

HOME LOANS

# bay equity



# YOUR GUIDE TO BUYING A HOME



We're here to  
get you home.

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get you home.



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Buying a home is one of the most important financial decisions you'll make. We're here to make the process less intimidating and more understandable for you. Whether you're buying your first home, looking for luxury home financing or building your portfolio through real estate, we'll guide you through the process toward getting your new keys — often in as few as 21 days!

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Bay Equity Home Loans is a full-service retail mortgage lender. Founded in the heart of San Francisco's financial district in 2007, the company moved corporate headquarters to nearby Sausalito in late 2015.

Bay Equity is currently licensed in 32 states and is expanding across the nation. In addition to retail branches in 23 states, the company has corporate and operations centers in Concord and Sausalito, CA, Denver and Grand Junction, CO, Lake Oswego, OR, and Everett, WA.

Bay Equity is family owned and operated. The company is a long time supporter of the Warrior Foundation-Freedom Station, donating a portion of the proceeds from each FHA and VA loan funded.

Bay Equity has hired accomplished mortgage and financial professionals at all levels and has proudly assembled a highly experienced staff of corporate executives and operations professionals.

We're here to get you home.





# WHY BUY?

## Buying a home provides you with advantages...

### PRIDE OF OWNERSHIP

Your home provides protection and a sense of community as you plant roots and create ties with your family, friends and neighbors. Making an investment for your future gives you and your family a sense of stability and security.

### EQUITY BUILDING

As your debt decreases and you make investments to maintain or improve your home, the value of your home may increase. This could allow you to sell your home for more than you paid for it.

### TAX DEDUCTIONS

Homeowners may be able to deduct mortgage interest and property taxes. Other aspects of your mortgage may also be tax deductible. Consult with a tax advisor to learn more.

### STABLE PAYMENTS

With a fixed rate mortgage, your monthly payments stay consistent over the life of the loan.

### TAKE CONTROL OF YOUR FUTURE

No more rent increases or canceled leases. Create a home that meets your unique needs.

## Don't invest in your landlord's future, invest in yours!

Did you know the money you're paying in monthly rent could pay for a home? Check out this chart:

MONTHLY	5 YEARS	10 YEARS	15 YEARS
\$500	\$30,000	\$60,000	\$90,000
\$600	\$36,000	\$72,000	\$108,000
\$700	\$42,000	\$84,000	\$126,000
\$800	\$48,000	\$96,000	\$144,000
\$900	\$54,000	\$108,000	\$162,000
\$1,000	\$60,000	\$120,000	\$180,000
\$1,100	\$66,000	\$132,000	\$198,000
\$1,200	\$72,000	\$144,000	\$216,000
\$1,500	\$90,000	\$180,000	\$270,000
\$2,000	\$120,000	\$240,000	\$360,000
\$2,500	\$150,000	\$300,000	\$450,000





When you buy a new home, it's important to think about how it will impact your financial habits and long term goals. A new home doesn't just mean a new monthly payment. It also means utilities, taxes, and maintenance. These additional costs impact not only you but your cash flow and ultimately your financial goals. If you aren't financially prepared for the additional cost of homeownership, the consequences can be life altering. Think about the costs that will impact your finances and work these costs into the affordability of the home or homes that you're looking at:

- |                       |                           |                             |
|-----------------------|---------------------------|-----------------------------|
| <b>OUTDOOR UPKEEP</b> | <b>REPAIRS OR UPDATES</b> | <b>FURNISHING YOUR HOME</b> |
| <b>EMERGENCIES</b>    | <b>PROPERTY TAXES</b>     | <b>INSURANCE</b>            |
| <b>UTILITIES</b>      | <b>TRASH SERVICE</b>      | <b>WATER</b>                |

## What makes up your loan?



# PREPARING TO BUY

## Start with a Financial Assessment

When thinking about buying your first home, one may face the simple question that may feel overwhelming: Where do I begin? It's easy to start looking around at real estate listings and perusing open houses, but don't get too far ahead of yourself. It's important to start with the biggest influencer of your home buying process: Your finances. Before you begin your in depth home search, you need to take a quick scan of the finances, otherwise known as a financial assessment. This process is where you look closely at your spending and savings activities and accounts and outline any future financial plans with a new house in the back of your mind. Wherever you are in your financial journey, use these questions as a starting place:

### Do I have enough credit?

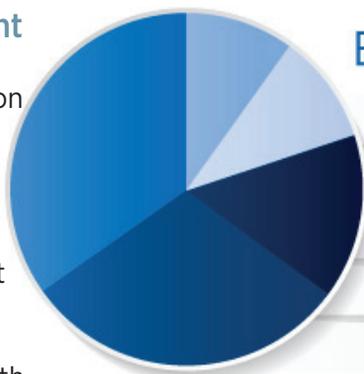
Lenders care about your credit - your credit score is a value that financial institutions look at to assess how trustworthy you are to lend to. For example, a credit score above 700 is more attractive to lenders, while anything below 620 could make it harder to get a loan.

