FIRST-TIME HOMEBUYER



ASSOCIATES

NICE TO MEET YOU!

SO YOU'RE THINKING OF BUYING YOUR FIRST HOME?

Hi! I'm Alana Melendez, your local real estate guide. Trying to figure out if you are ready for homeownership?

I'm here to make the process smooth and enjoyable. Specializing in working with First Time Homebuyers, I have streamlined the process to help you meet your goals.

I have the insights and skills to help you navigate your first home purchase with ease. My focus? Your needs, goals, and timeline.

Let's turn your dream of homeownership into a stress-free and successful reality.

Ready to find your perfect home? Let's get started!



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GETTING PRE-APPROVED:

Before you start house hunting, secure a mortgage pre-approval—this is stronger than a pre-qualification and shows sellers you're serious and financially capable. Pre-approval is based on your income, debts, down payment, and credit profile, requiring documents like pay stubs, W2s, and bank statements. For instance, a pre-approval might indicate you can borrow up to \$300,000, setting a clear budget limit.

Remember, pre-approval isn't final approval; it's conditional and requires a property appraisal and financial reverification once you're under contract. Being pre-approved not only boosts your buying confidence but also strengthens your offers in competitive markets, positioning you on par with cash buyers. The home-buying process is exciting but requires careful financial preparation. By realistically calculating your budget, you'll be in a strong position to land your dream first home within your means.





HOME buyer CHECKLIST

PREPARE TOUR FINANCES
Know your credit history
Calculate what monthly mortgage payment you can afford
Gather your tax, financial, & employment documents
Find a mortgage lender
Complete your loan pre-approval
BEGIN YOUR HOME SEARCH
Research your favorite local areas & what you need in a home
Search for homes online
Visit homes in person
Make an offer
Negotiate the transaction terms
UNDER CONTRACT
Deposit earnest money as soon as possible
Perform inspections as soon as possible
Determine any repairs that need to be done before the contract deadline
Let the lender know you are under contract and give them all the requested
documents as soon as possible
The lender will order an appraisal as soon as inspections are done and all issues
are resolved
Get quotes and purchase title insurance
Review the title commitment
Get quotes and purchase home insurance
Transfer utilities
Schedule closing
Conduct a final walkthrough
Pay for closing and close the transaction



Types of Mortgages

MORTGAGES & INTEREST RATES

01.

CONVENTIONAL LOANS

- 620+ credit score, 3-20% down payment.
- Up to \$647,200 loan maximum
- Fixed or adjustable-rate; PMI if <20% down.

FHA LOANS

- 3.5% down payment, 580+ credit score.
- Lower income/credit eligibility than conv. loans.
- Fixed or adjustable-rate; PMI if <20% down.

VA LOANS

03.

- Zero down payment for military members/veterans
- No PMI; flexible credit requirements
- Funding fees apply, can be rolled into the mortgage

USDA LOANS

04.

- 0% down payment, 640+ credit score
- Must be in eligible area; income limits apply
- Fixed-rate only



Common Down Payment Amounts

MORTGAGES & INTEREST RATES

01.

CONVENTIONAL LOANS

- Minimum 3% down payment
- 20% down avoids PMI
- Higher credit score requirements (typically 620+)

02.

FHA LOANS

- Minimum 3.5% down payment
- PMI required
- More flexible credit score requirements

03.

VA LOANS

- 0% down payment option for military/veterans
- Funding fee can be rolled into the loan amount
- No monthly mortgage insurance required

USDA LOANS

04.

- 0% down payment
- Must be in eligible area; income limits apply
- Guarantee fee and Annual fee can be rolled into the loan

Down Payment Strategies

LOW OR NO DOWN PAYMENT OPTIONS

- FHA LOANS

 As mentioned, you can qualify with just 3.5% down through this government-backed program.
- VA LOANS

 For military members, veterans, and eligible spouses, VA loans provide 100% financing with zero down payment required.
- USDA LOANS
 In specified rural areas, income-eligible buyers can get a USDA home loan with no money down
- DOWN PAYMENT ASSISTANCE PROGRAMS

 Many states, counties and non-profits offer down payment grants or second low-interest mortgages for first-time and low-income buyers

Even with low/no down options, having some reserves for closing costs, prepaid expenses (taxes, insurance) and emergency funds is still advisable.





