

BUYER'S GUIDE **101**



**THE ULTIMATE GUIDE TO BUYING A HOME
IN SAN DIEGO NORTH COUNTY**

**Presented by Oscar Cifuentes
Local Broker for 17 years
Mobile 760-703-2560**



Your Home Buying Adventure **STARTS NOW**

Dear Home Buyer,

Welcome to one of the most exciting moments in your life!

Your home isn't just the roof over your head; it's where you eat, sleep, raise your family, build unforgettable memories and increase your financial future.

I've created this guide to walk you through all the important steps you need to take in order to get the most out of your home buying experience.

If you have any questions, please call or text me.
I'm always available to you!

Respectfully,
Oscar Cifuentes

San Diego North County Area Realtor
Oscar@RemaxCountryHomes.com
mobile call or text anytime 760.703.2560

STEP 1: CHOOSE YOUR REALTOR

START BY HIRING A PRO San Diego North County REALTOR WHO WORKS EXCLUSIVELY FOR YOU

When it comes to buying your new home, I've got you covered:

I know the market, and maybe neighborhoods you didn't know existed. I obsess over prices, property values and the latest, hottest listings. I access historical sales data and keep up to date with builders and new developments. I problem-solve. I negotiate. I go into scary basements. I make sure my clients don't buy the wrong home.

My goal is to always make your experience as quick and seamless as possible. This means:

BEING REAL AND TRANSPARENT THROUGH THE PROCESS & BEING RESPONSIVE AND AVAILABLE TO YOU 24/7.

Buying a home is one of the biggest transactions you'll make in your life. With me, you get the time and attention of a competent agent.



STEP 2: GET FINANCING

UNDERSTAND YOUR OPTIONS

When determining which mortgage best suits your situation, there are some basic decisions you'll need to make:

TYPE OF MORTGAGE

CONVENTIONAL MORTGAGE

This is the most common type of mortgage. Your lender will loan you up to 80% of the purchase price of the property or its appraised value (whichever is lower), and you put down the other 20% as a down payment.

HIGH RATIO MORTGAGE

If you don't have at least a 20% down payment needed to get a conventional mortgage, a high ratio mortgage can advance you up to 95% of the home's purchase price or appraised value. However, you'd be required to purchase mortgage insurance (not to be confused with home insurance), the amount of which would be added to your mortgage principal.

TERM AND AMORTIZATION

A mortgage term is the amount of time a lender will loan you money for - typically from 6 months to 5 years. When the term is up, the remaining amount is payable in full unless you arrange new financing for another term.

Because few of us can pay off an entire mortgage in even a 5-year term, lenders calculate - or amortize - the mortgage payments over a much longer time, often as long as 30 years. They aren't loaning you the money for a 30-year period; they're simply calculating the payment schedule as if it would take you that long to pay back your mortgage.

INTEREST RATE

Your mortgage is made up of 2 components: principal and interest. Essentially, interest is the cost of borrowing money.

FIXED-RATE

You agree on an interest rate with your lender and this rate gets locked in for the term of the mortgage. A fixed-rate mortgage is great in an economy where the prime rate is increasing, but undesirable if the going rate is decreasing.

VARIABLE-RATE

Your interest rates fluctuate with the Bank's prime interest rate. Your monthly mortgage payment amount stays the same. However, if the prime rate falls, more of your payment goes towards the principal and less goes towards the interest. If the interest rate rises, less of your payment goes towards the principal and more goes towards the interest.

SHOP FOR A LENDER

Most people believe that the best lender for them is the bank they already have an account with for several years.

They're persuaded by ads on branch walls about consolidating their services with the same provider.

Personally, I've always shopped for my home loan using a Mortgage Broker. Here's why:

MORTGAGE BROKERS VERSUS BANKS

The big banks have only limited access to their own mortgage rates and terms. They'll post discounts on their rates, but YOU are able to negotiate these rates.

On the other hand, Mortgage Brokers have access to MULTIPLE lenders and mortgage products. They shop around for the best mortgage terms tailored to your individual circumstances, THEY NEGOTIATE FOR YOU, and they present you with the lowest rate on the market.

Broker fees are also paid by the financial institution who services your mortgage, so it's a good way to comparison shop without actually doing the work yourself. And yes, you read that right. Their commissions are paid by the lender. So their services to you are FREE.

But whatever you choose your bank or a loan broker, I can help you find the perfect home for you and your family!



GET PRE-APPROVED FOR A MORTGAGE

As a broker I can help get you pre-approved for a mortgage to give you the confidence of knowing how much home you can afford. This in turn will help you know the price range of homes you should be focusing on in your search.

A mortgage pre-approval will be generally valid for 90 or 120 days, and will require you to prove your income and credit history. If you don't have something in writing and you haven't provided financial documentation, then you likely don't have a mortgage pre-approval.

Ensure you have a pre-approval before embarking on your home hunting journey. Knowing how much your lender is willing to loan you will eliminate the risk and uncertainty of being able to obtain financing once you find your perfect home.

