



NORTH CAROLINA HOME BUYING GUIDE



What To Expect

919-235-0007

**LINDA CRAFT
& TEAM**
REALTORS®

LindaCraft.com

Comprehensive Home Buying Guide

Presented by

LINDA CRAFT
& TEAM
REALTORS®

Locally Owned Real Estate Company For Over 30 Years!



One of the most important steps to purchasing a home is to be informed. Knowledge is power. This book was exclusively designed to empower you. When you're informed and ready to select the right Realtor to represent you, **Linda Craft & Team, REALTORS** would like to apply for the job of protecting your best interest with free Exclusive Buyer Representation.

Our service is free and we are committed to finding you the right home and negotiating the best price. We have negotiated and sold over 9,000 homes and we are the #1 Team in the Triangle.

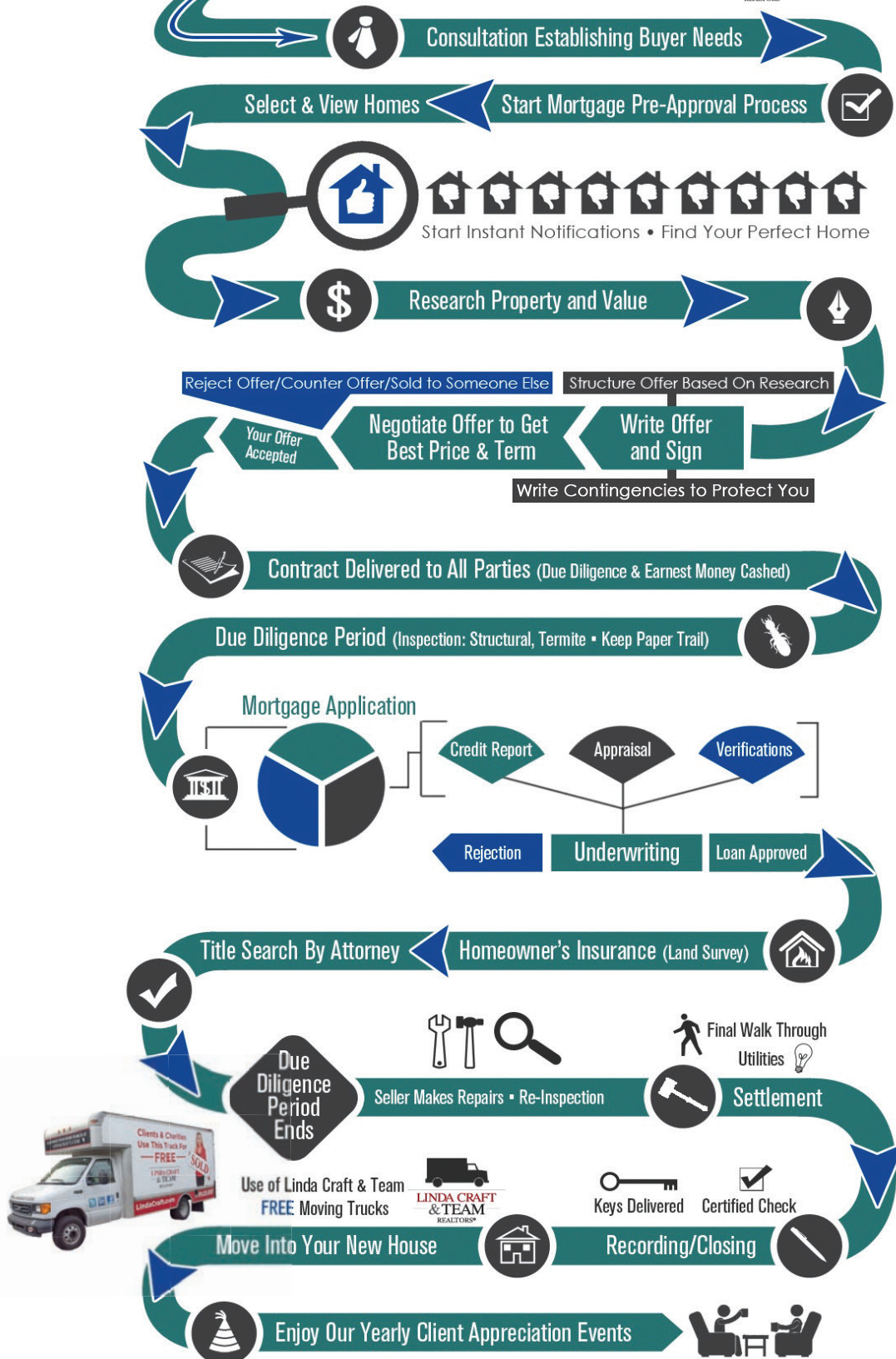
Let's get started...



