

# Homebuyers Guide



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# There's No Place Like Home!



Whether you are planning to buy or sell your first home or your tenth home, getting ready to relocate or retire, or you are a real estate investor, my mission is to make your experience as stress-free and smooth as possible.

This pamphlet provides a basic roadmap to the process, but every transaction is unique. I'll be here to answer questions, provide recommendations and negotiate on your behalf every step along the way.

You'll find a questionnaire in this pamphlet. If you fill this out, or just walk me through your answers, I will be much better equipped to help you with your specific needs. My bio is at the back of this pamphlet for more about me.

At your service

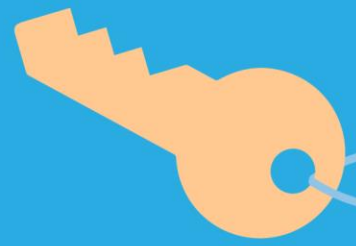
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# Top Reasons To Own Your Home



## Privacy



Have a space that's solely your own

## Loved Ones



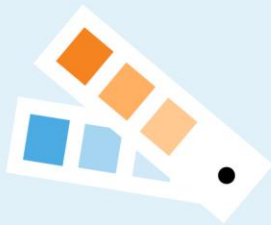
Prioritize the needs of those closest to you

## Stability



Control your future direction and security

## Personal Expression



Display your unique personality

## Financial Investment



Grow your assets and net worth

## Accomplishment



Reflect your efforts and success

## Comforts



Surround yourself with enhanced experiences

## Community



Be a part of a broader social group

# The Benefits to Homeownership



## Stable Monthly Costs

One of the key benefits of owning your home is that you're able to lock in and stabilize your payments for the duration of your loan. That's not the case when you rent, where you have little to no control over the decisions made by your landlord to raise rent or sell your home.

And while the interest rates to purchase a home have risen since the historically low rates we saw during the Covid shut-down, paying 6 – 7% interest is much less than what is essentially a 100% interest rate when you rent, where ALL of your house payment is going to your landlord!

And if you're waiting until home prices come down... think again. The cost of homes has steadily increased over the past few years, and with an ongoing housing shortage none of the experts believe prices will go down.



## Building Wealth

For generations, owning your own home is one of the surest ways to build wealth over time. With rare exceptions, property appreciates over time. It's one of the best investments you can make.

Perhaps you're leery about stepping into the responsibilities of home ownership and the costs that come with maintenance and repairs, and you're happy just handing all over to your landlord. But when you rent, you're paying more for that convenience than you may know. Compare Renting vs Buying here:

<https://www.prnewswire.com/news-releases/realtorcom-december-rental-report-rental-market-wraps-up-2021-with-price-growth-thats-5-3-times-faster-than-in-2020--301468347.html>

**Get prequalified** - Your lender will look at your income, credit scores, revolving debts, obligations such as child support as well as the type of loan you choose. Other factors that impact how much home you can buy is the down payment; smaller down payments mean higher monthly payments. Last, the interest rate and terms (30-year, fixed or adjustable rate) will determine what you can afford in monthly payments.

**Make your wish list** - Decide where you want to live and how many bedrooms and baths you'll need. Consider lifestyle - condominiums offer shared amenities, with little responsibility. Single-family homes offer more space and privacy, but much more exterior and yard maintenance.

**Hire a real estate professional** - An experienced real estate broker understands the process of buying (and selling) a home and can guide you through the many steps to home ownership, from determining the area where you want to live, to the kind of home you want that is within your budget.

**Find your home** - No home is perfect, so don't let minor flaws dissuade you if it checks off your most important boxes. Think long-term. Which home best suits the activities and needs of your household now and in the years ahead? Don't buy more than you need or can comfortably afford.

**Make an offer** - Your offer depends on the current market. If a home has been on the market a long time, you're in a better position to offer less than the asking price, but if it's new on the market, the seller is unlikely to accept a low offer initially. Ask your real estate professional for advice.

**Your Approved Offer goes to Escrow** - If your offer is approved by the Seller (sometimes after negotiations back and forth to come to an agreed-upon price), your real estate broker will ask an Escrow company to "open escrow." This begins the process of making sure the property is legally transferrable, for example, there are no liens on the property that would prevent the sale from going forward. The escrow company also rectifies all taxes, utilities, HOA dues (if applicable) and other expenses associated with the property to assure everything is paid up to-date, and to determine any pro-rated expenses. They will also be working with your lender and real estate broker to get all necessary documentation filed, and finances rectified down to the penny.



