

COLDWELL BANKER®

A HomeBuyer's Reference



Finding & Financing
A Home Made Simple

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Introduction

Congratulations!

You've decided to start fresh and purchase a new home. The **Coldwell Banker**® HomeBuyer's Reference is one of the many resources we provide buyers to help them navigate through the journey of finding, financing and buying a new home. Throughout this reference, you'll learn about the steps you need to take before you move into a new home.



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The Financing Process

Here's an easy way to understand the financial steps you'll need to take to guide you towards your new home.

- Calculate your budget
- Apply for a mortgage/ paperwork/ loan application
- Lender begins processing application
- Lender provides booklet of estimated closing and related costs
- Lending institution requests an appraisal of home, a credit report and verification of employment and assets
- Estimate of your loan costs in form of initial Truth in Lending Disclosure Statement
- Lender evaluates the application and approves the loan
- Search begins – Sales Associate shows you multiple listings
- You find the house you want
- You make an offer
- Lender disburses funds to closing agent
- Sign closing documents and loan is funded
- Appropriate documents recorded at county recorder's office
- The home is sold and it is yours



How Much Can You Afford?

Before you can begin to search for a new home, you need to determine your budget and estimate how much you can afford. One of the most important factors in figuring out your financial budget is getting pre-approved for a mortgage. Pre-approval uses basic information as well as electronic credit reporting to determine whether a lender will loan you money. If you are pre-approved for a mortgage, the lender has given you a commitment to support your new purchase.

Once you have been pre-approved, you need to decide which type of mortgage to get. This decision is usually based on the interest rate of the loan and how much time you are given to pay the lender back.

When you apply for a mortgage, you will need to furnish information regarding your income, expenses and obligations. To save time, have the following items available for each borrower:

- Two most recent pay stubs
- W-2s for the last two years
- Federal tax returns for the last two years
- Last two months' bank statements
- Long-term debt information (credit cards, child support, auto loans, installment debt, etc.)



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Calculating Your Budget

To estimate your budget, add up your total financial worth and then subtract all the costs included in the purchase.

Here are some of the expenses you will carry.

Down Payment

Most homeowners contribute a down payment on his or her new property. The down payment is a percentage of the purchase price that the buyer pays in full before closing. The larger the down payment, the smaller your mortgage will be.

Cost

There are quite a few costs when you're buying a new property and it's important to factor them into your budget.

Here are some examples:

- **Monthly Costs:** The calculation of your entire monthly costs including the mortgage, insurance, taxes, etc.
- **Points:** Borrowers have the opportunity to reduce the interest rate on their mortgage by paying points at the beginning of the loan. One point is one percent of the new loan.

Final Budget

Now you're ready to calculate your final budget. Remember to include all of your available monies, monthly salary, additional income, and then subtract the down payment, monthly mortgage payment, closing costs, moving costs, and any additional expenditures you might accrue.

When you have arrived at your estimated budget, you are ready to begin the search for your new house.

The Fun Begins

Can you picture your dream house? Does it have a huge backyard? What kind of neighborhood is it in? Is it important to have a good school system nearby? What about public transportation or daycare facilities? Do you want to live by a lake, a river, or a town? These are just a few of the questions you should consider before you begin your search.

Multiple Listings

Open Houses & Special Features

One of the many advantages of working with a **Coldwell Banker®** Sales Associate is our access to multiple listings. That means you can see every house on the market if you'd like to. We can provide a detailed description on any property of interest, including special features.

Open Houses

Open houses are a great way to get a feel of a specific property. You can be sure that a **Coldwell Banker** Sales Associate will inform you of upcoming open houses, giving you the important information and details of the property.

Special Features

If you require special features such as a swimming pool, wheelchair access, or even skylights, we will be sure to show you only those properties that accommodate your needs.



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Online Access

Aside from the knowledgeable Sales Associates, coldwellbanker.com is also an extraordinary resource for you. With access to millions of properties, our award-winning website is home to a variety of timesaving and informative features, such as:

- **Homefile:** The new Search Feature allows you to quickly save listings, agents, offices and resources. Since your HomeFile is available from nearly every page on the site, a favorite property or article is always just a click away.
- **Add This:** We've made it easier than ever for home seekers to find and reach out to you, with the ability to post listings, offices and agents to top social media sites.
- **BlueScapeSM:** The ground-breaking BlueScapeSM search platform is a fresh approach to real estate search that allows consumers to discover the aspects of their "dream home" based on their attraction to a series of images and settings. After rating various photos, consumers can then submit a query and the technology will identify homes that might be a fit.
- **Learn Center:** this provides helpful articles, videos, tips and tools for buyers such as guidelines for inspections and home maintenance costs.
- **Integrated Video:** Video plays a greater role in promoting Listings, Offices and Agents than ever before. Video callouts appear, and videos can be viewed, from both the Search Results and Detail Pages. Additionally, those agents with video profiles are prioritized over those without.



Writing The Offer

Once you've found the perfect home, a **Coldwell Banker®** Sales Associate will write up the offer.

After the offer is accepted, there are various steps that need to take place before you can close. These include the loan application, qualification and commitment, all inspections completed and repairs made if necessary, property is surveyed and appraised, the title is analyzed and the title insurance commitment is issued, and you have secured homeowner's insurance.



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The Closing

This is the meeting where the sale transaction is finalized. Your **Coldwell Banker**[®] Sales Associate will guide you through all the closing procedures ensuring the Disclosure Statement is released, money is properly exchanged, all paperwork is accurate, the agreements are signed, and the title of property is transferred. This is the last step before you can call the property your home.



HomeBuyer's Checklist

- Familiarize yourself with the mortgage process
- Get pre-approved and pre-qualified
- Get finances in order and prepare your budget
- Identify your needs and wants
- Find the home that meets your criteria
- Negotiate a price and make an offer
- Arrange for home inspection
- Confirm closing date
- Conduct walk-through of home
- Close and settle deal



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This brochure is provided for informational purposes only and is not intended, nor shall it be deemed, to provide or offer legal or financial advice or guidance. You should always consult with your own advisor when dealing with any of the information visited herein.

If your property is listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate brokers. We are happy to work with them and cooperate fully.

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