



Let's find *home*

Your complete step-by-step guide to purchasing a home.

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STEP 1

Finances

- ✓ Find a qualified lender (we have suggestions)
- ✓ Gather your documents
- ✓ Obtain pre-approval/ proof of funds
- ✓ Locate down payment funds
- ✓ Prepare for any additional costs

STEP 2

Home Search

- ✓ We will set you up on a Maine Listings home search
- ✓ Preview potential properties online
- ✓ Schedule showings through me and view the properties you are most interested in

STEP 3

Under Contract

- ✓ We will help you write an offer to purchase on your favorite property
Negotiate the terms of the offer and accept the contract
- ✓ Deposit escrow, complete loan application and homeowners insurance quotes

STEP 4

Due Diligence

- ✓ Find qualified inspectors (we have suggestions)
- ✓ Conduct inspections
- ✓ Resolve/negotiate inspection issues
- ✓ Your lender will order the appraisal
Obtain homeowners insurance

STEP 5

Closing Time

- ✓ Title company/closing attorney will conduct title search
- ✓ Receive closing statement/clear to close
- ✓ Wire funds to closing company
- ✓ Conduct a final walk-through of property and close
- ✓ Pay for remaining fuel
- ✓ Closing day: Get your keys, it's all yours!



The Mortgage Process

The very first step of the home buying process is to get a pre-approval letter from a lender stating how much you are qualified for. It's important to ask your potential lenders some questions to make sure they are a good fit for you.

Don't understand something your lender says? Stop and ask for clarification. This is your home buying journey, and you deserve to understand the process every step of the way.

A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter when you're ready to buy.



Questions to Ask Lenders

1. What type of loan do you recommend for me?

Why? There's no one type of mortgage loan that's superior to another—but whichever you choose, you need to know why it's best and how it works.

2. Will my down payment vary based on the loan I choose? If you're tight on cash or don't, let your lender know. Loans vary in their down payment requirements.

3. What is the interest rate and the annual percentage rate (APR)? Everyone talks about the interest rate, but the APR is just as important. It combines the interest rate with the fees a lender charges to originate your loan.

4. Can I lock-in an interest rate? If so, for how long? If you think rates will be moving up, ask if you can lock it in for a set period of time.

5. What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? Remember, closing costs usually run 3-6% of your loan value so you need to know how they'll be covered. You can also clarify this with your lender.

Use this questionnaire as you speak with and interview different lenders!

Name: _____ Company: _____

Phone: _____ Email: _____

What type of loan do you recommend for me and why?

Will my down payment vary based on the loan I choose?

What is the interest rate and the annual percentage rate (APR)?

Can I lock-in an interest rate? If so, for how long?

What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing?

Notes:



Searching Strategically

Before we hop into the home search, we like to advise my clients to create a "Needs" list and a "Wants" list. This will help us to really focus on the things that are most important in your future home.

Needs are the non-negotiable features; the features you simply must have in your next home. Wants are the ones you'd like to have, but you can add or change down the road.

Don't feel like your first draft has to be your final draft—and above all else, remember you can't change the lot, the location, or the price you paid so spend a good amount of time thinking through those three before moving on.

Needs might look like:

- Enough square footage for your family
- Sufficient bedrooms and bathrooms
- First floor master bedroom
- Close proximity to work and school
- Attached two-car garage
- Grassy yard for children or pets

Wants will look more like:

- Specific paint or exterior color
- Fenced-in backyard
- Specific carpet, hardwood floors, or tile
- Kitchen amenities like countertops and appliances
- Walk-in shower or double bathroom vanity

Wants vs. Needs

Write down your *needs* and your *wants* in your future home.

NEEDS

WANTS



This questionnaire is for you to think about what you're looking for in your home. This will help both of us to be on the same page!

What area are you looking to buy in?

What do you like about this/those area(s)?

How many bedrooms, bathrooms, and preferred square footage? 1 or 2 story?

Do you have children? Pets?

What's your favorite style of home?

What is the top 5 most important things in your future home?

Anything else we should keep in mind during our search?



Searching Strategically Online & Making the Most of Your Showing

Now that you've got your wants vs. needs list in hand, the fun really begins! It's time to talk about narrowing down those listings and deciding which ones to see in person. You will be receiving emails from me as soon as a listing in your search range becomes available.



If you find something that catches your eye, check out the Google street view.

Online pictures can be deceiving so a virtual 'walk down the street' will give you a better sense of the house and surrounding area.

After you've found a few homes you like, jot down the MLS number and address. Shoot the list your agent. At this point, it's time to look at the calendar and find a chunk of time to tour the homes on your shortlist.

