Buyer Guide

Achieving your real estate dreams!

MARINA
skendzic
REALTOR®
DRE 02019358

DON'T WAIT TO *buy*
REAL ESTATE...

BUY REAL ESTATE
AND *wait!*

- ROBERT G. ALLEN

MARINA
okendzic
REALTOR®

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Hi, I'm Marina!

Thank you for considering me to represent you and guide you. My goal is to ensure that you are comfortable every step of the way.

When you buy your home with me, not only do you get detailed and personalized attention, I also offer solutions to help you stand out from other buyer competition. In order to accomplish your real estate goals, it's imperative to work with an agent that goes above and beyond on your behalf.

Real estate is more than a career to me, it is my passion and has been my life for the past two decades. Getting to help people with the purchase of their homes is such an honor and a pleasure for me.

Have questions? I'm always available to help!

MARINA SKENDZIC

REALTOR®

LICENSE
DRE 020193578

CELL
760.715.7270

EMAIL
sdrealtormarina@gmail.com

INSTAGRAM
@realestatebymarina

FACEBOOK
@RealtorMarinaSkendzic

OFFICE
Windermere Homes & Estates
830 W. Valley Pkwy #330
Escondido, CA 92025

Windermere
HOMES & ESTATES

Testimonials

"I have had the pleasure of knowing Marina personally for almost two decades. Just recently my husband and I had the amazing opportunity of working with her professionally as she sold our condo. Marina went above and beyond to make us feel comfortable and guided us through the entire process. She was able to assist us from start to finish, and her knowledge and attention to detail made us both feel at ease. She was able to get us top dollar for our property and worked tirelessly to provide us with the highest level of service. Her professionalism and skill as an agent made it possible for us to build our dream kitchen in our new home. She was able to work with our busy schedules and was available night and day to answer our many concerns and questions. I would highly recommend Marina as your real estate agent if you are buying or selling your home."

THE NINKOVIC FAMILY

"It was awesome working with Marina. She was patient with us and helped us find an amazing home. As a first time home buyer Marina walked us through everything and answered all of our many, many questions. She really went above and beyond anything that I could have expected."

THE SUNDBERG FAMILY

"It was my pleasure to get to know Marina during the purchase of my home. She was professional and provided excellent service with the real estate transaction. I was well informed and Marina provided guidance and support as well as her recommendation on negotiating with the seller. After closing, Marina helped me move into my new home which is an example of her kindness and loyalty to her client. I recommend her highly as your REALTOR®!"

THE GOSTOVIC FAMILY

Why Hire an Agent?

PAPERWORK

They help with all disclosures & paperwork necessary in today's heavily regulated environment.

EXPERIENCE

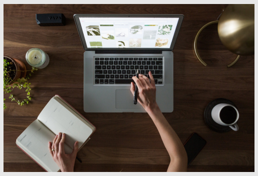
They are well educated in and experienced with the entire sales process.

NEGOTIATIONS

They act as a "buffer" in negotiations with all parties throughout the entire transaction.

PRICING

They help you understand today's real estate values when setting the price of a listing or an offer to purchase.



UNDERSTANDING OF CURRENT MARKET CONDITIONS

They help with all disclosures & paperwork necessary in today's heavily regulated environment.

Very Important! ***The home seller pays the commission at closing. Using an agent to help you purchase a home costs NOTHING to you!!***

Your Pre-Approval

- I always encourage my clients to shop around for different lenders, but I do have a trusted lender that I always refer (listed below).
- When you connect with a lender, you will need to provide documentation including letter of employment, pay stubs and past 2 year tax returns; a credit report is conducted.

FAIRWAY INDEPENDENT MORTGAGE CORPORATION | THE TRU ALLIED TEAM

Lender in California & Arizona

Nikki Lazic	Cathy Fitzpatrick
Loan Officer	Branch Manager
NMLS# 952050	NMLS# 243921

EQUAL HOUSING OPPORTUNITY (760) 473-0109

HOW MUCH CAN YOU AFFORD? KEY FACTORS TO CONSIDER

- The down payment
- The interest rate
- Your debt-to-income ratio
- The closing costs associated with the transaction

IMPORTANT!

