your home in order to purchase



### Things that can weaken your offer as a buyer:

Only pre-qualified for a mortgage

If using an out of area lender that is not knowledgeable about the local market & does not have access to local appraisers

You need to sell your home in order to purchase

Needing closing cost assistance from the seller

If you have some circumstances that weaken your offer, there are various aspects of the offer that can be strengthened in order to make up for the weaker aspects. Your agent can help you determine your options.



## What to Expect once your offer is Accepted:

Once your offer is been accepted, congratulations! You're under contract.

Now, there are several things that will take place to get you to the closing table.

# The Process of Buying a Home...



Here are some important things that will be taking place to get you to the closing day:

- Home Inspection will be performed
- Appraisal will be performed
- Survey on the property will be performed
- Title Search will be performed
- Home Owners Insurance will be secured
- Final Walk Through will be performed
- Close on your dream home

### Home Inspection:

You will have a certain number of days to complete any inspections on the property. This is one of the most important things NOT to skip out on!

Inspections that are very important to consider if applicable:

- General Home Inspection
- Termite Inspection
- Septic Inspection if the house has a septic
- Pool Inspection
- Well Inspection



## How to Negotiate General Repairs:

- This depends on the terms of your contract.
- The Florida standard residential contract enables you to negotiate repair amounts at the time of your offer. The seller is obligated to honor repairs up to those amounts.
- The Florida AS-IS residential contract allows you to inspect the property and cancel the contract if you find any deal-killers during the inspection, but not necessarily renegotiate repairs.

If the home inspection reveals items of concern, you will need to determine the following:

- Do you ask for items to be repaired
- Do you ask the seller to reduce the price or ask for a credit for repairs
- Do you choose to move forward without repairs
- Do you choose to cancel the contract. (Ensure you are legally within your rights to cancel)

Your agent will discuss your options with you and assist in negotiating on your behalf. Any agreements made after the original purchase agreement will need to be made in writing and executed by both seller and buyer in the form of an Addendum to the contract.





## Important Tips to Ensure a Successful Closing:

- Communicate with your lender and your agent on a daily basis
- Get requested documents to your lender and agent ASAP so the process is NOT delayed
- Don't make big cash withdraws or deposits and don't switch jobs before closing
- Don't buy a new car, finance new furniture, or anything else that requires applying for new credit
- Plan ahead to take a day off of work for your closing. Title Companies and banks are open during normal business hours Mon-Fri and will not accommodate after-hours closings



## Next Step:

Contact us today so we can help you start your home search! We would love to assist you with your next home purchase.

Our team is ranked #1 in the area and top 1% of real estate agents across the nation. We have a professional Buyers Agent with years of experience and expansive knowledge of the local market waiting to speak with you today!

Contact us today to send you a list of homes that fit exactly what you are looking for.

Call us 352-432-3200

Email us [info@mkghomes.com](mailto:info@mkghomes.com)

Visit us [www.BrandieSells.com](http://www.BrandieSells.com)