When banks and lenders look at credit scores, they use your FICO score from the Fair Isaac Corporation. Used by 90% of lenders, only FICO includes accurate, up-to-date scores from all three Credit Reporting Agencies (CRAs). There are hundreds of different credit-scoring models, but none use the same risk criteria as FICO.

Beware of commercial sites like Credit Karma and Credit Sesame! They don't always give correct scores. These "free" sites are mostly affiliated with only one of the CRAs, and scores can swing by 100 points or more!

### How much can I afford?

This is a complicated question, but an important one. Using a mortgage calculator is usually a good starting place to identify and record your ideal monthly payment. However, knowing what you can "afford" isn't always what you should commit to.



## ELEMENTS OF YOUR CREDIT SCORE

PAYMENT HISTORY	35%
AMOUNTS OWED	30%
LENGTH OF CREDIT HISTORY	15%
TYPES OF CREDIT USED	10%
NUMBER OF INQUIRIES	10%

### Things to keep in mind...

Algorithms used for determining each type of credit are different. For example, an auto lender will look at one score while a credit card company looks at another.

The FICO model is based on a max of 850, often the fake FICO given to consumers is based on models of 900 or even 950 which will trigger an incorrect score.

When pulling a mortgage credit report, we will use the middle FICO score. If there is more than one borrower, we use the lowest of the middle FICO score(s) for all borrowers.

Homeownership comes with additional costs outside of your mortgage payments. Consider committing to a monthly payment plan that gives you boundaries to address home improvement issues and home emergencies as they arise.

## CREDIT BUREAU SCORE RANGES

Experian: 300 to 850

Equifax: 360 to 840

TransUnion: 300 to 850

EXCELLENT	750 & ABOVE
GOOD	700 - 749
FAIR	650 - 699
POOR	550-649
BAD	550 & BELOW

# FINANCING & YOUR LENDER

Your credit score isn't the only factor in getting a mortgage, but it's an important part of determining your budget and an approved loan amount. Below are some tips to consider before meeting with a lender.

## CHECK YOUR CREDIT

You can obtain a free credit report once a year by visiting [annualcreditreport.com](http://annualcreditreport.com) or viewing your FICO credit score at [myfico.com](http://myfico.com) for a nominal fee.

## VERIFY ACCURACY

Report and dispute inaccuracies with the credit bureaus. Disputes in process may delay your loan approval.

## PAY DOWN DEBT

By paying down applicable lines of credit before applying for a loan, you may qualify for a better interest rate.

## SET UP PAYMENT PLANS

Call your creditors and work out a budget-friendly payment plan for any delinquent accounts prior to applying for a loan. Work out a plan that won't harshly affect your debt-to-income ratio but will still let lenders know you're serious about payment off your debts.

## LENDER MEETING

Once you've identified how much you can afford and the ideal price range of your new home, you're ready to have a conversation with a lender. Your lender will play a big role in helping you understand the financial options that will fit into your home and lifestyle. In initial discussions, be prepared to share your financial background with your lender including your:

- » **Income**
- » **Debt**
- » **Assets**



Don't choose a lender based solely on rate, find someone reputable and trustworthy. When choosing a lender, find a reputable company that offers a wide variety of loan products and will work with you to get the best financing for your situation.

- » ***How does your application process work?***
- » ***How long will it take to get pre-approved?***
- » ***What documents do I need to qualify?***
- » ***How fast can you close a loan?***
- » ***Do you have a local number to call or is it a 1-(800) number?***
- » ***What kind of experience do you and your team have?***
- » ***How many loans did you close last year?***
- » ***Do you specialize in any particular loan products?***
- » ***What method of communication can I expect throughout the process?***
- » ***Can I meet you at your office, or will everything be done over the phone and Online?***
- » ***Do you provide any home buyer workshops?***
- » ***Are your rates and fees competitive?***
- » ***Do you have Online reviews I can review before using you?***
- » ***Do you have a preferred Realtor?***
- » ***What hours are you available during the week?***



# PREQUALIFIED VS. PREAPPROVED

We can help you understand how much you qualify to borrow. Find out in minutes by talking with a licensed loan officer and obtain a written pre-approval that will help you set your budget, negotiate confidently and close quickly.

