FIRST TIME HOMEBUYER GUIDE

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About Simon Watson

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Serving the greater San Francisco East Bay Area and specializing in Walnut Creek, Concord, Martinez, Pleasant Hill, Benicia, Fairfield, and the surrounding East Bay communities.

My name is Simon Watson and I am a Realtor® based in the San Francisco East Bay. Recently ranked in the top 5% of realtors in Contra Costa , Solano and Alameda Counties, we use cutting-edge technology and internet marketing, as well as tried and true traditional marketing and networking to sell our client's homes. We educate our clients about which factors may affect the sale of their home, and we always price in a way that to ensures the widest buyer pool possible.

We are available 7 days per week and have deep expertise working with first time homebuyers and veterans. My appraisal background gives us an in-depth understanding of current market trends across the Bay Area, which allows us to accurately determine the absolute best sales price for your home. We will take the headache out of buying or selling a home . We us a new system of Drone Photograph, similar to google Street view, which allows us to map the interior of your home and then lets you walk thru it.

We specialize in working with Active Military Personal and Veterans using VA Loans. One of our recent sales was working with a veteran who was currently deployed overseas. Working with his wife, we were able to get into contract a week after returning from a year long deployment using Facetime and lots of photos.

It's critical for military borrowers to use an Realtor® who's worked with VA loans and understands the program's requirements.

If your PCS orders have you moving away, you may need to sell your home as soon as possible. Home hunting is often done from a distance and selling negotiations may have you communicating with your Realtor® from remote locations. Realtors who can maneuver through the agency's procedures can save borrowers from big-time hassles and headaches on things like appraisals and property criteria.

Since the VA loan program's inception in 1944, the Department of Veterans Affairs has backed more than 21 million loans for veterans, active-duty military members, and their spouses. This program has made buying a home more accessible to those who most deserve the American dream they helped build and protect.

If we have the edge, then so will you!. You can be confident that we will negotiate on your behalf with an extraordinary level of professionalism and creativity.

VETERANS ASSOCIATION
VAREP
OF REAL ESTATE PROFESSIONALS

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First Time Home Buyer Guide

Are you ready to learn the steps to homeownership?

Is this your first time going through the home buying process? If so, don't worry, this guide is designed to answer any questions you might have and help you along the journey.

Follow along with this booklet as we break down everything step-by-step to help you have a better understanding of the process of buying your first home.

Step 1.
Understanding Your Credit Score and How It Is Used in Getting Preapproved

Step 2.
Hire Your Real Estate Agent and Review Your Home Ownership Goals

Step 3.
Select a Loan Officer, Complete a Mortgage Application & Get Preapproved

Step 4.
Start Shopping for a Home Staying Within Your Budget

Step 5.
Make Offers Until You Have an Accepted Offer & Are Under Contract

Step 6.
Complete the Loan Process & Close on Your New Home

Buying a home will require a good understanding of your overall finances, and your future financial goals. You should document what your monthly expenses are, what your total debt is, and your total income received monthly.

