

HOME BUYING 101

workbook.



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SCAN TO SAVE CONTACT INFO

Better
Homes
and Gardens
REAL ESTATE

GARY
GREENE

Wanna buy a house?

I know. It can seem like A LOT.

Likeeee what comes first? How much can you afford? How do you know when it's the right one? Will you make a bad financial decision? How do you pick an agent? What's an option period? How do taxes work? What's a title policy? Is escrow an appetizer?

If you're feeling confused and have no idea where to begin, I can help you.

I WANT TO HELP YOU.

It's what I do.

What you're gonna find in here:

- 3 Working With A Realtor®
- 4 Information About Brokerage Services
- 5 A Quick Look At The Process
- 6 Your Budget (How Much You Wanna Spend)
- 7 Exactly What Is In A Monthly House Payment
- 8 Finding A Lender
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- 11 Living Your Best HGTV Dream
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Working with a Buyer's Agent is at no cost to you (FREE!) This is to encourage the use of realtors by buyers. Buyers are encouraged to have agents because sellers do! You wouldn't go to court without a lawyer, would you? Especially if you knew the opposing side had professional counsel—there's no way you would reason that you didn't need your own representation. Buying a house is the same!

As a **certified negotiation expert**, I am skilled in the finesse of making deals happen. Real estate is my full-time career so I'm also an expert at looking at the market, evaluating needs and desires, and I know the process inside and out! The same way you seek out and trust a doctor for a medical need or advice, you seek out a realtor for a real estate need and advice.

Think of a realtor as your **personal concierge**. I do all the setting up, scheduling, door opening, negotiating, and overall make this as much of a red carpet experience for you as possible.

Buying a home is likely to be one of the biggest transactions of your life—why wouldn't you want an expert to take the reigns and guide you (again, for FREE!)

I'm also pretty skilled at hearing what you don't say when you tell me what you are looking for. You know how sometimes, especially when there's a lot of emotion around a situation, it can be hard to find the right words to explain? And how sometimes you like this one thing, yet other times you don't like that same thing? I get it. I hear you. And I can read between the lines and sift through the grey area so you feel seen, heard, and understood.



WHAT ARE YOU WAITING FOR?

CALL ME AND *let's get started.*

281.610.3719

FREE | EXPERT | REPRESENTATION | HOUSE WHISPERER

NOW'S A GOOD TIME FOR ME TO GIVE YOU A FORM I AM REQUIRED TO GIVE YOU, THE IABS:

Texas law requires me to present this form to you to make sure you understand representation. This form binds you to NOTHING, except it's receipt. The minimum duties of a broker are explained as well as general representation: Listing agents have their clients back and Buyer's agents have their client's back. If a buyer is working with an agent and the agent and buyer do not have a signed representation agreement in place, then the agent is bound by law to have any seller's interests before the buyers!

TLDR;
IF YOU DON'T WANNA SIGN A BUYER'S REP AGREEMENT, YOU'RE NOT MY CLIENT AND I'M NOT LOOKING OUT FOR YA! #YIKES



Information About Brokerage Services

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

TYPES OF REAL ESTATE LICENSE HOLDERS:

- # **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- # **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- # Put the interests of the client above all others, including the broker's own interests;
- # Inform the client of any material information about the property or transaction received by the broker;
- # Answer the client's questions and present any offer to or counter-offer from the client; and
- # Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- # Must treat all parties to the transaction impartially and fairly;
- # May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- # Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any coincidental information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- # The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- # Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

BHGRE Gary Greene	475512	brokerage@garygreene.com	(713) 465-6644
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Mark Woodroof	415360	brokerage@garygreene.com	(713) 465-6644
Designated Broker of Firm	License No.	Email	Phone
J J Molaison	460204	jj@garygreene.com	(713)961-1722
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Chelsea Wingardh	712829	hello@chelsea-realtor.com	(281)610-3719
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials _____ Date _____

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

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 Chelsea Wingardh Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com bb

A QUICK LOOK AT THE PROCESS

5. Financing Due Dilligence

Your lender will want to make sure that they want to buy the house too. Any appraisals, surveys, and other requests from the lender will be completed until we hear we are "clear to close!"

