

HOME Buyer's Guide



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BUYER'S GUIDE

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MEET THE TEAM

We're here to guide you through the process!



Carmen Boles has lived in Colorado Springs for more than 22 years and her husband is a native! Before becoming a Realtor, she was the editor of the town newspaper. Carmen has advanced certifications and training in real estate transactions involving luxury property, divorce, senior living and military relocation. She values being a strong communicator.



Ethan Stall joined the Army as an Explosive Ordnance Disposal Technician in 2007. He has served in Alabama, Florida, Washington, Germany, Oklahoma, and Colorado, and understands every aspect of a Permanent Change of Station (PCS). Ethan specializes in military relocation moves and aims to make them as smooth and worry-free as possible.

WHAT YOU CAN EXPECT FROM US

Honesty & Integrity
Loyalty & Respect
Responsive & Timely
Expert Guidance



Find us online at teampikespeakco.com

IMPORTANT TERMS

Get informed to get ahead!



Appraisal

A report highlighting the estimated value of the property, completed by a qualified third party.



Closing Costs

You and your lender should talk about all fees associated with the loan, including mortgage insurance, points, taxes and funding fees, if applicable.



Possession

Sometimes the possession date is the same as the closing date, but not always. Buyer and seller must agree on a possession date.



Credit Score

A number ranging from 300 to 850 analyzing your use of credit and payment history. This number can affect your ability to get a loan as well as your interest rate. Typically you need a score of 580 or above to be considered for a loan.



Home Equity

Home Equity is the appraised value of your home minus liens or mortgages you have on the home. Typically you will build home equity over time as long as you own the home.

THE HOME BUYING PROCESS

Steps to Finding Your Dream Home



Where to Start

- DETERMINE HOW MUCH YOU CAN SPEND
- SAVE FOR A DOWN PAYMENT
- CHECK YOUR CREDIT
- GET PRE-APPROVED FOR A HOME LOAN

FIRST, GET PRE-APPROVED!

Be Ready to Make an Offer

House shopping is an exciting time!

*Get pre-approved for a loan first so you can be ready
to make an offer when you find a home you love.*

PRE-QUALIFIED VS PRE-APPROVED

Pre-Qualified

In order to be pre-qualified, a lender may or may not check your credit score and won't require documentation, only going off what you tell them. This will give you an idea of what you could qualify for, but when you're serious about buying, you'll need to get pre-approved.

VS

Pre-Approved

To be pre-approved, the lender will pull your credit and ask you for documentation to verify your finances. Before making an offer on a house, it is best to get pre-approved to show sellers your offer is serious and that a lender has already approved you for enough money to purchase the home.

MORTGAGE GUIDE

Which Type of Loan is Right for You?

CONVENTIONAL LOAN

The most common type of home loan, this loan usually requires 3 or 5 percent down as a minimum. The interest rate typically improves with the more you put down as a percentage of the total loan.

FHA LOAN

Loans designed for those with high debt-to-income ratios and low credit scores, and most commonly issued to first-time homebuyers. Offered by FHA-approved lenders only and backed by the Federal Housing Administration, these loans can come with slightly better interest rates than conventional loans.

VA LOAN

Loans designated for veterans, spouses, and reservists, and guaranteed by the U.S. Department of Veteran Affairs. As a benefit to veterans, these loans typically require no money down but may come with funding fees that can be rolled into the loan.

TYPE OF LOAN	DOWN PAYMENT	TERMS	MORTGAGE INSURANCE	MINIMUM CREDIT SCORE
CONVENTIONAL	3 - 20%	15-30 Years	On down payments under 20%	620
FHA	3.5 - 20%	15-30 Years	For 11 years or life of the loan	500
VA	None	15-30 Years	None	640

Your lender will help you decide what loan is best for your needs.

QUESTIONS TO ASK

When Choosing a Lender

Not all lenders are the same.

The type of loans available, interest rates, and fees can vary. Interviewing lenders is an important step in determining what type of home loan is best for you.