- You should bring to the lenders attention any of your concerns about credit history, bankruptcies, etc. THIS WILL SAVE YOU TIME & MONEY!!

Why Pre-Approval Comes First

The number of buyers searching for their dream homes greatly exceeds the number of homes for sale. This has led to a competitive marketplace where buyers often need to stand out. One way to show you are serious about buying is to get pre-approved for a mortgage **before** starting your search. Find a reputable lender to help you get pre-approved!

A local real estate professional has relationships with lenders who will be able to help you with this process.

THE "4 C'S" THAT HELP DETERMINE THE AMOUNT YOU WILL BE QUALIFIED TO BORROW ARE:

1. **Capacity**: Your current and future ability to make your payments
2. **Capital or Cash Reserves**: The money, savings, and investments you have that can be sold quickly for cash
3. **Collateral**: The home, or type of home, that you would like to purchase
4. **Credit**: Your history of paying bills and other debts on time

Getting pre-approved is one of many steps that will show home sellers that you are serious about buying and it often helps speed up the process once your offer has been accepted.

The bottom line is many potential homebuyers overestimate the down payment and credit scores needed to qualify for a mortgage today. If you are ready and willing to buy, you may be surprised at your ability to do so.

Discussing Your Wants & Needs

NOW THE FUN PART!!

- We figure our how much you are comfortable spending:
    - Ensure you make a list of your fixed bills such as credit card bills, student loans, car payments, subscriptions, and any other monthly bills that you'll have after purchasing a home.
    - Set yourself a monthly max budget so that you feel comfortable making the payment every month.
- We will discuss all your wants/needs for your future home.
- We will work together to set you up to receive new listings from my MLS to be sent to your email with your personalized specifications.
- Time to view potential properties!

MLS definition: Multiple Listing Service is the most up-to-date way to receive new listings. The MLS updates every 15 minutes.

Negotiating Your Terms

POSITION OF STRENGTH

- Pre-approval on hand
- Type of financing
- Negotiating with listing agent
- Comparable sales to support offer
- How much the seller originally paid
- Property tax assessment review
- Walk away leverage

MULTIPLE OFFER STRATEGY

- "Dear Seller" Letter
- Increased Earnest Money Deposit
- Closing Date
- Escalation Clause

MAKING AN OFFER

Once we've found the house you wish to purchase, you'll need to determine what offer you are willing to make on the home. After all, you are the one making the payments!

- Sales price
- Comparative Market Analysis
- Earnest money
- Financing terms
- Inspection period
- Closing date
- Personal property
- Seller contribution - if applicable

The Inspection

Very Important!

If you are purchasing a resale property, I highly recommend that you have a professional home inspector conduct a thorough inspection.

The inspection is intended to report on major damage or serious problems that require repair. **Your home cannot "pass or fail" an inspection.** The inspector's job is to make you aware of repairs that are recommended or necessary. The inspection is not meant to be used to low ball the seller post-price negotiations, as all existing homes have minor imperfections.

THE INSPECTION WILL INCLUDE THE FOLLOWING

- Appliances
- Plumbing
- Electrical
- Air Conditioner
- Water Heater
- Roof and Attic (if accessible)
- General Structure

The seller may be willing to negotiate completion of repairs or you may decide that the home will take too much work and money and rescind the offer during the inspection period.

Estimated Costs

Standard Home Inspection
Starting at $350
Depending on size and age
Radon Air Test $125
Well Water Testing $200
Septic Inspection $500
Septic Scope $100

***Not all items are not necessarily required. Speak to your REALTOR® for more info.*

Your inspection is a contingency to the purchase and sale agreement and needs to be completed and the repairs negotiated within the due diligence date on purchase agreement, which is usually a 7-10 day period.