THE HOME BUYING PROCESS

presented by

LINDA CRAFT
& TEAM
REALTORS®



Linda Craft & Team, REALTORS® would love to prepare you for each step with a FREE consultation! Yes, that is Step 1 in the process.

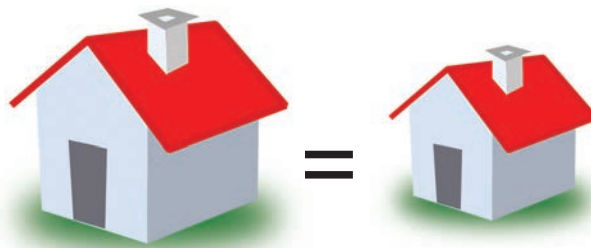
Everyone Is Asking Should I Buy Now?

3 Reasons Why Now Is The Perfect Time:



Mortgage interest rates are at a historic low. You will get a bigger, better house by purchasing now.

Example:
Payment \$1,500
4% Interest Rate
Purchase Power: \$315,000



Example:
Payment \$1,500
8.5% Historic Average Rate
Purchase Price: \$195,000



Prices are going up which means you can build equity now in a market where appreciation rates for the Triangle average 4% to 10% depending upon the neighborhood. We will show you the best areas for the highest return.



Rent payments keep going up and are now higher than owning with no tax write off or ownership.

1

Find Money

TALK TO A
MORTGAGE LENDER



DETERMINE YOUR
PRICE RANGE



OBTAIN A COPY OF
YOUR PRE-APPROVAL



Ask Linda Craft & Team to recommend a great lender.

Home Buying: Get Your Finances In Order

1 Find Money

If you are not paying cash for your home then you will need to get a mortgage to pay for your home. This may seem like common sense, but every Realtor® has had those buyers who want to see homes before they have even thought about this step. Yes, it happens often. People want to go out and look at homes before they get their finances in order. We understand looking at homes is much more fun than talking to a mortgage lender, but it's not the right way to win the best home.

First, you will need to find a mortgage lender who is highly skilled, understands your financial situation, and is easy to work with. You will be communicating extensively with this person over the period of time that you are under contract to purchase a property, so choose well. Linda Craft & Team, Realtors® are happy to recommend to you several excellent lenders to interview and receive free loan estimates.



We can tell you lots of horror stories from home buyers who make the wrong choice. For your best interest, we highly recommend you choose a lender with the following:

You need:

1. Local Office (never out of state or online)
2. Same Office Processing
3. Same Office Underwriting
4. Same Office Closer
5. Equiped for electronic signatures for all documents
6. Track record for closing on time and no last minute surprises

Go to LindaCraft.com/buyers-tips.php to watch a video on how important Step 1 really is in the buying process.

Home Buying: Get Your Finances In Order

Second, you must determine your price range. This is another crucial step to take before looking at homes. Be smart when determining how much debt you are willing to take on when purchasing a home. Just because you are approved for a certain amount does not necessarily mean that it should be your price range.

