

HOME

buyer

GUIDE

Point Roberts Edition



Lindsay Lorenson

REALTOR®





I AM Lindsay Loreen

Nice to "meet" you!

Born and raised in Vancouver BC, I have had the amazing opportunity to enjoy the PNW lifestyle. From the top of the north shore mountains to the shores of Light House Marine Park, there is no place else I would rather call home.

I love people, and more importantly my job...but it doesn't feel like that. As a real estate professional, I am privileged to connect with people and those in my community. Over the past 5 years, I have been involved in the sales and marketing of many homes in Whatcom County. I take pride in my work and strive to continually offer top-notch customer service tailored to each individual. I feel blessed to work with amazing clients who become friends and are a strong part of my referral network.

LET'S CONNECT

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the
PROCESS



STEP 1

GET PRE-APPROVED

- Meet with a lender
- Prepare your credit
 - Set a budget



STEP 2

MEET WITH YOUR AGENT

- Discuss budget
- **Research area neighborhoods**
- **Set wants & needs**



STEP 3

FIND YOUR HOME

- Tour homes
- **Adjust criteria if necessary**



STEP 4

MAKE AN OFFER

- Research comps in the area
- **Work with your realtor to set up the best offer**
- **Negotiations may occur**



STEP 5

OFFER SIGNED

- All negotiations are finished
 - **Both parties have signed contract**



STEP 6

INSPECTIONS

- Professional inspects the property
- **Discovers issues that may need to be worked into the purchase agreement**
- **Negotiate repairs**



STEP 7

APPRAISAL

- Professional ensures the property is worth the loan and purchase price you agreed to pay



STEP 8

TITLE COMMITMENT

- The title company will send you a **title insurance policy for the property** after closing



STEP 9

DOCUMENTS TO LENDER

- Make sure all requested docs are sent to your lender prior to closing



STEP 10

CLOSING

- Final walk-through
- **Sign closing documents**
- **Receive your keys**

steps

10 TO BUYING A HOME

- 1 FIND THE RIGHT AGENT
- 2 PREPARE FINANCES
- 3 GET PRE-APPROVED
- 4 START HOME SHOPPING
- 5 MAKE AN OFFER
- 6 ORDER AN INSPECTION
- 7 NEGOTIATE FINAL OFFER
- 8 APPRAISAL ORDERED
- 9 SCHEDULE THE MOVE
- 10 CLOSING DAY



FINDING THE RIGHT

agent

Buying a home is one of the most significant purchases in a lifetime. It is essential to have an experienced agent in your corner, always looking out for your best interest. A buyer agent's fiduciary responsibility is to represent the buyer and to ensure that they are protected.

After all, a seller has someone in their corner. A listing agent has an allegiance to the seller. Their goal is to get the seller top dollar for their home. There is incredible value in having someone working for YOUR best interests when buying a home.



GETTING YOU IN THE DOOR

We will narrow down the homes that fit your unique wants and needs and get you in the door! I look at dozens of homes every week, and I can help you identify potential problems within a home.

When repairs or changes in price need to be made, I will be your guide and handle requesting any repairs or changes in price to the sellers.

STAYING ON TOP OF THE PAPERWORK

Buying a home involves many types of documentation. I have the experience and knowledge to navigate real estate contracts. Ensuring that nothing is overlooked, and that you truly understand what a paper means before ever signing on the dotted line.

ON YOUR SIDE

A buyer's agent will represent your best interests. With a pulse on the local market and a sound understanding of how various amenities effect the value of a home, we will make sure we submit a competitive offer on the right house for you.

NEIGHBORHOOD EXPERT

I work daily in neighborhoods with inspectors, contractors, and negotiating with sellers. I have the market knowledge you need to get you the home of your dreams at the best price! Understanding the local real estate market is essential when it comes time to make an offer on a house.

PROBLEM SOLVER

I will work hard to protect all of your interests and take on any issues that may arise throughout the entire process. I work tirelessly to make sure buying a home is a fun and stress-free process.