**Get an inspection** – After your offer is approved, you'll want to get a home inspection carried out by a professional third-party. The inspector will point out the age of systems, and large and small repairs that are needed. The inspection findings may offer another point of negotiation with the Seller if large repairs are needed. Or you may decide it is unwise to move forward with the transaction. Lean on your real estate broker for advice so you can make a decision that will work for you and your family in the long run.

**Get an appraisal** - The appraisal is ordered by your lender to determine market value. If the home doesn't appraise as high as the agreed-upon purchase price, the bank will refuse to make the loan or will require the Buyer to make up the difference in cash – in the form of a larger down payment. This is not always feasible for the Buyer so this can become a point of negotiation with the Seller, who may be willing to lower the purchase price to allow the sale to go through. If the appraisal is at least as high as the purchase price, the lender will move toward closing.

**Go to closing** – Once final negotiations are complete, paperwork is signed by both parties. The lender pays the seller, minus any liens against the home such as the seller's mortgage. Once all the disbursements have been made, and the sale has recorded with the local county, you get the keys to your new home, according to your agreement.

***Congratulations! You're ready to move into your new home***

# Key Terms To Know When Buying a Home



## Appraisal

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

Lenders rely on appraisals to validate a home's value and ensure they're not lending more than the home is worth.



## Closing Costs

**The fees required to complete the real estate transaction. Paid at closing.**

Ask your lender for a complete list of closing cost items, including points, taxes, title insurance, and more.



## Credit Score

**A number ranging from 300–850 that's based on an analysis of your credit history.**

This helps lenders determine the likelihood you'll repay future debts.



## Down Payment

**Down payments are typically 3.5–20% of the purchase price of the home. Some 0% down programs are also available.**

Ask your lender for more information.



## Mortgage Rate

**The interest rate you pay to borrow money when buying a home.**

The lower the rate, the better.



## Pre-Approval Letter

**A letter from a lender that shows what they're willing to lend you for your home loan.**

This is a critical step in today's competitive market.



## Inspection Contingency

**A provision in a contract requiring an inspection to be completed.**

While it can be tempting to waive in a competitive market, the home inspection is essential. It gives you information on the home's condition and potential repairs.



## Affordability

**A measure of whether someone earns enough to qualify for a loan on a typical home based on the most recent price, income, and mortgage rate data.**

As prices and mortgage rates continue to rise, that will impact how much home you can afford.



## Equity

**The value of your home above the total amount of liens against your home.**

With today's price appreciation, many homeowners are realizing they have more equity than they thought and they're using it to move.

# Why Pre-Approval Matters



*You may have heard it's important to get pre-approved for a mortgage at the beginning of the home buying process, but what does that really mean, and why is it so important?*

**If you're not in a position to pay cash, or the Seller is not willing to finance (which they usually aren't) you'll need to find a mortgage lender and get approved for a loan.**

**There are two reasons why Pre-Approval is key to your success:**

**1. It makes sense to know what your home budget is before you start shopping!**

You don't want to find your dream home only to find out you really can't afford it!

**2. It makes you a more competitive buyer:**

By having a pre-approval letter from your lender, you're telling the seller that you're a serious buyer, and you've been pre-approved for a mortgage by your lender for a specific dollar amount. *In a bidding war your offer will likely get dropped if you don't already have one.*

# Steps to Getting Pre-Approved or Pre-Qualified



*You'll want to begin by shopping around and comparing lenders:*

Different lenders have different requirements, so it's important to find out what your current credit score is, and what the lender's requirements are, before deciding which lender to work with.

In addition to finding out what the lender's credit score requirements are, you'll want to find out about their interest rates, debt-to-income ratio requirements, and find out if they offer any special financing programs that could benefit you.

*As your real estate broker, I am happy to provide you with recommendations on lenders that I think will be a good fit for your situation.*

Once you've decided which lender to work with, you'll need to provide the loan officer with documentation on all your financials, including:

- Income
- Employment information
- Assets (property, bank accounts, etc)
- Debts and obligations

The lender will also run a credit report to determine your credit score, and depending on their requirements may be able to offer a lower rate if your credit score is high.

**What does "Pre-Approval" and "Pre-Qualification" mean?**

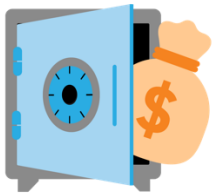
**Pre-approval** means the lender has reviewed your qualifications and determined you meet their initial basic requirements. But they have not yet confirmed that the documentation you provided is accurate or if there are other factors that could make you a more or less desirable borrower. Pre-approval can usually be provided within hours or a couple of days.

