FIRST TIME HOME BUYERS GUIDE

NASHVILLE HOMEGUYS

THE KEYS TO YOUR REAL ESTATE SUCCESS

Benchmark REALTY LLC

FIRST-TIME HOMEBUYER RESOURCES

Looking to buy your first home? You've come to the right place because The Nashville Home Guys have the expertise and experience to navigate you through the home buying process! It is Steve and Sam's intention to be your advocate to protect your interests in any transaction and find you the home that fits your needs and dreams! So, let's get started because the Nashville Home Guys are ready to get you movin'!

GETTING STARTED

What's your price range?

The Nashville Home Guys know that buying your first home is likely the biggest financial decision you'll ever make and also offers you one of the largest investment opportunities of your lifetime. So, we believe you should educate yourself as deeply as possible before you take that momentous step. Here's how to get started.

First, let's take a look at your finances. The general rule of thumb is that you can get a mortgage only if your debt-to-income ratio is 36% to 40%. That means, if your household income is say, $100,000 a year, you should not owe more than $36,000-$40,000 to credit cards, student loans, car loans, or other debts. The next thing is to figure out what payment amount you would be comfortable with on a monthly basis. Explore the house you can afford today with this handy affordability calculator **https://nashvillehomeguys.com/mortgage-calculator/**

The Nashville Home Guys will be with you at every step of the process and once you have a rough idea of what you can afford, we'll want to get you a mortgage pre-approval letter. You will provide to a lender all the documents that will prove you are a serious buyer. The lender will look at your bank statements, tax returns, credit score, and other financial information, while also checking to see if you qualify for any special programs such as government-backed FHA loans or VA home loans. A pre-approval is a much more reliable indicator of your ability to buy a home. We'll include the letter when we're submitting an offer on a home which will make it that much stronger.

If you can't get pre-approved for a loan, don't give up. The Nashville Home Guys have mortgage partners that are experts at getting you in the financial shape to buy a home. It may be as simple as paying off one credit card or setting up a budget for a short time to get yourself into a position. You're at the beginning of one of the most rewarding journeys of a lifetime and the Nashville Home Guys will be there to be your guides!

BALANCING BUDGET AND HOME SIZE

Here are some things that the Nashville Home Guys think you should consider before purchasing your first home.

Here's what to consider:

Size Matters:

For much of America, bigger is seen as better when it comes to housing—and bigger is, often, more expensive. It's never a good idea to be "house rich and cash poor". We feel you should base your purchase on what you need to accommodate your lifestyle and any foreseeable future needs (i.e. marriage, kids, etc). We'll be there to help talk you through needs, so we all have a clear idea of what we're looking for in a home.

A Real Piece of Work:

Homes that need work can be more affordable but that raises a number of questions we'll need to work through. How much work is needed? Can you do any of it? What are the costs for what needs to be done and do you have ample resources to get the work done? Is there enough upside where you're buying to invest the money in order to make more money when you're ready to sell? The Nashville Home Guys have the knowledge of renovation, know the value of individual markets and the contractors to help you if you decide to go that way!

You've Got Bills:

Just as you know you're going to have a monthly mortgage payment, you're also going to have monthly utility bills. The Nashville Home Guys believe it is important that you know what these are going to be so you can figure how that is going to affect your monthly cash outflow. You'll also want to assess the age and condition of the HVAC system, amount of insulation and whether or not it has new windows, which all effect your energy costs!

You've Got Wants and Needs:

It's important that you think through your wants and needs in a home. A good idea is to put on paper a column with headings Wants and one with Needs. This will help you get focused on what you're really looking for in a home. Questions like: Do I want a fireplace or really need an office to work in? Do I want a big yard or do I need a big yard and have the time to care for it? These kinds of questions will further clarify what you and the Nashville Home Guys will be looking for in your new home! And as we start looking you'll even be more aware of the things that will make a perfect home for you. So take your time - we want this to be the best experience of your life!