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Step 1. Credit Score

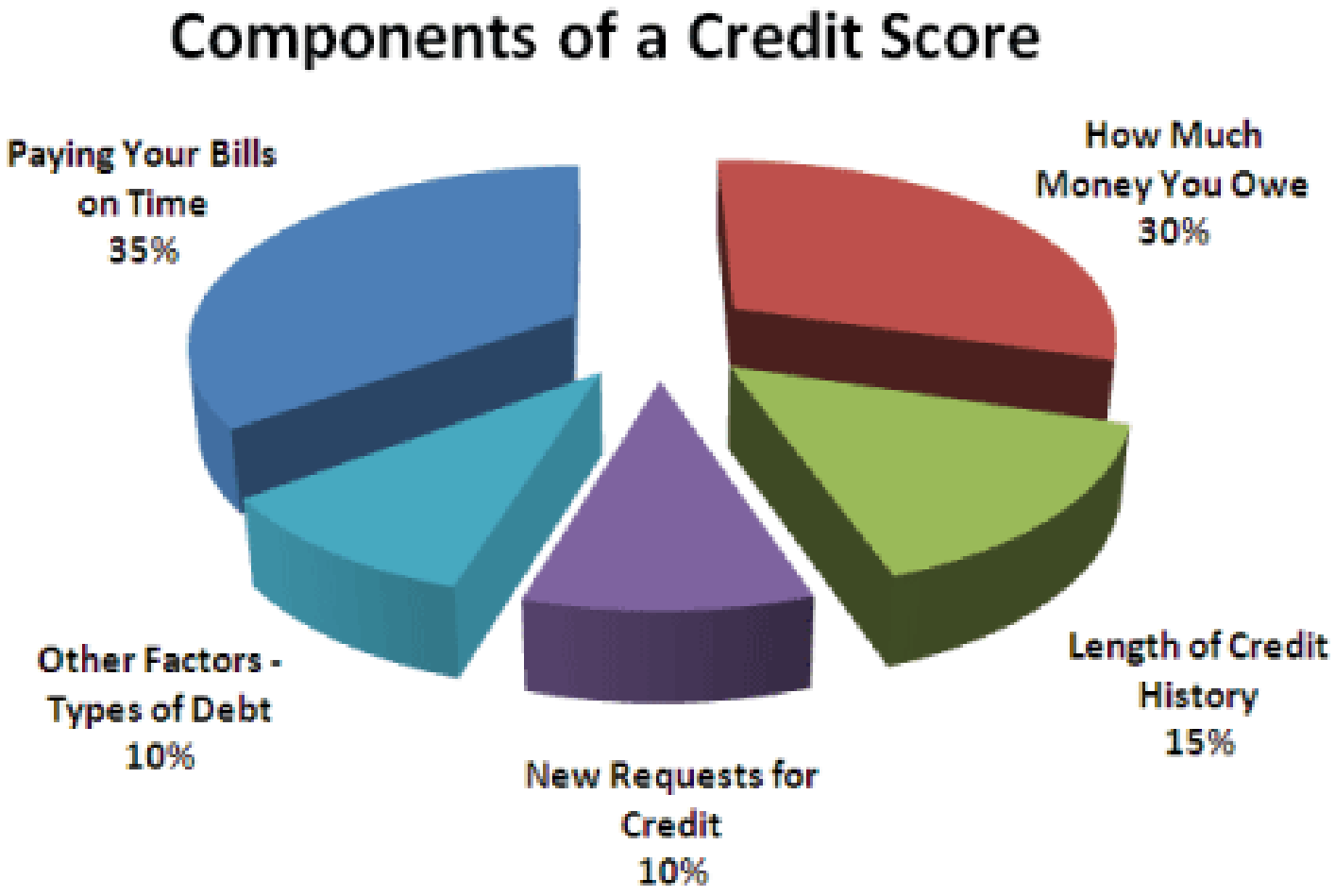
Stay Informed About Your Credit

It's important to know your credit score and how it will factor into a lender's decision to qualify you for a loan.

How much do you know about your credit? Your credit score will definitely play a large role in getting a mortgage loan and favorable interest rates. Knowing your credit score and reviewing your credit report before you consider buying a home may help you prevent unexpected surprises.

How Your Credit Score is Determined

A good credit score is essential to succeed in the new economy, vital to getting favorable interest rates on home loans, credit cards, and auto and student loans. But did you know that even your cell phone contract, insurance payments, and even the next job you apply for might take into account your credit score?



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Step 2.
Hire a Real Estate Agent

Why Work with a Real Estate Agent?

Real estate agents have access to MLS listing – all the local homes listed for sale by other agents. In addition, there are other benefits to working with a real estate professional, whose job includes:

- ✓ Arranging appointments to view homes
- ✓ Advising you on the local real estate markets and property values
- ✓ Helping you make a competitive offer
- ✓ Negotiating the purchase contract terms with Seller and Seller' agent
- ✓ Recommending inspectors to evaluate the property
- ✓ Monitoring the escrow process on your behalf

Partnering with a well-trained real estate agent can help make the home buying process smoother, easier, and can help you find the home that your are dreaming of.

When you meet with your agent, you may want to have an idea of what you are looking for in a home. While you may not be able to check off everything on your list, you can communicate to your agent which things are your top priority in a new home. Your list may include:

☐ YOUR DREAM HOME WISH LIST

House size: _____

How many bedrooms: _____

Style of housing: _____

Neighborhood: _____

School preferences: _____

Special features: _____

Other Comments: _____

_____

_____

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Step 2.
Hire a Real Estate Agent

The primary challenge for house hunters is the current low inventory levels. Low inventory can drive up the price of the homes available when buyers are having to compete for the same dream home. This environment is considered a “Seller’s Market”.

In an area considered a Seller’s Market, buyers will more than likely encounter bidding wars for the same property. The competition can be fierce. It doesn’t mean that you can’t be successful, quite the contrary. Putting together the most attractive offer package means more than just over bidding. This is where the most skilled and experienced Keller Williams Realtor can make the difference between getting your dream home, or not.

