

# Home Buying Guide



اهلا وسهلاً

Simple Steps To Finding & Financing Your Home  
[www.homesbykhalil.com](http://www.homesbykhalil.com)

## The Signature Group Realty - Taking it to the next reality

The Signature Group Realty is a full service brokerage, extending far beyond the traditional brokerage firms. We understand that your needs are unique, and we give you the attention you deserve to make sound decisions whether you are selling or buying. Our team of professionals includes leading real estate experts, who are honest and knowledgeable sales associates dedicated to customer satisfaction and the highest business standards.



مركزنا الشامل لبيع وشراء العقارات السكنية والتجارية يرحب بكم ويقدم اسرع وافضل الخدمات لتلبية جميع حاجاتكم وطلباتكم. فريق عملنا ذو خبرة واسعة وسمعة الحسنة.

### Khalil Hachem

Khalil is a licensed realtor specializing in residential and commercial real estate in Southeast Michigan. He truly loves working in the real estate industry, and his energetic and optimistic approach paired with his commitment to integrity and professionalism are the keys to his success. Khalil is a customer-driven realtor dedicated to achieving results and providing exceptional service with utmost integrity. With more than 10 years of real-estate market research experience and online and mobile marketing, he provides you the exposure you deserve to sell your property for more and the information you need to to buy your dream home for less. If you are in the market for buying or selling real estate, Khalil will put his expertise to work for you!



خبرة مميزة وخدمة فائقة يقدمها خليل هاشم. ان كنتم ترغبون في بيع عقاراتكم او شراء بيوت سكنية، يسرني ان اكون صلة الوصل بينكم وبين احلامكم. اتصل بخليل اليوم على

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# Buying Your Home

## Congratulations

Buying a home is possibly your biggest investment and a very exciting time for you and your family. We are delighted to working with you to guide you through the buying process.

As you will see, there are several steps you need to take before your turn the key, and this guide is designed to inform you about your rights and introduce you to the process of buying real estate.



At the [Signature Group Realty](#), we do our best to help you navigate the exciting journey of finding, financing and buying your new home. Now, sit back and relax; you are working with the best and the most knowledgeable professionals in the business.

**The American Dream:** Buying a home is part of the American Dream and one of the most exciting investment in the world. It provides the stability and the peace of mind every family desires. Your home is your castle and it is where dreams are made, children are raised and memories are created.

**Financial benefits:** Property tax, mortgage interest and some repairs can be tax deductibles and can help you save money, depending on your tax brackets. Consult with your tax professional about deductions.

# Hiring A Sales Associate

With so much information readily available online, some people feel they could buy their own home without the professional help of a real estate agent. However, online information can be overwhelming, general in nature and not tailored to your unique situation. For most it is designed to sell advertisement and sometimes it is inaccurate. Buying a home is the biggest investment in your life, and it requires ample time and efforts to find the right home at the right price. Here are some reasons to why you should hire a professional real estate agent:

- ◆ It **costs** you nothing. Commission is paid by the seller.
- ◆ Real estate agents are **experts** on market conditions and trends and have access to sale numbers to get the best deal.
- ◆ Real estate agents **save you time**. They handle a large amount of paperwork, including legal contracts and government forms. They track inspections, appraisals and loan progress to keep the process on track.
- ◆ Real estate agents are masters at **negotiations** and will get you the best price and protect your confidentiality and private information.
- ◆ Real estate agents have a network of **top professionals** in lending, home inspection and title work, all at **no cost to you**.
- ◆ Real estate agents **stand by** you after closing to answer questions and guide you through the after-closing paperwork and tax forms.

When I bought my house in 2003, I did not hire a professional real estate agent. Even though I conducted thorough research and spent months looking for a home, I bought the wrong house at a high price. It was the biggest mistake of my life.

Don't waste time and money looking for a house. **Hire a real estate professional** today to help you find the house of your dream.



# The Buying Process

It is your hard earned money, and understanding the financing process takes the anxiety out of the home-buying process. With a **Signature Group Realty** sales associates, nothing is too complicated. Here is the process:

- \* Hire a professional real estate agent
- \* Identify a mortgage or a bank professional you trust
- \* Gather two W2s, two years of tax forms and bank statements
- \* Apply for pre-approval and obtain a letter to include in the offer
- \* Calculate budget and identify down payment
- \* Prepare 3% deposit check to include with the offer
- \* Search begins: Sale associate identifies homes
- \* We find the house you want
- \* We make an offer, and negotiate a good price
- \* Offer accepted and you apply for a loan
- \* House is inspected by a private-home inspector
- \* Inspection report presented and negotiated if necessary
- \* Lender begins processing your application
- \* Lender gives you an estimated closing and related cost
- \* Lender requests an appraisal and your personal paperwork
- \* Lender evaluates the application and approves the loan
- \* Title company researches the home to ensure a clean title
- \* Closing date is scheduled and loan information is provided
- \* Documents are signed. Loan is funded and keys are provided
- \* The house is sold and is yours: Congratulations
- \* I will guide you through the post closing process and be there for you for any questions you have for as long as you own the house

This is the general process, and now let's take a look at the each step.



