



## TOOLS & RESOURCES

### MYTH ABOUT AGENTS

If I want a realtor I have to pay one.

#### FACT

False. The seller pays a portion of the commission. Buyer representation means the realtor will work for you and with you.

### WHAT ARE SOME COMMON MYTHS HOLDING YOU BACK?

~~You Need to Be Wealthy~~

~~Investing Is Extremely Risky~~

~~Timing Is Everything~~

Investing in real estate is a huge decision that requires time, patience, and money. While purchasing your first home can be overwhelming, you're not alone in the process. We're here to guide you!

### MORTGAGE MYTH

I need to put at least 20% down

#### FACT

All kinds of financing programs exist which require anywhere from 0% -20% down. You and your realtor will work with loan officers who will help you select the right program to meet your goals.

### USE THE FOLLOWING TOOLS & RESOURCES TO HELP YOU THROUGH THE EXPERIENCE.

- ▶ **Bank of America:** | First Time Home Buyer Guide: <https://www.bankofamerica.com/mortgage/first-time-home-buyer/>
- ▶ **CCCSMD:** | Financial Tools | <https://cccsmd.org/financial-tools-calculators/>
- ▶ **DAPO Group:** | [www.thedapogroup.com](http://www.thedapogroup.com) | [info@thedapogroup.com](mailto:info@thedapogroup.com)
- ▶ **Estate planning:** <https://www.youtube.com/watch?v=Sx1ecGW20A8>
- ▶ **Foreclosure & Eviction Prevention:** <https://www.youtube.com/watch?v=HqSAzh59ofk>
- ▶ **FreddieMac** | Steps to Owning a Home | <https://myhome.freddie.mac.com/buying/down-payment-assistance-programs>
- ▶ **Hearst Group:** [www.AltheaHearst.com](http://www.AltheaHearst.com) | [Ahearst@hearsthometeam.com](mailto:Ahearst@hearsthometeam.com)
- ▶ **Life Insurance Education:** <https://www.youtube.com/watch?v=3ARGETGsffo>
- ▶ **Managing Student Loan Debt:** [https://www.youtube.com/watch?v=DT\\_ujIAIj2I](https://www.youtube.com/watch?v=DT_ujIAIj2I)
- ▶ **National Foundation of Credit Counseling:** | [nfcc.org](http://nfcc.org)
- ▶ **NFCC | Faith-Based:** | <https://www.nfcc.org/faith-based/>
- ▶ **Paving the Way:** <https://www.youtube.com/watch?v=RCPnQuOhUj8>
- ▶ **PG County Pathway to Purchase:** [PrinceGeorgesCountyMD.gov/2598/Pathway-to-Purchase](http://PrinceGeorgesCountyMD.gov/2598/Pathway-to-Purchase)
- ▶ **PNC Bank:** | Personal Loan vs. Personal Line of Credit <https://www.pnc.com/insights/personal-finance/borrow/personal-loan-vs-personal-line-of-credit.html>
- ▶ **Wells Fargo:** | Mortgage Rate Tool/Estimate Your Price Range/Check Interest Rates <https://www.wellsfargo.com/mortgage/home-affordability-calculator/>



## Why Use a Real Estate Professional?

- ▶ Educates you on the steps of purchasing a home.
- ▶ Maps out a gameplan that's unique to your needs.

## Buyer Pre-Approval Requirements:

- ▶ Proof of Income (Tax returns, w2 and pay stubs).
- ▶ Proof of Assets (60 Day bank statements).
- ▶ Credit Score.
- ▶ Employment Verification.



## Common Types of Home Loans

### FHA

Down Payment: **3.5%**

### VA

Down Payment: **0%**

### Conventional

Down Payment: **3%, 5%, 10%, 20%**



## Closing Cost

Typically, home buyers will pay between about 3 to 5 percent of the purchase price of their home in closing fees. So, if your home cost \$250,000, you might pay between \$7,500 and \$12,500 in closing costs.

## Common Types of Home Sales

### Standard Sale

Between buyer and seller.  
Time Line: 30- 45 days

### Foreclosure / REO

A bank has repossessed a home from the home owner most likely due to missing payments. (Between buyer and bank)  
Time Line: 30- 45 days

### Short Sale

The "short" in short sale refers to the fact the bank is willing to accept a sale amount for less than the outstanding mortgage. (Between buyer and bank)  
Time Line: 180+ days

### Sold AS IS

The seller doesn't take any responsibility for the condition or repairs or provide a warranty of any kind

## Common Types of Association Fees



### Condo

- ▶ Condo Fees
- ▶ The cost of building repairs, landscaping, and snow shoveling.
- ▶ Utilities include trash and sometimes water.



### Town Home and Single Family

- ▶ Home Owner Association Fee (HOA).
- ▶ Community Landscaping, Snow Shoveling and trash.



### Front Foot Fee

- ▶ Assessments made by Counties for the water and sewer lines placed in new communities. They run for about 20-30 years.



[ZionChurch.org](http://ZionChurch.org)

## Title Company

### Title Search

A title search or property title search is the process of examining public records and retrieving documents on the history of a piece of real property to determine and confirm property's legal ownership, and find out what claims or liens are on the property.

### Title Insurance

Issue to a buyer to guarantee against fraudulent ownership claims.

### Escrow Accounts

When you close on a mortgage, your lender may set up a mortgage escrow account where part of your monthly loan payment is deposited to cover some of the costs associated with home ownership. The costs may include but are not limited to real estate taxes, insurance premiums and private mortgage insurance.

### Settlement Agent

Licensed Attorney or Agent

## Home Inspection

- ▶ A report examining the condition of the home.
- ▶ This usually happens 5-10 days from a ratified contract.
- ▶ The home inspection is a contingency that protects you and allows you to walk away from the property.



## Loan Commitment

- ▶ Lender has finished reviewing your file.
- ▶ Lender guarantees they will lend you the money.

## Home Insurance

- ▶ Insures your home's structure and your belongings in the event of a destructive event such as a fire.
- ▶ While homeowners insurance covers many types of disaster related damage, there are exceptions. For example, flood insurance and earthquake insurance are both separate types of policies, which may be desirable depending on where you live.

