

# *First-Time*

## HOMEBUYER GUIDE



***Miguel Vazquez***

Realtor ®



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Thank you so much for considering me for the task of successfully finding your home. I am very excited to meet with you and hear what your specific goals are for finding your home. When we meet, we will talk about your needs and wants of purchasing a home. In the meantime, please look through this informational packet, and if you have any questions, I will answer them when we meet!

One of the things I often hear from my clients is that we are not like any other real estate team. That is a huge compliment! Too often, a typical real estate agent is focused on the sale - not the client. My focus is you! I maintain a client-focused mindset and always put myself in your shoes, identify your worries and concerns, and address these concerns before you ever bring them up! I maintain open communication throughout the process to ensure all your questions are answered. My goal is to go above and beyond your expectations, providing you with the specialized service you deserve.

Buying a home is a process, and without a competent, professional real estate agent helping you navigate that process, it can be overwhelming. As a full-time agent, I am in that process every single day. I know the ins and outs of contracts, negotiation, inspection, repairs, lending, title work, and all the in-betweens. I understand that it is not just a process; it is a life change. I am not just here to advise you, but also to support you.

Sincerely,

*Miguel Vazquez*

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# Does it *really* matter

**WHO I WORK WITH TO BUY A HOME?  
IS ONE REALTOR REALLY DIFFERENT FROM ANOTHER?  
CAN A TOP-PRODUCING REALTOR MAKE A DIFFERENCE?**

*Yes!* And it will save you  
thousands of dollars!

## *Here's How*

- There are nearly 2 million licensed real estate agents in the United States.
- There are roughly 11 million real estate transactions each year.

## *That's a lot of homes!*

- The typical Realtor sells less than 6 homes per year.
  - **Strategic Realty sells hundreds of homes ever year with each of our agents selling an average of 10+ homes in a year!**
- Over the course of 10 years, the average Realtor will sell only 60 homes.
  - **That's less than what Strategic Realty sells every year!**

**MORE EXPERIENCE IN PRICING!  
MORE EXPERIENCE IN NEGOTIATING!  
MORE EXPERIENCE IN GETTING THE SALE TO CLOSE!  
MORE EXPERIENCE EXCEEDING CLIENT EXPECTATIONS!**

*It matters!*



# what does a realtor do?

As a first-time homebuyer, you will want a Realtor to walk you through every step of the home buying process, which is complex and can be stressful at times.

A Realtor will:

- Discuss what your home must have are such as
  - Number of bedrooms
  - Number of bathrooms
  - Design features
    - Vaulted ceilings
    - Fireplace
    - Fenced yard
    - Etc.
- Email you listings of listings that fit your criteria.
- Show homes that meet your search criteria within your price range.
- Provide details about a home you love like days on the market, property taxes, neighborhood information, average sales prices of similar homes in the area, etc.
- Submit an offer to a seller with the price and terms such as the closing date and seller credit toward closing costs.
- Negotiate with the listing agent to get you the best possible deal.
- Handle mountains of paperwork such as contracts, property disclosures, etc.
- Refer you to a trustworthy lender to assist you with financing and down payment assistance programs.
- Refer you to a home inspector and guide you through the home inspection process.
- Attend closing to answer any questions and take care of any issues that may arise.

*Using a Realtor during the buying process costs you nothing; their commissions are paid by the seller!*



# About Miguel Vazquez

Hello, I'm Miguel Vazquez,

your dedicated realtor specializing in helping first-time home buyers and families find the perfect home in North Texas/Texoma. When you choose to work with me, you're not just getting a realtor – you're gaining a committed partner who will go above and beyond to secure the home of your dreams.

I understand that buying a home is one of the most significant decisions you'll make, and I'm here to make that journey as smooth and rewarding as possible. From our first conversation to closing day, I'm with you every step of the way, providing expert guidance, clear communication, and unwavering support. I am bilingual in Spanish and English, ensuring all my clients feel comfortable and understood throughout the process.

I don't shy away from negotiation challenges, whether it's getting into a competitive offer situation or making sure you're getting the best deal possible. During showings, I'm vigilant in pointing out both the highlights and potential concerns of each property, ensuring that every detail aligns with your needs and desires. My strong network across Texas allows me to offer valuable resources and connections, from lenders to inspectors, all aimed at making your home-buying experience seamless.

When you work with me, you're not just finding a house – you're finding a home where you can build your future. Let's find your dream home together.

Best regards,

Miguel Vazquez Mireles

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As a first-time homebuyer, you have access to state programs, tax breaks, and federally backed loans if you do not have the usual minimum down payment (20% of the purchase price for a conventional loan).

According to the United States Department of Housing and Urban Development (HUD), a first-time homebuyer is someone who meets any of the following conditions:

- An individual who has not owned a principal residence for three years.
  - If you have owned a home but your spouse has not, you can purchase a property together as first-time homebuyers.
- A single parent who has only owned a home with a former spouse while married.
- A displaced homemaker who has only owned with a spouse.
- An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- An individual who has only owned a property that was not in compliance with state, local, or model building codes - and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

# Real Estate **TERMINOLOGY**

Here are some key terms you should know as a first-time homebuyer to help you along the way:



## *Appraisal:*

A written estimate of a property's current value.