You're going to need a Realtor:

Let's be realistic, the Nashville Home Guys wouldn't go to a plumber when they needed a doctor and we think that when you're going to make the biggest investment of your life you need to have the best professional advice; an advocate for your interests. A professional Realtor team like the Nashville Home Guys, gives you double the attention & knowledge in your quest for a home. The Nashville Home Guys make their living from knowing the up & coming neighborhoods, the established ones that will always be a good investment, the relative values in the surrounding properties and the trend of values in the area. When these are known, it's important to have an advocate on your side who has the number of closings under their belt that prove their negotiating skills in striking successful transactions. In those regards, the Nashville Home Guys will be your Realtors for life.

PROCESS DETAILS

Home warranties, contingencies, insurance. An overview of the process.

Once you've found a home you love, the next step is writing an offer. The Nashville Home Guys will give you all the data & expertise you'll need to come up with the proper offer price. This will include comparing sales of like houses in the neighborhood (comps), market conditions and neighborhood information, such as schools, Home Owners Association, etc. Remember this is all about making a quality investment for your future, so we don't want to get carried away and pay too much. It's our job to be your advocate and protect your interests in the negotiating process with the Sellers.

Next, we will write an appropriate Earnest Money check to go along with the offer. This will show your good faith in closing the transaction. The Earnest money will be held in escrow until closing where it will be applied toward your down payment and closing costs.

Most offers will include contingencies, which are terms that safeguard the buyer, giving you opportunities to back out of a purchase. If for some reason one of the contingencies can't be removed, this money will be returned to you. If you back out of the deal for any reason other than one of the contingencies, the seller can keep the Earnest money for the loss of time that his house wasn't on the market.

Some common contingencies:

- **Financing.** This outlines how you'll pay for the home—and provides a way out if you fail to secure a mortgage.
- **Appraisal.** A third party hired by the lender evaluates the fair market value of the home. This lets you back out of the deal if the appraised value is less than the sale price, and it also protects the lender, which wants to make sure the house is actually worth what it's lending you.
- **Home Inspection.** This gives you the right to have the home professionally inspected. If repairs are needed, you can request the seller to fix them. This is another negotiation point between the seller and the buyer. If for some reason repairs can't be agreed to, you can back out of the contract.
- **Termite Inspection.** This will make sure the home does not have termites. If it does the owner will have to treat the home for them. If he refused you could back out of the deal.
- **Homeowners Association.** This lets you review the homeowner association's budget and rules prior to finalizing the purchase and that they meet your approval.
- **Walk-through.** The walk-through is your opportunity to walk through the home with us and make sure nothing has changed or no problems have sprouted up that need to be dealt with before we close on the property.

The Nashville Home Guys will make sure that you have all ingredients to make your offer stand out from the rest including your Lender's pre-pproval letter.

After your offer has been submitted, a couple of things can happen:

- Ideally, the seller accepts your offer. Yay! Now you've got an executed contract and you're on the way to actually buying your home.
- Or, the seller may present a counteroffer, suggesting changes to some of your terms. This is your chance to continue negotiations—or reject the offer, walk away, and keep searching for that dream home.

Once the home is under contract, you'll move to the next step in the buying process: the closing.

THE CLOSING PROCESS

The closing process begins when your offer is accepted—and ends when you move in. Let's look at the steps:

First, select a Title Attorney.
Title Attorneys are neutral third parties who assist in handling title and escrow work, financing, transaction instructions, and other paperwork related to the home purchase. They collect and hold documents and funds in "trust" for all parties until the transaction is complete. The title attorney will work with a title insurance company to provide insurance that your title to the property is satisfactorily clear of liens, judgments, and other encumbrances or title defects.

The next step is home inspections.
The Nashville Home Guys believe in doing home inspections. A good home inspector can find things that might not be visible to the naked eye and that need to be addressed, as well as checking the working order of the home's mechanical systems. A thorough termite inspection should be completed at the same time to satisfy yours and bank's interests regarding the general structure. The Nashville Home Guys would never recommend buying a home without an overall home inspection. This will give us the information needed to ask for repairs or, in the worst case, the chance to use our inspection contingency to withdraw from the transaction with all Earnest Money returned to you. Most home inspections will occur 7 to 10 days after the contract has been signed.