You're so ready to get inside those homes on your shortlist and see for yourself if one of them is soon-to-be your new address. I know you're excited, but it's important to go into those showings calm, cool, and with your thinking cap on!

Address:

First impression rating
(1-10) of exterior:First impression rating
(1-10) of interior:

List 3 pros of the home:

List 3 cons of the home:

☐

Took video tour of home

Circle one:

No way | Maybe | Very interested | It's the one!

Address:

First impression rating
(1-10) of exterior:First impression rating
(1-10) of interior:

List 3 pros of the home:

List 3 cons of the home:

☐

Took video tour of home

Circle one:

No way | Maybe | Very interested | It's the one!



How to Make an Offer Stand Out

So you think you've found "the one" and you're ready to put in an offer—one that will be simply irresistible to sellers. Let's talk about making an offer that stands out.



- **Include a pre-approval letter** that shows that you're serious, qualified, and ready to purchase.
- **Use a friendly tone.** Let sellers know you want their home—and that you'll be easy to work with all the way to closing.
- **Put your best foot—and price—forward.** You may only get one shot, so make it count. Use comps and trends as a guide, but go in with a strong number you know a seller would find favorable.
- **If you can pay "all cash," say so.** When you don't need financing, your offer is less risky for anxious sellers.
- **Propose to close** on Seller's timeline.

And when you're ready, I will guide you through putting together an offer that gives you every advantage in landing the home of your dreams!



We're under contract... now what?

You made an offer, and it has been accepted. Now the real work begins!

Here's a quick rundown on what happens after you make an offer and your new home is "under contract."

- First, we will carefully review important dates and information you will need to know to ensure a successful closing. Check out the checklist on the following page to get all of your need to know information & important dates.
- You'll need to meet with a mortgage lender to firm up financing details and lock in your interest rate.
- Once the home inspection report comes in (and you should definitely request a home inspection), you may want to negotiate any repairs with the seller. I will help you with this. The seller can either say "no" or "yes" or counter offer.
- Towards the closing date, you'll get an email from your title company/closing attorney's office to schedule your closing.



All About Home Inspections and Insurance

What is a home inspection?

The inspection will uncover any issues in the home that would have otherwise been unknown. You will receive a written report of the inspection. I recommend that you are present for the inspection, so that you may ask the inspector any questions.

What does "inspection period/due diligence" mean?

During the inspection period, the buyer has the right to hire a professional to inspect the condition of the home. If the results of the report reveal any issues that need to be addressed, the buyer may ask the seller to cover the costs of these repairs, reduce the sales price, or fix the repairs before closing. If an agreement cannot be made, the buyer has the right to back out of the contract and get the earnest money deposit back with no consequences.

TIP:

Schedule all inspections immediately, so if we need to negotiate any repairs we can before the inspection period ends.

The home seems fine, do I really need a home inspection?

You may think the home is in perfect shape, but some of the costliest problems are difficult to spot: septic/sewer issues, foundation issues, water quality, faulty wiring, and leaking roof. A home inspection gives you the chance (before you sign on the dotted line) to have a professional inspector see if there are any problems that you want addressed, replaced, or fixed.

The inspection report is owned by you and not to be sent to your loan officer or your insurance company.



Inspection Cheat Sheet

Inspection Type	Description	Average Cost
Standard / General	The standard home inspector's report will cover the condition of the home's heating system; interior plumbing and electrical systems; the roof, attic and visible insulation; walls, ceilings, floors, windows and doors; the foundation, basement and structural components.	\$450 - Up to 2,500 sqft <i>The American Society of Home Inspectors (ASHI) publishes a Standards of Practice and Code of Ethics that outlines what you should expect to be covered in your home inspection report.</i>
Comprehensive Water	Water tests to include: <ul style="list-style-type: none"> • Coliform present/absent • Comprehensive testing 	\$250-Up
Radon in Air & Water	Approximately 1 in 3 homes in Maine has radon levels above the state action level.	\$350-Up
Septic Inspection/Sewer Line	An inspection of the septic tank is conducted to determine the solids level and to insure that the tank is functioning as designed. This requires some minor excavation to locate and open the tank cover. It also determines if the leach field is functioning properly.	\$350-Up

