



**RICHMOND COUNTY
MORTGAGE**



WELCOME HOME

The Ultimate Guide to
Buying Your Home





CREATE A BUDGET



Monthly Take Home: \$8,800

Car Payment	-\$350
Tolls	-\$200
Utilities	-\$300
Gas	-\$250
Food	-\$1,500
Insurance	-\$200
Cell Phone	-\$200
Miscellaneous	-\$800

Balance for housing is \$5,000.

Put your budget to the test.

\$5,000 - \$2,500 = +\$2,500

New Housing Budget - Current Rent

**Deposit the difference into your savings
account for payment practice.**

This step will give you a good idea of the mortgage payment
you can comfortably afford and increase your savings.



FINANCIAL COMFORT ZONE



Monthly Home Payment: \$5,000

Taxes

-\$500

PMI/MIP

-\$150

Insurance

-\$150

Common Charge

-\$100

Monthly Principle and Interest \$4,100

$$\begin{array}{ccc} \text{P \& I } \$4,100 & = & \frac{\$648,600}{\text{Mortgage}} \\ \text{30 Year Mortgage at 6.5\%*} & & \end{array}$$

$$\begin{array}{ccccc} \$648,600 & + & & = & \\ \text{Mortgage} & & \text{Down Payment} & & \text{Purchase Price} \end{array}$$

* 6.5% interest rate is for illustration purposes only, current rates may be different.



GETTING PREQUALIFIED



CREDIT

Equifax	Transunion	Experian
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What determines your credit score?

- Inquiries
- Bankruptcies
- Balances
- # of accounts
- Timely payments
- Age of accounts
- Delinquencies



INCOME

Sources of Income

What are sources of income?

- Employment (salary and overtime)
- Rental income
- Pensions
- Social Security
- Interest



Ratios

Front ratio is a percentage of your monthly housing expense as it relates to income. **Back ratios** are your monthly housing expenses + debts as it relates to income.

Assets

- Assets are the funds used for down payments and closing costs.
- Down payments can be as low as \$0.
- Assets can be your own money, gifts, or even borrowed funds.





SELECTING A REAL ESTATE AGENT



Look for these qualities when selecting a real estate agent.



HONEST & TRUSTWORTHY

According to the NAR 2024 Home Buyer and Seller Generational Trends Report, honesty and trustworthiness are the most important factors when hiring a real estate professional.

AVAILABILITY

A good buyer's agent should be available to view properties and place offers in a timely manner.



COMFORTABLE

You want to ensure you are comfortable communicating with your real estate agent. You are making one of the most important decisions of your life, and you want your real estate agent to be there for you through the process.

LOCAL

Look for an agent located in the area you want to live. They may have knowledge and insight on things you need to know before you move.





REPRESENTATION



BUYER'S AGENT

A buyer's agent has the fiduciary and legal responsibility to you and represents your best interest.



SELLER'S AGENT

While a seller's agent must treat you honestly and fairly, their fiduciary responsibility is to the seller and the seller's best interest.



DUAL AGENT

A dual agent represents the seller and the buyer. A dual agent must treat both parties honestly and fairly and not disclose any buyer or seller information to either party. The dual agent must obtain signed informed consent from all parties.





REPRESENTATION AGREEMENT



Your buyer's agent will require you to sign a buyer representation agreement.

The fee for this service charged by the buyer's agent can be paid by the seller, listing agent, or you.

BUYER REPRESENTATION AGREEMENT

1. The Parties. This Buyer Representation Agreement ("Agreement") made on _____ is by and between:

Buyer: _____ ("Buyer") with a mailing address of _____ and _____

Broker: _____ ("Agent") of _____ ("Broker") with a mailing address of _____

Collectively, the Buyer, Agent and Broker shall be referred to as the "Parties".

