

HOME BUYER'S GUIDE

KRISTI MULDOON STEVENS

DC|MD|VA REALTOR



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STEP #1

HIRE A REALTOR



Market Expertise

Agents offer insights on local real estate trends, helping you make informed decisions.

Skilled Negotiation

They serve as a mediator, handling negotiations with all parties involved throughout the entire transaction.

Access and Resources

Agents provide exclusive listings and connect you with industry experts.

Time Efficiency

They handle time-consuming tasks, making the process convenient for you.

Paperwork

Agents navigate complex regulations, helping with all disclosures and paperwork.

Finnell Lee Homes 

TTR | **Sotheby's**
INTERNATIONAL REALTY

My name is Kristi Muldoon Stevens, and I am an ICU Nurse-turned-Realtor. I am bringing an unmatched level of commitment and trust to real estate.



My experience offers a perspective on life's big, and sometimes stressful, decisions and can help my clients navigate any situation. I can manage many moving parts while still being attentive to my client, and making them feel comfortable. I am a passionate advocate for my clients, and will keep their best interests at the forefront of any negotiation.

OUR TEAM



**Kristi Muldoon
Stevens**

Realtor



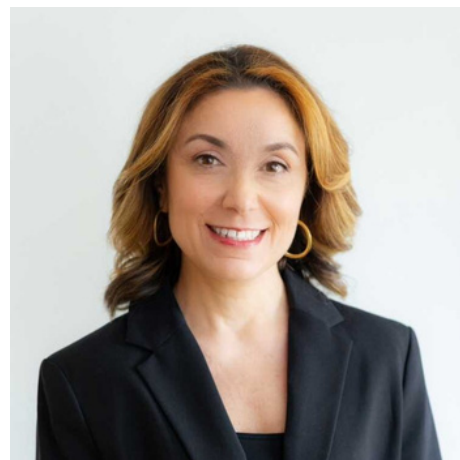
**Anne-Marie
Finnell**

Co-Founder, Realtor



**Kelly
Lee**

Co-Founder, Realtor



**Eva
Anifantis**

Realtor

OVER \$500M SOLD

TTR SOTHEBY'S TOP TEAM AWARD -
2020-2022 SALES VOLUME, CHEVY
CHASE OFFICE

WASHINGTONIAN MAGAZINE "BEST
OF" 2015-2023

BETHESDA MAGAZINE "TOP
PRODUCERS" 2018-2023

WALL STREET JOURNAL AMERICA'S
BEST REAL TRENDS TOP SMALL TEAMS
BY VOLUME 2021-2023

STEP #2

PRE APPROVAL

Reasons for Mortgage Preapproval

1. **Budget Clarity:** Preapproval helps you understand your budget, so you don't waste time looking at homes you can't afford.
2. **Competitive Advantage:** Sellers often prefer preapproved buyers as they are more likely to secure financing.
3. **Faster Closings:** Preapproval streamlines the mortgage process, potentially leading to faster closings.
4. **Negotiating Power:** It strengthens your bargaining position when making an offer on a property.
5. **Confidence:** Preapproval boosts your confidence and demonstrates your seriousness as a buyer.



Steps for Preapproval

1. **Gather Financial Documents:**
 - Collect pay stubs, W-2s, tax returns, bank statements, and other financial documents.
2. **Choose a Lender:**
 - Research and select a reputable lender or mortgage broker. I can provide you with contacts.
3. **Complete the Application:**
 - Fill out the mortgage preapproval application accurately.
4. **Provide Documentation:**
 - Submit your financial documents to the lender.
5. **Credit Check:**
 - The lender will perform a credit check to assess your creditworthiness.
6. **Preapproval Letter:**
 - Once approved, the lender issues a preapproval letter stating the maximum loan amount.



STEP #3

THE SEARCH



Now the fun part! Lets discuss your wants and needs.

I will help you identify the specifications you are looking for in your home. After we have your list of needs and wants, we will set you up to receive new listings on the MLS (Multiple Listing Services), The MLS is the most up to date way to receive new listings.

You will be able to view photos and information about the properties. You have the ability to "favorite" the properties you like to narrow down the list of properties that might work for you. From this list we will see these properties in person, and find you your dream home!