Look at your finances and determine how much you are comfortable spending per month and work backwards from there. Everyone's lifestyle is different. If you have expensive hobbies that you enjoy doing during your off time and you buy the maximum amount of house that your mortgage company will allow, chances are that you're going to be strapped for cash when you want to do those extra things. It's known in the industry as being "house poor". Sure, you may have an amazing house, but you will be financially tethered to it and unable to afford other things in life. For some people, this is okay as they spend all their time at home anyway. Be sure to assess your personal situation and determine where you want to be, financially, before you sign a contract to buy a home.



Third, once you have determined your price range and have found the mortgage lender you want to work with, remember to get a copy of your pre-approval letter and have it handy as you go through the process. It's your proof that you are a legitimate home buyer and will give you power in negotiating on the best home.



When you have found the home that you want to purchase and are ready to put together a written offer, your pre-approval letter will need to accompany it. If you have not yet received a pre-approval letter, your offer may get held up waiting on the letter. In a situation with multiple offers, this can be a deal breaker. Since you have already met with and chosen your mortgage lender, go ahead and get this step taken care of right away.

It's important to remember that there is a difference between a pre-qualification letter and a pre-approval letter. Ask for a pre-approval letter as it is a much stronger representation of your purchasing power.

Find A Home

2

LINDA CRAFT
& TEAM
REALTORS®

FIND AN EXPERIENCED
REALTOR® TO REPRESENT
YOU (IT'S FREE)



GO LOOK AT YOUR
FAVORITE HOMES



NEGOTIATE YOUR
REAL ESTATE DEAL

CONTRACT

Home Buying: Find The Right Home

Time for some fun!

Now that you're approved for a mortgage, this is the part of the home buying process that everyone loves the most. Shopping for a home is fun and exciting but, you will need a Realtor to protect your interests. **Beware:** if you call the name on the for sale sign, they are representing the best interest of the SELLER, not you.



An experienced Realtor® is your greatest asset as a home buyer. They are the most involved professional in your transaction. They coordinate all the pieces of your transaction to make sure that everything is documented properly, on time, and processed correctly. They will also be knowledgeable of local market data that will help to navigate your home buying choices like a professional.

Linda Craft & Team offers a free Buyer Consultation and Representation for every buyer!

Put Our Team Power To Work For You!

- **Linda Craft & Team, REALTORS®** is the Triangle's #1 ranked Real Estate Team, has been helping individuals and families find a place to call home in all price ranges for over 30 years.
- A locally owned residential real estate company where every dollar earned stays in the community. The Team has helped over 9,000 people make great real estate decisions.
- Linda Craft & Team, REALTORS® is voted one of the "Best Places to Work" in the Triangle. We are founded on strong core values and a mission statement that focuses on your needs and complete satisfaction.

Home Buying: Find The Right Realtor

Interview Questions to Ask A Realtor

1. Do you have a free moving truck I can use for life?
2. Do you have anyone to help me if you're on vacation or not available?
3. Do you know a mortgage company that can save me money?
4. Do you have experience working with new construction, short sales and foreclosures?
5. Do you have a list of reputable vendors that can help me with repairs?
6. Will I receive daily updates on Real Estate activity in my area, including price changes, new listings on the market and houses that have come back on the market?
7. Will I have a custom website where my search criteria is easily adjusted on my own?
8. Are you a full-time Realtor or part-time?
9. Are you a single agent or do you work with a team?
10. Do you specialize in working with buyers or sellers?
11. Besides the MLS what other sources do you use to find homes for sale?
12. How many homes have you sold this year?
13. Do you have a dedicated Transaction Manager watching over my file during escrow?
14. What is your availability to show me homes?
15. How will you keep in touch with me after the sale or will I have to search for another Realtor when it comes time to sell my home?

Home Buying: Find The Right Home



Now that you have chosen a Realtor® and you have your pre-approval letter in hand, it's time to go find your new home. For most people, shopping for a home is much more fun than dealing with financing details and looking for a Realtor®. If you are not familiar with the area in which you are looking for a home, your first step will be to narrow down

your search area. Your experienced Realtor® will be able to help you with the pros and cons of each location.