If for any reason the Agent is not able to fulfill his/her duties under the terms and conditions of this Agreement, another agent from Broker may be appointed during the period of this Agreement. Any person or entity with whom the Buyer enters into a contractual agreement for the purchase of real estate shall be referred to as a "Seller" in this Agreement.

2. Services Provided. Buyer hereby agrees to hire the Agency on an: (check one)

Exclusive Basis. To accept the terms of this Agreement and communicate with the Broker on an exclusive basis in an effort to assist the Buyer in acquiring real property through either purchase, option, exchange, trade, or lease. The Brokerage Commission, under an exclusive basis, is due and payable even under the circumstance the Buyer acquires real property on his/her own without the assistance or involvement of the Broker or with the assistance of another Real Estate Brokerage Firm.

Non-Exclusive Basis. To accept the terms of this Agreement and communicate with the Broker on a non-exclusive basis in an effort to assist the Buyer in acquiring real property through either purchase, option, exchange, trade, or lease. The Brokerage Commission, under a non-exclusive basis, is due and payable only if the Buyer acquires real property with the assistance and involvement of the Agency. In the event the Buyer purchases any real property that has not been introduced to the Buyer by Broker, the Broker shall not be due a Commission. Buyer is a party to _____ (insert number) active, non-exclusive buyer-broker representation agreements.

3. Broker's Efforts. Broker will exercise good faith efforts to: (a) locate and present suitable properties to Buyer; (b) tour and prepare detailed analysis of specific properties, per Buyer's request; (c) help Buyer prepare, negotiate, and secure a contract to purchase one or more properties; (d) and cooperate with any real estate licensee working with the seller, if any, to facilitate and complete Buyer's purchase of the property.

4. Financial Records. Buyer agrees to provide financial information to the Agent as may be required by a Seller when submitting an offer to purchase property. The buyer recognizes that ultimately it is his/her sole responsibility to verify any and all information provided to the Agent. Furthermore, Buyer agrees to indemnify and hold the Agent/ Broker harmless from any and all loss, cost, expense, damage or claim arising out of this Agreement, including without limitation, liability resulting from incomplete or inaccurate information provided to Agent/Broker.

New York State Disclosure Form for Buyer and Seller

function as the seller's agent representing the interests of and advocating on behalf of the seller in the negotiations between the buyer and seller. A designated sales agent cannot provide the full range of fiduciary duties to the landlord or tenant. A designated sales agent cannot provide full range of fiduciary duties to the buyer or seller. The designated sales agent must explain that like the dual agent

under whose supervision they function, they cannot provide undivided loyalty. A buyer or seller should carefully consider the possible consequences of a dual agency relationship with designated sales agents before agreeing to such representation. A seller or buyer provide advance informed consent to dual agency with designated sales agents by indicating the same on this form.

This form was provided to me by _____ of _____
(Print Name of Licensee) (Print Name of Company, Firm or Brokerage)

a licensed real estate broker acting in the interest of the:

☐ Seller as a (check relationship below)

☐ Seller's Agent

☐ Broker's Agent

☐ Buyer as a (check relationship below)

☐ Buyer's Agent

☐ Broker's Agent

☐ Dual Agent

☐ Dual Agent with Designated Sales Agent

For advance informed consent to either dual agency or dual agency with designated sales agents complete section below:

☐ Advance Informed Consent Dual Agency

☐ Advance Informed Consent to Dual Agency with Designated Sales Agents

If dual agent with designated sales agents is indicated above: _____ is appointed to represent the buyer, and _____ is appointed to represent the seller in this transaction.

(I) (We) _____ acknowledge receipt of a copy of this disclosure form:

Signature of ☐ Buyer(s) and/or ☐ Seller(s):

Date: _____

Date: _____



SELECTING A HOME



The first step is to separate your wants from needs.



WANTS	NEEDS
6 BDRMS 4 BTHRMS	2 BDRMS 1 BTHRMS
Pool	Back Yard

Your goal should be to get your foot in the door and invest in a home that you can afford comfortably.