STEP 3: GO SHOPPING!



LET THE FUN BEGIN!

You've picked an experienced local Realtor and have been pre-qualified for a mortgage. Now it's time to start looking for your new home!

CREATE YOUR WISH LIST

What are your needs versus your wants? How many bedrooms must you have? What kind of finishes are you looking for? Do you need a large yard for your dog? A great school and yard for your kids?

Of course in a hot market like San Diego North County, compromise is a part of the process. Would you rather live in a bigger property or closer to downtown? Are you okay spending more money for something turnkey or could you buy a fixer-upper and do the remodel yourself?

Let's discuss what's most important to you and your family.

SCREEN LISTINGS ONLINE

Our home search tool allows you to setup a custom home search that instantly notifies you as soon as a property hits the market that matches your exact criteria.

Awesome right? Call me to get yours setup today. You can also explore the latest listings and get a feel for what is for sale in your area. Preview properties online and ask me about the ones that piqued your interest.

Let's go shopping for your new home!

Oscar Cifuentes
mobile 760.703.2560



Big Decisions

SHOULD I BUY A HOME?

The most important factor to consider is your personal financial health. How much can you afford without giving up your life style? Although buying a home is a smart investment because your equity grows tax-free, consider the utilities, property taxes, and ongoing maintenance expenses.

If you're considering renting or have a low credit score, get in touch with me to help evaluate your options.

SHOULD I BUY OR SELL FIRST?

If you already own a home and are contemplating whether to sell it or buy a new home first, the answer depends on what kind of property you currently live in and where it is located. If you're in a high-demand neighborhood, downtown house, or unique condo, you'll be able to sell quickly. If you're in a less desirable area or building, selling may take a bit more. I am an expert in the process of selling and buying at the same time without stress or delays.

While there's no right or wrong answer, the goal is to make sure you have realistic expectations and a plan that works for you and your family.

Let's chat about your options.



STEP 4: PUT IN THE OFFER

YOU'VE FOUND 'THE ONE' - NOW LOCK IT DOWN



SUBMIT YOUR OFFER

Your house hunting efforts have paid off. You've found a home that satisfies your wants and needs, is in the price range, and just feels right.

HAVE YOUR DEPOSIT READY

A deposit is paid by the Buyer to the Seller, and forms part of the final purchase price.

WHY DO I NEED A DEPOSIT?

A deposit ensures that the Buyer has a stake in the agreement and something to lose if they don't close the deal.

As a standard practice a deposit is expected to open escrow within 24 hours upon acceptance of the offer. In San Diego North County, a typical deposit is around 5% of the purchase price, which is held in trust until closing.

We begin by drafting the Agreement of Purchase and Sale. This is the official legal document which outlines everything from the price you are offering to pay, to the inclusions you want (appliances, furniture, etc), to your preferred closing date (the date you take possession), to conditions such as repairs that need to be completed for the deal to be finalized.

PRO TIP

One of the most commonly included conditions is the financing condition. It's used to protect you, the Buyer, by telling the Seller that your offer to buy their property is conditional on you obtaining financing.

While the legal wording may vary from contract to contract, a well-worded clause states that the financing obtained must be "satisfactory to the Buyer in their sole and absolute discretion". This means that the terms and conditions of the financing obtained (interest rate, payments, etc) must be satisfactory to you - not just that you were able to obtain financing in general.

EXPERIENCED NEGOTIATION

Once you've submitted your offer, the Seller can either accept it, reject it or counter it. During these back-and-forth negotiations, you may need to compromise on small things, but as a savvy Realtor, I will work hard to get you what you want.

MEET CONDITIONS

In your offer, you may have included ie. a financing condition, a home inspection, or an appraisal's review.

What happens to your deposit if you don't fulfill a condition?

If your offer was conditional on ie. getting financing but your bank doesn't approve you for a mortgage, then you get your deposit back.

As long as you fulfill your legal obligations to the contract in good faith, your deposit will be returned to you should you not move forward with the purchase (e.g. you choose not to waive financing or property inspection conditions). I go over this in more depth with you during the process to ensure their confidence and understanding.

If your purchase was not conditional on financing or you waived the condition, and you are now unable to obtain financing, you forfeit your deposit. I would not let this happen. This is why working with an experienced realtor is extremely important.



STEP 5: THE CLOSE

As soon as your offer is accepted, your deposit is submitted, and there are no more conditions to be fulfilled, you have a firm agreement and the closing process begins.

Closing is the point at which the ownership and possession of the property are transferred from the Seller to you.

At this point you will be in close contact with me to finalize final details. Your lender will prepare the loan documents that you will sign in front of a notary. Title will then change the legal ownership of the property and I will give you the keys to your new home!! It is my honor and joy to participate in this process.

It is time to celebrate!



Ready to get started?

Call or Text Oscar 760-703-2560

Email Oscar@RemaxCountryHomes.com