Finding Your Perfect Home Requires More Than The Internet. It Takes A Proven System.

Did you know that approximately 30% of homes sell without ever being listed for sale on online? Websites such as Zillow or Trulia have out of date information. They are not giving you accurate "real time" information. In this market, it takes proactive and aggressive approaches to find you the best home at the best price. This is why more buyers choose **Linda Craft & Team**. We have access to homes before they come on the market. We also have advanced technology to create custom websites through MLS (Multiple Listing Service) using real time data to insure you will never miss the right home.

1. Our Database - We communicate regularly with our database of over 9,000 clients who would be happy to sell their home without having to go through the hassle of being on the open market. When we meet with you for a consultation to learn what type of home you want, we go through our database of closed clients to see if we have a match.

2. Coming Soon - Our Team of Seller Specialists is constantly listing new properties, and we have an inventory of "off market properties". We will let you know about properties before they go on the market so you can be first.

3. New Construction and Foreclosures - Many new homes and foreclosures are not on the Internet. We have access to all homes, everywhere.

4. For Sale By Owner (FSBO) - It is important for us to know the entire market, therefore, we preview FSBO homes and can represent you. When you work with our Team we will find you the right home. Ask about our Love it or Leave it Guarantee.

5. Expired and Withdrawn Listings - These are homes that were on the market and for whatever reason did not sell. Often times these sellers would still like to sell their home. We have access to thousands of homes not on the market for sale. Our job is to find the right home for you! We aggressively search the entire market. Not just MLS and other websites.

Internet: Worst Place To Shop For A Home

Exclusive From

**LINDA CRAFT
& TEAM**
REALTORS®

Real Time, Accurate Information

Direct From

MULTIPLE LISTING SERVICE
MLS™

FREE CLIENT CONNECT

**Other Websites
Not Accurate**

Data Lost, Slow to Appear

 **Zillow**®

 **trulia**®

 **realtor.com**®

 **Homes.com**

Our Amazing Client Connect System

Provides you with a personalized custom search by emailing you properties that fit your needs immediately, accurately and in real-time so you never miss the perfect house again.

**Ask Linda Craft & Team, REALTORS to set up a FREE,
no strings attached Client Connect for you today!**

Home Buying: Find The Right Home



What To Expect From This Market

Navigating the market can be very complex at times. In your search for a home, you often come across four types of sellers. Each one will have different closing timeframes, negotiation styles, pricing strategies, and timeframes for accepting your offer. Not knowing the characteristics of the different types of sellers can be very frustrating as a buyer. Here is a little help.

Re Sales – These are sellers who have equity in their homes and are usually looking to close in 30 – 45 days. When writing an offer on a traditional sale we will negotiate directly with the seller through their listing agent. Most will not accept contingencies.

New Construction – Most builders will accept contingencies until sheet rock goes in, but will not guarantee a close date until after construction. Many new homes are not on MLS or the internet. This is where our market knowledge and network is invaluable.

Short Sales – These are sellers who owe more than what they can sell their home for and therefore have to negotiate with their bank to receive a lesser amount. Typically, the negotiation process with the bank can take 4-6 months for an offer to be approved. There is also a chance that the bank will counter your offering price after waiting 4-6 months or reject the seller's request for a short sale and instead foreclose on the property. We were the first company in the state of North Carolina to become certified in short sales and our experience is second to none to provide the guidance you need.

Foreclosures – These are the homes which have been foreclosed on and taken back by the bank also known as REO's (Real Estate Owned) or "bank owned". Like the traditional sale, the bank will want to close escrow within 30 days upon accepting your offer. The banks are motivated to sell these homes quickly and will typically price them slightly below market value to get multiple offers and create a bidding war to drive the price up. Even though you may pay over the asking prices, these can still be great values.