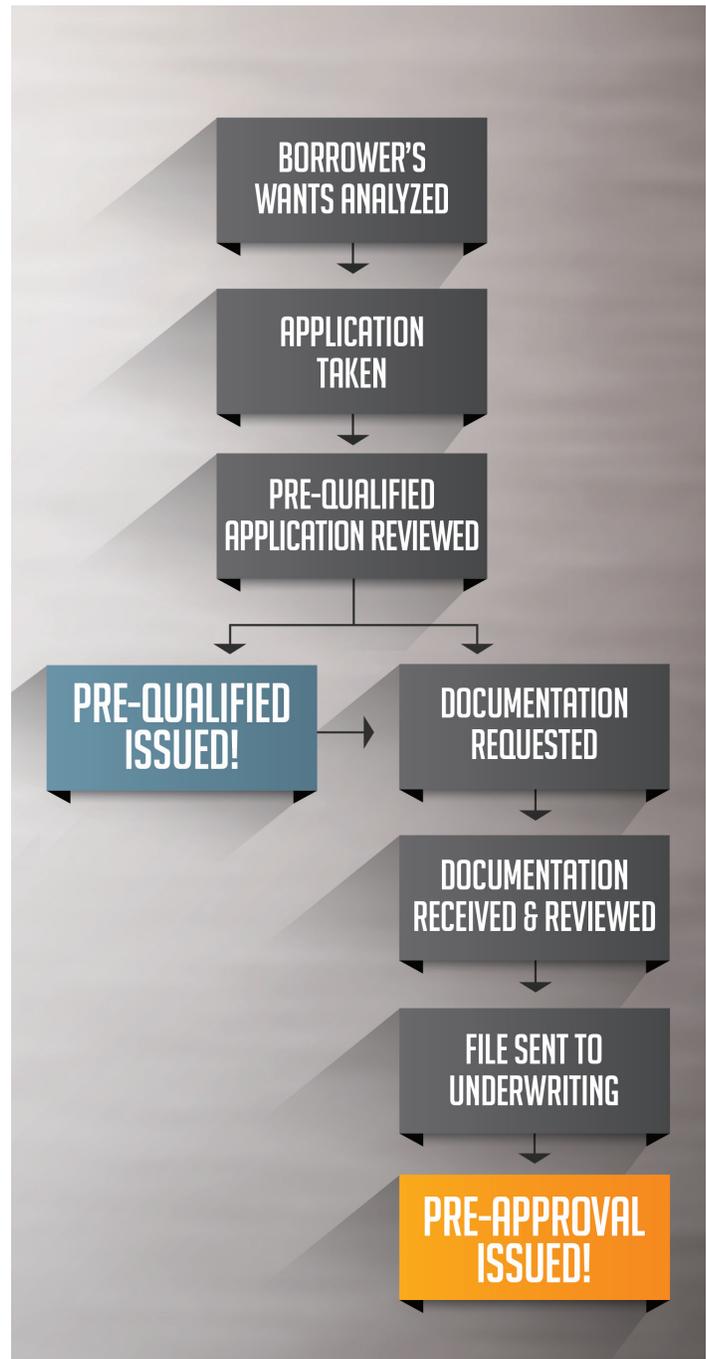
After the lender gets a general idea of your finances, you can start the process of pre-qualification. It determines if you qualify for a loan and if so, how much you qualify for. Loan pre-qualification does not include an analysis of your credit report or an in-depth look at your ability to purchase a home. Nothing official, but it gives a good rough estimate of the expected **APPROVED** loan amount.

## Pre-Qualification: The first step in the mortgage process!

Our licensed loan officers will work with you to understand your financial situation, lifestyle and future plans to make a loan recommendation that's right for you. Getting pre-qualified is a good option if you're considering buying a home but haven't started searching yet. Talk with your loan officer about your ideal purchase price and the monthly payment you think you can afford. This will help them understand your current debt and income situation and your ability to repay a loan. You'll come away with an idea of the loan amount you may qualify for to buy a home.

## Pre-Approval: It takes the mortgage process one step further!

With pre-approval, you will receive a conditional commitment in writing with the exact loan amount, it sets comfortable home shopping budget. A pre-approval could put you at the top of the list of the house you want if it is in a competitive market. It shows sellers you are serious about buying, and close to actual mortgage approval.



## BENEFITS OF GETTING PRE-APPROVED

Get an idea of the maximum home **PURCHASE PRICE** you can afford

Find out your estimated monthly **MORTGAGE PAYMENT**

Learn how much your **DOWN PAYMENT** should be

Understand how much you may be able to **BORROW**

# AFFORDABILITY WORKSHEET

## WHAT'S MY PRICE RANGE?

It's easy to have a wide range when you first set out to find a home. Real estate websites usually give viewers a sliding scale to determine purchase price range. Be sure to only search for homes that match your monthly payment maximum. Identify and know your price range before you start your search. If you can't afford it, you shouldn't be looking at it. Review your income, debts and savings. How much you can put towards a down payment? How much can you pay each month?