4. Option Period

Now we take a deep look into the house and make sure it's the house you think it is! This is when you'll get inspections done and see if there are any necessary repairs. It's also a good idea to start shopping home insurance. At the end of the option period, you can walk away for any reason, renegotiate, or continue with the purchase. If you walk away, your earnest money is returned to you, and the seller keeps the option money.

6. Closing Day!

We'll do a final walk through in the days before closing to make sure all requests stipulated in the contract have been performed and all is as promised. A ton of papers will be signed, we'll take pictures for the 'gram, and then you'll be handed keys to your new home!

1. Get Pre-Approved

There's nothing worse than shopping without knowing what you can spend! More importantly, when you submit an offer you will need to attach your pre-approval letter to prove to the seller you have the ability to purchase their home. Cash buyers need to submit proof of funds with offers.

2. Find 'The One'

We can go look at as many homes as you like! You'll want to have an idea of what will fit your needs, what completes your dreams, and what is most important to you!

3. Make An Offer

We submit an offer in contract form. We can get 1 of 3 responses from the seller: acceptance, rejection, counteroffer. When accepted, we must provide 2 checks: 1 for the option period and 1 for the earnest money.



YOUR BUDGET (HOW MUCH YOU WANNA SPEND)

You can get a pretty good idea of what you can afford by checking out online mortgage calculators and playing with numbers until you get to your ideal monthly payment. The variable you can't control is the interest rate. Until you are working with a lender, just google your local market's going mortgage rate and remember that rates depend on many factors, such as down payment amount, loan term, loan type (conventional, FHA, VA, USDA), and sometimes even the lender. It's a good idea to start shopping around very early on and establish a lender relationship that you trust and feel comfortable with.

COMMON UPFRONT COSTS:

Earnest Money

estimate 1% of purchase price

General Inspection
approx. \$500

Option Money
varies, estimate \$200

Closing Costs
estimate 2% of purchase price

Portion of prepaid taxes or HOA fees

These estimates are just that, estimates. When you have a lender and a general idea of location, it is easier to exactly calculate these numbers.

Deciding how much to put down...

You don't have to put 20% down on a home like our parent's used to! There are loans available with little (talking 3.5%) and even NO downpayment. There may even be local programs that offer down payment assistance (they give you the money for free).

