

BUYER'S GUIDE

Your step-by-step guide to buying a home

Whether this is your first home or your next chapter, buying is easier when you know what's coming. Here's how the process works, from the first conversation to the day you get your keys.

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THE PATH HOME

Eight steps from "just looking" to "welcome home"

1

Meet with Tina

"Let's talk about what home means to you."

We start with a complimentary, no-pressure conversation, where we'll:

- Talk through your goals, timeline and budget
- Walk through how buying works in Minnesota, start to finish
- Discuss whether you need to sell a current home first
- Review and sign a buyer representation agreement, which spells out the services I provide and how I'm paid. This is required before we tour homes together.

2

Get Pre-Approved

"Know your number before you fall in love with a house."

A lender reviews your finances and tells you how much you can borrow. Sellers expect to see a pre-approval letter with your offer. Have these ready:

- Recent pay stubs and W-2s or tax returns
- Recent bank and retirement account statements
- A photo ID
- Information on any debts, such as car loans or student loans

Good to know: Some loan programs allow a small down payment. Conventional loans can start at 3% down, FHA loans at 3.5%, and VA and USDA loans may require no down payment for those who qualify. Minnesota Housing also offers loan and down payment assistance programs for first-time buyers. Ask your lender which options fit you.

3

Make Your Wish List

"Separate the needs from the wants."

Needs are your must-haves, the things you can't live without, like enough bedrooms or a main-floor bedroom. **Wants** are your nice-to-haves, like a fireplace or a bigger yard. Knowing the difference helps you decide quickly when the right home comes along.

- Location: commute, family nearby, schools, shopping and healthcare
- Size: bedrooms, bathrooms and storage you really need
- Lifestyle: one-level living, yard size, garage, low maintenance
- Type of home: single-family, townhome or condo (and any HOA fees)

4

Tour Homes

"I'll do the searching so you can do the deciding."

- I set up a custom search so you see new listings as soon as they hit the market
- We tour homes together, and I point out things that are easy to miss

- Take photos and notes. After a few showings, homes start to blur together
- Visit the neighborhood at different times of day

5

Make an Offer

"A strong offer is about more than price."

When you find the one, I'll pull recent sales of similar homes so we can choose a smart price. Your offer also includes:

- **Earnest money:** a good-faith deposit held in trust and applied toward your purchase at closing
- **Contingencies:** conditions that protect you, such as financing, inspection, appraisal, or the sale of your current home
- **Closing date:** when you'd like to take ownership

The seller may accept, decline or counter. I'll negotiate on your behalf until we reach an agreement or decide to move on.

6

Inspection & Appraisal

"Know exactly what you're buying."

- Hire a professional home inspector to look at the roof, foundation, plumbing, electrical, heating and more
- Review the report together and decide whether to ask for repairs or a credit
- Your lender orders an appraisal to confirm the home's value
- Review the seller's disclosure statement, and any well or septic information if the home has them

Minnesota note: Some cities, including Minneapolis and St. Paul, require sellers to provide a Truth-in-Sale-of-Housing evaluation. I'll make sure you see it and understand what it says.

7

Final Loan Approval

"Keep things steady until the keys are in your hand."

While your lender finishes your loan:

- Don't change jobs, open new credit cards, or finance big purchases like a car or furniture
- Don't move large sums of money without talking to your lender first
- Respond quickly when your lender asks for documents
- Choose a homeowners insurance policy
- Review your Closing Disclosure, which you'll receive at least three business days before closing

8

Final Walk-Through & Closing

"Welcome home."

- We do a final walk-through shortly before closing to make sure the home is in the agreed condition
- At closing, you sign your loan and ownership documents at the title company
- Bring a photo ID and your closing funds, as instructed by the title company
- Then you get your keys!

Protect yourself from wire fraud: Scammers send fake emails with wiring instructions. Before sending any money, call your title company at a phone number you know is real, not one from an email, to confirm the instructions.

WHY BUY?

A home is more than a place to live

For many families, a home is also their biggest long-term investment. Your first home doesn't have to be your forever home. You have to start somewhere, and every payment helps build toward what comes next.

How ownership can work for you

Build equity
Each mortgage payment pays down your loan, so you own more of your home over time

Potential growth in value
Homes have historically gained value over the long run, though prices can rise and fall

A steady payment
With a fixed-rate mortgage, your principal and interest payment stays the same, while rents often go up

A stepping stone
The equity you build can help pay for your next home

Homeownership may also offer tax benefits. Ask a tax professional what applies to you.

PLAN YOUR BUDGET

What it costs to buy a home

Every purchase is different. Your lender will give you a written Loan Estimate with your actual numbers.

Costs before and at closing

Earnest money
Due shortly after your offer is accepted and credited toward your purchase at closing

Home inspection
Paid directly to the inspector, usually a few hundred dollars

Monthly costs after you move in

Mortgage payment
Principal and interest on your loan

Property taxes & homeowners insurance
Often paid monthly through your mortgage

Down payment

Depends on your loan type, from 0% to 20% or more

Closing costs

Loan fees, title insurance, appraisal and prepaid taxes and insurance, often about 2% to 5% of the purchase price

HOA fees

For many townhomes and condos

Utilities & upkeep

Plan to set aside money each year for maintenance and repairs

BUYING AND SELLING?

Moving from one home to the next

If you're downsizing or moving closer to family, you may need to sell your current home before or while you buy. I'll help you plan the timing, so you're not stuck with two homes or left without one.

Questions we'll answer together

- Should I sell first or buy first?
- Can I use the money from my current home for my next one?
- What if I find the right home before mine sells?
- How do I downsize my belongings before the move?