

LET'S FIND YOUR DREAM HOME, **TOGETHER**



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Hi, It's Ginny!

Buying a home is one of the biggest decisions of your life. That's why you need an expert on your team to help you navigate the process from beginning to end.

When it comes to real estate, there's a lot you might not even realize you need to think about. That's where my experience and expertise come in.

My role is to be the real estate advocate and guide you need as i help you map out a plan, make sure you understand the process, reduce your stress and even make sure you have a little fun along the way!

I'm here to walk you through every part of finding and buying your dream home.

Let's Go!

7 Steps to Buying Your Home

1

FINANCES

- Contact a lender to obtain a pre-approval
- Proof of funds needed for cash purchase

2

HOME SEARCH

- Review properties online
- Schedule showings
- Attend open houses

3

OFFERS & NEGOTIATIONS

- Submit an offer
- Negotiate Terms (price, Earnest Money, Closing Date, and contingencies)

4

INSPECTION PERIOD

- Conduct inspections and resolve any issues

5

FINANCING PERIOD

- Complete loan application process
- Appraisal
- Obtain Home Insurance

6

PREPARE TO CLOSE

- Title search done by title company
- Survey of property provided by seller
- receive your closing statement and wire funds,

7

CELEBRATE - IT'S CLOSING DAY!

- Final walkthrough of property
- sign documents and get keys!

FINANCES

The very first step in the home buying process is to obtain a pre-approval from a lender - or proof of funds for a cash purchase. We will need this document to send with any offer we make on a property.

FINANCING - Getting a pre-approval

A pre-approval is a written statement from a lender confirming that a borrower qualifies for a specified loan amount and lets the seller know that you are a good candidate for financing, which puts you in a stronger negotiating position.

CASH

You will need a proof of funds to supplement any offers. You can acquire a proof of funds from your financial advisor or your banker to show that you have a balance that meets the purchase price.

My Recommended Lender



Mary Gill, Key Mortgage
630-886-7258
mary.gill@mykeymortgage.com

Questions to ask your lender:

- What will my interest rate be?
- Will I qualify for any down payment assistance programs?
- What type of loan is right for me?
- When can you lock in my rate?
- What fees can I expect from you?
- What will my closing costs be?

Home Search

We'll make sure you won't miss out on any homes

- Automatic search set up on Multiple Listing Service (MLS), the database that Realtors use to list and search for homes. The moment a home that fits your search criteria is listed for sale, it will be sent to your email inbox.
- Search for coming soon properties on the Private Listing Network
- Visit open houses
- New Construction visits
- Any apps you prefer to use, please send me houses of interest

Ginny's tips for finding the right home

- Consider the life style you're looking for. Does this home accomplish this?
- Look past easy-to-fix details like décor and paint colors. EASY fix!
- Location, Location, Location - a good location will make your home more valuable in the future.
- Pay attention to what's happening in the community where you're looking. Are home values rising or declining? Are businesses booming or closing?
- If you have to resell soon, don't buy an unusual house.
- Brand new homes may be lower in maintenance costs, but can be higher in up front expenses.
- There are no perfect homes. Is this home 85% perfect? 90%? Know what's most important to you and "give" on those things that aren't.
- Vacant homes appear larger than they are. It may be a good idea to measure to make sure your furnishings are going to fit.
- You'll know the right home for you when you see it and it will have very little to do with logic. (I have seen this a million times!)

GINNY'S TIPS ON WHAT TO LOOK FOR WHILE VIEWING HOMES

As you narrow in on a potential home it is important to consider the following:

- Age of home
- Age of Furnace
- Age of A/C
- Age of hot water tanks
- Age of windows
- Age of roof
- Windows functioning?
- Doors working?
- Open/close garage door
- Signs of flooding
- Sump pump back up?
- Check water pressure
- Condition of deck
- Cedar siding
- Chimney
- Nest, Ring - take note of these

MAKE AN OFFER

When making an offer on a home we will need these 5 pieces of information:

PRE-QUALIFICATION LETTER OR PROOF OF FUNDS

OFFER PRICE: I will help you determine the property's fair market value to be sure you do not overpay for the home.

