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*Love Where You Live*

Second Home



Waterfront



New Construction



Land/Commercial



**Buyer's Packet**



## *Love Where You Live*

I work with my clients from beginning to end and thereafter. It is important to me that this isn't just a business transaction but a relationship.

I have lived in the Rockport area for over 30 years and have over 18 years of real estate and marketing experience. I understand the local market and have a team of people for every step of the buying process.

Your home is one of your most valuable investments, you should know everything you can about its value and marketability. I can answer your questions about buying a home in the Coastal Bend.

### *Ready to Buy . . .*

#### *What I have to offer:*

- Full-time Agent, Available Around Your Busy Schedule
- Exclusive Access to MLS Property Search App
- Well Versed in New Construction
- Specialize in Waterfront and 2nd Homes
- Virtual Tours Available
- Current Market Reports Available
- Attention to Detail From Start to Close
- Honesty and Integrity



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## Why Work with a Realtor®

### **Market Knowledge**

- A Realtor® knows their market and can assist you in determining the appropriate price / value of a property. An agent will be able to tell you more about neighborhood; like the quality of the schools, crime rates or pending commercial development.

### **Access to MLS**

- The **M**ultiple **L**isting **S**ervice is one of the most effective communication tools in the home buying and selling marketplace. The MLS is a powerful tool that allows for optimal searches and notifications of new listings and price changes.

### **They Have a Professional Network**

- A Realtor® has a whole network of professionals that they work with on a regular basis. They talk with other agents daily and will know about properties that are coming soon and can recommend lenders, inspectors, and repairmen

### **Agents Know What to Look For**

- In addition to number of beds, baths and other must-haves, your Realtor® will be alert for issues that might not cross your mind, such as furnace issues, leaks, roofing problems, mold and insect issues.

### **Pricing Expertise**

- Most real estate agents can set a price on a home the minute they walk through the door. If they have a lot of experience in a market, they know how well a neighborhood holds its value, too.

### **For Sale By Owner and New Construction**

- Working with a Realtor® to purchase a For Sale by Owner or New Construction home is advantageous because your Realtor® is looking out for your best interests.

**As a Buyer it Costs You Nothing!**



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## Before We Begin - Pre-Qualification

### Why Get Pre-Qualified:

- Interest rates are locked in for a set period of time. You will know in advance what your payments will be on offers you chose to make.
- You won't waste time looking at houses you cannot afford.
- A seller may be more willing to make concessions if they know your financing is secured. It will also make your offer more competitive.
- You can select the best loan package without being under pressure.

### Down Payment and Closing Costs:

- Most loans require a minimum of 3.5-5% down. A down payment of 20-25% makes a more competitive offer and eliminates the need for mortgage insurance.
- You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at the final settlement unless you can include them in your financing. Typically, total closing costs will range between 2-5% of your mortgage loan.

### Qualifying for the Mortgage:

Most lenders require that your monthly payment range will be between 25-28% of your gross monthly income. Your mortgage payment will include the following:

- The principal on the loan
- The interest on the loan
- Property taxes
- The homeowner's insurance

These key factors determine your ability to secure a home loan:

**Credit Report, Assets, Income, and Property Value.**

### Preferred Lenders:

Joel Richardson, Prime Lending  
Office: (512) 637-0932  
Cell: (512) 203-8244  
Email: [jrichardson@primelending.com](mailto:jrichardson@primelending.com)

Jessica Hernandez, 1st Community  
Office:  
Cell:  
Email: [jhernandez@1stnb.com](mailto:jhernandez@1stnb.com)

Ryan George, NFM Lending  
Office: (443) 629-9255  
Email: [Rgeorge@nfmlending.com](mailto:Rgeorge@nfmlending.com)



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## What **Not** To Do When Applying for a Mortgage

- Do not change jobs, become self-employed or quit your job
- Do not buy a car, truck, van, boat or RV
- Do not use your credit cards excessively or let your accounts fall behind
- Do not spend the money you have set aside for closing
- Do not omit debts or liabilities on your loan application
- Do not buy furniture
- Do not open new lines of credit or originate any inquiries into your credit report
- Do not make large deposits without checking with your loan officer
- Do not change bank accounts
- Do not co-sign a loan for anyone

