



# THE COMPLETE GUIDE TO BUYING A HOME

PREPARING YOU TO BECOME  
A HOMEOWNER



**LAUREN COOK**  
BROKER OWNER





# about ME

A little about me personally is I love the Lord, I'm a wife and mom to two wild boys. I love to cook, read, travel, hike, workout, be outdoors, and spend as much time as possible with my family.

I have always been passionate about real estate! I went to college for it in 2008 and officially got licensed in 2018. Over the years I have had the privilege of helping hundreds of people achieve their dreams through buying, selling, building, and investing in real estate. In late 2022 I got my broker's license and opened my own brokerage. My biggest accomplishment in real estate has been the relationships I've built and the friendships made. I'm committed to making every transaction a smooth and enjoyable experience and pride myself on treating my clients the way I would want to be treated.

Lauren

# BUYING A HOME

## A STEP-BY-STEP GUIDE

### CHECK CREDIT SCORE

620 is the minimum credit score if you are looking to purchase a home using a down payment assistance program. 580 is the minimum if you are paying down payment.

### SAVE FOR CLOSING COSTS

This can include your down payment and closing costs. Closing costs are fees associated with the purchase of your home.

### ASSESS YOUR FINANCES

Make a budget to see how much you can spend monthly on a home. Did you know your house payment typically includes your property taxes and home owners insurance.

### REACH OUT TO A REALTOR (ME)

An agent is an invaluable tool when purchasing a home, I will assist you in finding a lender, negotiating terms, work through the inspection process, and guiding you to closing.

### GET PRE-APPROVED

Pick a lender and apply for a mortgage loan. A pre-approval involves a lender reviewing your financial information and determining the loan amount they are willing to give.

### FINDING YOUR HOME

Start looking for the home that fits your needs, make an offer, wait for closing, and move in!

# LOAN TYPES

## LOAN TYPES - WHEN PURCHASING

### **FHA (FEDERAL HOUSING ADMINISTRATION)**

---

FHA loans are backed by the government and targeted for borrowers with lower credit scores. With a minimum down payment of 3.5%. There are bond programs available to cover down payment and some programs will cover part of closing costs as well to keep total out of pocket low. Requires PMI (private mortgage insurance).

### **CONVENTIONAL**

---

Conventional loans are not insured or guaranteed by the government. They typically require a higher credit score and a down payment between 3-20% of the homes price. Typically requires PMI if down payment is less than 20%.

### **VA**

---

VA loans are available to veterans, active-duty service members, and their surviving spouses. These loans often offer favorable terms including no down payment and lower interest rates. Does not have PMI.

### **USDA**

---

The United States Department of Agriculture (USDA) offers loan to eligible borrowers in rural areas. These loan typically have no down payment but have income and property location restrictions.

### **JUMBO**

---

Jumbo loans are used for purchasing high-value properties that exceed the loan limits set by government-backed programs. They are typically offered by private lenders and require a larger down payment and a strong credit profile.



# CREDIT SCORES

## AND DTI (DEBT TO INCOME) REQUIREMENTS

### **FHA (FEDERAL HOUSING ADMINISTRATION)**

---

**580 - Requires 3.5% down payment and DTI less than 43%.**

**620 - If wanting to use a down payment assistance bond program.**

**500 - Generally requires more down only some lenders offer this.**

### **CONVENTIONAL**

---

**640+ Depending on lender guidelines with less than 36% debt to income ratio. Scores in the 700's are most favorable.**

### **VA**

---

**580 - This is a \$0 down payment program that typically requires a debt to income ratio of less than 41%.**

### **USDA**

---

**640+ - This is a \$0 down payment program, requires a 29% housing ratio or lower and less than 41% debt to income ratio.**

### **PMI/MIP**

---

**Private Mortgage Insurance or Mortgage Insurance Premium are usually added to loans that have a down payment of less than 20% to protect the lender in case of default by the borrower.**

**\*\*Credit score requirements are based off local lenders I have personally worked with\*\***  
Most lenders will put you on a credit plan if your score isn't where it needs to be for free.

