

A BUYER'S GUIDE

FINDING YOUR NEW HOME IS WHERE OUR STORY BEGINS



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THE PURCHASE PROCESS: HOW IT WORKS



1. Understand Your Finances. A complete understanding of your financial situation will give you a good start in the buying process. Gather information on your income, savings and debts to get a realistic idea of how much home you can afford. Keep these papers handy, as you'll also need them when you meet with a loan officer to apply for your loan.



2. Prequalify. Prequalification occurs before the loan process formally begins. The lender gathers financial information from the borrower(s) and makes a conditional determination about their qualifications for a loan.

Prequalification verifies your buying power and assures that you will be prepared to purchase when you find the right home. It also helps strengthen your position when negotiating with the seller, as they will know that you are a qualified buyer.



3. Determine a Down Payment. The more you contribute to a down payment, the lower your monthly mortgage payment. At Carrington, our mortgage professionals can suggest ways to build the amount you have available and can help you review additional sources for down payments that you may not have considered. Determining how much money you will need for a down payment enables you to be prepared to buy when you find the right home.



4. Find a Home. Once you are prequalified, you can begin searching for your new home. An experienced REALTOR® will help you determine what your dream home looks like, show you homes that fit your desires and guide you through the purchase process.



5. Make an Offer. After finding the perfect home, you will need to consider how much to offer, the amount of the loan you will need, the terms of the loan and when you would like the loan process to be completed — also referred to as “closing.” Making an offer is generally done through a REALTOR®. The agent will work on your behalf to negotiate with the seller or seller’s agent.



6. Loan Processing Period. Once the offer has been accepted and the terms of the purchase have been agreed upon, you will enter the loan processing period — a time when the legal and financial processes of purchasing a home take place. During the loan processing period, you will work closely with your Carrington Mortgage Professional. You’ll receive guidance regarding inspections, appraisals and other deadlines — all of which are required to ensure a smooth and timely closing.



7. Closing and Funding. After the legal and financial processes are completed, you are ready for your loan to “close.” Closing (also called “Settlement,” or in some states, “Escrow”) is the date you sign your final paperwork. Typically your REALTOR® will coordinate a time and date convenient for you, the seller and the escrow or title companies. Funding occurs when all papers have been signed, all conditions have been met and the seller and other parties are paid. On a purchase loan, funding typically occurs on the day of the closing.



8. Move In! Once all contracts have been signed and the loan has funded, you will receive the keys to your new home. Whether you intend to move in immediately, or do work to prepare it for move in, the home is now officially yours!

MORTGAGE APPLICATION CHECKLIST

Having your financial documentation in order will help get the loan application process off to a good start. Here is a list of typical paperwork that you will be asked to provide:

- Identification: Driver’s license and Social Security card
- Income: Name and address of employer(s)
- Current pay stubs (typically last two months)
- Two years of federal tax returns
- Two years W-2/1099 forms
- Two months of checking and savings account statements
- Asset statements (401K, brokerage accounts, mutual funds, stocks, etc.)
- Creditor statements (credit cards, loans and current mortgages)
- Listing agreement and sales contract, if selling your current home

THE DOS & DON'TS WHEN BUYING A HOUSE

Buying a new home is exciting. It's also one of the biggest investments you will ever make. Use these tips to make smart choices every step of the way.

When searching for a home...

DO:

Clearly define your needs. Take time to think about your wants and needs. Put it in writing and use it as a checklist with every home you think has potential. This will keep you from getting swept up in the emotion and excitement and keep you on track to finding the right home. (Check out the "Dealmakers: What I Want and Need in a Home" on page 14 of this booklet.)

Get mortgage pre-approval. Pre-approval gives you greater freedom and security, because you know the money will be there when you find the right home. It also gives sellers the assurance that you can get financing to close the deal.

Investigate the costs of owning the home. Knowing, for example, the property tax amount and the average utility expenses will help you determine if you can afford living there long term. Other things to consider include homeowner's insurance and home owner association fees.

Get a home inspection. A home inspection is worth the small expense. A thorough inspection can reveal potential problems with the house, which can be addressed with the seller prior to closing. It also gives you peace of mind, so you can buy with confidence.