Tips for Saving Your Down Payment

WAYS TO BUILD YOUR HOME BUYING FUND

Set up automatic transfers to dedicated savings accounts
Cut back on discretionary expenses like dining out, entertainment, etc
Get a side gig or temporary second job
Bank employment bonuses, tax refunds, and cash gifts
Use financial apps to track spending and set saving goals
Consider tapping retirement accounts for a down payment (with cautions)
Look into down payment assistance programs in your area

The more you cut costs and increase your income, the quicker you'll save for a down payment. Remember to budget for closing costs and other buying expenses.



Finding the Right Home

DEFINING YOUR MUST-HAVES

With your budget and pre-approval ready, start the exciting search for your first home!

To find the right fit among many options, make two lists of your must-have features and nice-to-haves. This helps prioritize essentials and identify areas for compromise.

MUST-HAVES:

(ex: # of bedrooms, location, home office, etc.)

NICE-TO-HAVES:

(ex: fireplace, patio, pool, gym, fence)



HOUSE hunting CHECKLIST

LISTING ADDRESS:						
exterior	EXCELLENT		AVERAGE		POOR	
EXTERIOR	5	4	3	2	1	
GUTTERS	5	4	3	2	1	8.
DRIVEWAY	5	4	3	2	1	C)
FRONT DOOR	5	4	3	2	1	3
GARAGE DOOR	5	4	3	2	1	(%
CURB APPEAL	5	4	3	2	1	se //
FRONT PORCH	5	4	3	2	1	Co
BACK DECK	5	4	3	2	1	.,
SIDE YARD	5	4	3	2	1	
FENCE	5	4	3	2	1	
FRONT LAWN	5	4	3	2	1	
BACK LAWN	5	4	3	2	1	
LANDSCAPING	5	4	3	2	1	
FOUNDATION CONDITION:	CRACKED		CHIPPED	_	WATER DAMA	GE
interior	EXCELLENT		AVERAGE		POOR	
PAINT	5	4	3	2	1	_
CEILING	5	4	3	2	1	É
WALLS	5	4	3	2	1	6)
MOULDING	5	4	3	2	1	Š
DOORS	5	4	3	2	1	se Se
WINDOWS	5	4	3	2	1	E
HVAC	5	4	3	2	1	600
FURNACE	5	4	3	2	1	
WATER HEATER	5	4	3	2	1	
KITCHEN	5	4	3	2	1	
COUNTER SPACE	5	4	3	2	1	
CABINET SPACE	5	4	3	2	1	
APPLIANCES	5	4	3	2	1	
MASTER BEDROOM	5	4	3	2	1	
MASTER BATH	5	4	3	2	1	
MASTER CLOSET	5	4	3	2	1	
GUEST BEDROOMS	5	4	3	2	1	
GUEST BATHROOMS	5	4	3	2	1	
CLOSETS	5	4	3	2	1	
LAUNDRY	5	4	3	2	1	
BASEMENT	5	4	3	2	1	

PAINT FLOORING ROOF APPLIANCES BLINDS

HVAC WINDOWS BASEMENT FINISH

WATER HEATER

Neighborhoods & Location

WHAT TO CONSIDER FOR YOUR LIFESTYLE

- SCHOOL DISTRICTSCheck school boundaries, ratings, and reviews.
- COMMUTE TIMES

 Assess distance and traffic patterns to work or public transit.
- NEIGHBORHOOD VIBE
 Visit at different times to observe traffic, parking, and upkeep.
- AMENITIES

 Identify nearby essentials like grocery stores, parks, and hospitals.
- HOMEOWNER ASSOCIATIONS
 Learn about HOA fees and community rules.
- FUTURE PLANS

 Research any upcoming local developments or zoning changes







Making an Offer and Negotiating

WHAT TO CONSIDER FOR YOUR LIFESTYLE

Regardless of whether it's a seller's or buyer's market, submitting a well-crafted offer from the start puts you in the best position to get your contract considered and negotiated.