QUESTIONS TO ASK LENDERS

- »» Which types of home loans do you offer?
- »» What will my interest rate & annual percentage rates be?
- »» Do I qualify for any special programs or discounts?
- »» What estimated closing costs can I expect to pay?
- »» What is your average loan processing time?

TRUSTED LENDERS

FAIRWAY MORTGAGE/PETER AURICH

719-208-9994
peter.aurich@fairwaymc.com
fairwayindependentmc.com

719 LENDING/TIMOTHY CHASE

844-719-5363
tchase@719lending.com
719lending.com

PEAK 7 MORTGAGE / VIC MALONE

719-304-4900
vic@vicmalone.com
vicmalone.com

RWM HOME LOANS / MARK & KAY FRUCI

719-492-6111
teamfruci@rwmloans.com
teamfruci.com

GROUP MORTGAGE / JOEY HANSEN

719-621-2248
jhansen@groupmortgagellc.com
joeyhansen.com

LOAN APPLICATION CHECKLIST

Documents Typically Required by Lenders

To determine loan eligibility, lenders typically require the following types of documents from each applicant:

INCOME DOCUMENTS

- Federal tax returns: last 2 years
- W-2s: last 2 years
- Pay stubs: last 2 months
- Any additional income documentation: pension, retirement, child support, Social Security/disability income award letters, etc

ASSET DOCUMENTS

- Bank statements: 2 most recent checking and savings account statements
- 401(k) or retirement account statement and summary
- Other assets: statements and summaries of IRAs, stocks, bonds, etc.

OTHER DOCUMENTS

- Copy of driver's license or ID and Social Security card
- Addresses for the past 2-5 years and landlord's contact info if applicable
- Student loan statements: showing current and future payment amounts
- Documents relating to any of the following if applicable: divorce, bankruptcy, collections, judgements or pending lawsuits

HOUSE WANTS & NEEDS LIST

Important Features You're Looking for in a Home

Determine the features you are looking for in your ideal home and prioritize which items are most important to you. No house is perfect, but this will help us find the best match for you.

TYPE OF HOME

- Single Family Home Townhouse Condo Other _____

CONDITION OF HOME

- Move-In Ready Some Work Needed is OK Fixer Upper

DESIRED FEATURES

____ Bedrooms ____ Bathrooms ____ Car Garage (Circle) Small or Large Yard

Ideal Square Footage: _____

Desired Location/Neighborhood/School District: _____

Must Have

Would Like to Have

HOUSE HUNTING TIPS

Tips for Finding Your Ideal Home



Investigate the Area

Drive around neighborhoods that interest you to get a feel of the area, how the homes are cared for, what traffic is like, etc.



Ask Around

Talk to family, friends and co-workers to see if anyone might know of a house for sale in an area you're interested in. One of them may even know of someone that's thinking about selling but hasn't put the house on the market yet.



Keep an Open Mind

Finding your dream home isn't always an easy task! Have a priorities list but keep an open mind when viewing houses.



Take Pictures & Notes

When you visit multiple houses it gets difficult to remember specific details about each one. Take photos and notes while touring houses so that you can reference them later when comparing the properties that you've seen.



Be Ready to Make an Offer

When you find a home you want to buy, keep in mind there may be others interested in it as well. Be ready to make a solid offer quickly in order to have the best chance at getting that home.

MAKING AN OFFER

Factors that can Make an Offer More Enticing

When we have found a home that you're interested in buying, we will quickly and strategically place an offer.

WHAT MAKES A COMPETITIVE OFFER?

We will decide on a reasonable offer price based on:

- > Current market conditions
- > Comparable properties recently sold in the area
- > The property value of the house
- > The current condition of the house

EXPERIENCE COUNTS!

We always communicate directly with the listing agent before writing an offer to get any information that may assist you in getting the home.

DEPOSITS CAN HELP

An offer that includes a larger earnest money deposit or more money down on the loan presents a more serious and competitive offer.

INSPECTION IS A POINT OF NEGOTIATION

The inspection period, as well as what type of "asks" will be made, can give us a competitive edge when making an offer or serve as a key negotiating point.

CLOSING TIMELINE

An offer with a shorter or longer timeframe for closing can be attractive to sellers depending on their motivations. In our market, a typical closing timeframe is 30-45 days.