## *Closing Costs:*

Fees associated with buying a house that the lender charges or that you accumulate from third parties.

## *Contingent:*

A status in which a house has accepted an offer but relies on meeting certain criteria, such as passing a home inspection or appraisal.

## *Conventional Mortgage:*

A mortgage loan not insured by the government or guaranteed by the Veteran's Administration. This type of mortgage is subject to conditions established by the lender and state statutes.

## *Commission:*

A percentage of the sale that is paid to the real estate agent; in most situations, commissions are paid by the seller of the property.

## *Down Payment:*

The amount of your home's purchase price you pay up front.

## *Earnest Money:*

A deposit made by the potential buyer to show they are serious about buying the home.

## *FHA Mortgage:*

A mortgage insured by the Federal Housing Administration designed to make housing more affordable.

## *Foreclosure:*

A property seized by the mortgage lender due to the homeowner failing to make full payments on their mortgage. The lender will sell the house in hopes of recovering the balance of the home loan.

## *For Sale By Owner (FSBO):*

A property being sold by the current homeowner without the aid of a real estate agent.

## *Inspection:*

An evaluation of the home made by a professional inspector that determines the current condition of the home.

## *Multiple Listing Service (MLS):*

A database that includes all available homes for sale in a particular area.

## *Private Mortgage Insurance (PMI):*

The monthly insurance payment a lender must pay if the down payment is less than 20% of the sale price.

## *Pre-Approval:*

An evaluation by a lender that determines if the potential buyer qualifies for a loan and, if so, the maximum amount the lender is willing to loan.

## *Real Estate Owned (REO):*

A property owned by the bank due to foreclosure. These properties can be purchased from the bank; however, they are typically sold "as is."

## *Seller Assist:*

Money given by the seller to the buyer at settlement to pay for part of the closing costs. The amount varies depending on what the mortgage company allows.



# **First-Time Homebuyers** *Where Should You Start?*

The more you know about the home buying process, the less stressed you will be. You are not expected to be an expert on the home buying process by any means; however, a little bit of knowledge about the home buying process may work in your favor.

*As a first-time homebuyer, keep the following in mind:*

**1. Contact at least three mortgage lenders to ensure you are getting the lowest rate.**

- Going with the first lender you talk to could be a costly mistake as you could potentially miss out on thousands of dollars of savings.

**2. Learn about the different types of home loans.**

- Find out which type of loan best fits your needs as there are a multitude of various types of loans offering low down payments, options for a low credit score, options if you're self-employed, large loans, and more!

**3. Know your price range and monthly payment.**

- When calculating your mortgage payment, make sure you are including principal, interest, taxes, and insurance. Understanding your mortgage rate will allow you to shop for a home with more confidence.

**4. Prior to house-hunting, get a mortgage pre-approval.**

- Being pre-approved from a lender will verify your budget and lets sellers know you are a serious potential buyer; many sellers will not accept an offer if there buyer does not have a mortgage pre-approval.



# Check Your Credit Report

- *Check your credit report to find out what your credit score is.*
  - There are many different online sites that you can use but those scores may be different than the ones you would get when a lender runs your credit for a mortgage.
  - Checking your credit will at least give you a general idea of what your credit is.
- *Review your credit for inaccurate items.*
  - If you find anything that is incorrect on your credit report, contact the credit bureaus to dispute those findings.
  - File a dispute with all the credit bureaus reporting the inaccurate information.
- *Understand what the minimum credit score needed to qualify for a loan is.*
  - If your credit score is lower than 580, there are many ways to raise it.
    - Limit the balance on your credit cards to 40% of the limit.
  - If you have no credit, you need to build it by getting some small credit cards.
  - Pay off any items on your credit report that are in collections.







## What Does Your Credit Score *Mean?*

Credit Score	Rating
720+	Excellent
680-719	Good
640-679	Fair
580-639	Marginal
Below 580	Credit Challenged

Lenders typically check Experian, Transunion, and Equifax credit reports, which will provide three different credit scores. The lender will typically use the middle score.



# MINIMUM CREDIT SCORE TO BUY A HOUSE

A common misconception of buying a home is that you need exceptional credit. Fortunately, this is not true. If you have decent or even fair credit, you may qualify for a home loan!

Credit score requirements for most loan programs start at 620 but with the FHA loan program, it is possible to get a home loan with a score of 580.

- Conventional Loan: 620+ (Marginal to Excellent)
- FHA Loan: 580+ (Marginal to Excellent)
- USDA Loan: 640+ (Fair to Excellent)
- VA Loan: 620+ (Marginal to Excellent)

If your credit score is in the "excellent" range, you will usually have access to the most favorable loan programs and the lowest interest rates. If your credit score is below 620, it becomes more difficult to find mortgage financing.

- *While FHA loans are available with a credit score as low as 500, you must be able to make at least a 10% down payment.*
- *VA loans have no credit score minimum but lenders typically impose their own minimum credit score of at least 620.*

Your credit score is not the only thing that lenders examine. They look at your entire credit report to see if you have made all your loan payments on time and have not had recent credit issues.