Submit Loan to Lender

- When you submit a loan to your lender, it's known as "going into **underwriting**".
- The term "underwriting" refers to the process that leads to a final loan approval or denial.
- A loan's approval status is made by a professional underwriter who uses specialized software programs and completes a number-crunching analysis.
- The underwriter has a list of "conditions" that must be satisfied, such as income and employment verification.
- Once an underwriter has reviewed all of a mortgage applicant's information and documentation, a decision is made on the loan's status.

The Appraisal

An appraisal is an opinion of value from a licensed real estate appraiser who visits the home and inspects its size, condition, function, and quality.

First, an appraiser comes out to the property and inspects the home. Next, the appraiser researches similar homes in the area and compares recent sales to determine a fair market value.

The appraiser then gives a final appraisal report which includes a final "opinion of value."

A real estate appraisal helps to establish a home's market value – the expected price it would fetch if offered in an open, competitive real estate market. Appraisals can help buyers ensure that they don't overpay for a home.

By law, mortgage companies cannot complete their own appraisals. Many hire an appraisal management company (AMC) to handle the work which, in turn, gives the work to a licensed professional appraiser.

Receive Loan Approval

After a file has been fully underwritten and all of the conditions are satisfactorily met, a final underwriting approval will be issued.

This is known as a "Clear to Close"

Clear to Close means that the documentation you provided to your lender has met their approval, and that no additional paperwork, or conditions, are required.

When you're **Clear to Close**, your lender is ready to fund your loan and will begin communicating with the closing agent to prepare your documentation for closing. It typically takes up to 5 days.

Get Ready for Closing

HOMEOWNERS INSURANCE

- When selecting homeowners insurance, search for competitive rates.
- Examine how the cost impacts your monthly payment

ESCROW & TITLE COMPANY

- Provides quality management of process
- Manages all the parties in transaction
- Provides leverage for getting problems solved
- Helps facilitate closing on time
- Protects your interest
- Assists in transferring ownership of property to you

THE FINAL DETAILS

- All documents to lender in timely manner
- Appraisal
- Lender repairs where applicable
- Closing & settlement review
- Potential deal killers
- Transfer of utilities
- Moving into your new home

Closing Day!

You have gone through all the hoops to get to this day... CLOSING DAY!

Today is the day you go from home seeker to homeowner! But before you get those keys, there are a few things you should do ahead of time and keep in mind on closing day.

- Have you done a final walkthrough? This is very important! Make sure you and your REALTOR® schedule a time prior to closing to walk through the home one last time. This will ensure that all of the seller's belongings have been removed and all repairs have been completed.
- If you asked for appliances to stay, ensure that they are in place. Make sure all of the lights, heating/air and plumbing are working properly.
- You may have asked for and agreed to certain requirements, such as draperies remaining or walls being painted a certain color.
- You will want to make sure these contingencies are completed prior to closing.

WHO WILL BE THERE?

- You, the buyer(s)
- Buyer's agent
- Notary
- Occasionally, your mortgage officer and/or the listing agent

WHAT WILL YOU NEED?

- Each buyer should bring a valid government-issued photo ID.
- Bring a cashier's check for your cash to close (Your mortgage officer will tell you this amount approximately 24 hours prior to closing.
- Your may wire money. Avoid wire fraud and ensure you verify account number with escrow).

Timeline of Events

- **24 hours or less:** Pre-approval received from lender
- **3 Days:** Your earnest money deposit must be received by escrow
- **5 Days:** Loan application must be completed
- **10 Days:** Home inspection must be completed
- **15-25 Days:** Home appraisal
- **5-10 Days Before Closing:** Title
- **30-60 Days:** to close!

This is an estimate of timelines. Speak to your realtor about the timeline for your particular transaction.

Upfront Costs

- Earnest money deposit: 1% of purchase price
- Home Inspection: $500
- Appraisal: $500
- Repairs: TBD
- Closing Costs: 3- 5% of purchase price
- Down Payment: TBD

***Note: the Earnest Money Deposit is applied towards the down payment and/or closing costs**

Above is an <u>estimate</u> of upfront costs... Please speak to your lender or REALTOR® about your particular upfront costs on your particular transaction.