Hiring the Right Agent for You

Buying a home is not only exciting and a bit stressful at times, tricky and complex. It is one of the biggest investments most people will make in their lifetime, therefore having the right agent representing you is imperative. You need to decide what you are looking for in an agent.

1. Knowledge of the area and neighborhoods?
2. The amount of training and knowledge in the real estate industry?
3. What tools they will use to assist you in finding the right home?
4. What agency do they work for, and what is the advantage?
5. Flexible and available whenever you want to view a home?
6. What is their skill level as a negotiator?

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Step 3.
Select a Loan Officer

The mortgage loan advisor you select wll work with your Realtor® to guide you through the home buying process.

Often times, a Realtor works closely with a couple of Loan Officers and can recommend one to you. It is ultimately up to you, as to who you chose to work with.

Selecting a mortgage advisor to team up with early in the home buying process is extremely important. An experienced and knowledgeable mortgage loan advisor will help you review your overall financial picture, discuss your financial goals, and determine what homeownership looks like for you. Your advisor will then help you map out a plan to get you to the finish-line and into your new home.

One of the most important reasons to team up with your mortgage professional before you begin the process of shopping for a home is to obtain a pre-approval. A pre-approval is part of the official loan process where a lender provides you with a letter confirming the specific loan amount you can expect to be approved for.

Presenting a pre-approval letter along with your offer when you find the home of your dreams will allow you to make the strongest possible offer. Sellers will see that you have begun the mortgage process, and that a lender has agreed to give you the amount you are offering, which can give you a competitive advantage over other potential buyers.

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Step 3.
Select a Loan Officer

Documents You Will Need to Get Preapproved

Applying for a mortgage can be a hassle when trying to assemble all the paperwork lenders require. They want detailed financial information so they can determine if you qualify for a home loan or what you need to do to get qualified in the future.

What you will need is:

PROOF OF INCOME

Lenders want to know that you'll be able to repay the loan. At minimum you'll need to provide:

- The previous year's W-2 form.
- Your most recent pay stub.
- Your tax returns from the past year.

Depending on your income history and the size of the loan, you may have to show additional paperwork.

Earnings outside of a regular job

Earnings from other sources, such as child support or alimony will likely to require court documents or divorce decrees, to prove the source of this income. Any additional income will have to be "sourced" on paper in order to use that income to help you qualify.

Debts

You'll need a complete list of all your debts, including credit cards, student loans, car loans, alimony and child support payments, along with a breakdown of balances and the minimum monthly payments.

No matter how much you're earning, your debts can seriously impact your debt-to-income ratio, which is a crucial component of your credit score. If you're spending beyond your means, or you have a lot of high-interest debt, you're less likely to qualify for the lowest rates on a mortgage.

Assets

An inventory of assets including bank statements, investment records, retirement accounts, real estate, and auto titles, and any other investments also make up a large part of your financial picture.

The lender will want to be sure you have enough savings to weather any unexpected expenses after you close on the house. They may also want proof that you paid the down payment from your own account and not as a loan from someone else. If you received money towards the down payment as a gift, you may be required to provide documentation that declares it was a gift and not a loan.

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Step 4. Start Shopping

You should have your vision of what you want in your new home, your Real Estate Agent, a Loan Offer, and are preapproved up to a set amount.

House hunting should be focused on what you need in a home, how much you can afford, and in the locations you desire to live within.

Research neighborhoods that you think you would like to live in. Visit them on different days and different times of the day. Listen for sounds and observe traffic patterns.

Check out the area parks, shopping opportunities, local cafés, proximity to freeways, theaters, pride of ownership, and any other amenities that are on your list of needs.