A simple way to identify your needs and wants is on the next page.



LETS MAKE THAT LIST OF NEEDS AND WANTS

NEEDS:	WANTS:
"Needs" typically include non-negotiable factors like the number of bedrooms, location, budget, etc.	"Wants" include desirable but optional features such as a swimming pool, walk-in closet, or a specific architectural style.

1. Take out a separate piece of paper for each person involved in the decisions of the home buying process and draw a line down the middle. The first is your needs column and your second is your wants.
2. If more than one person is completing the exercise, compare and contrast the lists. The goal is to combine them on one piece of paper.
3. On your finalized list, place a star by three things you cannot live without.
4. Now you have your list grouped and prioritized to help streamline the home search!

THE 85% RULE

I want to share with you an important concept that we follow in our real estate approach, known as the '85% perfect home.' It's a philosophy designed to help you find a home that meets the majority of your needs and preferences while avoiding the frustration of waiting for a 'perfect' property that may never come on the market.

Here's how it works:

- **Understanding Your Needs:** Our first step is to have a thorough discussion about your needs, must-haves, and wishes for your new home. We'll create a list of criteria that are most important to you.
- **The 85% Rule:** Instead of seeking a home that ticks every single box on your list, we focus on properties that meet at least 85% of your criteria. This approach allows us to be more flexible and realistic in our search.
- **Efficiency and Speed:** By prioritizing the 85% solution, you're more likely to find suitable homes more quickly. This can be especially beneficial in competitive markets, where waiting for a 'perfect' home might mean missing out on great opportunities.
- **Competitive Advantage:** When we find a property that meets 85% or more of your needs, we can move forward with confidence, making competitive offers and increasing your chances of success.

Remember, our goal is to find a home that truly fits your lifestyle and preferences, and the '85% perfect home' concept is a strategic way to achieve that. It keeps the process efficient, helps us identify the best options, and ultimately gets you closer to your ideal home.

If you have any questions or want to discuss this further, please don't hesitate to reach out. Your satisfaction and comfort throughout this journey are our top priorities.

Let's work together to find that 85% perfect home that you'll love and enjoy for years to come.

UPFRONT COSTS



Upfront Costs:

Earnest money deposit: 3-10%

Home Inspection:

Appraisal:

Repairs: Varies by property

Closing Costs: 3-5% purchase price

Down Payment: TBD

For Example: Purchase price of \$500,000

Earnest money deposit: \$15,000-\$50,000

Home Inspection: \$500

Appraisal: \$500

Repairs: Varies by property

Closing Costs: \$15,000-\$25,000

Down Payment: TBD

Total: \$30,000-\$75,000 + Down Payment*

*Note: EMD is applied towards downpayment

WHAT IS THE EARNEST MONEY DEPOSIT?

An EMD, or Earnest Money Deposit, is a sum of money that a buyer provides to the seller as a demonstration of their serious intent to purchase a property. It's a common part of the homebuying process and is typically included with the buyer's offer to purchase the property.

Buyer's Commitment

EMD is money that buyers provide to demonstrate their serious intent to purchase a property, showing they are committed to the transaction.

Deposit Amount

The specific EMD amount varies but is typically around 3% to 10% of the purchase price, negotiable between buyer and seller, and held in an escrow account. At closing, it is typically applied toward the buyer's down payment and closing costs.

Seller's Protection

EMD serves as protection for the seller. If the buyer withdraws without a valid reason, the seller may retain the EMD as compensation, per terms outlined in the purchase agreement.

STEP #4

NEGOTIATING YOUR TERMS

Making an Offer

Once you've identified the home you want to buy, it's time to decide what you're comfortable offering for the property.