# What is **A MORTGAGE?**

Money borrowed to purchase a home is done so by using a special loan called a mortgage. Mortgages are different than other types of loans because of:

- *Low Interest Rates*
- *Extended Repayment Periods*
  - Most mortgages are paid off over 30 years.
- *Rates and Payments are Generally Fixed*
  - Most borrowers "fix" their mortgage interest rate so their monthly payment stays the same over the whole loan period.
  - Adjustable-rate loans are also available.
- *Secured Loan*
  - Mortgages are secured by the value of the home.
  - If payments are not made, the mortgage company can take back the home to recoup its losses.



# Tips For:

# MORTGAGE FINANCING

Always check with your lender before doing any of the following **prior** to closing on your home:



## *Making a big purchase:*

Avoid making major purchases like buying a car or furniture until after you close on the home. Big purchases can change your debt-to-income ratio that the lender used to approve your home loan and could throw the approval into jeopardy.

## *Opening new credit:*

Do not open any new credit cards or take out a loan without speaking to your lender, first.

## *Missing any payments:*

Pay your bills on time to keep your credit score from dropping.

## *Cashing out:*

Avoid any transfers of large sums of money between your bank accounts or making any undocumented deposits - both of which could send "red flags" to your lender.

## *Keep the same job:*

Be kind to your boss and keep your job. Do not start looking for a new job right now, unless it is a second job to make extra money.

# **First-Time Homebuyer** *Loan Programs*

There are many different types of loans available to home buyers; however 90% of buyers use one of four popular loan programs:

- Conventional Home Loan
- Federal Housing Administration (FHA) Home Loan
- U.S. Department of Agriculture (USDA) Home Loan
- Department of Veterans Affairs (VA) Home Loan

These four types of loans are popular due to their accessibility, low rates, and friendly terms and each has unique benefits, depending on what you are looking for as a first-time home buyer.

While your loan officer will help you choose the right type of mortgage for your situation, it is important to know your options beforehand to ensure that you are asking the right questions.





# Conventional Loan

## *3% Down Payment*

Most buyers think of the conventional or "conforming" mortgage loan when they think of a home loan. These loans meet guidelines established by Fannie Mae and Freddie Mac.

A conventional loan is often the best choice for home buyers with a good credit score and a down payment of at least 10%.

The following conventional loan options exist for buyers making a down payment of just 3%:

- Fannie Mae's HomeReady Loan
- Freddie Mac's HomePossible Loan
- The Conventional 97 Home Loan

HomeReady and HomePossible loans offer low down payments and flexible eligibility guidelines, especially for lower-income home buyers, possibly offering a \$500 rebate to borrowers.

While the Conventional 97 Home Loan does not offer a discount, it can be the most economical way to purchase a home with little money down, especially for buyers with excellent credit.







## *3.5% Down Payment*

FHA loans are popular with borrowers who have a smaller down payment and/or credit issues, requiring extra underwriting flexibility. Buyers with below-average credit are able to get mortgage approved using an FHA loan.

FHA loans allow buyers with a credit score of 580 and down payment of 3.5% or a credit score of 500 with a down payment of 10% get approved to buy a home.

While FHA mortgage rates are often lower than conventional mortgage rates, FHA loans do require mortgage insurance premiums, making the overall cost of an FHA loan sometimes higher.

FHA Mortgage Insurance:

- Upfront Mortgage Insurance Premium
  - 1.75% of the loan amount
- Annual Mortgage Insurance Premium
  - 0.85% of the loan amount
- *FHA mortgage insurance typically lasts the life of the loan; however, it can be cancelled with a refinance once you have built up equity in the home.*

FHA loans require the home purchased to be your primary residence. A vacation home or investment property cannot be purchased with this type of loan.



# **USDA** *Loan*

*0% Down Payment*

The USDA loan is typically available in rural areas and low-density suburbs. It is a no-money-down mortgage that can be used to finance a home.

The USDA loan offers lower mortgage rates, zero down payment, and less expensive mortgage insurance to borrowers with low to moderate income; however, the home has to be in a designated rural area according to USDA standards, meaning it must be located in a city with a population of less than 20,000.

Like the FHA loans, USDA loans require the home purchased to be your primary residence. A vacation home or investment property cannot be purchased with this type of loan.

# The **VA LOAN**

*0% Down Payment*

The VA loan has benefits offered by no other loan but you must be associated with the military to be eligible to receive this loan.

VA loans offer 100% financing, simplified approval standards, and access to the lowest mortgage rates available for veterans and active members of the United States military.

VA loans have consistently beat rates for all other common loan types, with rates as much as 0.40% lower than rates for a comparable conventional loan.





# Down Payment

A 20% down payment on a home is far from reality but will keep you from having to pay the extra price of mortgage insurance every month. The average down payment for the first-time home buyer is only 6%!

With the four previously mentioned loans, down payments are much more flexible. Your down payment amount should depend on:

- Your Monthly Income
- What You Currently Have Saved
- The Price of the Home
- What Your Overall Buying Goals Are

There are pros and cons of bigger and smaller down payments:

- *Bigger Down Payment*
  - Lower interest rate
  - Lower monthly payment
- *Smaller Down Payment*
  - Build equity sooner
  - Keep more of your savings for emergency expenses.

Examining your personal finances and goals will help you figure out the right down payment amount for your situation.





# Down Payment Assistance

With many mortgage programs requiring some sort of down payment, there are ways you can make a required down payment without depleting your savings.