Offer a reasonable amount based on the home's value and your budget; lowballing only leads to higher counteroffers.

Analyze recent comparable sales to understand the home's likely worth, then make an offer at the price you're willing and able to pay.

MAKING A COMPETITIVE OFFER

If the sellers don't accept or want to negotiate higher, you have to be willing to walk away if their ask exceeds your capability or comfort level. Don't Overextend.

But don't be afraid to make your best offer upfront - one that makes sense for your situation. If it's meant to be, the sellers will work with you.

If not, at least you'll know you put your best foot forward without overextending.

Navigating Negotiations

COMMON ITEMS TO FURTHER NEGOTIATE INCLUDE

CLOSING COSTS

Ask sellers to pay a portion of loan costs or to split certain fees.

REPAIRS

After inspections, request sellers to make necessary repairs or provide repair credits.

INCLUDED ITEMS

Negotiate for appliances, equipment, furnishings, etc. to convey.

OCCUPANCY TERMS

Set rent back or lease back terms if one party needs to remain for a period.

CONTINGENCIES

Set reasonable timeframes for contingencies like appraisal and mortgage approval.



THE HOME STRETCH:

Once any negotiations are wrapped up, the final hurdles are likely the appraisal and final walk-through inspection:

<u>Appraisal</u> - The lender will require an independent appraiser to assess the property's market value. If it appraises lower than the sale price, renegotiations may be needed.

Final Walk-Through Inspection - You should thoroughly re-examine the property for any new issues prior to closing. Confirm any agreed-upon repairs were completed.

Stay on top of your lender to ensure you are meeting all deadlines. Sort out homeowner's insurance, change over utilities, and make any required wire transfers for downpayment and closing costs.

Then pat yourself on the back - you made it through the negotiation marathon! The next stop is the closing table



The Closing Process

After months of preparation, you've reached the closing stage of your home purchase. Before receiving the keys, it's crucial to understand what the closing process entails.

UNDERSTANDING CLOSING COSTS

Besides your down payment, you'll also need funds for closing costs at settlement, typically 3-6% of the loan amount, which can total thousands of dollars. You will know the amount needed prior to closing.

Common closing costs include:

Lender Fees:

- Origination fees
- Discount points to buy down rate
- Appraisal fee
- Credit report fee

Prepaids:

- Prepaid mortgage interest
- Property tax (% upfront)
- Homeowner's insurance premium

Title/Recording Fees:

- Title search and examination
- Lender's title insurance policy
- Transfer taxes and recording fees

Other Settlement Charges:

- Survey fee
- HOA fees (if applicable)
- Home warranty premium





The Final Walkthrough

ENSURING EVERYTHING IS IN ORDER

Before closing, you'll get to do one final walkthrough of the property. This is your last chance to ensure:

No new damage has occurred since inspections
All contracted repairs have been completed
All appliances, fixtures and other inclusions are still present
Systems and utilities are operational
The home is vacated and cleaned out by sellers

This walkthrough also allows you to begin planning your move and taking measurements. Bring a camera to document any issues before closing. If there are any major concerns, you can potentially delay or terminate the deal.



Closing Day Logistics

WHAT TO CONSIDER FOR YOUR LIFESTYLE

On closing day, you'll attend a meeting to finalize paperwork and actually transfer ownership of the property. The closing agent or attorney will review and have you sign the mortgage, deed, transfer documents, and disclosures.

Plan for the closing to take about 1-2 hours as you thoroughly review and sign all documents. The seller may be there too, or you may just be signing separately.

After signing and securing funds, you'll receive the deed and keys—congratulations on your new home!

You'll need to bring:

- Cashier's check or wire transfer for your down payment and closing costs
- Photo ID

Confirm possession terms in your contract, arrange utilities and movers, update your addresses, and enjoy owning your new home!

thank you!

I hope this handbook has equipped you with valuable insights for buying your first home. As a seasoned expert in working with first time home buyers, I'm here to guide you every step of the way.

If you are ready to set up a personalized plan for your situation, schedule a call today with the link below. Let's turn your dream of homeownership into reality with the best resources at your disposal. Ready to begin? Let's dive in!



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