Home Buying: Find The Right Home



Once you have processed through all of the homes that you are interested in and have found the home that you like the most, it's time to move on to the next step, which is writing a sales contract and negotiating the deal. This is where all of the details of the transaction are documented and signed by both parties through written contracts.

The competency and efficiency of your Realtor® will play a major role in your success through this process. If you have an experienced real estate agent who has written hundreds of sales contracts, you will be in good hands. Make sure that you take your time and ask any questions throughout this process. There are no "dumb" questions during this stage of the home buying process.

What To Expect When Writing an Offer

When you make an offer on a home it has to be in writing with two checks - earnest money and a due diligence fee. The seller can accept, counter or reject your offer. It is not a contract until all parties sign and deliver the contract back to client agent. Timely response is imperative to your success. Here are some things to consider to ensure your offer gets accepted:

- 1. What type of Purchase is it?**
 - Foreclosure, Short Sale, Re-Sale & New Construction are all different contracts, processes and approaches.
- 2. Is it priced right for the market? We will research:**
 - What is the buyer activity?
 - Are there offers on the home?
 - How does it compare to other homes for sale in the neighborhood?
 - What has sold recently in the neighborhood and market area?
 - How long has it been on the market?
 - Have there been price reductions?
- 3. What is the seller's motivation?**
 - Are they price driven or are there other terms that are more important to them such as a lease after sale or a special closing date?
 - How long of an escrow (earnest money holding period) are they looking for?
- 4. Do you need seller concessions for closings costs?**
 - Closing costs such as title, escrow, and lender fees usually cost between 1-3% of the sales price. This can be negotiated so the seller pays, reducing the amount of cash you need to bring to the settlement table.
- 5. Are there multiple offers on the property?**
 - This is not uncommon for homes priced right, in great condition, and great location.
 - Often times the seller will ask for your "highest & best" offer. In other words, what is the highest price you will pay so they can compare all offers.
 - We are experts at negotiating multiple offers so our clients do not overpay. We will discuss how to win a home and not overpay in our Buyer consultation.

3

Get The Keys

SUPPLY ALL DOCS TO
MORTGAGE & ATTORNEY



SCHEDULE CLOSING,
INSPECTIONS &
FINAL WALKTHROUGH

LINDA CRAFT
& TEAM
REALTORS®

SIGN CLOSING DOCS
AND GET YOUR KEYS!

LINDA CRAFT
& TEAM
REALTORS®

Linda Craft & Team, REALTORS® - We're with you every step of the way!

Home Buying: Close the Deal & Get the Keys

3 Get The Keys

Now that you have obtained financing, found a Realtor®, found a home, and negotiated the deal, you are on your way to the finish line. There are only a few more details to cover to get you to the finish line and into your new home.

First, make sure that your mortgage company and attorney have all the relevant documentation and information needed from you to close the transaction. Your Realtor® should be communicating with all parties involved to make sure that the transaction is being coordinated properly. Timely communication with everyone is needed to protect the deal from falling apart. Your sales contract will have dates and deadlines that have to be met in order for the deal to maintain legality. If you have a contractual closing date and your mortgage lender needs another week or two to close, the sellers have the right to keep your earnest money and put their house back on the market if you cannot close by the date on the sales contract. This does happen. Make sure that you are watching the dates and deadlines, and are in communication with the parties involved to ensure that your closing is on track.



Second, once you are a week or two from the closing date and everyone involved in the transaction has confirmed that it will close on time, you should schedule your final walkthrough and closing time. A final walkthrough is a standard practice of walking the property before closing to make sure that there are no new major

issues with the property that would prohibit you from purchasing the home. If you agreed in the contract that all the appliances would stay with the home and you notice during your walkthrough that all the appliances have been removed, then you would need to resolve the issue before closing, or cancel the closing and seek legal advice on how to resolve the issue. For this reason, it is best to schedule the final walkthrough at least 24 hours before closing to allow time for any issues that need to be worked out. If you schedule your walkthrough an hour before your appointment with the closing attorney, you may not be able to work these issues out in time.