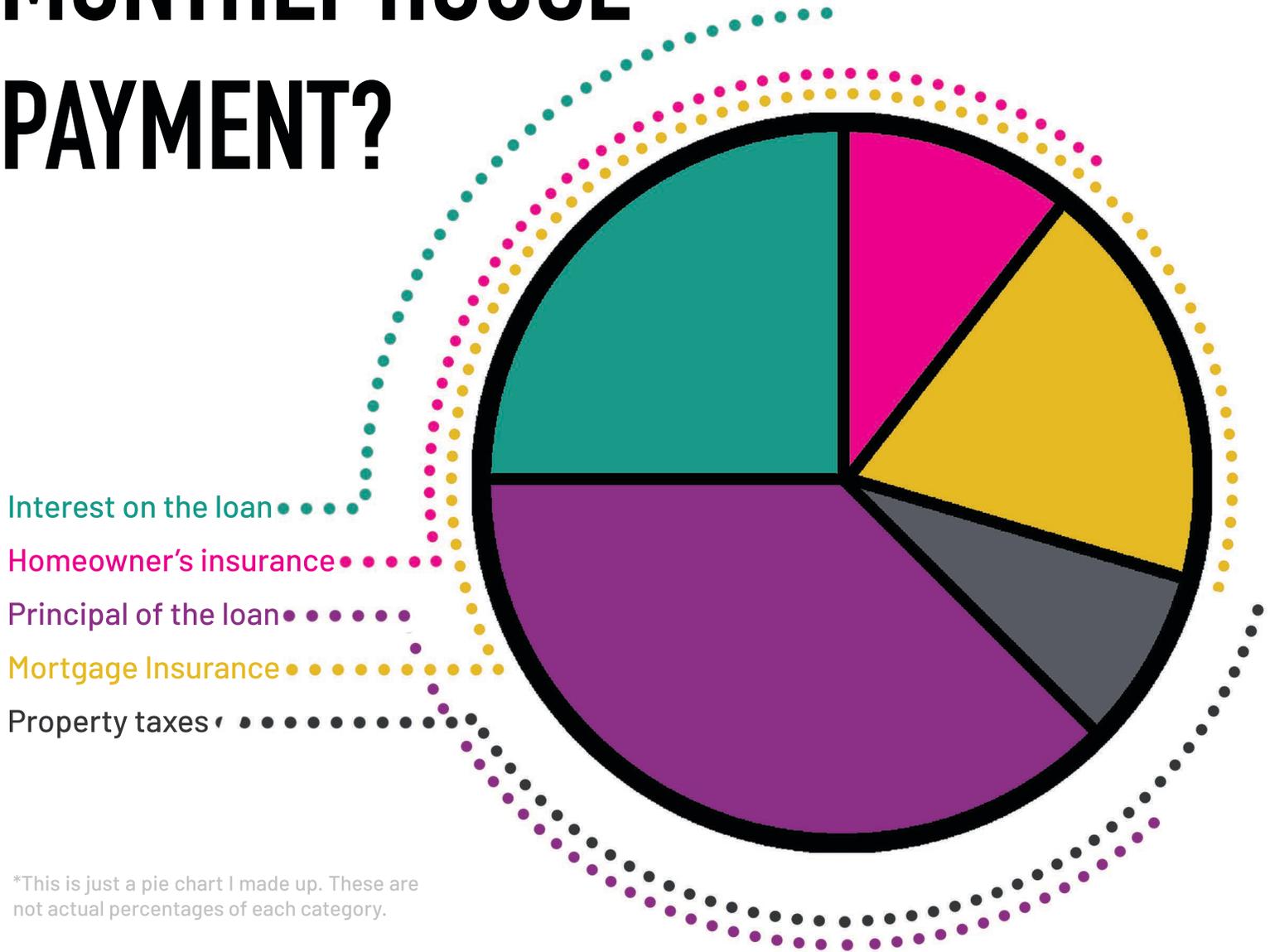
Putting less money down upfront will give you a higher monthly payment because you have to pay a larger loan amount and because you usually pay more in interest. Mortgage insurance is also commonly required on loans with less than 20% down.

A loan officer is who you want to connect with to help answer these questions and guide you.

SCAN THIS CODE TO GO DIRECTLY TO MY ONLINE MORTGAGE CALCULATOR!



WHAT GOES INTO A MONTHLY HOUSE PAYMENT?



WHAT DO YOU WANT YOUR TOTAL MONTHLY PAYMENT TO BE?

\$

HOW MUCH ARE YOU PUTTING DOWN?

\$

FINDING A LENDER

As your realtor, I can provide lender referrals for you. You can also contact your bank, local credit unions, private mortgage banks, and independent loan officers. Ask friends and family who they used to help with their home loan. You want to make sure this is a person you feel comfortable with, as you are about to send them all of your most intimate identity and financial information.

You gotta have the pre-approval letter

When you have found *the house* and you are ready to put it an offer, you will need to include your pre-approval letter in order to be taken seriously by the seller. Time is money in real estate! While you are scrambling around to submit documents, someone else who has their pre-approval ready may be submitting an offer and you may lose out due to timing! It's an unnecessary tragedy when that happens and completely preventable; Get a pre-approval.

START GATHERING YOUR PAPERS!

- W2, pay stubs &/or verification of employment
- Copies of ID
- 1099 if self-employed
- Rental history proof if currently renting
- Bank statements
- Mortgage statement if you are already in a mortgage
- DD 214 for veterans

It's possible there may be additional documents you need to provide to your lender.

HERE'S A GOOD IDEA:

Request your credit report from all 3 of the credit bureaus (Equifax, Experian, and TransUnion). Analyze each report for accuracy, and fix any errors you find!

WHAT IF I'M A CASH BUYER?

That's great! Just be ready to provide proof of funds when you want to put in an offer.

START WITH WHERE YOU WANNA LIVE

Now we're ready to really begin looking at houses! Start with knowing which parts of town and specific neighborhoods you want to live in. Consider schools, crime ratings, flood zones, and anything else important to you.