- **Purchase Price:** The amount of money you are willing to pay for the property.
- **Earnest Money Deposit:** A sum of money, typically held in escrow, to show your commitment to the purchase.
- **Financing Details:** Information about how you intend to finance the purchase, including the type of mortgage and the down payment amount.
- **Contingencies:** Conditions that must be met for the offer to be valid, such as inspection, appraisal, financing, or home sale contingencies.
- **Closing Date:** The date on which the property transfer is expected to take place.
- **Seller Concessions:** Any contributions or concessions you request from the seller, such as covering closing costs or making specific repairs.
- **Inclusions and Exclusions:** A list of items included (e.g., appliances) or excluded (e.g., chandeliers) from the sale.
- **Home Warranty:** Whether you're requesting or offering a home warranty for added protection.
- **Expiration Date:** The date and time at which the offer expires, after which it is no longer valid.
- **Proof of Funds or Preapproval Letter:** Documentation showing that you have the financial capability to complete the purchase.
- **Additional Terms and Conditions:** Any other specific terms or conditions you want to include in the offer, such as occupancy date or repairs.

STEP #5

INSPECTIONS

We highly recommend that you have a professional home inspector conduct your home inspection. We can connect you with a trusted professional. Often, inspectors can assess the home before we submit an offer to expedite closing or to gain a competitive advantage in a multiple offer situation.

During the comprehensive inspection, the home inspector thoroughly assesses the property. They look at the structural integrity, roofing, plumbing, electrical systems, HVAC, appliances, and other critical elements. The inspector writes a comprehensive report detailing their findings, which documents any identified defects, safety concerns, or necessary maintenance tasks. This report often includes visual documentation such as photographs and may offer valuable recommendations. We will review the inspection findings, and determine whether we need to negotiate with the seller to address concerns or receive credits for repairs if necessary.



STEP #6

SUBMIT LOAN TO LENDER

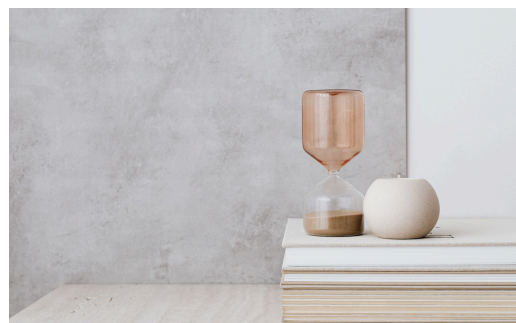


Before we submit your offer, we will contact your lender to notify them of the offer. As soon as the offer is accepted, we will send the purchase agreement to the lender so they can start the loan application and underwriting process. This process leads to a final loan approval or denial.

Luckily, you were preapproved before you made an offer, so this will make the process easier.

It is very important that no other big purchases are made before closing, because this could affect your loan approval.

After the underwriter has taken a close look at all the info and documents you've provided for your mortgage application, they'll come to a decision about the loan. Now, here's where things can go a few different ways.



STEP #7

APPRAISAL

An appraisal is a professional evaluation of a property's market value conducted by a licensed appraiser. It assesses the property's worth based on various factors, including its condition, location, size, and comparable property sales in the area. Appraisals are performed during the home buying process to determine if the property's value aligns with the proposed purchase price. Lenders use appraisals to ensure that the property provides sufficient collateral for the mortgage loan.



When a home "appraises" it means the appraiser determined that the property provides sufficient collateral for the mortgage loan. If it doesn't the buyer would either back out of the deal during the contingency period, or make of the difference in cash.

STEP #8

RECEIVE LOAN APPROVAL

"Clear to close" is a term used in the mortgage lending process to indicate that all the conditions, requirements, and contingencies for a loan application have been met, and the lender has granted final approval for the loan. It signifies that the loan is fully approved, and the borrower can move forward with the closing process to complete the home purchase. At this stage, all necessary documentation and financial arrangements are in place, and the lender is prepared to fund the loan.



STEP #9

GET READY FOR CLOSING



Homeowners Insurance

- Compare rates
- Impacts your monthly payment

Title Company/Closing Attorney

- Quality management of process
- Manages all parties in transaction
- Leverage for getting problems solved
- Closing on time
- Protecting your interest
- Transferring ownership of property to you

Our team will be with you throughout entire process before closing with reminders to make your home buying process as smooth as possible.

WHAT ARE CLOSING COSTS?

Prepaid Utilities

The buyer is responsible for paying utilities as of the closing date and may also need to reimburse the seller for prepaid utilities.

Prepaid Property Taxes

Property taxes are calculated based on the value of the property. If the seller has prepaid property taxes, the buyer may be required to reimburse the seller.