Home Buying: Close the Deal & Get the Keys

Third, wait 3 business days before you can sign on the dotted line. 10/3/2015 **TRID** - Truth in Lending, **Respa**. **Integrated Disclosures Act** went into effect. After the lender delivers the loan disclosure and you approve and sign it, you must wait 3 business days to sign the rest of the mortgage documents to close.

You can view a video about TRID at: http://bit.ly/LCT_TRID

The Grand Finale: As the Buyer, the majority of the papers to be signed at closing will be yours. Be prepared to sign a stack of papers covering all aspects of your home purchase. The majority of the documents are generated from your mortgage company. If you are purchasing a government foreclosure (VA, Fannie Mae, Freddie Mac), you will have even more documents than the average closing. Most

closings take about an hour. Once you have signed all of the necessary documents, the attorney will submit them to the mortgage company and the mortgage company will then send the funds to the attorney to complete the transaction. Most of the national banks will require a few hours to fund the loan. If you have a late afternoon or evening closing, the loan will not fund until the next day. This means that you will not be entitled to the keys until the next day, so plan accordingly. Once the loan has funded, the attorney will record the deed and you will receive the keys and be the proud owner of your new home!



CONGRATS! You're a Homeowner!

Preparing for the Lender

Personal Information

- Full names of all purchasers as they are to appear on deed.
- Social security numbers of all purchasers.
- Previous addresses for all purchasers going back two years if they have not resided in the present home for two years.
- Home, office, cell phone numbers

Keep going. There's more...

Home Buying: Close the Deal & Get the Keys

Preparing for the Lender (con't)

Employment Information

- Present Employer: Name, address and a contact person to send employment verification form.
- Explanation for any gap during 2 year history.
- Relocation letter for any transferees – giving start date, salary, new location, and any relocation benefits.
- Previous Employer: Name, address, and a contact person, going back 2 years if not in present job 2 full years.
- Present Salary: Year to date pay stub and last 2 years' W-2s
- If any variable income, commission, part-time income, bonus, overtime, interest income, etc., is being used to qualify: 2 years signed federal tax returns and W-2s and/or 1099s.
- If self-employed: 2 years signed federal individual and corporate returns (if applicable). Also, a profit and loss statement and balance sheet.
- Diploma or transcript if you are/were a student during 2 year period.

Other Income

- Rental Income: Copy of lease which is current and at least one year in length.
- Alimony and Child Support (only if used for qualification); copy of divorce decree and property settlement (ratified) describing terms; proof of payment will also be requested at application.
- Income From Notes Held: a copy of the ratified note.
- Retirement, Social Security and Disability Income: copy of award letter and latest check showing amount of present payment; copy of end of year statement if applicable.

Assets

- Copy of two most recent bank statements of all accounts (checking and savings).
- Stocks and Bonds; copy of certificates or copy of recent (within 30 days) broker statement listing the holdings.
- Life Insurance: Cash value, only if being used for down payment.
- Vehicles: Year, make and value. Copy of title with no outstanding lien.
- Real Estate: Address and market value. If free and clear of canceled mortgage, deed of trust, etc.
- Present Home: Copy of sales contract, settlement sheet and/or lease.
- Gift Letter: Form will be provided by financial representative. Donor Capacity must be verified. Receipt of funds must be shown in account.

Liabilities

- Credit Cards: Account numbers and outstanding balances.
- Loans (Auto, Mortgage, Personal, Student, etc.): Name of institution, address, account numbers, outstanding balances, monthly payments, months left on loan. Copy of next payment coupon. 12 months statements or canceled checks for present mortgage.
- Alimony and Child Support: Copy of Ratified Decree and property settlement describing terms.

VA Loans

- Certificate of Eligibility: To obtain certificate, you will need a DD-214 (Separation of Service) or if in the Service, you will need a Statement of Service signed by Commanding Officer or Personnel Officer (certificate must be updated prior to application).
- If in Service, you will need Authorization to Live Off Base (DD-1717 from Housing Office) and Transfer Orders (if applicable).