# MONEY FOR PURCHASE

WHERE DOWN PAYMENT & CLOSING COST CAN COME FROM

## YOU (SAVINGS OR INCOME TAX RETURN)

Money for the purchase of your home can come from your bank account whether it's in savings or checking as long as it can be sourced at closing as coming from you. It can be from the sell of your current home. Another popular place to get money to purchase your home from is your income tax return, this is a great option because you are investing your hard earned money into an asset (your new home) that will continue to appreciate and grow your wealth over time. Also if you have anything of value that you are selling to purchase a home you can use this as long as you have proof with a bill of sale your lender can tell you what is needed.

## 401K

Most companies offer a 401k, so most people have them. You are allowed to borrow from your 401k for the purchase of your primary residence without any issues. Sometimes they will ask you for a copy of the purchase contract to prove that you are indeed using the money to buy a home. It's generally a very simple process.

## GIFT FUNDS FROM FAMILY OR FRIENDS

If you have a family member or a close friend that wants to help you with the purchase of your new home, you are allowed to do so. You will need to check with your lender on documentation needed, but normally they will give you a check or a cashier's check from their bank account, along with their bank statement showing where the money came out and was sent to you, plus a letter (the lender will prepare) saying that they gave you \$xx,xxx amount for the purchase of your home.

## SELLER PAID CONCESSIONS

This only works for closing costs not down payments. Seller paid concessions can also be used to buy your rate down to give you a lower monthly payment. In 2024 alone I negotiated \$180,400 in concessions for my buyers. Seller paid concessions are dependent on market conditions, if homes are going into multiple offers the chance of getting the seller to pay concessions is much lower or non-existent, but in our current market buyers have the advantage.

**\*\* Please be sure to speak to let your lender know where you plan to get money from for the purchase of your home so that the buying process is as smooth as possible\*\***

# WHAT TO EXPECT

## WHEN MAKING AN OFFER - 4 UPFRONT

### EARNEST MONEY

Is a deposit made by the buyer to demonstrate serious intent to purchase a property, typically due when the contract is signed unless otherwise agreed upon. Earnest money serves as a form of assurance that the buyer is committed to the purchase and provides compensation to the seller if the buyer fails to fulfill the terms of the agreement. Typically 1% of purchase price (ex. \$300,000 = \$3000 earnest money) but this is negotiable. Money is held in escrow by a neutral third party typically a title company. This money goes towards your total cash to close.

### OPTION MONEY (IN TEXAS)

Is a non refundable amount that is paid up front and gives the buyer a set number of days to evaluate a properties condition typically by means of a home inspection and make a decision on whether they want to exercise their option to buy the property. The amount of option money and days are negotiable. This money goes towards your total cash to close. If you choose to terminate the contract during your option period you will get your earnest money back. Typically \$100-300 for a 3-10 day period.

### HOME INSPECTION

A home inspection is a professional evaluation of a property's condition. It is conducted by a licensed home inspector who examines various components of the home to assess its overall condition and identify any potential issues. A home inspector is an unbiased third party that is trained to look over all of the key components of the home, main ones being: foundation, roof, plumbing, electrical, HVAC, appliances, and safety issues. A home inspection is a crucial step in the homebuying process, providing buyers with valuable information about the property's condition. Cost is between \$450-700.

### APPRAISAL

A property appraisal is a professional assessment of the value of a property conducted by a qualified appraiser. The purpose of a property appraisal is to provide an unbiased estimate of the fair market value of the property at a specific point in time. This is required to get a loan on the property, it ensures that the property is worth what you are paying for it. Normally around \$500-700, some lenders require buyer pay this before closing, some lenders pay it in advance and the amount is included in your closing costs.



# CLOSING COSTS

WHAT THEY ARE - HOW MUCH TO EXPECT

## CLOSING COSTS

**Closing costs are the various fees and expenses associated with the purchase of a home. These costs are typically paid by the buyer and cover services provided by lenders, title companies, attorneys, and other professionals involved in the closing process. The specific closing costs can vary based on factors such as the location of the property, the purchase price, and the terms of the loan.**

## EXPENSES

**Loan Origination Fee:** This is a fee charged by the lender for processing the loan application. Other fees include, appraisal, credit report, and survey if the seller does not have one.

**Points:** Optional fees paid upfront to lower the interest rate on the mortgage.

**Prepaid Costs: Property Taxes:** Prepayment or prorated share of property taxes due at closing. **Homeowners Insurance:**

Prepayment or initial premium for the first year of homeowners insurance coverage.

