



First Time Homebuyers Seminar Outline

This seminar has been designed to help consumers organize their thoughts in deciding as to when they should purchase a home and how to maintain control through the entire process. The average person obtains information regarding the home buying process through many avenues. The news media, advertisements, friends and family are just a few common sources of information. Although the information is generally presented with the best of intentions, it is quite often inaccurate or simply inappropriate for the specific needs of a particular consumer. Upon completion of this Seminar the consumer will be able to correctly interpret information they are given and be able to move through the purchase process with confidence.

Preparation

Mentally prepare yourself to making the commitment

- Identify the reasons you want to buy a home
- Commit yourself to make whatever compromises or sacrifices that are needed to complete your goal

Obtain a copy of your credit report from all 3 repositories and review them

- Doing it yourself vs. doing it through a professional
- Understanding exactly the influence these reports and the associated scores have on your life
- Identifying and then correcting any errors that may appear
- Finding out what the best course of action is for you to improve the credit scores

Organize and review your monthly expenditures and your monthly income

- Write down all your fixed monthly expenses
- Determine a monthly expense for your variable expenses

- ❑ Check your credit card balances, are they going down, up or remaining the same
- ❑ Analyze the consistency of your monthly income
- ❑ Can you account for where all your money goes on a monthly basis

Identify what issues need to be addressed and implement them

- ❑ Discover why you can't account for where all your money goes each month
- ❑ Identify realistic changes you can make in your lifestyle that will permit you to save more money
- ❑ Identify any possible ways you have available to increase your income

Identify the life changes that accompany becoming a homeowner

Itemize the additional financial responsibilities

- ❑ Compare your current rent with the anticipated new mortgage payment
- ❑ Identify the additional monthly expenses such as heat, water & sewer charges, etc
- ❑ Acknowledge the fact that there will be needed capital improvements on the property at some time in the future
- ❑ If the property is multifamily, the additional issues that involve being a landlord need to be addressed

Identify the lifestyle changes that will occur

- ❑ Changes in your taxes
- ❑ Changes in your commuting costs and/or distance
- ❑ If you have children or other family members living with you, identify the impact the move will have on them
- ❑ If family members are affected, how is that going to affect you
- ❑ Are you expecting to take less vacations or eat out less

List the anticipated benefits of being a homeowner

- ❑ How much do you anticipate the home will appreciate
- ❑ How long do you plan on staying in this home

Develop the timeframe you anticipate to move into your new home

- Are you ready now to start looking
- How much time do you need to be prepared to begin the search

Beginning the search

Discovering the price range of homes you qualify for

- Have a discussion with a mortgage professional to determine what price range you qualify for
- Revisit the budget you developed earlier and determine the maximum mortgage you can comfortably afford

Deciding on what price range of homes you feel comfortable with

- Working with the data you just put together, continue the discussion with your mortgage professional and determine a reasonable price range to work with
- If you have family members that are willing to help you in your purchase now is the time to have a detailed discussion with them

Choosing the general geographical area you would like to live in

- Lists the attributes of a neighborhood that appeal to you
- Prioritize that list
- See what neighborhoods fit the list
- Look to see what your money buys in each one of those neighborhoods

Selecting the real estate agent(s)

- Try to stay with one agent in each neighborhood
- Work only with those agents that respect your needs and are responsive to you
- Always remember the agent is working for the seller except for those who work as a buyer's broker and they will identify themselves as such and in writing
- Don't let them convince you that you need to work only with companies they recommend

Finalizing the search

Focus on the neighborhood that you are most interested in

- Be realistic, you will have to make compromises
- Don't let anyone talk you into buying a more expensive house than you want
- Look at properties both below and above your price range, knowledge is power

View the different styles of home in the area

- You can't know the different feel of one architectural type from another without experiencing it for yourself
- The style of the home is one more thing you need to consider when making your final compromises

Asking prices vs. your perceived value of what's currently on the market

- People can ask whatever they want when they put their homes on the market
- Your "gut feeling" is no more accurate the seller's asking price
- Look with an open mind and don't form any solid opinions yet

Discovering what homes have sold recently, when they sold and at what price they sold at

- The marketplace determines home values
- Ask your real estate agent to give you a list of homes that recently sold in the area, with their addresses and dates they closed
- Drive by those houses

Prepare you offer

- Compare the recently sold properties to the one you are looking to purchase
- Can you accommodate the closing date the seller is looking for
- Objectively view your strengths and weaknesses as a buyer
- Your offer needs to include sales price, contract date, down payment, time to receive your commitment and the tentative closing date

Negotiate the sales price

- Negotiate based on facts, not emotion
- Maintain control of the discussions
- Pick your battles, keep focused on what's important to you and don't allow anyone to force you to accept something you don't want

Completing the transaction

Selecting your attorney

- The attorney is your most important advisor
- A recommendation from a friend or relative is a good source, the real estate agent is not
- If reaching your attorney is a problem or you aren't comfortable talking with him then hire a different attorney
- Be sure to understand his fee structure

Going over the details of the purchase with your attorney

- Don't assume anything, ask questions
- Tell him about any verbal promises that were made so he can confirm that they appear in the contract

Having an engineer's report done

- Sometime after the attorney discusses the details of the transaction with you but before contracts are signed is when this is done
- Be present when the inspection is done so you can have any questions answered

Deciding on what type of mortgage best suits your needs

- Find a mortgage professional that you are comfortable with and have him explain your options and his recommendations
- Don't feel compelled to use the real estate office or anyone they recommend
- Be sure you understand what the costs are
- Don't be afraid to ask questions

Applying for the mortgage



- Supply all the documents that you are asked for in a timely manner
- Understand the lender is investing a large sum of money in you, they need to be sure you are going to live up to your obligation to pay them back
- Don't take the process personally, the lender needs all the facts to make a good business decision

Closing on the sale

- Confirm with your attorney as to what you need to bring to the closing
- Arrive on time and be sure to bring photo identification
- If everyone has done their job properly there should be no issues that need to be addressed at this time

Moving in