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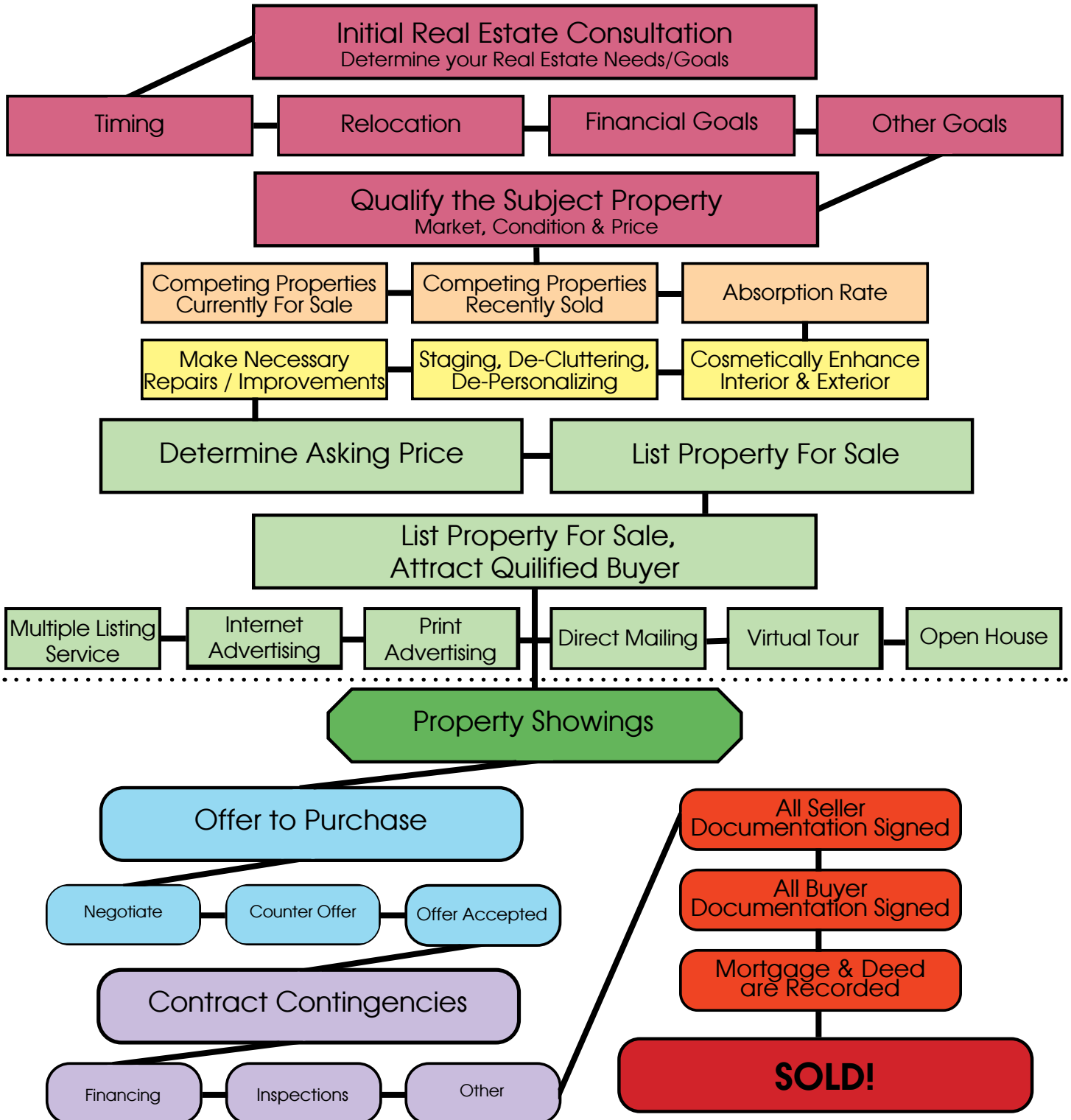
## Things to Consider

- **What kind of property are you looking for?** Primary residence, Second Home, Investment Property, Land, Fixer-Upper
- **What are your Must Haves?** Number of Beds/Baths, Location/Neighborhood, Garage/Parking, Short Term Rentals Allowed, Square Footage
- **What are your deal-breakers?** Small Yard, No Garage, One Bath, Not Waterfront
- **When do you want to move?** Right Now (0-30 days), Soon (1-3 months), Later (3-6 months), Not Now (6+ months)
- **Do you currently own a home?** Will you need to sell prior to making a new purchase?
- **If we find a property that meets your needs, are you ready to make a decision right now?**



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# Real Estate Transaction From Listing to Close





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# Frequently Asked Questions

## **How long will the sale take?**

- Typically **30-45 days** from Escrow to Closing. Financing, Inspections, Survey and Appraisal all contribute to the time to close.

## **What is a Seller's Market?**

- There are many interested buyers, but the inventory is low. In a seller's market, homes sell **faster**, and buyers must compete with each other in order to score a property.

## **What is a Buyer's Market?**

- There are not a lot of buyers, but there are a lot of houses on the market. In a Buyer's Market, buyers have **more power** to negotiate pricing and concessions.

## **What is the difference between Assessed Value and Market Value?**

- Assessed value is a valuation placed on a property by a public tax assessor for purposes of taxation. Market value is the price that informed buyers are willing to pay for a property.

## **How do you determine how much a home is worth?**

- By running a comparative market analysis. This process involves finding similar properties ("comps") that sold within the past 90 days. It also requires knowing current market trends.