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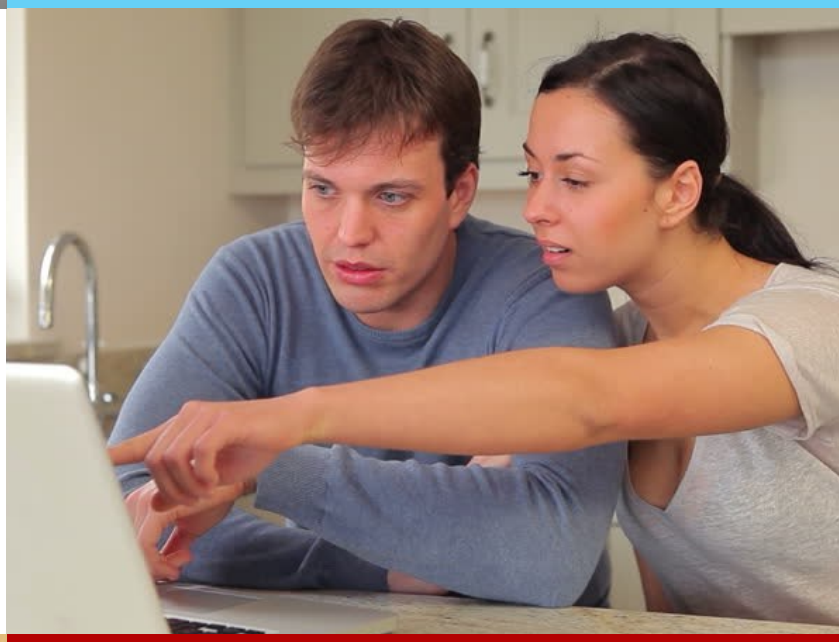
Step 4. Start Shopping

By now, you should be able to start your search with your Realtor. Your Agent will send you listings to review to see if you are interested in setting an appointment to view the home. In this fast market, you need to be flexible and available. Homes are going quickly and some with multiple offers, so you need to be ready at a moments notice to see a home that meets your criteria. Don't wait for the open house, it may not last that long on the market!

Take notes and photos of each home you visit. Often times, we don't remember which one had that great walk-in closet, or open floor plan we want, after looking at a few homes. Keeping a journal will help you decide which homes you want to see again. Remember, time is of the essence, so staying organized and focused will help you get through this part of the home buying process and find your new home. Don't waste time on homes you can't afford.



Take time at the end of the day to review your notes and pictures, talk about the pros and cons. If it is priced right and in a desirable area, you may have to act fast. Your Agent will help you by vetting the homes you are looking at, so talk with them about why they picked that home to show you. Doing online searches will give you a better sense of what homes sell for and what inventory is available. Just remember to be realistic and honest about what you need.

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Step 5. Make Offers

Be Ready to Strike!

With the fastest market in history, homes are selling at record speed. When a home hits the market that you might be interested in, go see it! Don't wait! In a sellers market due to low inventory levels, buyers have to be more aggressive in order to be successful in their homeownership goals. The average number of homes with multiple offers in California is almost 8 out of 10 homes. If you plan on waiting for the open house, you might miss out.

Even with the great skills of a Real Estate Agent, buying a home in a sellers' market can take a lot of your time, so be prepared, be flexible, be ready to move quickly, and be decisive. Now, having said that, don't be too impulsive or too compromising. Urgency is key but don't let it rule your decision either. The right home will show up eventually. Buying a home, whether it's your first home, your forever home, or your retirement home, is a big decision and the last thing you should want is buyer's remorse.

Make a Strong Offer!

In a Seller's Market environment, buying the first home a buyer wants may be difficult! It may take a few offers to get accepted. It doesn't hurt to have a war chest of strategies to help your odds in getting your offer accepted.

Once you have found a few homes that you are seriously considering for purchase, do some more research in terms of the home itself. Purchasing a home is a long-term commitment.