AFFORDABILITY

The seller typically pays the commission for both the seller's agent and the buyer's agent.

HOW MUCH HOUSE CAN YOU AFFORD?

Mortgage lenders recommend you do not buy a home that is more than 3 to 5 times your annual household income. If you are not purchasing a home with cash, you will need a mortgage pre-approval provided by your mortgage lender. A lender will work with you to get a loan that meets your needs. Some buyers are concerned with keeping their monthly payments as low as possible, others want to make sure that their monthly payments never increase.

CHECK YOUR CREDIT

A mortgage requires a good credit score. You can improve your score by:

- Paying down credit card balances
- Continuing to make payments on time
- Avoid applying for a new credit card or car loan until you have been approved
- Avoid making big purchases until you have been approved
- If possible, avoid job changes until you have been approved

SAVE CASH FOR A DOWN PAYMENT & OTHER EXPENSES

In order to make your dream of buying a home a reality, you will need to save cash for your down payment, earnest money, closing costs & home inspector.

- A Down Payment is typically between 3.5% & 20% of the purchase price
- Earnest Money is money you put down to show you're serious about purchasing a home. It's also known as a good faith deposit.
- Closing Costs for the buyer run between 2% & 5% of the loan amount
- A Home Inspection costs \$300 to \$500



Being pre-approved, unlike being pre-qualified, means you've actually been approved by a lender for a specific loan amount. You will need to provide documented financial information (income, statements, assets, debt & credit reports etc.) to be reviewed & verified by the lender.

GET *qualified*

TYPE OF LOAN	CREDIT SCORE	DOWN PAYMENT
VA LOAN	620	NO DOWN PAYMENT
USDA LOAN	620	NO DOWN PAYMENT
FHA LOAN	580+	3.5%
	500-579	10%
203K LOAN	640	3.5%
CONVENTIONAL 97	620	3%
CONVENTIONAL	640	5-20%
LOAN		



INCOME QUALIFICATIONS

QUALIFYING INCOME

- W-2 Income/Salary
- Income from part-time jobs
- Income from a second Job
- Overtime & Bonuses
- Seasonal jobs
- Self-employed Income
- Alimony & child support (Documentation required)

NON-QUALIFYING INCOME

- Income from the lottery
- Gambling
- Unemployment pay
- Single bonuses
- Non-occupying co-signer income
- Unverifiable income
- Income from rental properties

NEEDED *documents*

- W2'S FROM THE PAST 2 YEARS
- 3 MONTHS WORTH OF PAY-STUBS
- BANK STATEMENTS (PAST 3 MONTHS)
- PREVIOUS 2 YEARS OF TAX RETURNS
- LIST OF YOUR DEBTS & ASSETS
- DIVORCE DECREE
- ADDITIONAL INCOME DOCUMENTS

WHEN TO MAKE AN OFFER:

So you have found THE house! Congrats! In today's market when the demand is higher than the amount of homes available it is important to act fast!

HOW MUCH TO OFFER:

We will sit down and look at recent sales and current buyer activity in the area, as well as the value of the property in its present condition. Putting all this information together, we will determine the price that you would like to offer.

SUBMITTING AN OFFER

There are some components to an offer that makes it more appealing to the sellers.

PUT YOUR BEST FOOT FORWARD

We will discuss together the best options to put your best foot forward. This may include waiving a home inspection or financing.

CASH TALKS

A transaction that is not dependent on receiving loan approval is more attractive to a seller

**AFTER YOU SUBMIT AN OFFER****THE SELLER COULD**

•ACCEPT THE OFFER •DECLINE

THE OFFER**•COUNTER-OFFER**

A counter-offer is when the seller offers you different terms. If this happens, you can:

•ACCEPT THE SELLER'S COUNTER-OFFER

•DECLINE THE SELLER'S COUNTER-OFFER

•COUNTER THE SELLER'S COUNTER-OFFER

You can negotiate back and forth as many times as needed until you reach an agreement or someone chooses to walk away.