# Paying for your home

Most people take out loans to finance their homes while a small number either pay cash or use a land contract.

**Cash:** If you are paying in cash, you would need to provide a bank statement showing the asking price. A few days before closing, money would have to be wired to the title company to complete the process.

**Land contract:** If you are using a land contract, you would have to pay a large downpayment, mostly 60 % of the cost of the house and make monthly payment to the owner of the house over a period of time. Most land contracts include a balloon payment after two years.

**Mortgage:** A mortgage is a loan from a financial institution that is paid over time, including interest. It can be either fixed rate that stays the same for the entire term of the loan or adjustable rate, which changes according to the financial index. The loan starts with pre-approval, a loan application and verification of jobs, income, expenses and credit score. This is how most people finance their homes purchase, some for 30, 20 or 15 years.



## Documents Needed

To save time, have the following papers available for each borrower.

- Two most recent pay stubs
- W-2s for two years
- Federal tax return for two years
- Last two months' bank statements
- Long-term debt information, credit cards, auto loans, child support, installment debts, etc.

# Calculating Your Budget

One of the first step of buying a home is understanding your financial obligations and the cost associated with the purchase and upkeep of a home, including insurance, taxes, maintenance and downpayment.

**Down payment:** Most buyer contributed a small amount when buying a home. There is no right or wrong on downpayment. Every case is different, and a downpayment correlates with your monthly expenses and obligations.

**Home protection plans:** These plans are recommended when buying an older home home. The average cost is around \$500 a year and could save you the worries about replacing appliances, furnace, air conditioning, wiring, pipes and other expensive elements in the house in the first year.

**Taxes:** All property owners pay property tax, and the amount varies from one city to another. The tax pays for trash, streets and police and fire services. The average is about \$3,000 a year on a \$100,000 home, depending on the assessment.

**Insurance:** All mortgages require property insurance. Make sure that your insurance includes all coverage necessary, including flood coverage and riders if needed. Ask your real estate agent for more details.

**Maintenance:** All properties require maintenance, varying on the age and the condition of the house. Make sure that you have money saved or have access to money for contingencies. Ask your real estate agent to explain maintenance recommendations in the inspection report.

## The financial do's and don't

- Don't apply for new credit cards of any kind.
- Keep all existing credit cards open.
- Keep your employment within the same company or field of work.
- Don't consolidate debt to one or two credit cards.
- Pay off collections, judgements or tax liens within the past year.
- Provide any documents for satisfied judgements or paid tax liens.
- Stay current on payments for all existing monthly obligations.
- Call your sale associate before making any financial changes.



# The Fun Begins

You have selected your real estate professional; you have been pre-approved for a mortgage, and now it is time to find your new home.

## **First Step:** Strategy

Before you start searching, it is recommended to spend some time with your real estate agent to put together a strategy for home search that is most suitable for both of you, including best time to see homes, best method to communicate and what geographical area to search.

## **Second Step:** Home finding worksheet

Can you describe your dream home in details including the spacious backyard, the circular driveway, the view of the lake or park, the proximity to your job and your children's school and the library? These are a few questions to consider before starting the search.

If you have not, don't fret. We have developed a worksheet to help identify your priorities in your new home. Take some time to discuss it with your family and come up with a list to put you on the same track with your real estate professional to sever you efficiently and timely. Your dream home is just a few steps away.



# Home finding worksheet

The more information you share with your sales professional, the easier and quicker it will be for me to find you the right house. Take the time to develop this list as accurately as possible, with 1 as most important and 5 as least important.

Price: .....

Area: .....