DO YOUR RESEARCH:

The sites listed below have been helpful for my clients as they research neighborhoods. As a Realtor®, it is a violation of the Fair Housing Act (1968) for me to point you in the direction of "good schools" or "safe areas." After you've done your own research, the next best thing to do is drive around the areas that interest you. Visit morning, noon, and night—imagining yourself living there. Are you comfortable? Happy? Feel at home? Visit grocery stores, parks, fitness centers, community and religious centers, and even restaurants! Think of it like trying on an outfit at a store—except you're trying on a neighborhood in real life.

Schools

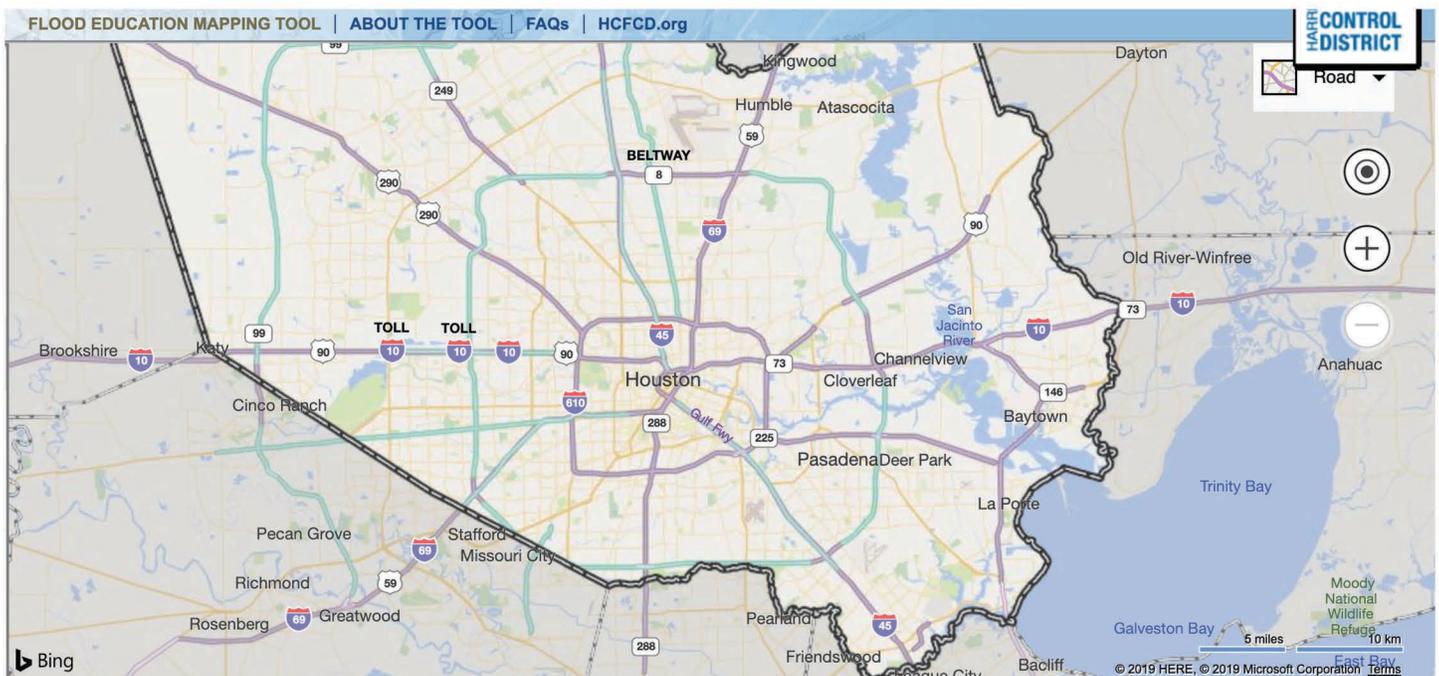
www.niche.com/k12/rankings/
www.greatschools.org/
www.schooldigger.com/

Crime

www.houstontx.gov/police/cs/

Flood Zones

www.harriscountyfemt.org/flood.walterpmoore.com/



WHAT IS *everything* YOU WANT IN YOUR NEW HOME?

_____ # bedrooms
_____ # bathrooms
_____ # floors
_____ # square feet
_____ \$ HOA/mo

_____ type of flooring
_____ floorplan concept
_____ yard space
_____ year built
_____ gas/electric

Gotta have

Nice to have

MY BUYER'S GOAL WORKSHEET IS KINDA HANDY!



