

EVERYTHING  
YOU NEED TO  
KNOW ABOUT  
BUYING A  
HOME

# HOME BUYER BOOTCAMP

NEED A HOUSE.  
I'm your girl

# THE QUIZ: *true or false*

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1. BEING PRE-QUALIFIED IS MORE IMPORTANT THAN BEING PRE-APPROVED FOR A MORTGAGE:

2. WHEN BUYING A HOME "FOR SALE BY OWNER," YOU CAN USE A BUYER'S AGENT:

3. YOU SHOULD EXPECT TO PAY 3-6% OF THE PURCHASE PRICE FOR CLOSING COSTS:

4. A HOME INSPECTION WILL TYPICALLY COST YOU \$400-500 AND IS A BUYER'S EXPENSE:

5. YOU SHOULD START LOOKING AT HOMES BEFORE GETTING PRE-APPROVED.

6. THE PURCHASE PRICE OF YOUR HOME SHOULD BE AS CLOSE AS POSSIBLE TO THE MORTGAGE AMOUNT THAT YOU HAVE BEEN APPROVED FOR

SEE THE LAST PAGE FOR CORRECT ANSWERS

# THINGS TO *think about*

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## **01. Do you have an emergency Fund?**

When you own a home it's important to have money set aside for unknown expenses such as home maintenance / repairs, increase in property taxes, an emergency plan for paying your mortgage in the event you wouldn't have income, and other misc. items.

## **02. Can you cover the cost of repairs?**

While owning your home has a long list of wonderful benefits, it also comes with added responsibility. There isn't a landlord to call if your refrigerator stops working or you have a problem with your plumbing. You'll want to be prepared for unknown expenses.

## **03. Do you know your credit score?**

If you're a few months out from starting this process, you'll want to know what your current credit score is as this can impact the type of loan you qualify for. Meet with a lender to see if there are actions you should take to try and increase it before starting the actual house hunting process.

## **04. How long will you live in the house?**

When deciding which home is the right fit, consider what your needs are now and in the near future. Knowing an average timeframe of how long you expect to stay in your first home will help you to focus on the features that are the most important.

## **05. What are you comfortable spending monthly?**

The amount of your mortgage payment isn't the only expense that comes with owning a home. You'll also need to budget for taxes, homeowners insurance and possibly private mortgage insurance. Decide what you're comfortable spending monthly when figuring out your budget.

## **06. What are the most important features you want in a home?**

Remember to prioritize the features that can't be changed. You can always get new carpet or add a fresh coat of paint but things like location, lot size and number of bedrooms can't be changed.

# QUESTIONS TO ASK *a real estate agent*

1. WHEN DO I START THE PROCESS?
2. WHO DO I TALK TO FIRST?
3. WHAT DOES MY CREDIT SCORE NEED TO BE?
4. WHAT IS THE MINIMUM DOWN PAYMENT?
5. HOW MUCH CASH DO I NEED TO HAVE SAVED?
6. HOW MANY HOUSES WILL I LOOK AT BEFORE FINDING THE RIGHT ONE?
7. HOW WILL YOU SEARCH FOR MY HOUSE?
8. HOW MUCH DO I OFFER ONCE I FIND THE HOUSE I WANT TO BUY?
9. HOW DO I COMPETE WITH OTHER OFFERS?
10. HOW LONG UNTIL I GET THE KEYS TO MY NEW HOUSE?

# STARTER KIT:

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*Dear future home buyer: It's important to remember that you shouldn't start this process alone! Did you know most of my clients meet with me 6+ months before they're even ready to start the home buying process? My goal is to equip you with all of the tools necessary to start this journey as prepared as possible. The first step in that is to schedule a phone appointment or coffee chat with me so I can learn about your goals and set you up on a plan to achieve them.*



No. 1: Find a Real Estate Agent that you like and feel comfortable with. You'll be spending a lot of time together during this process so who you work with is important.



No 4. Leave the rest up to your awesome Real Estate Agent. They will walk you through all of the questions you have and guide you through each step of the home buying process.



No. 2: Get pre-approved so you know how much you can afford, (remember to consider what you are comfortable spending monthly, not just what the approval amount is for).

*\*I have a list of trusted lender recommendations who I've worked with directly if you need a referral!*



No. 3: Work with your Real Estate Agent to set up a custom home search that meets your wants / needs.

Then start saving homes that you want to set up private tours for.

# QUIZ ANSWERS:

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## 1. Being pre-qualified is more important than being pre-approved for a mortgage:

*FALSE - The pre-qualification is more of a snapshot of what the lender thinks you can afford based on the information you provided him. The pre-approval is a statement from a lender that you qualify for a specific mortgage amount based on an underwriter's review of all of your financial information.*

## 2. When buying a home "For Sale By Owner," you can use a Buyer's Agent:

*TRUE: If you buy a home not listed by a Real Estate Company, you'll still want to hire a Buyer's Agent to work in your best interest and educate you on how to handle negotiating the process. Many times you can include the Buyer Agent's commission as part of your offer or you could pay for it on your own if the sellers aren't willing.*

## 3. You should expect to pay 3-6% of the purchase price for closing costs:

*TRUE: In addition to your down payment, buyers should budget an extra 3-6% of the purchase price on costs to cover at closing. These costs typically include an initial deposit for your escrow account, appraisal fees, credit report fee, underwriting fees, and a processing fee. Talk with your lender to determine this amount so you are prepared.*

## 4. A Home Inspection will typically cost you \$400-500 and is a buyer's expense:

*TRUE: The Home Inspection is anywhere from \$400-500+ and is an expense that the buyer is responsible for paying at the time of inspection. This is your chance to learn about the house and find out about any major repairs before moving forward. This cost is a lot less than finding out about a potential \$10,000 repair after closing.*

## 5. You should start looking at homes before you have a pre-approval?

*FALSE: You'll want to know your budget and what you can afford prior to looking at homes. Most sellers will not even consider an offer that doesn't have a pre-approval letter attached. It also prevents you from getting your hopes up on a home that you potentially can't afford. The best way to navigate the home buying process is to be a prepared buyer. Prepared buyers have a pre-approval letter before they start house hunting!*

## 6. The purchase price of your home should be as close as possible to the mortgage amount that you have been approved for:

*FALSE: Being pre-approved for a \$900,000 mortgage, doesn't necessarily mean you can afford to make that payment every month. There are other costs to consider such as property taxes, homeowner's insurance, home maintenance and utility bills. You'll want to write out your monthly budget listing your current bills. From there determine a monthly amount you feel comfortable spending on your house instead of looking at the total amount.*



# BEFORE YOU GO...



I'm Allison, your go-to real estate girl in San Diego. Most folks call me Allie.

I love selling houses, but I also love cocktails by the water in the evenings.



FOLLOW ME  
@ALLIEMYPALIE  
AND SAY HI!

My ideal weekend includes snuggles with my pups, date nights with my husband, and Below Deck marathons.

A hill I'll die on: social media is meant to be SOCIAL, not salesy, so I share a lot of behind the scenes on IG @alliemypalie.



I'm obsessed with San Diego and all things home and local.

If you see me around town, please say hey!