- *Down Payment Assistance Programs*
  - These programs are typically run by local governments.
  - Grants and low-interest loans are offered to assist buyers in covering their down payment and upfront home buying fees.
- *Gift Funds*
  - A cash gift can be used for a down payment; however, you must prove the money came from an acceptable source.
    - A paper trail must be provided showing the gift funds leaving the giver's account and being deposited into your account or into an escrow.
    - A gift letter from the giver indicating their relationship to you, the amount, and a statement that the giver does not require repayment is also needed.
  - *There is no limit to the amount of money that can be gifted.*



# *First-Time* **HOMEBUYER GRANTS**

First-time homebuyers may have access to special loans, grants, and homebuyer courses that offer assistance such as savings on down payments and closing costs.



Known as down payment assistance (DPA) programs, first-time homebuyer grants are typically available at the state or local level and can help cover all or part of the down payment and closing costs. These grants are true savings for a first-time homebuyer.

- One study estimated that buyers using down payment assistance programs saved almost \$6,000 at closing on average.
- Another study estimated buyers saved \$11,000 over the life of their loan.

Down payment assistance is typically one of two forms:

- *First-Time Homebuyer Grant*
  - Money given to you that is not to be repaid.
- *Low-Interest Loan*
  - Money borrowed to cover a down payment or closing cost that is to be repaid with minimal interest.

First-time homebuyer grants vary in size, availability, and requirements to qualify based on where you live.



Prior to determining what monthly mortgage payment you can afford, create a budget.

- Calculate your monthly net income or take-home pay using the income you can count on every month.
  - If you have overtime income, use your average monthly overtime pay over the last 12 months.
- List your fixed expenses such as car and student loans.
  - Student loan debt can sometimes be an issue for first-time homebuyers.
    - Work with your lender to come up with a plan if needed.
    - Waiting until your student loans are paid off may cause you to miss out on low interest rates.
- List all your variable monthly expenses like credit card payments, and utility bills.

Creating a budget will enable you to determine how much you can afford for a monthly mortgage payment. In your current situation, if you have money left over after you pay your current rent and expenses, you may be able to afford a higher mortgage payment. However, if you don't have money left over at the end of the month or you can't make ends meet, you may need to make some cuts in your budget.

Be conservative when creating your budget and be prepared to take on unexpected expenses like car repairs or medical bills. You may find that you need to make some sacrifices to buy a home but only buy a home you can afford so you are not "house poor."





## Get Pre-Approved

In order to know the exact price range of homes you should look at, you must get pre-approved for a mortgage loan. Many Realtors won't even show you a home until you have a pre-approval letter from a lender.

Getting a pre-approval letter usually takes less than a day and shows sellers that you are a serious buyer. Make sure the lender you choose to work with collects income documents and verifies all the information on your application; otherwise, you may not be qualified for the maximum price range indicated on the pre-approval letter.

- *There is nothing worse than finding your dream home only to find out later that you cannot buy it because the pre-approval amount is not accurate.*

Getting pre-approved prior to house hunting allows you to know which programs you qualify for and what your maximum loan payment would be.





# Local Trusted- Lenders

**Andre Spearman**  
Mortgage Banker  
Office: (940) 400-1831  
Cell: (940) 224-4419  
aspearman@fbhl.com  
Flat Branch Home Loans  
2629 Plaza Parkway, Suite A3  
Wichita Falls, TX 76308



**Flat Branch**  
HOME LOANS



**Griselda Lopez**  
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*Download my app to begin the  
pre-approval process!*



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*Download my app to begin the  
pre-approval process!*



(SCAN WITH CAMERA APP)



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# Search **FOR THE PERFECT HOME!**

Deciding on what you want in a home is the fun part. Make a list of "must haves" and "wants" for your new home. How many bedrooms do you want? How far are you willing to commute? Do you want a move-in ready home or are you willing to do a few renovations? Look at neighborhoods, schools, restaurants, parks, grocery stores, transportation, etc. Give this some thought but be realistic.

You may look at one home or dozens of homes before you find the home that is perfect for you. Don't make the mistake of passing on a home because of a flaw such as the wrong color of paint on the walls or a scratch on the floor. When you are buying a home from someone else, you must visualize it as your own and be willing to repaint the home in your desired colors or refinish the floor.

Using the Home Buyer's Checklist will make it easier when you look at different homes.





### *The Home Search*

- I will set up a custom home search for you based on the criteria provided in our initial consultation, where you can access available properties 24/7.
- I will choose properties based on your criteria and email them to you.
- Using our advanced home search tool, you are able to select your favorite homes, as well as request showings.
- I will schedule viewing appointments, which typically occur during daylight hours, Monday through Saturday.

### *A Typical Day of Looking at Homes*

Generally, we will look at no more than 4-6 homes in one day. My experience tells us viewing more than 4-6 homes in a day is counter-productive.

As we look at each home, I will ask you for specific details of what you like, what you do not like, and whether or not you want to make an offer on the home.

At the end of our appointment, we will review what we have looked at and:

1. Pick some "favorites"
2. See which homes you want more information on
3. Determine if we need to adjust the search
4. Plan our next steps.