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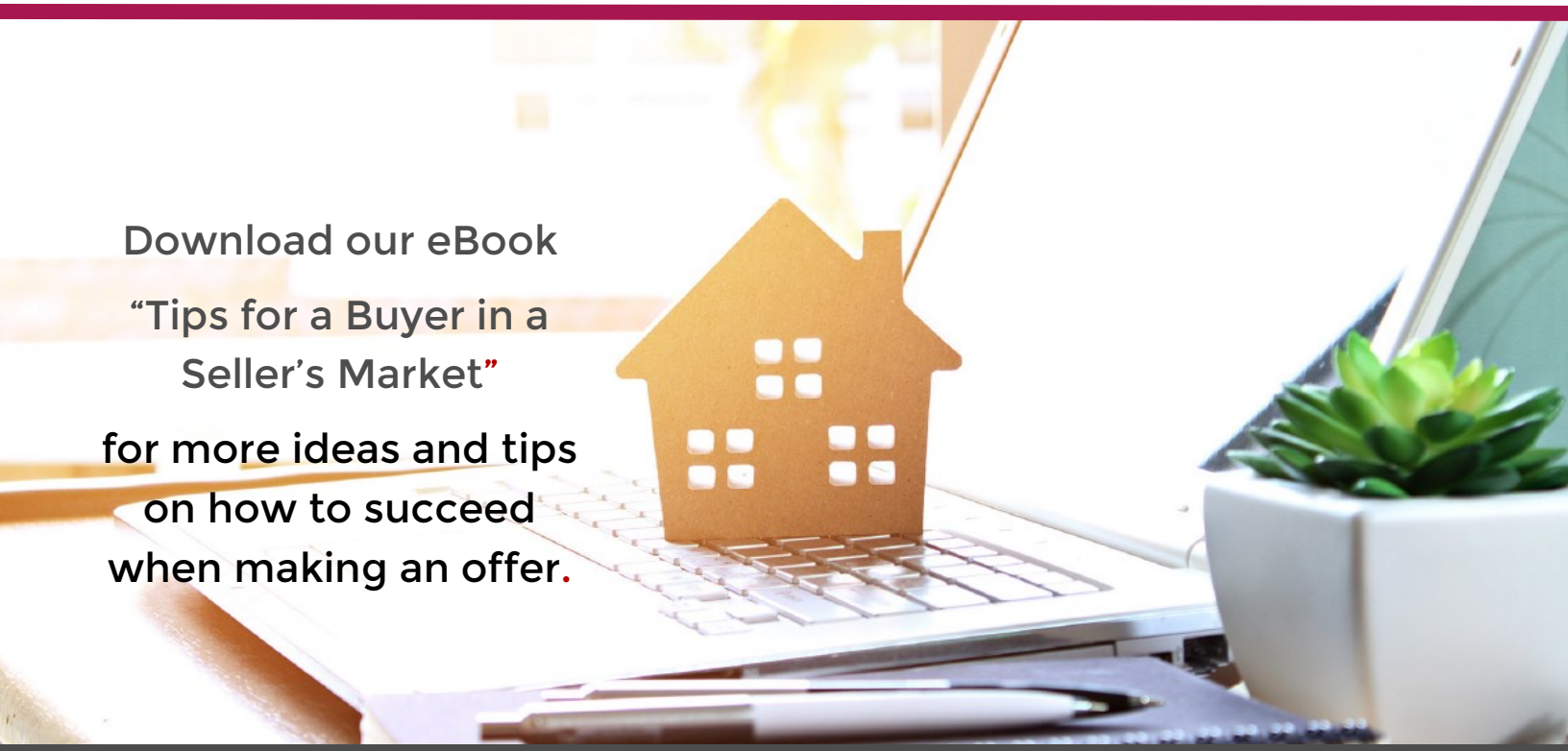
Step 6.
Complete the Deal

When your offer has been accepted, it's time to move forward with the mortgage loan process.

Now you have the information that a lender needs to move your loan forward, such as the property address of the home you want to purchase. Your mortgage advisor will help you update and complete your loan application so that it can be submitted for final underwriting review and approval and walk you through the rest of the loan process.

Please note that before your loan gets approval, you may receive a list of closing conditions that need to be met. These conditions can include verification that your employer is current, and proof that you have obtained homeowner's insurance, and any other items as requested by the underwriter. Once closing conditions have been satisfied, the underwriter issues a clearance and your loan is fully approved.



Download our eBook

"Tips for a Buyer in a Seller's Market"

for more ideas and tips on how to succeed when making an offer.

Full price offers are common, and even a few homes are going over the asking price in a bidding war with motivated buyers. So just what is it that a buyer should do to succeed when they find a home you''ve fallen in love with and can't see yourself in any other home?

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Why a KW Real Estate Agent

In our experience, a home isn't a dream home because of its room dimensions. It's about how you feel when you walk through the front door—the way you can instantly envision your life unfolding there.

This is about more than real estate. It's about your life and your dreams. It's important that the agent you choose to guide you through this journey is your trusted expert and advocate.

What's different about a Keller Williams agent?

Knowledge: Keller Williams agents stay ahead of trends, tools and topics in the real estate industry through their access to Keller Williams University. The comprehensive industry-leading training curriculum prepares our agents to serve you at the highest level.

Teamwork: Unlike other real estate companies, Keller Williams Realty was designed to reward agents for working together. At our core, we believe that we are all more successful if we strive towards a common goal, rather than our individual interests. And, that goal is to serve you, our client, at the highest level possible.

Reliability: Keller Williams Realty was founded on the principles of trust and honesty, emphasizing the importance of having the integrity to do the right thing and always putting your needs first. Our agents realize that their success is ultimately determined by the legacy we leave with each client we serve.

Speed: Leading-edge technology solutions accelerate our associates' efficiency and productivity.

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