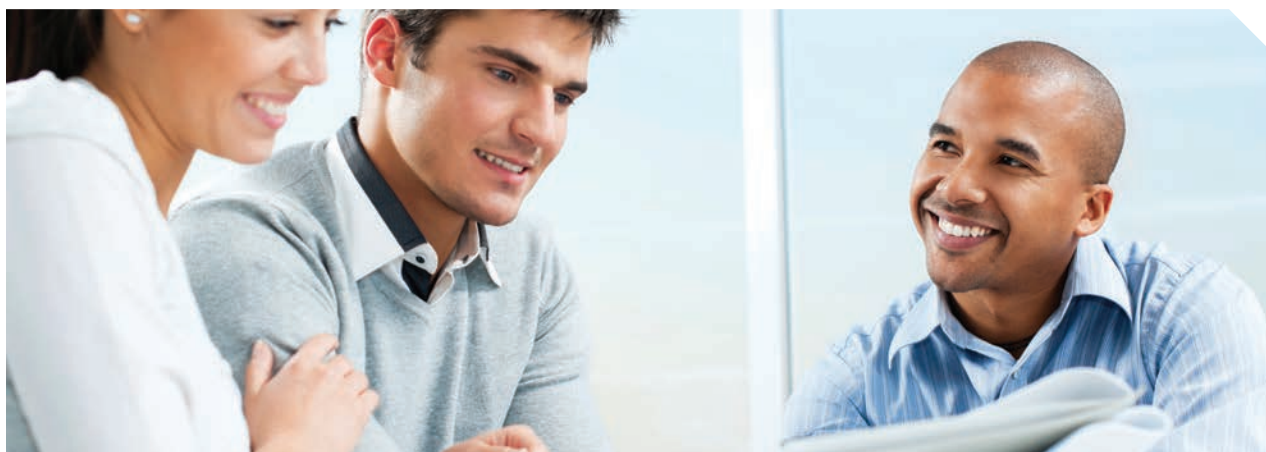
DON'T:

Buy a home for its décor. Make sure the space will work for you and fit your furnishings. Look past the décor and focus on the layout and permanent features.

Apply for new credit. Wait until after the loan closes to apply for a credit card at the furniture or home improvement store. If you do it before you close, it could drop your credit score and cost you your home loan.

Close any credit cards or transfer your balances. While you may no longer need the card, or be tempted to transfer your debt to one that offers zero-percent financing, canceling a credit card could affect your credit score. Wait until after closing to make these changes.

Increase your debts. Your debt-to-income ratio is an important part of your loan approval. If you take on more debt, you could go above the acceptable limit and risk losing your loan.



MY COMMITMENT TO *You*

Our [partnership](#) drives the successful outcome of finding you the right home! As a REALTOR® representing homebuyers, I can advise you on smart moves to make at every step of the process. This begins with my commitment to your specific home buying plan and to delivering personal, attentive service on a daily basis. The best way to achieve the best possible outcome for you is to start with a Buyer Agency Agreement. Our contract formally sets out our mutual duties, the responsibilities of our relationship and how we will work together throughout the home search, offer submission and escrow phase.

I also ask that you complete the worksheet in this booklet, called “Dealmakers: What I Want and Need in a Home,” and provide me with an understanding of how you like to communicate — whether by phone, email, text — and your expectations for frequency of contact.

MY PLEDGE OF SERVICE

As Your Buyer’s Agent, I Pledge To:

- Understand, meet and exceed, where possible, your expectations for client service.
- Maintain regular communication and be accessible to you during the times and by the methods we agree upon in advance.
- Develop a personalized strategy and time frame for finding the right home and the right financing for you.
- Give you access to resources that empower you in your home search and keep you informed throughout the home buying process.
- Provide you with accurate and timely property information and market insights.
- Work diligently to identify buying opportunities, assess potential obstacles and help enhance your buying position.
- Prepare your offer meticulously and accurately and present your offer in person, when possible.
- Negotiate to achieve the best possible purchase price and complete the purchase contract.
- Manage every aspect of the home inspection phase, the removal of contingencies, escrow documentation and final walk-through.