LIVING YOUR BEST HGTV DREAM

*make copies of this page to make your life easier

IT DOESN'T TAKE LONG FOR THE ALL THE HOMES YOU SEE TO BLUR TOGETHER. TAKE NOTES, TAKE PICTURES, AND ASK QUESTIONS.

ADDRESS:	PRICE:	OVERALL:
LOVED:	HATED:	1 2 3 4 5 6 7 8 9 10

ADDRESS:	PRICE:	OVERALL:
LOVED:	HATED:	1 2 3 4 5 6 7 8 9 10

ADDRESS:	PRICE:	OVERALL:
LOVED:	HATED:	1 2 3 4 5 6 7 8 9 10

ADDRESS:	PRICE:	OVERALL:
LOVED:	HATED:	1 2 3 4 5 6 7 8 9 10

ADDRESS:	PRICE:	OVERALL:
LOVED:	HATED:	1 2 3 4 5 6 7 8 9 10

ADDRESS:	PRICE:	OVERALL:
LOVED:	HATED:	1 2 3 4 5 6 7 8 9 10

PUTTING IN AN OFFER

You've found the house you want, and it's time to put in an offer! Wahoo! We submit an offer in contract form. The seller will give us one of three responses: **acceptance, rejection, or counter offer.**

How much should you offer?

I will provide you with comparable home sales to determine a best offer strategy for you. We'll take a look at things like the percentage of sold price to list price, days on market, and all other relevant sales data for the recent comparable home sales.



- REVIEW COMPARABLE MARKET ANALYSIS
- DECIDE WHAT PRICE YOU ARE COMFORTABLE WITH
- SUBMIT OFFER WITH CHELSEA (YOUR REALTOR[®], DUH)

After the seller and you agree on a contract, you'll write a check to the title company for the earnest money and you'll write a separate check to the seller for the option money; **Both checks are due within 3 days.**

Now we take a deep look into the house and make sure it's the house you think it is! This is when you'll get inspections done and see if there are any necessary repairs. It's also a good idea to start shopping home insurance and get quotes for any renovations or remodeling you anticipate. At the end of the option period, you can walk away for any reason, renegotiate, or continue with the purchase. If you walk away, your earnest money is returned to you, and the seller keeps the option money

DATES TO REMEMBER

___/___/___ Earnest & Option checks due
___/___/___ Option ends (at 5PM)
___/___/___ Inspection
___/___/___ Appraisal
___/___/___ Closing!
___/___/___
___/___/___
___/___/___
___/___/___

OPTION CHECKLIST

- General Inspection
- Special Inspections?
- Lender has been notified
- Home insurance research
- Utilities research
- Renovation/Remodel quotes
- Any re-negotiation plans?
-
-

THIS IS NOT SHOPPING TIME. DO NOT BUY A CAR, A DIAMOND, OR NEW FURNITURE. DON'T USE YOUR CREDIT CARDS MORE THAN USUAL. DON'T CHANGE YOUR CREDIT OR FINANCIAL STANDING IN ANY WAY OR YOU MAY LOSE YOUR FINANCING...AND THE HOUSE!

FINANCE PERIOD (JUST WAITING NOW)

Your lender is ordering the appraisal and generally getting the loan approved. Pretty much, your lender wants to make sure that they want to buy the house at the price you're buying it at too.

The title company is ordering the survey and performing the title search to make sure there are no other claims to ownership or liens on the property.

“Clear to Close”

We are waiting for these three final words! We'll have our final walk-through at the house to make sure any repair requests have been completed and everything is as it should be.