# Steps to a Home Purchase

## STEP 1

- LENDER PRE-APPROVAL
- PREVIEW HOMES
- WRITE OFFER & NEGOTIATE PRICE

## STEP 2

- HOME INSPECTION
- POST INSPECTION AGREEMENT
- ORDER HOME WARRANTY (OPTIONAL)

## STEP 3

- TITLE SEARCH
- APPRAISAL ORDERED BY LENDER
- FINAL COMMITMENT LETTER BY LENDER

## STEP 4

- SCHEDULE HOMEOWNER'S INSURANCE
- FINAL AMOUNT NEEDED FOR CLOSING

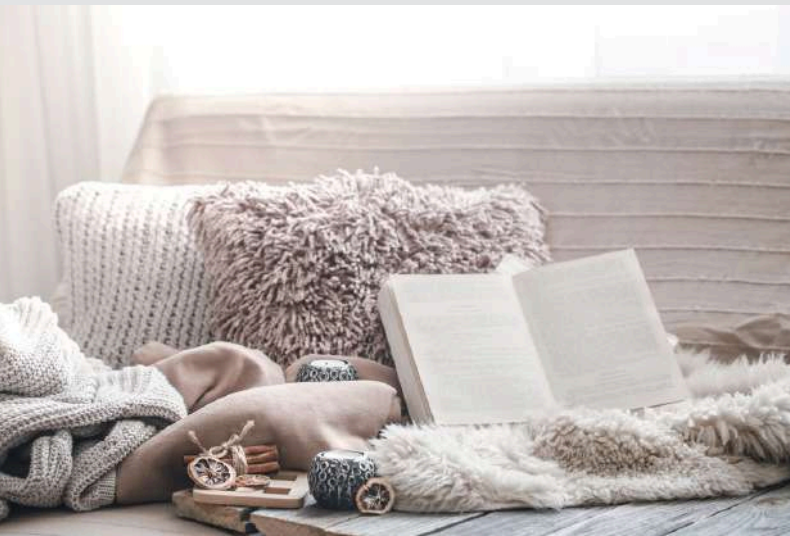
## STEP 5

- FINAL WALKTHROUGH
- CLOSING

## STEP 1

### **DETERMINE HOW MUCH YOU CAN AFFORD:**

Lenders typically recommend homes with a cost no more than three to five times your annual household income with a 20% down payment and moderate amount of other debt.



### **GET PRE-QUALIFIED & PRE-APPROVED:**

Initially, you'll provide some financial information to your lender such as your income and annual savings. The lender will then preapprove you for a certain amount. Be aware that even if you have been preapproved for a mortgage, your loan can fall through at the last minute if you do something to alter your credit score, such as finance a car purchase.

### **PREVIEW HOME & WRITE OFFER:**

Your real estate agent will help you decide how much money you want to offer for the house, along with any conditions you want to ask for. Your agent will then present the offer to the seller's agent; the seller will either accept your offer or issue a counteroffer. You can then accept, or continue to go back and forth until you either reach a deal or decide to call it quits. Before submitting your offer, take another look at your budget. Think ahead: It is easy to be ambushed by higher or unexpected utilities and other costs if you are moving from a rental to a larger home.



## STEP 2



### **HOME INSPECTION:**

Even if the home you plan to purchase appears to be flawless, you still want a trained professional to do an inspection of the property for quality, safety, and overall condition of your potential new home. You do not want to get stuck with a money pit or with the headache of performing a lot of repairs. If the inspection reveals serious defects the seller did not disclose, you will generally be able to rescind your offer and get your deposit back or negotiate to have the seller make the repairs or discount the selling price.

### **POST INSPECTION**

#### **AGREEMENT:**

This form will be used after the Home Inspection has been completed and will be filled out by your real estate agent. It is, in essence, a counter-offer to the seller asking that items considered defective or problems relating to the safety or habitability of the home be corrected prior to closing. Only items that relate to habitability, safety or defects are re-negotiated using this form.

### **HOME WARRANTY:**

A home warranty is an annual service contract that covers the cost to repair or replace parts of home appliances and systems that break down over time. Breakdowns will happen, and the cost of repairing or replacing them could really set you back.



## STEP 3

### **TITLE SEARCH:**

A property title tells who has the right to own the property—and thus, to sell it. While it may seem straightforward that a home seller owns their house, there could be hidden claims or liens on the property the homeowners themselves may be unaware of, making a title search essential for both buyers and sellers.

### **APPRAISAL:**

An appraisal is the estimated value of a home determined by an inspection of the property and comparison of recently sold homes in the area. Before you complete the home buying, selling or refinancing process, it is required that you first get an appraisal. The findings determine the amount a mortgage lender will let you borrow for the property. It protects the buyer from paying more than the house is worth.

### **LENDER COMMITMENT LETTER:**

A mortgage commitment letter (also called an approval letter) is an agreement between a buyer and their lender outlining the agreed-upon terms of a mortgage. It signifies that financing is officially approved.



### **HOMEOWNER'S INSURANCE:**

Homeowner's insurance is a form of property insurance that covers losses and damages to an individual's residence, along with furnishings and other assets in the home. Homeowners insurance also provides liability coverage against accidents in the home or on the property.

### **FINAL CLOSING COSTS:**

Closing costs are fees paid to cover the costs required to finalize your mortgage when you are buying or refinancing a home. Closing costs are paid at closing, the point in time when the title of the property is transferred to the buyer.