## DEBT-TO-INCOME RATIO (DTI)

$$\frac{\text{SUM OF MONTHLY DEBTS}}{\text{GROSS MONTHLY INCOME}} \times 100 = \text{DTI RATIO}$$

The ratio that determines your ability to repay a home loan. Higher DTI ratios indicate greater risk. Lenders look for DTI of 43% and lower.

## MAXIMUM MORTGAGE AMOUNT

Gross Monthly Income \$ \_\_\_\_\_ (1)

Gross Monthly Income x \_\_\_\_\_ % = \$ \_\_\_\_\_ (2)

Gross Monthly Income x \_\_\_\_\_ % = \$ \_\_\_\_\_ (3)

Total Monthly Debt Payments = \$ \_\_\_\_\_ (4)

Subtract line (4) from line (3) = \$ \_\_\_\_\_ (5)

## MAXIMUM MONTHLY MORTGAGE PAYMENT ALLOWED

Enter the lesser amount from line (2) or (5) \$ \_\_\_\_\_ (6)

## ESCROWS

Multiply line (6) by 20% = \$ \_\_\_\_\_ (7)

Subtract line (7) from line (6) \$ \_\_\_\_\_ (8)

## AFFORDABILITY

Divide line (8) by \_\_\_\_\_ = \$ \_\_\_\_\_ (9)

Multiply line (9) by \$1,000.00 = \$ \_\_\_\_\_ (10)

Factor

Maximum Mortgage Amount



TEAM MCGRAW

# 12 STEPS TO BUYING A HOME

As you begin to collect information about the homebuying process, use the house as a guide to understand where you are and what's coming next in your journey.



**START HERE** • Let us know you are interested!

01



**GATHER DATA** • We will gather financial information and schedule an appointment with a mortgage lender.

02



**PRE-APPROVAL** • Meet with our team to answer questions, get direction, and obtain a loan pre-approval.

03



**SHOP FOR A HOME** • If you don't have a realtor, we would love to refer you to one we know, like, and trust.

04



**FASTTRACK CREDIT APPROVAL** • We will submit your file to underwriting to get you credit approved. This will make your offer stand out!

05



**NEGOTIATION** • You make an offer and the seller accepts. Congratulations, you are now under contract!

06



**APPLICATION** • Within 48 hours, we will meet with you to complete your financing application, lock in your payment, sign disclosures, and collect updated documents.

07



**VERIFICATION** • We review all research on you and the property. We will email your appraisal when received.

08



**CONDITIONS** • The underwriter approves your loan! We collect any final documents needed and schedule your loan closing.

09



**CLOSING** • Your legal documents are sent, and money is wired to the title company. Your loan officer will call to prepare you for closing and review your final closing disclosures.

10



**FUNDING** • You sign the legal documents and the home is yours! Enjoy your home and tell everyone about our team.

11



**REVIEW** • Let us know how we did. Please leave us a review on Zillow, Google, and/or Facebook. Make sure you like us on Facebook for updates on our upcoming client appreciation events, financial classes, and military give back events.

12



It's important to understand actions that could impact the mortgage approval process. Use our tips below to make sure your loan approval and closing date stay on track.

## MORTGAGE DOs

### → KEEP ALL RECORDS IN GOOD ORDER

Thoroughly complete your application and make sure your financial records are close at hand in case updates are requested.

### → KNOW YOUR AVAILABLE ASSETS

Disclose all of your loans and credit. Continue saving incoming account statements, and keep all numbered pages of each one, even if blank (example: page 1-8 of 8).

### → TRACK YOUR INCOME

Underwriters will verify income and tax documents through your employer, the IRS and/or your CPA. Hold on to new paystubs as they arrive.

### → DOCUMENT THE GIFT

If you're receiving any gift money from relatives, they'll need to sign a gift letter (we can provide) and confirm the source of the funds with a statement.

### → CONFIRM YOUR CURRENT RESIDENCE

If you're renting, continue paying rent on time and save confirmations. If you're selling your home, you'll need to show a HUD settlement statement. If you are renting out your old home, you may need to show sufficient equity, a signed lease and a deposit.

### → KEEP UP YOUR CREDIT

Continue to make all payments on time; your credit report may be pulled again and any negative change to your score could cause you to lose your approval.

### → REMEMBER THINGS HAVE CHANGED

Please respond promptly to questions and requests. There's more paperwork involved than in the past. Also please make yourself available as your closing date approaches.

## MORTGAGE DON'Ts

### → DON'T MAKE ANY MAJOR PURCHASES

Don't make any big new purchases, like vehicles or furniture. Any changes can cause delays or possibly prevent your closing.

### → DON'T OPEN NEW LINES OF CREDIT

Don't co-sign on a loan or lease for anyone. Don't open any new lines of credit or let your credit fall behind. If you must open a new account, talk to your loan officer first and let them know.