EARNEST MONEY

Usually 1% of purchase price

FINANCING AMOUNT IF GETTING A MORTGAGE

What percentage of the price are you financing, and how much are you putting down.

CLOSING DATE

If you're getting a mortgage, this is typically 30-45 days from acceptance of offer. This will be the day the keys are handed over from seller to buyer.

WHAT IS EARNEST MONEY?

Earnest money is also known as a "good faith deposit". It is typically 1% of the purchase price that you put down upfront to show the seller you are serious about the purchase. The higher the amount, the more attractive the offer is to the seller.

Where does it go?

As soon as we have an executed contract, you have approximately 3 business days to get the Earnest Money deposit to the listing brokerage or title company, whichever is stated on the contract. They hold it up until closing, then it will be deducted from your balance due at closing. It is always YOUR money.

GINNY'S TIPS FOR HANDLING A MULTIPLE OFFER SITUATION

Nothing is more frustrating than finding the perfect home, then finding out that someone else thinks it's their perfect home too!

There are many different techniques we can use to make your offer as attractive to the sellers as possible.

- Make a higher offer
- Have your pre-approval letter or proof of funds in hand. You may have a great offer to submit, but if you can't back it up with proof you are qualified to purchase the home, the seller may just move on.
- Have your lender call the listing agent when making offer.
- Make a cash offer if you are able. If not, make as large as a down payment as possible, and use a lender that communicates effectively with all parties.
- Keep your offer clean and simple. Don't ask the sellers for concessions.
- Increase the amount of your Earnest Money deposit. This signals to the sellers that you are serious about your offer.
- Offer flexibility with your closing date. Convey through your agent that you are willing to adjust the closing date to suit the seller's needs.
- Offer a lease back to seller if they need to stay in the home longer after close.
- Consider taking home "as is". This means you are still entitled to an inspection, but will not be asking for minor repairs.

WE'RE UNDER CONTRACT - NOW WHAT?

Congratulations! We are officially under contract after buyers and sellers have signed the contract.

I will be there every step of the way making sure you meet all required dates and understand every part of the process.

The 10 business days after contract acceptance are known as the inspection/attorney review period. You have a period of 10 business days to conduct your inspection, renegotiate any terms, or cancel the contract.

Here's what you will do next:

- Schedule a home inspection: Together, with a professional home inspector you will have the home inspected inside and out and from top to bottom. Inspection must be done within 5 business days of contract acceptance
- Turn in your Earnest Money Deposit. You will receive instructions
- Start contacting insurance companies for quotes
- Begin your loan application through your lender
- I will send your contract over to your attorney for review.

Recommended Real Estate Attorneys

Real Estate Attorney: It is crucial that an attorney who specializes in residential real estate reviews your contract, coordinates with your loan officer, works with the seller's attorney, and oversees all of the important documents that you will need to close on your new home. Approximate cost is \$600.

Mark Herrick | 630-210-8781 | mah@ah-lawyers.com

Jamie White | 630-466-1600 | lawyers@jwhite-law.com

INSPECTION PERIOD

During the inspection period, the buyer has the right to hire a professional to inspect the condition of the home. The inspection will uncover any issues in the home that would have otherwise been unknown. The Agent, Buyer and Home Inspector will be present and you can expect this to take 2-3 hours and cost \$300-600 depending on the size of the home.

If the inspection reveals any major problems or health and safety issues, you can ask the seller to:

- Fix the problem
- Give a credit or reduce the price
- Cancel the contract

You will call to schedule your inspection immediately after contract is signed. You will be asked if you would like to do a radon test. The radon test detects the presence of radon, an invisible but dangerous gas that is frequently found in our area. This test costs approximately \$250.