**Pre-qualification** means the lender has taken the additional time to run your documentation through their processing and underwriting departments (the entities who provide final approval on a loan). A Pre-Qualification Letter is stronger than a Pre-Approval Letter. It tells the Seller the transaction has a higher likelihood of closing successfully, and usually more quickly, which can make you a more attractive buyer if there are competing bids on a home. Pre-qualification takes a little longer – 1 to 2 weeks for most lenders. If you're on a tight timeline to get an offer in, start with Pre-Approval.

# Things To Avoid After Applying for a Mortgage



*Once you've applied for a mortgage, there are some key things to keep in mind. While it's exciting to start thinking about moving in and decorating, be careful when it comes to making any big purchases. Here's a list of things you may not realize you need to avoid after applying for your home loan:*



## 1. Don't Deposit Large Sums of Cash

Lenders need to source your money, and cash isn't easily traceable. Before you deposit any amount of cash into your accounts, discuss the proper way to document your transactions with your loan officer.



## 2. Don't Make Any Large Purchases

It's not just home-related purchases that could disqualify you from your loan. Any large purchases can be red flags for lenders. People with new debt have higher debt-to-income ratios (how much debt you have compared to your monthly income). Since higher ratios make for riskier loans, borrowers may end up no longer qualifying for their mortgage. Resist the temptation to make any large purchases, even for furniture or appliances.



## 3. Don't Co-Sign Loans for Anyone

When you co-sign for a loan, you're making yourself accountable for that loan's success and repayment. With that obligation comes higher debt-to-income ratios as well. Even if you promise you won't be the one making the payments, your lender will have to count the payments against you.

# Things To Avoid After Applying for a Mortgage



## 4. Don't Change Bank Accounts

Remember, lenders need to source and track your assets. That task is much easier when there's consistency among your accounts. Before you transfer any money, speak with your loan officer.



## 5. Don't Apply for New Credit

It doesn't matter whether it's a new credit card or a new car. When you have your credit report run by organizations in multiple financial channels (mortgage, credit card, auto, etc.), your FICO® score will be impacted. Lower credit scores usually determine your interest rate and possibly even your eligibility for approval.



## 6. Don't Close Any Accounts

Many buyers believe having less available credit makes them less risky and more likely to be approved. This isn't true. A major component of your score is your length and depth of credit history (as opposed to just your payment history) and your total usage of credit as a percentage of available credit. Closing accounts has a negative impact on both of those aspects of your score.

Any blip in income, assets, or credit should be reviewed and executed in a way that ensures your home loan can still be approved. If your job or employment status has changed recently, share that with your lender as well. The best plan is to fully disclose and discuss your intentions with your loan officer before you do anything financial in nature.

# The Importance of a Home Inspection



*A home inspection, when carried out by an experienced, licensed home inspector, is designed to give buyers a better understanding of the systems and overall condition of the home they're buying so they don't get any nasty surprises after they've closed the deal and moved in.*

A home inspection will point out questionable conditions and/or potential safety-related concerns in the home you want to buy. Here's what a home inspection will cover:

- **Exterior, porches and decks**
- **Foundation and walls**
- **Chimneys and roofs**
- **Windows, doors and attics**
- **Electrical components and plumbing**
- **Central heating and air conditioning**
- **Basement/crawlspace and garage**

If possible, you (the Buyer) should attend the inspection so you can hear directly from the inspector regarding any concerns or recommended repairs.




My duties as a real estate broker are to be there to let the inspector into the home and stay throughout the process. After the inspection is complete the inspector will explain all the findings and there will be opportunities to ask questions to gain clarity on any recommended repairs or updates.

After the inspection, within 24 hours, your inspector will provide you with a written report, including photos of any findings or concerns.

Usually, after we have both had an opportunity to review the inspection report and any notes we took during the inspection, we will schedule a conference to discuss the findings. It's not unusual for a Buyer to decide to not go forward with the transaction at this point if any particularly troubling findings were revealed during the inspection. Alternatively, we will work together to develop a list of repairs we will ask the Seller to make before closing. When that happens, a round of negotiations are likely to occur until both the Seller and you the Buyer have come to an agreement on repairs and/or price reduction, or a combination of both. It's also not unusual for the Buyer to move forward with the transaction without asking for any repairs if nothing serious was revealed, or if you are comfortable making the repairs yourself after closing.