Features	Specify Your Preferences	Importance				
<b>Property</b>						
• View		1	2	3	4	5
• Architectural		1	2	3	4	5
• Swimming pool		1	2	3	4	5
• Deck/Patio		1	2	3	4	5
• Garage		1	2	3	4	5
<b>Interior</b>						
• Floor plan		1	2	3	4	5
• Room size		1	2	3	4	5
• Bedrooms		1	2	3	4	5
• Bathrooms		1	2	3	4	5
• Living room		1	2	3	4	5
• Family room		1	2	3	4	5
• Dining room		1	2	3	4	5
• Kitchen		1	2	3	4	5
• Basement		1	2	3	4	5
• General interior comment		1	2	3	4	5
<b>Property</b>						
• General interior comment		1	2	3	4	5
• Convenience to job		1	2	3	4	5
• Convenience to highway		1	2	3	4	5
• Convenience to shopping		1	2	3	4	5
• Convenience to school		1	2	3	4	5
• Convenience to daycare		1	2	3	4	5

**Other Considerations:**

# Multiple Listings

**MLS:** One of the many advantages of working with me is my access to the multiple listing service (MLS) that includes thousands of homes. That means you can see every house as it hits the market with great details and photos. I also screen the listings to save you time and help you make an easier decision.

**Communications:** I do not like to bombard my clients with calls, emails and texts; however, I need to communicate with you to share information and keep you as updated as possible. The MLS allows us to share notes and information on every house you view on line, and it is highly recommended to provide me with best ways and times to reach you. I am proud of my relationship with my clients, and I work diligently to make it as successful as possible while preserving your privacy.

**Showing recommendations:** Owning a home is a long-term relationship, and I recommend following the three-prong approach when evaluating a home: Neighborhood, curb appeal and layout.

1. Visit the neighborhood to make sure you are happy with the area.
2. Evaluate the attractiveness of the property from the street.
3. Make sure you are comfortable with the layout of the house.

Looking for a house is an exciting time, and I will be with you every step of the way to guide you through. I am confident we will find you the perfect house in the least time.



## Completing The Process

**Writing the offer:** Once we have selected the right house, I will research its history and prepare a market analysis to identify a price and prepare an offer. This is the biggest advantage of working with our professional team. We do an in-depth study on the neighborhood, previous sales, current listings and the condition of the house to arrive at a good price to present to the seller. We want to get you the best deal possible, but we also want to present a competitive offer to open the door for negotiations with the seller because market value fluctuates every week and is driving by the supply of homes and the available inventory of houses. No computer program can give the correct price. It takes an **experienced agent** to identify and negotiate a good price.

The offer includes the purchase agreement, agency contract, pre-approval letter, copy of the earnest money check and the seller's disclosure. Once we agree on a price, both parties sign the purchase agreement and the contract is in full force.

**Private inspection:** Most cities require a code inspection before issuing a certificate of occupancy to ensure the safety of the property, and often it is the responsibility of the seller pay and secure the certificate.

Otherwise, you could inherit code-violation issues that can be costly. It is highly recommended that you hire a private inspector to give you a complete evaluation of the house, including structural analysis and a maintenance guide. I will discuss the report with you when the inspection is completed. If needed, we ask the seller to address certain violations or reduce the price.



**Title:** One of the great benefits of working with our team of professionals is that we only work with reputable and competent firms to prepare and handle the title of your house. The title company, a neutral party that handles the loan transaction or the cash through its accounts, takes care of the legal side of the deal. It researches the deed to make sure you are getting a clean record; it pays off liens, taxes and water charges against the property; it facilitates title insurance to protect both buyers and sellers from future problems and liabilities; it conducts the actual closing, and it records the deed with the county under your name. As your agent, I review the paperwork with you to make sure they are accurate, and I follow up with all parties to ensure meeting our deadlines.

**The closing:** Once all financial and deed arrangements are completed, a closing date is scheduled to complete the process. The law requires that the buyer is provided with a settlement statement to review prior to closing that includes all charges, fees and obligations. On closing day, we will walk through the house to inspect the property prior to closing. At the meeting, the loan is funded, papers are signed and keys are handed over. I will be with you that day to guide you through the process and to obtain your new home. I will always be available to answer any questions you have in regard to the property or the paperwork for as long as you need me.



Congratulations. It is time to celebrate.

# Checklist

## **Pointe of order:**

- Familiarize yourself with the mortgage process
- Get pre-approved and pre-qualified
- Get finances in order and prepare your budget
- Identify your needs and wants
- Decide on the home that meets your criteria
- Work together to make an offer and negotiate a price
- Arrange for home inspection
- Order title work
- Confirm closing date
- Walk through the home
- Close the deal

## **Congratulations and welcome home**

Although you have the keys for the house, there still a few stops to take to ensure a smooth transition

1. Transfer power into your name to avoid service interruption.
2. Call the insurance company to make sure you are covered.
3. File the necessary papers with the city where you live.
4. Change all locks on outside doors and change electronic combinations for the garage and other entrances.
5. Change furnace filter and make sure all alarms are working properly.

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**Disclaimer: This guide is for informational purposes only and is not a legal, financial or any sort of advice. Sources: Online**