What is an Earnest Money Deposit?

The earnest money deposit is an important part of the home buying process. It tells the seller you're a committed buyer.

Assuming that all goes well and your offer is accepted by the seller, the earnest money will go toward the purchase price. In many circumstances, you can get most of your deposit back if you discover something that you don't like about the home.

It is typically 1% of the purchase price of the home, and must be submitted to Escrow within 3 days from the day your offer gets accepted.

After turning over the deposit, the funds are held in an escrow account until the home sale is in the final stages. Once everything is ready, the funds are released from escrow and applied to your purchase price.

Closing Costs

DOWN PAYMENT
The difference between the selling price of the property and the amount of money borrowed to purchase the property. The deposit provided with the offer is deducted from the down payment.

PREPAID UTILITIES
The buyer is responsible for paying utilities as of the closing date and may also need to reimburse the seller for prepaid utilities.

PREPAID PROPERTY TAXES
Calculated based on the value of the property. If the seller has prepaid property taxes, the buyer may be required to reimburse the seller.

INTEREST ADJUSTMENT
The amount of interest accrued between the closing day and the date of the first mortgage payment.

LEGAL FEES/DISBURSEMENTS
Include conducting a title search on the property, putting title insurance in place, registering the home in the buyer's name, and facilitating financial disbursements upon closing.

LENDER FEES
Origination fees, appraisal, credit report, and points (money you pay to get a lower rate).

TAX AND HOMEOWNERS INSURANCE ESCROW
Some lenders require prepaying taxes and one full year of homeowners insurance at closing. Funds are placed in an escrow account which is maintained in monthly payments.

Down Payment

According to the Realtors Confidence Index from the National Association of Realtors, 61% of first-time homebuyers purchased their homes with down payments below 6%.

Many potential homebuyers believe that a 20% down payment is necessary in order to buy a home and many have disqualified themselves without even trying, but in October, **74% of first-time buyers and 52% of all buyers put less than 20% down.**

Elizabeth Mendenhall, President of NAR, said: *"... demand is still the strongest at the entry-level segment of the market. For prospective first-timers looking to begin their home search, competition will remain swift. That is why it's important to be fully prepared with a pre-approval from a lender, and to begin conversations with a Realtor® early about what you're looking for and where."*

Bottom line, If you are one of the many first-time buyers unsure of whether or not you would qualify for a low-down-payment mortgage, let's get together to set you on your path to homeownership!

Smooth Closing Checklist

- [ ] Work with a REALTOR® to schedule inspections
- [ ] Get the lender all documents and info they need on time
- [ ] Get homeowners insurance... and make sure you shop around! Some companies give you a discount for bundling home and auto!
- [ ] Provide insurance into to lender
- [ ] Preview closing disclosure statement
- [ ] Final walkthrough
- [ ] Wire down payment and closing funds or get bank check for these funds to bring to closing (DO NOT WIRE ANYTHING WITHOUT GETTING DIRECT WIRING INFORMATION FROM THE ESCROW OFFICER, UNLESS YOU TALK TO THEM IN PERSON, CHECK WITH YOUR REALTOR FIRST)
- [ ] Put utilities in your name and turn on effective on the closing day
- [ ] Bring your drivers license or passport to the closing table
- [ ] Get the keys
- [ ] Move in!

Thank you!

Thank you for trusting me with the purchase of your property. I am honored to represent you and guide you through the process.

My goal is to ensure that you are comfortable every step of the way.

Have more questions? I'm always available to help! Shoot me a text or give me a call for the quickest response. Helping my clients achieve their real estate goals with the most ease is what I am passionate about - I'm always here to answer your questions.

-Marina

Next Steps

✓ Sign buyer representation agreement

✓ Get pre-approved for a home loan

✓ Complete the "Wants vs. Needs" worksheet

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DRE 020193578

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