# Checklist To Determine Your Must-Haves



		 <b>Indoor</b>			 <b>Outdoor</b>
Must-Have	Nice-To-Have		Must-Have	Nice-To-Have	
<input type="checkbox"/>	<input type="checkbox"/>	Open Floor Plan	<input type="checkbox"/>	<input type="checkbox"/>	Large Backyard
<input type="checkbox"/>	<input type="checkbox"/>	Ample Storage Space	<input type="checkbox"/>	<input type="checkbox"/>	Fenced-in Yard
<input type="checkbox"/>	<input type="checkbox"/>	Updated Kitchen	<input type="checkbox"/>	<input type="checkbox"/>	Outdoor Living Area
<input type="checkbox"/>	<input type="checkbox"/>	Designated Home Office	<input type="checkbox"/>	<input type="checkbox"/>	Garden Space
<input type="checkbox"/>	<input type="checkbox"/>	Walk-In Attic and/or Finished Basement	<input type="checkbox"/>	<input type="checkbox"/>	Pool/Spa
<input type="checkbox"/>	<input type="checkbox"/>	Guest Room	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	Laundry Room			 <b>Other</b>
<input type="checkbox"/>	<input type="checkbox"/>	Room for a Home Gym	<input type="checkbox"/>	<input type="checkbox"/>	Short Commute Time
<input type="checkbox"/>	<input type="checkbox"/>	Walk-In Pantry	<input type="checkbox"/>	<input type="checkbox"/>	Access to Bike Paths or Parks
<input type="checkbox"/>	<input type="checkbox"/>	Updated Bathrooms	<input type="checkbox"/>	<input type="checkbox"/>	Near Shopping and Leisure Facilities
<input type="checkbox"/>	<input type="checkbox"/>	Garage	<input type="checkbox"/>	<input type="checkbox"/>	Near Public Transit
<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	

Sources: NAR, realtor.com, NAHB



## I'm here to support your homeownership goals

While it may be tempting to turn to the internet for advice, nothing can replace the expertise of a true professional. Buying a home is likely one of the biggest financial decisions of your life, so it's critical to have the right team working on your behalf.

### My job as your real estate broker:



**Explain the ins and outs of contracts.** When it comes to buying a home, you'll sign various disclosures and contracts as part of the process. Before you give any of these legally binding documents your autograph, I will walk you through the terms and conditions and answer any questions you may have.



**Keep you up-to-date on today's market conditions.** The real estate industry is complex and dynamic. Pricing, mortgage interest rates, and demand can change often. You need someone by your side who will keep you informed on the latest trends and what they mean for you.



**Serve as your advisor in the negotiation process.** Even after your offer is accepted by the seller, negotiations are likely to continue during the home inspection and appraisal phases. I handle all the back-and-forth communication amongst the involved parties: you, the seller and/or the seller's real estate agent, your lender, inspectors, appraisers, and the Escrow and Title companies.



**Give advice and share experience.** Let's be honest, buying a home is emotional. You have everything on the line: your finances, your lifestyle, the roof over your head and probably family and friends who are involved. You want someone who will be honest with you. My job, as your agent, is to bring you peace of mind by providing you with advice based on my expertise and past experience.

# About Me...



“There’s no place like home!” Helping others find the joy and comfort that comes with “home” is truly a calling.

I first became a licensed realtor in Olympia when I was 21, before I went back to college (TESC). I've worn a lot of hats since then. My background includes working in family and children’s services, serving as the executive director of the Pacific Coast Shellfish Growers Association, founding Discovery Bay Shellfish Farm in Port Townsend, and working as a professional singer and songwriter. (Robin Bessier: Other Side of Forever and Open Road <https://open.spotify.com/album/1fq0E0rs82B4sK9Pp1s7qd> )

I've come full circle, bringing all my life experiences to bear on my real estate career. And throughout these vocational changes, my husband Peter and I built and remodeled numerous homes, both as investors and homeowners. All these experiences are integral to my ability to negotiate on behalf of both buyers and sellers no matter where they are on their life journey.

I’m a Seller Representative Specialist and Accredited Buyer’s Representative, two designations credentialed through the National Association of Realtors. Which is a fancy way of saying I’ve completed the courses, and proven through past experiences and recommendations, that I’m qualified to represent both buyers and sellers throughout their home selling and buying process.

Today, much of my time is devoted to serving as a trustee with the Thurston Housing Land Trust, a non-profit organization committed to creating affordable homeownership opportunities. Working with other members of the local community it’s our goal to make the dream of home ownership a reality for individuals and families who might not otherwise be able to afford it. Because there really IS no place like home!

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# Let's Chat.

*If you have questions about the real estate process, and/or what's happening in the real estate market right now, I'd love to talk with you. My contact information is below.*



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