**Miscellaneous Fees: Recording Fees:** Fees for recording the new deed and mortgage documents with the appropriate government authorities.

## HOW MUCH TO EXPECT

**Closing costs vary depending on several factors, including the location of the property, the purchase price, the loan type, and the terms negotiated between the buyer and seller. As a general rule of thumb, closing costs typically range from 2% to 2.5% of the purchase price of the home. However, it's important to note that this is just an estimate, and the actual amount can be higher or lower based on the specific circumstances.**

**\*\* Please note you can and should shop around lenders, I always recommend at least speaking to two before deciding who to apply with\*\***



# LAWS FOR BUYING

DON'T DO ANY OF THESE THINGS WHEN BUYING

## CHANGE MARITAL STATUS

---

Unless discussed with your lender do not get married, divorced, or change your name until you have finished purchasing your home.

## CHANGE JOBS

---

Do not change jobs while purchasing a home most lenders need to see at least 2 months worth of check stubs before closing.

## MAKE ANY LARGE PURCHASES

---

Do not buy a car, boat, rv, furniture, use your credit cards, etc. without discussing with lender first this can throw off your debt to income ratio and make you lose the home.

## DO NOT APPLY FOR NEW CREDIT

---

Do not open any new trade lines for credit cards, loans, etc. as this can cause your credit score to go down and push you out of approval.

## CHANGE BANKS

---

Lenders request the last 2-3 months worth of bank statements, changing banks in the middle of a purchase can cause a problem, if you have to make a change discuss with lender first.

## PAY OFF EXISTING ACCOUNTS

---

Don't pay off any credit accounts, cars, etc. unless instructed to do so by your lender. If you want to pay one off, double check to make sure it won't affect you negatively.



# WHY USE A REALTOR

HOW I CAN HELP NAVIGATE YOUR THROUGH THE PROCESS

## EXPERTISE AND KNOWLEDGE

Realtors are professionals who have extensive knowledge of the real estate market, including local market trends, neighborhoods, pricing, and property values. They can provide valuable insights and guidance throughout the home buying process.

## ACCESS TO LISTINGS

Realtors have access to comprehensive listings of homes for sale, including both listed and unlisted properties. They can help you find homes that match your specific criteria and save you time and effort in searching for available properties.

## NEGOTIATION SKILLS

Realtors are experienced negotiators who can advocate on your behalf during price negotiations. They have a deep understanding of market dynamics and can help you secure the best possible deal, whether it's negotiating the purchase price, contingencies, repairs, seller contributions towards closing costs, or other terms of the transaction.

## PROFESSIONAL NETWORK

Realtors have an extensive network of professionals in related fields, such as mortgage lenders, home inspectors, appraisers, and attorneys. They can provide recommendations and connect you with trusted professionals who can assist you throughout the home buying process.

## EMOTIONAL SUPPORT & GUIDANCE

Buying a home can be an emotional process, especially for first-time buyers. Realtors provide emotional support, guidance, and reassurance throughout the journey. They can answer your questions, address concerns, and help alleviate the stress associated with buying a home.





ANSWERS TO QUESTIONS ABOUT COMMISSION

# COMPENSATION EXPLAINED

## **Is there a standard commission rate?**

No. Each broker determines the services it will provide and the compensation charged for those services.

## **What is cooperative compensation?**

When a home seller hires a listing broker, the listing broker will typically include the property on a multiple listing service (MLS). An MLS is a database of homes for sale in an area. Brokers that represent buyers can search the MLS for homes that meet the buyers' criteria. This cooperation between the listing broker and buyers' broker helps to market the seller's property to as wide an audience as possible. The listing broker has the option to share a portion of the listing broker's commission with the buyer's broker in exchange for bringing a buyer who ultimately buys the home.

## **Is cooperative compensation required?**

No. Listing brokers are not required to share their compensation with the buyer's broker. The seller and listing broker work together to decide if cooperative compensation will be offered and how much compensation will be offered.

## **How I'm paid as your buyer's agent.**

My service charge is 3% of the purchase price of your home. If the seller is offering to pay the full amount there will be no additional cost to you. If they are not then the remainder will be your responsibility paid at closing. If the seller is not offering to pay my full amount or not at all, I would let you know before you go under contract.