OFFER ACCEPTED!

What's Next

Once the seller has accepted your offer, both parties sign a sales agreement and you're officially under contract.

PUT YOUR DEPOSIT INTO AN ESCROW ACCOUNT

Your earnest money deposit will be put into an escrow account that is managed by a neutral third party (typically a title company) who holds the money for the duration of the escrow period. They will manage all the funds and documents required for closing, and your deposit will go towards your down payment or fees at closing.

SCHEDULE A HOME INSPECTION

Home inspections are optional but highly recommended to make sure that the home is in the condition for which it appears. Inspections are typically completed within 10-14 days after signing the sales agreement.

RE-NEGOTIATE IF NECESSARY

The home inspection will tell you if there are any dangerous or costly defects in the home that need to be addressed. You can then choose to either back out of the deal completely, ask for the seller to make repairs, or negotiate a lower price and handle the repairs yourself.

COMPLETE YOUR MORTGAGE APPLICATION

Once you've come to an agreement on the final offer, it's time to finalize your loan application and lock in your interest rate if you haven't done so already. You may need to provide additional documentation to your lender upon request.

ORDER AN APPRAISAL

An appraisal will be required by your lender to confirm that the home is indeed worth the loan amount. The appraisal takes into account factors such as similar property values, the home's age, location, size and condition to determine the current value of the property. Typically ordered just after inspection items have mutual agreement.

WHAT NOT TO DO

During the Home Buying Process

It's extremely important not to do any of the following until after the home buying process is complete:



BUY OR LEASE A CAR



CHANGE JOBS



MISS A BILL PAYMENT



OPEN A LINE OF CREDIT



MOVE MONEY AROUND



MAKE A MAJOR PURCHASE



Any of these types of changes could jeopardize your loan approval. It's standard procedure for lenders to also do a final credit check before closing.

FINAL STEPS BEFORE CLOSING

You're Almost there!

Insurance Requirements

Most lenders require both homeowner's insurance and title insurance. Homeowners insurance protects your home and possessions against damage and theft, while title insurance protects the lender and/or homeowner from financial loss against claims regarding the legal ownership of a home. Policies vary so it's recommended to get quotes from multiple companies to compare price, coverage and limits.

Closing Disclosure

At least 3 days before closing, lenders are required to provide you with a Closing Disclosure with your final loan terms and closing costs for you to review. Closing costs for the buyer typically range from 2-5% of the purchase price, which can include lender fees, lender's title insurance, and HOA dues if applicable.

Final Walk Through

Within 24 hours of closing we will do a final walk through of the home before signing the final paperwork. This last step is to verify that no damage has been done to the property since the inspection, that any agreed upon repairs have been completed, and that nothing from the purchase agreement has been removed from the home.

Next Step: Closing!

CLOSING DAY

Congratulations, You Made it to Closing!

Closing is the final step of the buying process.

On the day of closing you'll be going over and signing the final paperwork, and submitting a cashier's check (or previously arranged wire transfer) to pay the remaining down payment and closing costs.

Property ownership is then officially transferred from the seller to the buyer.

ITEMS TO BRING TO CLOSING:

- ✓ Government Issued Photo ID
- ✓ 2nd Form of ID just in case
- ✓ Certified Funds or Cashier's Check
- ✓ Checking Account Information

Enjoy your new home!

SUCCESS STORIES

Here's what our Clients are Saying

“

Ethan made our buying experience so seamless! We were moving from our previous base and only had a few days to house hunt. He helped us find our forever home and we are so grateful. ”

- Brandy G.



“

Carmen was my saving grace through the process of selling my home. I had just had a baby a couple months before and was out of state for the entirety of the transaction. She was incredibly easy to get in touch with, was honest and thoughtful, and I felt she legitimately had my best interests in mind. ”

- Ashton K



“

Carmen went beyond my expectations from searching for the right house to the final closing. She was exceptional in helping us review the property during our walk through visits to the house. She has a great knowledge of the area and provided tips on things that I had never thought of. ”

- John T





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