



Buyer's Prep Packet

Buying your next home is one of the biggest decisions you can ever make. A home is the largest and most emotional investment most people will ever make. I have created this packet to help my buyers feel like they are aware of the process and able to make a better and more informed decision.

STEP 1: How to buy?

We all have a certain life style that we are used to and hope to maintain. I recommend deciding what you are comfortable paying every month while keeping in mind your current life style. It's up to you to decide how much you are willing to stretch your budget in order to get into your dream home.

- 1- Choose a loan officer- This could be your bank, Mortgage Company, or just ask me for a referral.
 - 2- Make a loan application get a PRE-APPROVAL letter- We will need this letter in order to submit an offer.
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STEP 2: What to buy?

This is a great time to drive the area or communities you have interest in. Maybe you have already started doing this?? Below are some questions I recommend you having answered and sharing them with me:

Analyze what you *want* and what you *need* in your next home.

-# of Bedrooms

-Area(s)

-# of Bathrooms

-Would I buy a foreclosure or AS-IS home? (see my flier on buying foreclosures)

-Garage size

-Square footage

Once we know what price range to keep you in (provided from your lender) and your criteria I can set you up on a search through the BLC (aka MLS) and you can receive instant notifications when a home is listed that fits your needs. Once we start looking at homes you may find that your priorities may adjust, no problem just let me know.

Step 3: BUY!

Once we have found your dream home our next step is to submit an offer. While emotions are probably pretty high at this point, remember that a home is an investment. I will research the market in the area/neighborhood to help you determine the market value and a fair price to offer. Submitting an offer is more than just the purchase price. How fast can we close? Did you plan on asking for the seller to cover some closing costs? Are you asking for a home warranty? All of these terms affect the NET to the seller. At this time you will need to submit a check for earnest money. I will go over these with you at that time so that your offer is a good solid offer.

Remember: We have a contract ONLY when the buyer and seller have signed off on same page!

Step 4: Inspections

In a purchase agreement, the buyer is given a certain number of days to perform inspections and to respond to the seller with our findings. I consider this our "fact finding mission." I highly recommend **EVERY** buyer get a home inspection. The inspector will set up the appointment with the seller and I highly recommend you be present. This is a good time for you to learn the ins and outs of your future home.

Keep in mind:

-Your main concern is for **MAJOR DEFECTS**. These are items that affect the habitability of the home. These are items we will ask a seller to repair/replace.

-Don't sweat the small stuff. It's the inspector's job to mark **EVERYTHING** that he finds no matter how large or small. Usually they will advise you on items to keep an eye on and possible easy fixes.

Step 5: Close

Once we have an accepted offer and have completed the inspection process, you are in the "home" stretch! In order to not put your closing date or mortgage at risk, here are some responsibilities that you'll need to keep in mind.

-Staying in control of your credit and finances. NO LARGE PURCHASES!

-Keeping in touch with me and your lender. COMPLETEING PAPERWORK PROMPTLY! Trust me, you will get frustrated about the amount of paperwork you will have to provide (resubmit) to the bank. The only way to avoid this is to pay cash, since most of us are unable to do so, we just put a smile on our face and work quickly. 😊

-Set up for a home owner's insurance policy to begin on our expected day of closing. This is a great time to shop insurance agents and get quotes. The lender will need a copy of a DECLARATION PAGE sent to them.

Reminder: Closings don't always happen on time. Be aware and remain flexible to the actual date changing at the end.

Keeping your stress to a minimum is my job. You don't have to know everything, that is why you hired me. It is my job to help you through every step of the process.



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Understanding Property Taxes

Property tax proration can be complicated, but it's not rocket science. Ok maybe it is...

Key points to remember:

-Property taxes are paid one year in arrears

-Taxes are typically paid to the County Treasurer on May 10th and November 10th



Taxes paid in May → taxes accrued January 1-June 30th of prior calendar year

Taxes paid in October → taxes accrued July 1 to December 31st of prior calendar year

Therefore, at closing you will receive a credit from the Seller for the property taxes that they owe to you since you will be paying their bill. Confusing enough??

Exemptions:

Various deductions are available to residential property owners. Check online at the County Auditor's page and see what exemptions you qualify for. I recommend doing this 30-60 days after closing.

Buying a Distressed Property

Distressed properties can often be a great way for homebuyers to be able to afford a bigger and better home than they thought they could afford. Remembering there is RISK involved in these properties will help you keep in mind that there WILL BE issues. Buyers must be qualified and ready to buy. The best properties go quickly. Smart buyers know they need to be even smarter when dealing with these properties.

What is a distressed property?

-Short-sale, Foreclosure, Probate... etc. A type of sale where home is listed AS-IS

What does AS-IS really mean?

-This means that the Seller is unable/unwilling to make any improvements or repairs to the home. This also means that an inspection is for INFORMATION PURPOSES only for the buyer. Backing out of a contract on an AS-IS property can be difficult and not always result in earnest money being refunded.

Are there concerns buying a distressed property if I am a FHA buyer?

YES! This is often a difficult route to take. FHA has restrictions and inspections that they will have on the house. If the house does not pass than the home can't close and remember, sellers are *usually* not willing to make any repairs. This can leave the buyer out the money paid for inspections, appraisals, and earnest money.

How can we inspect the home if utilities are not on?

Each house is different with this. Sometimes the listing company will have the utilities on and the home dewinterized. Sometimes the buyers will have to have the utilities turned on in their name for 48 hours, have the home dewinterized and then rewinterized after inspection and PAY all necessary fees involved in this. Note that sometimes the utilities can't be turned on due to current condition of the property.