### → DON'T CHANGE JOBS, RETIRE OR VACATION

If you are planning to retire soon or have been interviewing for a new job, let us know up front. Even moving from a salaried to a commissioned position can cause complications, and even though vacation time is necessary, taking unpaid time off from work during the loan process is not a good idea either.

### → DON'T DEPOSIT LOTS OF CASH

Cash isn't like a check; we usually can't confirm where it came from, so it will not be counted as part of your funds to close. Make copies of checks you've deposited, and the slips as well. Wait to withdraw from stocks or retirement. If you need to sell stocks or borrower money from your retirement account, it might take time for them to process the transactions. Also, your underwriter will need to confirm the transfer of funds. Don't delay by waiting until the last minute.

### → DON'T FORGET TO BREATHE

The process can be confusing and sometimes scary if you haven't purchased a house before. Even if you have, you might still have questions. We're here to help you at each step of the way, even long before you intend to buy. Call or email at any time!





### ALL

- Photo ID: Valid driver's license, state ID, social security card, passport, or permanent resident visa/green card (2 forms of ID required)
- Personal Federal Tax Returns (all pages of Forms 1040): Last 2 years (if applicable)
- W-2s, 1099, K-1s: Last 2 years (depending on source of income)
- Pay Stubs: Most recent - 30 consecutive days of income
- Bank and Asset Statements: Most recent/last 2 months stocks, bonds, investment account statements - all pages (if applicable)

### OTHER

- VA Only: DD-214: Member 4 copy, all pages (Former Military) or Statement of Service (Active Military)
- Award Letters: Most recent Social Security, pension, disability (if applicable)
- Child Support Order: Last 6 months (if applicable) Amt./month \_\_\_\_\_ Children's ages \_\_\_\_\_
- If You Pay Alimony: Amt./month \_\_\_\_\_ How long left to pay? \_\_\_\_\_

### CREDIT INFORMATION

- A letter of explanation for any late payments, judgments, collections or other derogatory credit history items
- Source of funds documentation for any large deposits on asset or bank statements
- The judicial decree or court order of each obligation due to legal action
- Bankruptcy/discharge papers for all bankruptcies in your credit history

### CURRENTLY OWN PROPERTY

- Mortgage Statement: Most recent statement(s) for all liens against all properties owned - all pages
- Homeowner's Insurance Declarations Page: Most recent for all properties owned (if applicable)
- Current Lease/Rental Agreement: Most recent for all investment properties owned (if applicable)

### SELF EMPLOYED

- Business Federal Tax Returns for the last 2 years (all pages of Forms 1120, 1120S, or 1065 depending on self-employed business structure if applicable)
- A year-to-date profit and loss statement
- A complete list of all business debts

### UNDER CONTRACT

- Fully Executed Sales Contract
  - Homeowner's Insurance Quote for New Home
  - Earnest Money Deposit: If included in contract, please provide a copy of the canceled check used as well as a transaction history showing the funds have been withdrawn if a bank statement provided does not include it.\*
- \*Source of funds documentation for any large deposits on asset or bank statements*