Location is an important aspect to consider when looking for a home. Research the area you are interested in. Consider work commute, schools, shopping, transportation, parks, etc.



Another aspect to consider is what time frame you have to purchase a new home and move in. If you have kids, you may want to think about buying before their schools start.



VIEWING HOMES



When viewing homes with interest to buy, view with an open mind.

Look beyond things like clutter, furniture, etc.



Consider the layout and size of rooms to see if it fits your family's needs and lifestyle.



Location
Location
Location

According to the 2024 NAR Profile of Buyers & Sellers, homebuyers prioritized the quality of neighborhood (59%) and convenience to friends and family (45%), when choosing a neighborhood.





MAKING AN OFFER



It is essential to discuss your potential offer with your real estate agent and let their experience work for you.

Your real estate agent may answer questions like

- How many days has the home been on the market?
- Are there any other offers?
- What are the comparable sales?

The second important task is having a complete offer.

A complete offer includes:

- An offer to purchase that clearly states your price, terms, and considerations
- Proof of assets
- Prequalification

Sellers may appreciate a complete offer and prefer your offer over others.



Don't be discouraged!

Our experience tells us that in a typical seller's market, you may lose three deals before your offer is accepted.

Ultimately, you will end up in the house you were meant to have.





HOME INSPECTIONS



Choose an inspector who is

- professional,
- available, and
- knowledgeable

You may have questions and you should feel comfortable approaching them with any questions.

When you schedule a home inspection, be sure that you are available for it.

The home inspector may point things out that are not in the report.

Some of the information may be tips and suggestions as you are a new homeowner.



Don't panic when you receive the inspection report. It will be big.

The inspector will give you a lot of material to go over with your real estate agent that will include everything that is wrong with the house and everything that can potentially go wrong in the future.



HIRING AN ATTORNEY



We recommend getting a local attorney.

Usually, every area and town has local rules and laws that you may not be familiar with.

A local attorney who is knowledgeable in all the local rules and regulations will be a great option.

Be open with your attorney about your questions and concerns and allow them to give you answers and options.



The home is not off the market until all parties have signed the contract.



Once you sign the contract, you are legally obligated to buy the home.

You will also deposit up to 10% of the purchase price into the attorney's escrow account, which should be subject to you getting a mortgage and clear title to the home.



MORTGAGE APPLICATION



Your bank will likely require some of the following to submit your mortgage:

- Photo ID
- Contract of Sale
- W-2s/1099
- Tax Returns
- Paystubs
- Pension, or social security award letters
- Assets used to purchase the home by collecting two months of bank statements
- Gift Letters



Once your loan officer has received all of your documents, your file will be submitted to an underwriter for approval.

When approved, the bank will issue a commitment to lend you the money. They will order an appraisal to confirm the value and clear and open conditions.





TITLE SEARCH & TITLE INSURANCE



Your attorney will select an abstract company to run a title search on the home.



A title search checks all of the public records for liens, judgments, building violations, etc., to ensure a free and clear title to the property.

Title insurance is the only insurance purchased for the past and covers any discrepancies that may have been missed in the public records check process.

While title insurance is optional, in over four decades of experience, we have never had a client not purchase title insurance, and we recommend it to all our clients.





CLOSING



Closing is when you get the property deed and the keys to the house and officially become a homeowner.



Stay calm and focused. Listen to your attorney and if there is anything you don't understand, ask questions.

It is imperative that you not sign anything without understanding it first.

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When the attorney gives you the closing documents to sign, you want to ensure that everything agreed upon is included.

For example, it's vital to verify that the terms, rates, payments, and expectations of each party are correct.

Once you are satisfied, it is time to move forward, sign, and get the keys to your home.





MICHELE CATANIA



**RICHMOND COUNTY
MORTGAGE**

*Our hands-on approach and constant
contact with each borrower make the
mortgage process seamless.*

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