WHAT HAPPENS AT THE CLOSING TABLE

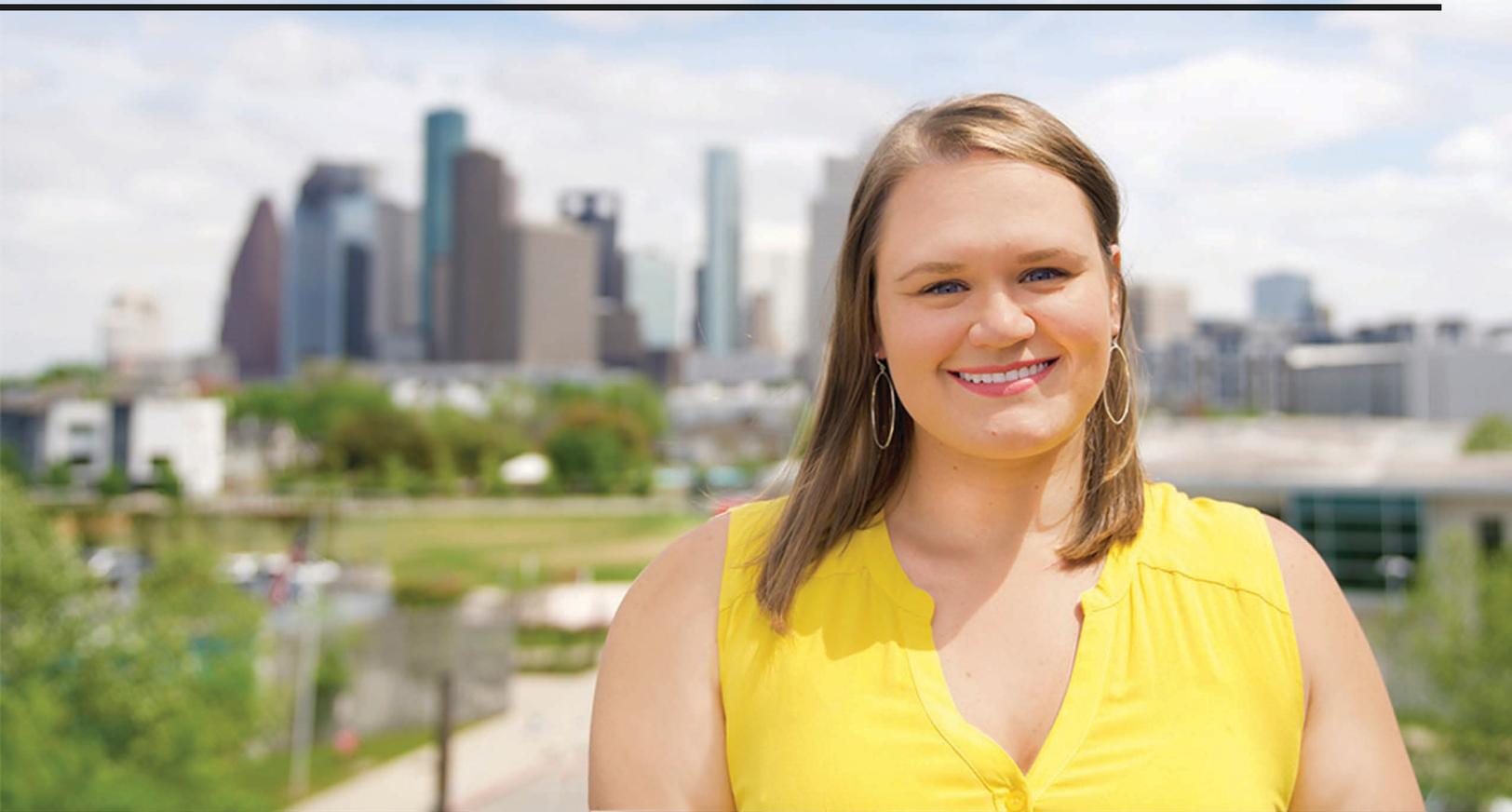
You sign approximately 345 pieces of paper.

You get the keys.

We take pictures for the 'gram.

YOU OWN A HOUSE NOW!!!

THANK YOU! WANT MORE STUFF?



I hope you feel less stress and more excitement towards your home buying process! My goal is to empower you with knowledge and arm you with the tools to have as smooth of a real estate experience as possible.

It is completely my pleasure and honor to help you, if you have any questions or need additional information, call or text me anytime: [281.610.3719](tel:281.610.3719)

If phone-talking isn't your thing, send me an email at hello@chelsea-realtor.com

And, if you're not ready for more human-interaction yet, I have even more resources available to help you at www.chelseaisyourrealtor.com



Chelsea
IS YOUR REALTOR