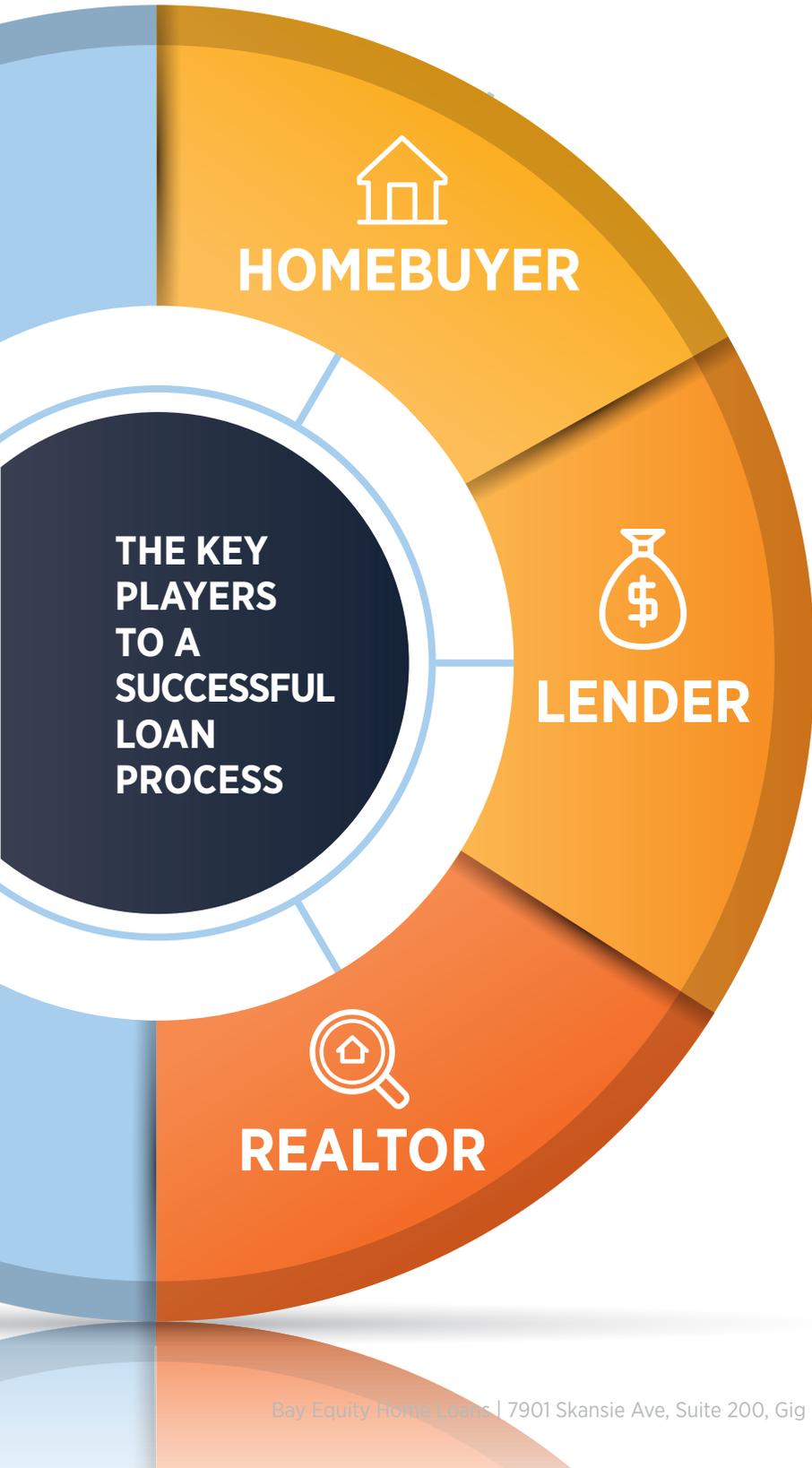
### GIFT LETTERS

Acceptable gifts may come from relatives, non-profit organizations, and government entities. Gift letters must be filled out and signed by all parties. Additional documentation required will include a copy of the gift fund check, a transaction history printed from your deposit institution proving the deposit has entered your account, proof that the gift has been released from donor's account i.e. transaction history of donor's account and 30-day bank statement. Non-profits and government gifts will require program specific documentation.



# EFFECTIVE & FREQUENT COMMUNICATION

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## WHAT YOU CAN EXPECT FROM US

### HOME SEARCH SUPPORT CALLS THROUGHOUT THE PROCESS

Searching for a home is an exciting time but can also be challenging. We're here to help make the home search process smooth and efficient. In addition to our home search support calls, we're always ready to answer any questions you may have. This includes questions from your Realtor, attorney, and insurance provider. Buying a home can be life changing — we are here to offer the practical assistance you may need along the way.

### WEEKLY TUESDAY STATUS UPDATE GRAMS

It's our top priority to keep you informed throughout your home loan process. Our transparency in our Tuesday Status Update Grams will provide you with all of the information you should know to keep your loan moving forward. You'll always be up to date with details about the next steps and how you can help ensure a smooth loan process.





# WHAT MORTGAGE IS RIGHT FOR ME?

Understanding the mortgage process is one of the most overwhelming but important parts of buying a home. There are various options to choose from, and it's important to work with your lender who will keep your best interests in mind.

### LOCATION

What main areas do you want to live in? What school districts are important to you? What public features do you want nearby? Have a good idea of the location you'd like to move to and find a realtor who knows the area and surrounding housing market well.

### MUST-HAVES

Make a list of the home features that you "need" or wanted in a new home. It's your realtor's job to show you homes that match your price range but also accommodate your must-have items (like yard size, floor plan requirements, square footage, etc.).

### TIMING

When do you want to move? Do you have upcoming milestones, such as marriage, a baby on the way, or wanting to be settled before school starts? Understanding your own timeline will be helpful for your agent to determine the speed needed to conduct the house hunt.

### REPAIRS OR REMODEL?

Are you interested in buying first and then remodeling? Understanding the amount of additional work you are willing to do on your home will be helpful for your agent to match the condition of the home with what you have in mind.

### IMPORTANT QUESTIONS

To determine what mortgage structure may work for you, try asking yourself:

- ➔ Do I plan to be in my home for more than 10 years?  YES  NO
- ➔ How quickly do I want to pay off my mortgage?  
\_\_\_\_\_
- ➔ Do I expect my income to increase in the coming years?  YES  NO
- ➔ How will my cash flow change in the coming years? \_\_\_\_\_
- ➔ How will new life milestones impact my cash flow? \_\_\_\_\_
- ➔ Do I want lower payments during my first few years as a homeowner?  YES  NO

Knowing the answers to these questions will help your lender hone in on what type of mortgage is best for you, like an adjustable or fixed rate.