OFFER IS ACCEPTED - CONGRATS!

You will sign the purchase agreement and you are now officially under contract! This period of time is called the contingency period. Now inspections, appraisals, or anything else built into your purchase agreement will take place.







6 *order* AN INSPECTION

During the inspection period, we will schedule an inspection with a reputable home inspector to do a thorough investigation of the home. Once this is complete, the inspector will provide us with a list of their findings. You can take the issues as-is or request the seller to address some or all of the findings. We will be mindful and reasonable on smaller items while being very cautious and vigilant of potentially significant issues.

7 *negotiate* FINAL OFFER

Issues typically arise after the home inspection, and those issues tend to result in another round of negotiations for credits or fixes.

1. Ask for credit for the work that needs to be done.

Likely, the last thing the seller wants to do is repair work.

2. Think “big picture” and don’t sweat the small stuff.

A tile that needs some caulking or a leaky faucet can easily be fixed. Repairs are still up for negotiation and perhaps a small credit would help with closing costs.

3. Keep your poker face.

The listing agent will be present during inspections and revealing your comfort level with the home could come back to haunt you in further discussions or negotiations.

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APPRAISAL *ordered*

Your lender will arrange for a third party appraiser to provide an independent estimate of the value of the house you are buying. The appraisal lets all parties involved know that the price is fair. The loan file then moves on to the mortgage underwriter.

If approved you will receive your final commitment letter that includes the final loan terms & percentage rates.

PROPERTY TITLE SEARCH

This ensures that the seller truly owns the property and that all existing liens, loans or judgments are disclosed.

HOME OWNERS INSURANCE

You'll need insurance for the new home before closing. This will protect against things like fire, storms, and flooding



✓ CLOSING DAY

Closing is when you sign ownership and insurance paperwork and you receive your new home's keys! Typically, closing takes four to six weeks. During this time, purchase funds are held in escrow, where your money is held safe until the transaction is complete.

✓ CLOSING DISCLOSURE

Lenders are required to provide you with a closing disclosure, at least three days before closing. This will show you what your final loan terms and closing costs will be. You will have three days to review the statement. This is done to ensure that there are no surprises at the closing table. If there is a significant discrepancy between the loan estimate and the closing disclosure, we must notify your lender and title company immediately.

✓ FINAL WALKTHROUGH

We will do a final walk through the home within 24 hours of closing to check the property's condition. This final inspection takes about an hour. We will make sure any repair work that the seller agreed to make has been done. We will be sure to:

- Make sure all appliances are working properly
- Run the water in all the faucets and check for any possible leaks
- Open and close garage doors with opener
- Flush toilets
- Run the garbage disposal and exhaust fans

✓ CLOSING TABLE

Who will be there:

- Your agent
- The seller
- The seller's agent
- A title company representative
- Your loan officer
- Any real estate attorneys involved in the transaction

The closing typically happens at the title company. You will be signing lots of paperwork so get your writing hand warmed up! Some of the papers you will be signing include: the deed of trust, promissory note, and other documents

✓ CLOSING COSTS

Closing costs can vary depending on your home's purchase price and where you are located. You can generally expect your closing costs to be around 3% to 4% of the home's sales price. These closing costs can sometimes be shared with the seller.

✓ BRING TO CLOSING

- Government-issued photo ID
- Copy of the sales contract
- Homeowner's insurance certificate
- Proof of funds to cover the remainder of the costs

✓ RECEIVE YOUR KEYS

Congratulations! It was a lot of hard work but you are now officially homeowners!! Time to throw a party and get to know your new neighbors!



WHAT TO EXPECT

HONESTY & TRANSPARENCY

INTEGRITY

RESPECT

TIMELY & REACHABLE

ACTING IN YOUR BEST INTEREST