After the inspection, you're just a few steps away from walking into your new home!
After you're satisfied with the inspection, you'll need to tell your lender to order the appraisal. The appraisal and the home inspection are the 2 biggest out of pocket pre-closing expenses you'll face. Both will run somewhere between $400 to $500, but there is no need to pay for an appraisal if the home inspection is a bad one.

The next thing on the list is to get a Homeowners insurance policy that will cover your home against fire, theft, and liability. This is required by lenders.

The lender will get you the Closing disclosure detailing all the specifics of the loan and what monies you'll need to bring to closing. Then you'll get a Cashiers Check for that amount made out to the Closing company to bring to the closing.

Now, it's time for our final walk-through. This is your last chance to view the property and confirm that the condition has not significantly changed since the sale agreement was signed. The Nashville Home Guys generally try to do these 2 days before closing just in case something has come up, such as a leak, that needs to be fixed before closing. If that all goes well, the next stop is the closing table!!!

Finally, it's closing day.
The closing is the last step, when the ownership of the home officially transfers—to you!
There's lots of paperwork to sign, but it's all worth it. You'll sign your name anywhere from 10-30 times on mortgage documents, legal disclosures, tax records and more.

We hope that the Nashville Home Guys' service has proven itself and helped to make this one of the most exciting experiences of your life! If we can ever help any of your family or friends, please do not hesitate to call.

Congratulations! You're now a homeowner!

MYTHS & TRUTHS

Buyers do not pay REALTOR® fees! Learn what REALTORS® actually do and who pays for what.

Buying your first home is a big deal. For most of us, a home is the most expensive purchase we will ever make. Searching online is a great place to start, but buying a house is not like ordering a book online. Most buyers reach out to get professional guidance at some point. The sooner this is done, the sooner your dream can become reality. Don't let common myths you may have heard about home buying stand in the way of connecting with the Nashville Home Guys and finding out the truth!

Mythbuster #1 – I can do this myself and save the commission!

The truth is, we normally work without getting paid a dime until closing, and even then the seller owes the commission, which is usually based on a percentage of the home's selling price and is negotiable. This is one of the few times in your life you'll work with professionals, like the Nashville Home Guys, free of charge!

The Nashville Home Guys know the ins and outs of financing, property types, real estate procedures, trends in the market, dealing with negotiations, and much more. Why go it alone when we can help you keep "movin" to your dream home?

Mythbuster #2 – Agents just want a quick sale!

A good agent wants to find the right home for you, even if it takes a long time. The Nashville Home Guys rely on referrals and repeat customers. If you're not happy, you might tell your friends and family and we've lost yours and their future business. We are serious about wanting to be your "Realtor for life" and building a relationship that earns your respect and your business and that of your friends'.

Myth-buster #3 – My lease is up in 2 weeks. I can start house hunting now!

Buying a home typically takes months. Figure on giving yourself a minimum of 90 to 120 days to go from renter to homeowner. While it's great to start your search online, the earlier you can start going and looking at homes in person the better. This will help you get a clearer picture of the home you're really looking for that will fit your needs and wants. The Nashville Home Guys are always happy to schedule home showing appointments for us to go see. The advice we'd give you is to make sure you talk to a mortgage lender before you go see any homes, just so you know how much you can afford. The last thing you want to do is find something you love and then find out it's out of your price range.

Myth-buster #4 – The online calculator said I could afford a $200k home. I don't need to talk to a loan officer.

Online calculators are helpful. They can give you a general idea of how much you should budget for monthly payments and what your mortgage payment might look like. But there are many different loan programs out there that only a professional mortgage lender know about. By looking at your financial situation and hearing your desires, the loan officer will offer you a program that best fits your needs. And there is no replacing being pre-approved when it comes time to write an offer and make a Seller take notice!

Arm yourself with the truth and the Nashville Home Guys, we're bound to get you "movin" in the right direction and into your dream home!!

Source: Realtor.com

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To learn more, visit our website at:

www.NashvilleHomeGuys.com

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