# LOAN PROGRAMS

## →VA

- » **100% financing for service members!**
- » **No mortgage insurance!**
- » Credit scores down to 580 accepted
- » The seller can pay up to 4% of the sale price toward their closing costs — total concessions may exceed 4% depending on type
- » No penalty fee if you pay off the loan early — funding fee waived for disabled veterans
- » Closing costs are limited by the VA
- » Can be reused for future VA loans

## →USDA

- » No down payment required, and closing costs can be financed into the loan amount
- » A 30-year fixed-rate mortgage
- » No max loan amount (must qualify)
- » Up to 6% seller concessions allowed
- » Single family homes, townhomes and manufactured homes allowed
- » Lower credit scores accepted — must meet property eligibility and income requirements

## →CONVENTIONAL

- » Down payment as low as 3% with HomePossible® and HomeReady® programs
- » Loan terms from 10–30 years
- » Fixed rate is great if you plan to live in the home for more than 7 years
- » Adjustable rate (ARM) is great if you'll live in the home for less than 7 years
- » ARMs available with 3/1, 5/1, 7/1, and 10/1 fixed periods where your rate stays the same

## →FHA

- » Only 3.5% down payment required — great for first-time homebuyers
- » Mortgage insurance is required
- » Available with a fixed or adjustable rate and terms from 10–30 years
- » Credit scores down to 580 accepted
- » The seller can pay up to 6% of the sale price toward the closing costs
- » A parent or relative can be a coapplicant on the loan with you to help you qualify
- » FHA 203(k) loan available for homes requiring rehabilitation

## Two Common Mortgage Misconceptions

### 20% Down Payment Misconception

The greatest barrier to homeownership in America is the down payment. Many people think 20% is required to buy, but options with lower down payment requirements are available. State housing agency programs and other gifts and grants may be available that provide funds to use toward your down payment and closing costs. Some programs can be coupled with other low down payment loan programs, like FHA and VA.

### High Credit Score Misconception

Knowing what kind of shape your credit is in can give you an idea of what kind of loan you may qualify for and what your down payment may be. Many people think that they need to have an excellent credit score in order to qualify for a home. This is simply not true. One of the best loan programs for someone with a lower credit score is an FHA home loan. You only need a 580 credit score or higher to qualify for a down payment of just 3.5%.





# WHAT DO YOU WANT?

These general statements will help direct you to a purchase product that might be right for you. Simply complete the statement with an option that best fits what you're looking for. A licensed loan officer will work with you to determine a program that will fit your needs and financial situation.

## *I want to buy a home, and I...*

### **... AM A VETERAN**

If you're a veteran, then a VA home loan, insured by the U.S. Department of Veteran Affairs, can provide favorable terms, including up to 100% financing with no mortgage insurance. You don't need to be a first-time home buyer and you can reuse the benefit.

### **... WANT STABILITY IN PAYMENTS AND RATE**

If you're looking to budget for a loan payment that won't change as market rates change, then a fixed rate mortgage might be for you. You'll have the security of knowing what your payment will be throughout the life of the loan.

### **... WANT A LOW INTEREST RATE AND PLAN TO LIVE IN THE HOUSE FOR A FEW YEARS**

If you're looking for a rate that may be initially lower than a fixed rate mortgage or don't plan on living in your home long-term, then an adjustable rate mortgage might be right for you.

### **... WANT A PROPERTY THAT NEEDS RENOVATIONS OR IMPROVEMENTS**

If your dream home is a fixer-upper or one that needs improvements, then an FHA 203(k) may fit your need to combine a home loan and qualified improvement costs together into one payment.

### **... WANT A LUXURY OR HIGH-PRICED PROPERTY**

More expensive or luxury dream homes often require loans that exceed the limit of a conventional home loan. A Bay Equity jumbo mortgage can provide up to \$3 million in financing to help you secure your home purchase.

### **... AM LOOKING FOR A LOW DOWN PAYMENT**

Bay Equity Home Loans offers many low down payment programs. An FHA home loan, which is insured by the Federal Housing Administration, has a 3.5% down payment requirement. FHA loans can benefit first-time homebuyers who may need a co-signer on the loan or have less than perfect credit. USDA and VA home loans also offer low down payment options for qualifying borrowers.

### **... WANT A HOME IN A RURAL AREA**

Through a USDA rural home loan, purchasing a home in a designated rural area can provide the benefits of 100% financing, flexible credit requirements and the security of a fixed rate.