Our Trusted Inspection Companies

InspectMaineLLC

(207) 751-6805

kevin@inspectme.today

inspectme.today

Breakwater Inspections

(207) 956-0323

JLH@BreakwaterInspections.biz

breakwaterinspections.com

Long Cove Inspections LLC

(207) 350-5207

chris@homeinspectormaine.com

homeinspectormaine.com



Home Insurance Cheat Sheet

Insurance Type	Description
Homeowners	The standard homeowners insurance covers financial protection against loss due to disasters, theft and accidents
Hazard	Hazard insurance protects against damage caused by fires, severe storms, hail/sleet, or other natural events
Flood	Protects against damage caused by a flood



My Trusted Insurance Companies

Allen Agency

Leann Cailler
207.230.5713
LCaillere@AllenIF.com
allenif.com

Allstate

Dave Neilson
207.594.8950
daveneilsons@allstate.com
daveneilson.com

Pease Insurance Agency

Danielle Dunphy
207.236.6222
ddunphy@peaseinsuranceagency.com



Pre-Closing

We are so close to the closing table! Here's what's next:

- ✓ **Under Contract**
- ✓ **Inspections**
- ✓ **Obtain Insurance**

■ **Appraisal**

An appraisal is an estimate of the value of the property by a licensed professional appraiser. Once any problems during the inspection are solved, the appraisal will be ordered by the lender and paid for by you. The goal of the appraisal is to verify the value of the property for the lender and to protect you from overpaying. The contract is contingent upon whether the appraisal comes in at or above the purchase price. If the appraisal comes back lower, we will be back to the negotiating table.

■ **Obtain Mortgage**

You should begin the mortgage loan application immediately after you go under contract. During the days before the closing, the lender will be finalizing your mortgage.

■ **Title/Closing Attorney**

The title company/closing attorney will conduct a title search to ensure the property is legitimate and to ensure there are no outstanding mortgage liens, judgments, restrictions, easements, leases, unpaid taxes, or other restrictions that would impact your ownership. Once the title is found to be valid, the title company/closing attorney will issue a title insurance policy which protects lenders or owners against claims or legal fees that may arise over ownership of the property. This will be included in closing costs.

■ **Clear-to-Close!**

The magic words! It means the mortgage underwriter has officially approved all documentation required to fund the loan. All that remains is the actual closing process.



TIP:

It is very important **NOT** to make any major job changes, major purchases, or open new credit cards or lines of credit, as any of these activities could alter your qualifications for a loan.



Closing Time!

You've received the "clear-to-close" and we've scheduled our closing date and time. Now, let's answer some questions you may have about closing day:

Q: When do we do the final walk-through?

A: The final walk-through is exactly what it sounds like – it allows the buyers to do one last walk through before closing to confirm that the seller made the repairs that were agreed upon and to make sure no issues have come up while under contract. We will typically schedule to do this right before closing.

Q: Who will be at closing?

A: Situations vary, but you can expect some combination of these folks: Buyer (that's you!), seller, real estate agents, closing agent/attorney and mortgage lender.

Q: What will I do?

A: Stretch those fingers and get ready to sign, sign, sign. At closing, the seller will sign ownership of the property over to you, and you'll sign to receive possession.

Q: What should I bring?

A: Bring a photo ID and a cashier's check to pay any closing costs. Your agent will tell you any other documents specific to your situation. The closing process is relatively simple but be prepared for A LOT of paperwork. (And always, always, always ask if you have a question along the way.) The good news is once you've signed the last page, it's time to get a hold of those keys and celebrate!

Q: Other important info?

Call the utility company to switch it to your name prior to the closing to take effect on the day of closing. Bring a check if you plan to pay the seller for fuel proration outside of closing.



Moving Checklist

Additional Action Items:

- ☐ Notify DMV of new address
- ☐ Discontinue additional home services (housekeeper, gardener/lawn service)
- ☐ Confirm final arrangements
- ☐ Arrange transportation for your pets and plants
- ☐ Review your moving-day plan with moving company/ or your self made moving crew!
- ☐ Declutter, discard & donate
- ☐ Collect quotes from moving companies/ or solicit friends and family
- ☐ Secure off-site storage if needed
- ☐ Arrange for child and pet care on moving day
- ☐ Pack an essentials box for quick access at new home
- ☐ Choose a mover and sign contract
- ☐ Create a file of moving-related papers and receipts

Notify Utility Companies of Date to Discontinue or Transfer Service:

- | | |
|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> Electric | <input type="checkbox"/> Fuel |
| <input type="checkbox"/> Water | <input type="checkbox"/> Internet |
| <input type="checkbox"/> Trash | <input type="checkbox"/> TV |

Notify the Following About Your Change of Address:

- ☐ Banks + Post Office
- ☐ Credit Card Companies
- ☐ Insurance Companies
- ☐ Family + Friends