# Client

## TESTIMONIALS

Lauren has been absolutely amazing from start to finish. She sold us our first home back in 2019 and it was a dream come true. The first time we met her was late on a Thursday and she showed up very pregnant and was literally having that baby the next day. Her dedication to her clients is unmatched. She helped us sell our home this last summer and we are now almost set to close on our brand new build, all thanks to her. I can't even count the number of times that I have texted or called her at all hours and she is always there to help. She truly is a remarkable realtor. She also sold two homes for friends of ours and my mother. I will ways refer people to her because she is the literal best. If you want a dedicated, hardworking and honest realtor, she is your girl!

- Jessie P. (Buy/Sell/Custom Build Client)

This is our second time working with Lauren as our realtor! The first time we were first time homebuyers and she made the experience so quick and easy. She didn't stop till she found a house that checked all our boxes. We decided to move closer to family. The first person we thought of to help sell our home was Lauren! Our home was under contract in 2 days! And in less than 3 weeks we closed on our second home! We are so blessed to have found Lauren. She also has a great network of people that help in the process along the way. She is always available during the process and makes SURE you know she is ready so help with questions or needs even after you close.

-Nathaly A. (Buy/Sell/Buy Client)

Lauren was phenomenal! She answered every single question we had without making us feel small. She went above and beyond to keep everyone on the same page all the time. She was professional, punctual, and she always came through with what she said she was going to do. She was such a big help with her lists of recommendations for various things. We ended up using and LOVING pretty much all the ones from her lists. We love her! Seriously, she's the best in the business.

- Lacey T. (Sell/Buy Client)



# Client

## TESTIMONIALS

Lauren was there for us every step of the way. She was so helpful, she literally answered every single question I had and it didn't matter what time it was, she was there! This was our first time buying a home so it was a little scary at times but Lauren always had a way of explaining things and putting our minds at ease.

There were some damages in the home and she was able to negotiate the repairs to be made and was even able to get the entire roof replaced for us on our home. We couldn't have gotten into our beautiful without her! I will forever recommend Lauren to everyone we know! She is just awesome! We are so grateful!

– Mariza A.

Lauren is by far the most competent, compassionate and hard working realtor that I have ever had the pleasure of working with. I bought my first house (using someone else) and was completely screwed over. Lauren came in and sold that house for me and then helped me buy and sell a couple of homes after that. It

didn't matter what time of day or night I text her she was always on top of everything. She took the time to explain things to me that I didn't understand and

ALWAYS made sure that was 100% happy with everything that was happening. I could not recommend her enough if you are buying or selling, she will always go above and beyond to ensure you are completely satisfied!

– Cassandra H. (Sell/Buy Client)

Thank you so much for all your help in selling the property . You made everything easy and smooth on my side. She is the go to if you are looking to buy or sell!

– Jeremy M. (Buy/Sell Client)

Lauren has been PHENOMENAL from the beginning! She has helped me overcome one of the darkest chapters in my life(selling my first home) AND helping find my forever home! Will ALWAYS be grateful for her!

– Yessica V.

# Client

## TESTIMONIALS

Words cannot describe how grateful I am for Lauren! I just bought my first home and by myself to add. I had no idea where to start or what to do but I was just so tired of renting. My budget was small and the market wasn't in my favor but Lauren worked her butt off to see my dreams become reality. She walked me through everything and answered all my questions. I recommend her to anyone looking to buy or sell their home. Thank you Lauren for being the best!!!

- Lynna N.

Lauren has gone above and beyond anything I could have ever hoped for in a real estate agent. I've used her for 3 separate houses and if I wasn't in my forever home I'd still choose her every time. I refer her to everyone I possibly can. She's not only thorough, she's kind and caring and NEVER fails to answer my questions. She responds no matter what time of the day or night I reach out and never makes me feel like my inquiry is too small. I cannot say enough good things about her and her service.

-Skye M. (Sell/Buy/Sell Client)

Definitely recommend Lauren! She helped us navigate through the entire process and made sure that we had all the information needed. Definitely couldn't have done any of this without her. She definitely went to bat for us multiple times and made sure everything was perfect!