## STEP 5



# CLOSING

The closing process finalizes the purchase of your home and makes everything official.

Also known as settlement, the closing is when you receive the deed to your home.

Prior to closing, you should change all utilities into your name and complete a final walkthrough to check for any outstanding items.

### A FEW THINGS TO BRING TO CLOSING:

- A valid government issued photo ID.
- Cashier's check for the total amount due.
- Outstanding documents for the title company or mortgage loan officer.

### WHAT TO EXPECT:

The Escrow Officer will look over the purchase contract to identify what payments are owed and by whom; prepare documents for the closing; make sure taxes, title searches, real estate commissions, and other closing costs are paid; ensure that the buyer's title is recorded; and ensure the seller receives any money due.

### YOUR COST:

Some of the most common fees include:

- Escrow fees
- Recording and notary fees, if applicable
- Title search and title insurance
- Original, application, and underwriting fees from lender
- Appraisal fees
- Local transfer taxes
- Homeowner's Insurance
- Home Owners Association fees, if applicable

### AFTER CLOSING:

Once all the papers are signed, you've secured your mortgage and the closing is officially complete, you will receive the keys to the property. Be sure to store all of the documents you received during the closing in a safe place. You can also now change your address, meet your new neighbors, and move in.



# Understanding Fees in a Texas Home Purchase

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**Prepared by :** Miguel Vazquez Mireles, Your Trusted Realtor!

**Date:**

## Introduction

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A buyer's fee sheet is a document provided during the home-buying process to outline the various costs associated with purchasing a property. This sheet ensures transparency and helps buyers plan financially for their investment.

## Key Components of a Buyer's Fee Sheet

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1. **Loan Origination Fee:** This fee is charged by the lender for processing your loan application. It covers administrative costs and is usually a percentage of the loan amount.
2. **Appraisal Fee:** Paid to a licensed appraiser, this fee ensures the property's value aligns with the purchase price. It protects both the lender and the buyer.
3. **Inspection Fee:** This fee covers the cost of a home inspection, which evaluates the property's condition and identifies any necessary repairs or issues.
4. **Title Search and Title Insurance:** A title search verifies that the seller has a legal right to sell the property and that there are no outstanding liens. Title insurance protects against future claims or disputes.
5. **Escrow Fee:** This is charged by the escrow company for managing the closing process, including holding and disbursing funds as agreed by the buyer and seller.
6. **Recording Fees:** These are fees paid to the county for recording the property's transfer of ownership and other legal documents.
7. **Homeowner's Insurance Premium:** Lenders often require the first year's homeowner's insurance premium to be paid upfront at closing to ensure the property is protected.
8. **Property Taxes:** Depending on the time of year, buyers may need to pay a prorated portion of the property taxes for the year at closing.
9. **HOA Fees and Transfer Fees:** If the home is part of a homeowners' association (HOA), there may be fees for transferring the ownership and initial dues.
10. **Survey Fee:** This fee is for verifying the property's boundaries and ensuring there are no encroachments.

## Why the Buyer's Fee Sheet Matters

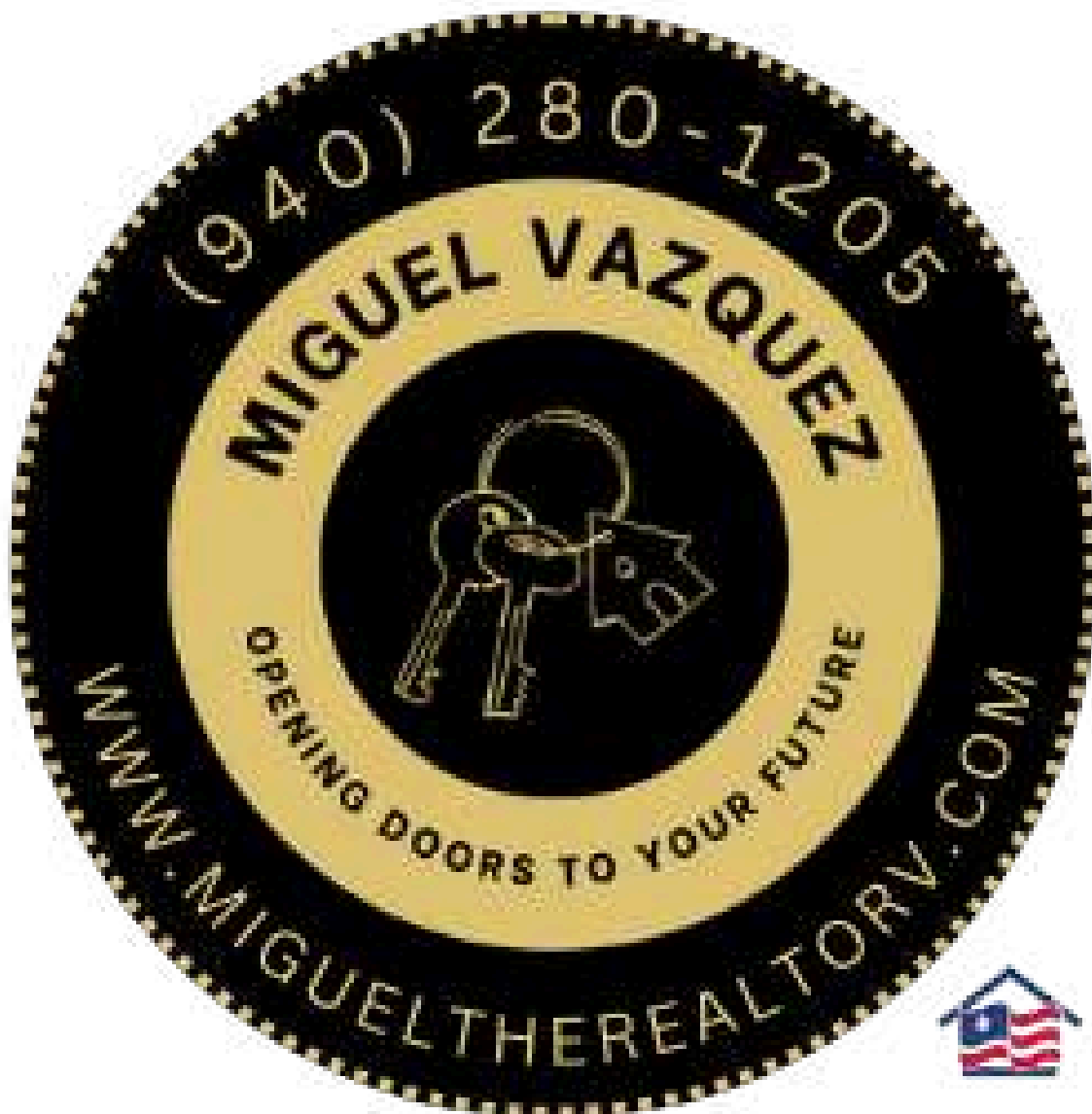
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Understanding these fees ensures that buyers are prepared for the financial obligations of purchasing a home. It allows them to plan their budget, avoid surprises, and make informed decisions.