# HOMEBUYING TIPS

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Now that you've initiated the pre-approval process and have an idea of how much you're comfortable spending, make sure you work with a real estate agent you can trust, who has a proven track record and who prioritizes your relationship. Get referrals from family and friends who've been through the homebuying process with a helpful agent.

## → AVOID DUAL AGENTS

A dual agent represents both the buyer and seller in a transaction. This is often a conflict of interest because the agent may not negotiate in the interest of the buyer in order to increase his or her own commission.

## → CHOOSE THE BEST FIT

Before choosing an agent, consider asking the following questions:

- » *How long have you worked in real estate?*
- » *How many sales have you completed?*
- » *Is this your full-time job?*
- » *Have you previously sold homes in the area in which I'll be looking? How many?*



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## Tips During House Hunting

### → MAKING AN OFFER

Keep several factors in mind as you and your real estate agent get ready to present an offer to the seller:

- » *The asking price of the home*
- » *Recent home sales in the area*
- » *Market conditions*
- » *Potential resale value*
- » *Satisfaction with the neighborhood and amenities*
- » *Condition of the home*
- » *How many other prospective buyers are looking at this home*



### → GET A HOME INSPECTION

Inspections are important to help you fully understand the condition of a home. They can also be helpful for negotiations to help drive prices down or have additional services stipulated in the contract.

### → WHEN NEGOTIATING, TAKE THE TIME TO GET COMMITMENTS IN WRITING

During the sales process, a seller may make a variety of verbal guarantees. For example, the seller may promise to fix the roof before move-in or provide all of the kitchen appliances. Make sure this information is included in writing in any agreements you sign. If an agreement is not explicitly written in a contract, the seller is not obligated to abide by it.





# THE RIGHT HOME

Define the type of home you're looking for to make your homebuying process more productive.

### YOUR WISH LIST

Purchase Price Range: \$ \_\_\_\_\_

Monthly Payment Range: \$ \_\_\_\_\_

### PROPERTY SIZE

Property Style: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### PROPERTY TYPE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- Single-family
- Condo
- Townhome
- Multi-family
- Manufactured Home

### FEATURES

# of Bedrooms: \_\_\_\_\_

# of Bathrooms: \_\_\_\_\_

- Family Room / Living Room
- Office
- Formal Dining Room
- Eat-In Kitchen
- Basement / Finished Basement
- Fireplace
- Air Conditioning
- Garage (# of Cars): \_\_\_\_\_
- Landscaping

### LOCATION

School District: \_\_\_\_\_  
\_\_\_\_\_

Other (porch, patio, pool, view, etc.): \_\_\_\_\_  
\_\_\_\_\_



# HOMEBUYER CHECKLIST ✓

House date viewed \_\_\_\_\_

Address \_\_\_\_\_

Asking Price \_\_\_\_\_

## TYPE OF CONSTRUCTION

- Brick
  Stucco  
 Frame
  Other \_\_\_\_\_

## STYLE OF HOME

- Ranch/single story  
 Two story
  Split level  
 Rambler
  Other \_\_\_\_\_

Year Built \_\_\_\_\_

Square Footage \_\_\_\_\_

Lot Size \_\_\_\_\_

Amount of Bedrooms \_\_\_\_\_

Amount of Bathrooms \_\_\_\_\_

## FEATURES AND AMENITIES

- Formal Dining
  Family Room  
 Fireplace
  Garage Stalls \_\_\_\_\_  
 Storage Space
  Laundry Room  
 Large Yard
  View \_\_\_\_\_  
 Office

## UTILITY BILL REVIEW

Natural Gas per Month \$ \_\_\_\_\_

Power/Electrical per Month \$ \_\_\_\_\_

Water per Month \$ \_\_\_\_\_

Real Estate Taxes per Year \$ \_\_\_\_\_

## FEATURES RATING GOOD FAIR POOR

- Location     
 Room Size     
 Layout

## STRUCTURE GOOD FAIR POOR

- Roof     
 Foundation     
 Windows     
 Fireplace/Chimney     
 Driveway     
 Carpet     
 Kitchen     
 Cabinets     
 Appliances     
 Paint

## SYSTEMS GOOD FAIR POOR

- Heating/Furnace     
 Hot Water Heater     
 Water Softener     
 Electrical     
 Plumbing     
 Septic     
 Well     
 Air Conditioner



# HOME PROFILES

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Property Address: \_\_\_\_\_

## PROPERTY LIKES

## PROPERTY DISLIKES

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What does your gut tell you about this house?

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Property Address: \_\_\_\_\_

## PROPERTY LIKES

## PROPERTY DISLIKES

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What does your gut tell you about this house?

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Property Address: \_\_\_\_\_

## PROPERTY LIKES

## PROPERTY DISLIKES

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What does your gut tell you about this house?

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HOME LOANS  
**bay equity**



**THANK YOU**  
We look forward to working with you.



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