## **What is Included in a Home's Square Footage?**

- Square footage includes finished, heated space, also known as "livable space". Garages, unfinished basements and attics, for example, are not included when calculating a home's square footage. Hallways and closets are included when determining a home's square footage, however.

## **What is an Option Fee?**

- A **nonrefundable fee** that the buyer pays the seller to compensate for the time the property is off of the market. The purpose of the option fee is to provide the buyer with enough time to arrange inspections of the property. Buyers who decide not to purchase a property in the option period will be responsible for paying the option fee however, the buyer will be under no further contractual obligations.



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# Real Estate Terminology

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- **Adjustable Rate Mortgage (ARM)** — The interest rate is tied to a financial index making the monthly mortgage payment go up or down over time.
- **Annual Percentage Rate (APR)** — The percent of interest that will be charged on a home loan.
- **Appraisal** — A report highlighting the estimated value of the property completed by a qualified 3rd party. This is typically done for the benefit of the buyer to ensure the property is worth what they are paying.
- **Association Fee/HOA Fee** — In addition to a mortgage, certain housing communities such as townhomes have a monthly fee associated with maintaining the common areas and amenities.
- **Balloon Mortgage** — A long-term mortgage loan that starts small but has a large payment due at maturity.
- **Closing** — This is the final meeting where the buyer and seller sign the necessary paperwork, complete the transaction, and release/take possession of the property. Usually the representing agents and attorneys attend.
- **Closing Costs** — The buyer and seller have expenses associated with the transaction other than that of the actual cost of the home. For example, the buyer has a variety of fees due for obtaining a new loan and the seller must pay commission to both agents.
- **Closing Disclosure** — A form that provides the final details about the mortgage loan. It includes loan terms, projected monthly payments, and how much the extra fees will be.
- **Collateral** — Something of value (in this case your home) that is held to ensure repayment of a mortgage or loan.
- **Commission** — A percent of the sale price of the home that is paid to agents. The seller pays commission to both the buyer and listing agent.
- **Comparables** — Homes in the area of interest that have recently sold that have similar features.
- **Contingencies** — Conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. If the contingency is not satisfied the contract may be canceled.
- **Counteroffer** — The response from the seller in regard to an offer.
- **Debt to Income Ratio** — A lender will look at a borrower's debt versus income to determine the amount of loan they are eligible for and if they can repay their debt plus the home loan.
- **Down payment** — A percent of the cost of the property that is paid up front as a part of the mortgage.
- **Earnest Money** — The deposit made from the buyer to the seller when submitting an offer. This deposit is typically held in trust by the escrow company. Upon closing the money will generally be applied to the down payment or closing cost.





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- **Escrow** — This term has multiple meanings; earnest money is typical held by a third party until closing in “escrow”. It can also be referred to as the time period from when the contract is written and accepted by the seller to when the home sale actually closes.
- **Equity** - The difference in the market value of a home versus what is owed on the home.
- **FHA** — A mortgage that is financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify.
- **Home Inspection** — The process in which a professional inspects the seller’s home for issues that are not openly apparent, then creates a report for the buyer to review.
- **Home Protection Plan** — An annual service that covers the cost of repairs or replacements to items covered in the plan; items like stoves, washer/dryers, etc.
- **Hybrid** — A loan that starts with a fixed rate period, then converts to an adjustable rate.
- **Mortgage Insurance** — Insurance written in connection with a mortgage loan that protects the lender in the event the borrower cannot repay their loan. This is usually not required if the borrower has 20% or more for the down payment.
- **Multiple Listing Service (MLS)** — The national list of real estate properties that are available for sale. These are the most reliable sources to receive up-to-date listing information.
- **Pre-Approval** — The process in which a buyer must provide a mortgage professional the appropriate information on income, debts, and assets that will be used to make the initial credit only loan decision.
- **Pre-Qualification** — Once approved for a loan, this is the process in which the maximum sale price, loan amount, and monthly payments are calculated for the borrower. This is not a loan approval however, it is useful to know prior to searching for a home.
- **Principal** — The underlying amount of the loan which is actually borrowed.
- **Property Taxes** — These are the taxes that are enforced by the city, town, county, and state government entities. These taxes are included in the total monthly mortgage payment and are held in escrow by the lender.
- **REO** — Real estate owned properties or foreclosed properties currently owned by a financial institution such as the bank that made the loan to the previous owner
- **Reverse Mortgage** — This is specifically for seniors and it allows them to convert the equity in their home to cash.
- **Short Sale** — A situation when the seller’s lender is willing to accept an offer and allows the sale to be completed for an amount less than the mortgage amount owed by the seller.
- **Title** — A legal document proving current and proper ownership of the property. Also referred to as a Title Deed, this document highlights the history of property ownership and transfers.
- **Underwriting** — The process in which the potential home buyer is evaluated for their financial ability to obtain and repay a loan. This normally consist of a credit check and appraisal of the property.
- **VA Loan** — Loans that are given to Americans who have served in the armed forces. They are administered by the Department of Veteran Affairs.