MY RECOMMENDED INSPECTORS

Castle Home Inspections | 630-462-1050 | www.castleinspectors.com

The Inspection Man | 888-690-6903 | www.homeinspectionman.com/

ADDITIONAL INSPECTIONS YOU MAY NEED

- Chimney inspection
- Lead Based Paint Inspection if the home was built prior to 1978

FINANCING PERIOD

OBTAINING A MORTGAGE:

Once any problems during the inspection are solved, it is time to move forward with your loan application - you have 10 business days from the date of contract acceptance to apply. For the next 30-45 days, your lender will be working on finalizing your loan.

APPRAISAL:

If you're getting a home loan, your lender will require an appraisal to make sure the value of the home you are buying supports the loan you are taking, and it protects you from paying more than the home is worth. The appraisal is ordered by the lender and paid for by you at closing. The contract is contingent upon whether the appraisal comes in at the purchase price. If the appraisal comes back short, we will be back to the negotiating table.

HOME INSURANCE:

Your lender will require you to obtain a homeowner's insurance policy. You will need to get the lender this information before closing.

GINNY'S TIP: It is important to not make any major job changes, open a new credit account or take on more debt once you're under contract. Any of these activities could alter your qualifications for a loan.

PREPARING TO CLOSE

TITLE:

The title company will conduct a title search to ensure the property doesn't have any outstanding mortgage liens, judgements, restrictions, easements, leases, unpaid taxes, or any other restrictions that would impact your ownership associated with the property. Once the title is found to be valid, the title company will issue a title insurance policy which protects lenders or owners against claims or legal fees that may arise over ownership over the property. This will also be a part of your closing costs.

CLEAR TO CLOSE:

The magic words! It means the mortgage underwriter has officially approved all documentation required to fund the loan.

SURVEY

Ordered by the seller's attorney and paid for by the seller the survey of your property will be provided to you at closing.

WIRE FUNDS TO CLOSING COMPANY

All final figures will be provided to you by your attorney.

8. CLOSING DAY!

FINAL WALKTHROUGH:

This is typically completed the day of closing to ensure that the repair requests were completed & to ensure the home is in the same condition as previously viewed. Make sure all appliances are in working condition, there is hot water and furnace/ac works.

CLOSE AND GET THE KEYS!

Get excited because it's time to close on your home! This process includes going through all the final paperwork and signing your name (a lot!) Don't forget to bring your checkbook and photo ID.

Frequently Asked ?'s

What is the difference between a pre qualification and a pre approval?

Don't confuse prequalified with preapproved. A lender can prequalify you to buy a house after a quick conversation about your income, assets and down payment. But getting preapproved will take a little more work. A lender will need to verify your financial information and submit your loan for preliminary underwriting. That extra effort will pay off when you begin your home search. A preapproval letter shows your "throw me the keys" level of seriousness as a buyer to sellers.

Imagine a seller, who's eager to move, scanning through buyer offers and finding that you're already preapproved for a mortgage. They'll be relieved and confident you're ready to do the deal!

What does Active vs Contingent or Pending mean?

As you search through home listings, you'll need to understand the difference. Active means the property is currently available for sale. If you see a home status that is pending Pending or Contingent, you'll need to keep looking. That means a buyer has made an offer on the home and the seller has accepted. They just have a few more real estate hoops to jump through before the sale is final.

How much will my closing costs be?

When you close on a house, you must pay for expenses like appraisal fees, home inspections, credit reports and attorney fees. You'll also need to pay for transfer stamps and local taxes, depending on where you buy. Your real estate agent or lender will give you a detailed list of these costs before your closing day. On average, you'll pay 3-4% of the purchase price of your home in closing fees.

How can I purchase my next home when I need the money from the sale of my current home?

Many people need the funds from their current home to purchase their next home. You have a few options:

1. You can make your offer contingent on the sale of your current home. This means that you have not sold your home yet but you will by a specified agreed to date on the contract.
2. You can make the contract contingent on the closing of your current home. This means that you are under contract on your current home and are just waiting for the home to close and you receive the funds. You can typically close both transactions on the same day.
3. See if you qualify for a bridge loan. Speak with your lender regarding this option.