## Conclusion

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The buyer's fee sheet is an essential tool for navigating the financial aspects of homeownership in Texas. By familiarizing yourself with each fee and its purpose, you can approach the home-buying process with confidence.





# **Congratulations, New Homeowner!**

## **Now** *What?*

You have signed the papers, paid the movers, and the new place is starting to feel like home. Now what do you do? Homeownership costs extend beyond down payments and monthly mortgage payments.

- *Keep Saving*
  - Unexpected expenses come with homeownership. Start an emergency fund for your new home so you will not be caught off guard when emergencies arise.
- *Perform Regular Maintenance*
  - You will want to take excellent care of your new home. Regular maintenance can decrease your repair costs by allowing problems to be fixed when they are small and manageable.
- *Ignore the Housing Market*
  - It does not matter what your home is worth until you decide to sell it. Being able to sell your home will be the biggest determinant of whether or not you will see a profit from your investment.
- *The Sale of Your Home Does Not Fund Your Retirement*
  - Save the maximum in your retirement savings accounts every year. If you want to look at your home as a source of wealth in retirement, once you have paid off your mortgage, consider the money you were spending on monthly payments as a source of funding for your living and medical expenses in retirement.





## **my commitment** *to you*

- I commit to be honest with you - open and transparent.
- I commit to maintaining integrity in all our dealings.
- I commit to treat you with the utmost respect.
- I commit to act in your best interests.
- I commit to communicate all information to you in a timely manner.
- I commit to go above and beyond all your expectations.



Choose  
AN AGENT YOU CAN  
TRUST WITH THE  
EXPERTISE TO HELP  
SAVE YOU MONEY.

your  
dream  
home

IS WITHIN REACH

Considering

BUYING OR SELLING?

*Navigate the Real Estate process  
with the proper guidance:*

- ✓ a proven marketing plan
- ✓ experienced negotiation
- ✓ constant contact
- ✓ professional photography
- ✓ honesty and integrity



Contact me  
TO SET UP AN  
APPOINTMENT



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Miguel Vazquez Mireles

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(940) 280-1205

LIC# 795863



## **suggested interview questions to ask** *your Realtor*

- Are you a full-time or part-time Realtor?
- Are you a single agent or do you work with a team?
- Do you specialize in working with buyers or sellers?
- How many houses have you sold this year?
- Can you provide me with a written plan of action?
- How many websites will my house be featured on?
- Do you prospect daily and how do you do it?
- How well do you know internet marketing?
- Will I receive regular updates on real estate activity in my area, including price changes, houses that have sold, and houses that have gone up for sale?
- How will you communicate with me?
- Will you be available on my schedule?
- What happens when you are out of town or on vacation?
- What do you know about my area?
- If I sell my house with you, how soon do you start marketing it?
- Will you keep in touch with me after the sale or will I have to search for another Realtor when it comes time to sell my home?