Interest Adjustment

The interest adjustment is the amount of interest accrued between the closing day and the date of the first mortgage payment.

Legal Fees/Disbursements

Legal fees include conducting a title search on the property, putting title insurance in place, registering the home in the buyer's name, and facilitating financial disbursements upon closing.

Transfer Taxes (Land, Estate, etc)

Lender Fees

These fees generally include Origination Fees, Appraisal, Credit Report, and Points. (Money you pay to get a lower rate)

Tax and Homeowners Insurance Escrow

Some lenders require prepaying taxes and one full year of homeowners insurance at closing and are placed in an escrow account so the money is always there when its needed. This account is maintained in monthly payments

STEP #10

CLOSING DAY!



Who will be there?

- You, the buyer(s)
- Seller(s)
- The real estate agents
- Closing attorney, the party representing the title company and responsible for ensuring the title is transferred to you

These parties are not all necessarily in the same room, closings can happen remotely as well.

What do you need to bring?

- Valid government ID
- Cashier's check for you cash to close. (Your mortgage officer will tell you this amount prior to closing. The Settlement Agent or Title Company representative may have you wire the money.)

Closing day! The day you become a homeowner! Here are a couple notes about closing day.

Final Walkthrough

A final walkthrough is the last check before closing on your new home. Visit the property with your Realtor to confirm it's in the expected condition and fully functional. Test appliances, utilities, and systems, and look for any new damage. Make sure included items are present and excluded items are removed before closing.



SMOOTH CLOSING CHECKLIST

- Work with Realtor to schedule Inspections
- Get the Lender all documents and info they need on time
- Get Homeowners Insurance- Ensure you shop around! Most Insurance companies give you a discount for bundling Home and Auto!!
- Provide Insurance info to Lender
- Preview Closing Disclosure Statement (Must be signed at least 3 days before closing)
- Final Walk Through
- Wire Down Payment and Closing Funds or Get Bank Check for these funds to bring to Closing
(DO NOT WIRE ANYTHING WITHOUT GETTING DIRECT WIRING INFORMATION FROM THE ESCROW OFFICER, UNLESS YOU TALK TO THEM IN PERSON, CHECK WITH YOUR REALTOR FIRST)
- Put Utilities in your name and turn on effective on the Closing Day
- Bring your Drivers License or Passport to the Closing Table
- Get the Keys
- Move In!

DON'T WORRY ABOUT REMEMBERING EVERYTHING ON THIS LIST. WE WILL BE SENDING YOU REMINDERS EVERY STEP OF THE WAY!

MYTHS AND TRUTHS

01.

Myth 2: Your Credit Has to Be Perfect

Truth: While a higher credit score can lead to better mortgage rates, you don't need perfect credit to buy a home. There are loan options available for borrowers with lower credit scores. However, a better credit score can save you money in the long run.

03.

Myth 1: You Need a 20% Down Payment

Truth: While a 20% down payment can help you avoid private mortgage insurance (PMI) and secure better loan terms, it's not always required. Many lenders offer mortgage programs with lower down payment options, such as FHA loans (3.5% down) or conventional loans (as low as 3% down).

02.

Myth 3: You Can't Buy a Home with Student Loan Debt

Truth: Having student loan debt doesn't necessarily disqualify you from getting a mortgage. Lenders consider your debt-to-income ratio, which includes your student loan payments. Manageable debt and a stable income can make homeownership possible.

MYTHS AND TRUTHS

04.

Myth 5: You Don't Need a Real Estate Agent

Truth: While it's possible to buy a home without an agent, having one can provide valuable expertise, negotiation skills, and access to listings. Plus, the seller typically pays the agent's commission.

06.

Myth 4: Renting Is Always Cheaper Than Buying

Truth: The cost of renting versus buying depends on various factors, including your location, how long you plan to stay, and mortgage rates. In some cases, buying can be more cost-effective and offer potential for building equity.

05.

Myth 6: Your Monthly Mortgage Payment Is Your Only Cost

Truth: In addition to your mortgage payment, you'll have ongoing expenses like property taxes, homeowners' insurance, maintenance, and possibly HOA fees. Budget for these costs.

CONTACT ME



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