- Christa F.

Lauren is the best!! She takes care of all your needs and wants when it comes to buying or selling! Best experience I've had and will definitely refer her to family and friends.

- Chris G.



# Client

## TESTIMONIALS

You're not just getting a realtor with Lauren, you're getting someone who truly is concerned about your happiness. She knows so much about the area the taxes the HOA's. She was so patient with our indecisiveness. She never pressured us to buy anything, and from that we were able to find our dream house. Thanks Lauren.

-Charles M.

Lauren is the best! She is very knowledgeable about the whole process in selling and buying. She has helped my family buy and/or sell and helped with making sure we found our forever home! 10/10 would recommend.

-Meghan J. (Buy/Sell/Buy Client)

I can't say enough good things about Lauren! She was amazing through our whole buying process & any question I had she would never hesitate to answer (even though I thought they were dumb questions!) I will deff recommend her to any & everyone! She is the BEST! ❤️

-Crystal R.

I would recommend her she was so good with her found us a place right away!

-Shirley B.

# Client TESTIMONIALS

Let me tell y'all how my agent/friend/mentor Lauren Cook, Realtor saved us from having \$8,300 STOLEN from us by a big insurance company!! 🏠📝🔑💰 We were so happy to finally have a contract on our house! We were so pumped that our DREAM HOUSE was still on the market and immediately sent in an offer! Accepted ✅ Through all of our transactions I shared everything with Lauren!! She is my go to and I have always trusted her with my life!! Agents are so important and she proved herself 10 fold! I included her in the email with our payoff docs. She said "something is not right!" My heart sank. 😞 long story short.... Goosehead insurance had been writing policies on our house for 2 years without our knowledge, consent, or approval!!!! Nationwide had been billing our escrow account for two whole years!!! We haven't had Nationwide since 2022! How did we not notice? Our mortgage provider Essex did a large software change over last year and a bunch of information was "lost" according to them. So our escrow analysis looked different. It had our taxes, insurance, and PMI lumped into one line. This did not stand out to me because our taxes increased and I didn't think I needed to fight it any further. Get this, the DAY I called to asked why my escrow account was in the negative was the day Essex issued a \$5000 payment to Nationwide for flood insurance!! I was SICK. We have travelers! How was this possible?! My mortgage provider said that if an agency sends a request for payment they just pay it. Because they cant send those without approval from us! Now, almost a month later the fraud investigation is still underway with Nationwide and Goosehead.

Thankfully they refunded our money!! Moral of this story, had Lauren not pointed out to me that the escrow analysis was off on my home compared to all of our other numbers we would have lost the \$8,300 that was taken from us and not been able to close on our dream house. Choose your agent carefully!!

Not many other agents would haven taken the time to sit down with a calculator and make sure our documents matched up!! No one else noticed it!! To everyone else it just looked like we underpaid!! Lauren Cook really saved us in more ways than she will ever know!! 🙏

-Jordan C.



# REAL ESTATE FACT

**74% of agents in the USA sold 0 homes in 2024**

**2% sold between 11 and 20**

**.14% sold 45 or more**

**God has continued to bless my business and I am in the 1.86% that sold more than 20 homes and less than 45 in 2024**

This is why who you work with matters!



# THE COMPLETE GUIDE TO BUYING A HOME

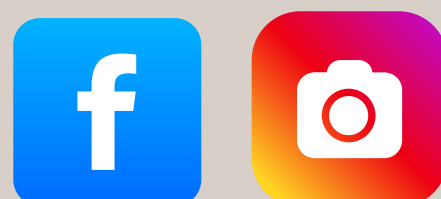
## FUN FACT

**PEOPLE THAT OWN A  
HOME HAVE A 40X  
GREATER NET WORTH  
THAN THOSE WHO DO  
NOT OWN HOMES**

IF YOU ARE LOOKING IN THE DALLAS, ELLIS,  
KAUFMAN, JOHNSON, HILL, NAVARRO OR  
TARRANT COUNTY AREAS I WOULD LOVE TO  
HELP YOU!

**LET'S STAY CONNECTED  
FOLLOW ME ON SOCIALS**

**LAUREN COOK**  
BROKER OWNER



IABS  
**972.658.6954**