# home buyer's checklist

Buyer's Name(s):

Price Range: MIN \$ \_\_\_\_\_ - MAX \$ \_\_\_\_\_

Desired Neighborhoods/School Districts:

Bedrooms: \_\_\_\_\_ Bathrooms: \_\_\_\_\_ Square Footage: \_\_\_\_\_

House Style: \_\_\_\_\_ Cape Cod \_\_\_\_\_ Colonial \_\_\_\_\_ Farmhouse \_\_\_\_\_ Log Cabin \_\_\_\_\_ Ranch  
\_\_\_\_\_ Multi-Level \_\_\_\_\_ Split-Level \_\_\_\_\_ Tudor \_\_\_\_\_ Victorian \_\_\_\_\_ Other: \_\_\_\_\_

Features	Desired	Highly Desired	Must-Have
Cul-de-Sac Street			
Garage			
Fenced-In Yard			
Pool			
Deck and/or Patio			
Front Porch			
Hardwood Floors			
Open Floor Plan			
Finished Basement			
Updated Bathroom(s)			
Spa Bath			
Master Bathroom			
Eat-In Kitchen			
Granite Countertops			
Kitchen Island			
Kitchen Appliances Included			
Pantry			
Fireplace			
Central Air			
Washer/Dryer Included			
Office			
Walk-In Closet			
Security System			
Dining Room			

Other: \_\_\_\_\_

# what can you afford?

## Step 1 Monthly Income

Wages, Salaries, Business Income After Expenses

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Interest, Dividends, or Rental Income

-----

Other Income (Alimony, Child Support, Pensions, or Social Security)

**Total Monthly Income (Step 1) \$**

## Step 2 Monthly Non-Housing Expenses

Car Payment and Insurance

-----

Cell Phone

-----

Student Loan

-----

Credit Card

-----

TV, Internet, Netflix, Etc.

-----

Groceries, Gas, Other

-----

Travel, Recreation, Fun Money

-----

Child Care

-----

Monthly Bank Loan Payments (Other Than a Mortgage)

-----

Alimony or Child Support You Owe

-----

Savings and Investments

**Total Monthly Non-Housing Expenses (Step 2) \$**

## Step 3 Amount Available for Monthly Housing Expenses

Total Monthly Income (Step 1)

-----

Minus Total Non-Housing Expenses (Step 2)

**Equals Amount Available for Monthly Housing Expenses (Step 3) \$**

## Step 4 Monthly Estimated Housing Expenses

Mortgage Loan Payment (Principal and Interest)

-----

Property Taxes

-----

Mortgage Insurance

-----

Homeowner's Insurance (Liability, Flood, Fire)

-----

Utilities (Heat, Water, Electricity, Gas, Trash Removal)

-----

Maintenance and Repairs

-----

Other (Assessments, Homeowner's Association Dues)

**Total Monthly Estimated Housing Expenses (Step 4) \$**

Compare Step 3 and Step 4 totals.

The Total Monthly Estimated Housing Expenses (Step 4) should not exceed the Amount Available for Monthly Estimated Housing Expenses (Step 3).

# loan application checklist

Don't let the loan application process prevent you from making an offer on the home of your dreams! Be ahead of the game by having all your documents organized and ready to give your loan originator.

## *Purchase Contract and Property Information*

- Copy of the sales contract
- Mailing address and property description
- Contact information for access to the property
- Plans and specifications (new construction only)

## *Personal Information*

- Social security number
- Age
- Years of schooling
- Marital status
- Number and ages of dependents
- Current address and telephone numbers
- Addresses for the past seven years
- Current housing expenses
  - Rent, mortgage, insurance, taxes
- Name and address of landlord or mortgage holder for past two years

## *Employment History and Income*

- Two years of employment history, with complete details of each job
- Recent pay stubs and two years of W-2 forms
- Complete tax returns and financial statements if self-employed
- Written explanation of employment gaps
- Records of dividends and interest received
- Proof of other income

## *Assets*

- Complete information on all bank and money accounts
- Two months of bank statements
- Current values of stocks, bonds, mutual funds, and other investments
- Vested interests in retirement funds
- Value of life insurance
- Information on vehicles you own
- Information on real estate you own
- Value of significant personal property you own

## *Liabilities*

- Itemized list of all current debts (loan, credit cards, and other bills)
- Written explanation of past credit problems
- Full details of bankruptcy during the last seven years

## *Fees*

- Credit report and appraisal fees (usually \$500 or less)



# **moving** *checklist*

## *Before the Move*

- Arrange for movers
- Notify your utility services at both your current and future residence
- Research and contact service providers at your new residence (i.e., Internet, cable, phone)
- Complete change-of-address form at the Post Office
- Start using up items that cannot be moved
- Begin packing items you don't use often
- Arrange for home insurance
- Store important documents such as birth certificates, medical records, legal/financial papers in a safe place that will not get lost in the move
- Donate or sell items that you do not wish to move
- Pack an essentials bag
- Measure furniture and come up with a plan on where you want everything in the new home
- Empty and defrost refrigerator
- Clean your current living space
- Give your landlord your new address in case they need to forward stray mail



## *After the Move*

- Clean your new home
- Change the locks to outside doors
- Check smoke detectors and replace batteries, if needed
- Be sure that all utility services are turned on and in your name (Electric, Gas, Water, Basin and Drainage, Garbage, etc.)
- Arrange times for cable and internet providers to come and install
- Change your address on your bank accounts, credit cards, driver's license, vehicle registration, voter's registration, etc.
- Notify your employer of your new address and new local tax ID
- Store all of your home's closing documents in a safe place
- Find and store manuals for the home's appliances and systems
- Store important documents such as birth certificates, medical records, legal/financial papers in a safe place that will not get lost after the move
- Meet your neighbors
- Unpack and enjoy your new home!



# Referrals: Our Lifeblood

*Who do you know?*