Referrals to the Best

- Linda Craft & Team have helped over 7,000 families purchase homes and with our experience we know the best lenders in town and we are happy to refer you.

Home Buying: Close the Deal & Get the Keys

Do's & Dont's During the Loan Process

There are certain “**Do's and Don'ts**” which may affect the outcome of your loan request. These remain in effect before, during and after loan approval up until the time of settlement when your loan is funded and recorded. Many times credit, income and assets are verified the hour before you sign your final loan documents. Here is a list that you should comply with:

MAKE SURE THAT YOU DO NOT: Do any of the things that may alter your credit and may risk you obtaining your loan. A change in credit may put you in default of your Sales Contract and may put your earnest money deposit at risk.

DO NOT purchase or attempt to purchase anything else on credit such as a car, truck, boat, furniture, appliances or other real estate.

DO NOT quit your job or change jobs. If this is likely, consult with your loan officer and call this office should this occur.

DO NOT allow anyone to make an inquiry on your credit report except your lender.

DO NOT apply for credit anywhere else except with your lender. This causes more “hits” on your credit rating which can reduce your credit score.

DO NOT change bank accounts or transfer money within your existing accounts.

DO NOT co-sign for anyone, for any reason, for anything.

DO NOT charge any abnormal amounts to your current credit cards or credit lines.

DO NOT send in late payments, or incur late fees for anything.

DO NOT wait longer than the time frame given per your contract to provide all necessary paperwork and information to your lender when requested.

MAKE SURE THAT YOU DO:

DO keep all accounts current, including mortgages, car loans, credit cards, etc.

DO contact both your lender and your Realtor anytime a question may arise.

DO make all payments on or before due dates on all accounts, even if the account is being paid off with your new loan.

DO have any lender-required money/funds to your loan officer within 72 hours after home inspection is complete.

DO return phone calls from your Buyer Agent, loan officer, attorney or anyone else involved in your transaction within 2 hours of a message.

Home Buying: Close the Deal & Get the Keys

Will Mortgage Pre-Approvals Hurt My Credit Score?

A very common myth that buyers have regarding getting pre-approved is "will it hurt my credit score?" Getting pre-approved is 100% a benefit to you as the Buyer; pre-approval will give you confidence to write offers and prevent any heartache down the road. In a competitive market like ours, an Exclusive Buyer Specialist and a smart seller will never consider looking at a financed offer without a pre-approval letter from a reputable mortgage lender.

Credit Bureau Scoring

Credit bureaus use a subtle formula that they don't publicize as to how they crunch your credit history into a single credit score. Your score will fluctuate by how you use credit. So, should you worry about what mortgage pre-approvals will do to your credit reports? Probably not.

Finding the Best Mortgage

All of the credit bureaus understand the complex timing of getting a mortgage. Therefore, they have instituted measures to avoid reflecting pre-approval inquiries on credit reports. For instance, if you are shopping around for the best rate, and several mortgage companies make credit inquiries about you within 45 days of each other, all of those inquiries will be bundled into a single event with a miniscule effect on your credit report. Your credit report also does not include any credit inquiries made within 30 days prior to your loan application.

It is, therefore, nearly impossible that the mortgage process of pre-approval will cause enough damage to your credit score to hurt your mortgage terms, so don't worry if your Exclusive Buyer Specialist asks to see your letter of pre-approval. Getting pre-approved for a mortgage to buy the house you want to own won't hurt you. It helps you.

All Our Clients Get to Use Our Moving Truck For FREE!



About Us

Linda Craft & Team, REALTORS®, the Triangle's #1 ranked Real Estate Team and Corporate Real Estate Sponsor for the Carolina Hurricanes. We've been helping individuals and families find a place to call home in all price ranges for over 30 years.



Our Team

Our Team is committed to helping every client we serve make excellent real estate decisions. Our market knowledge and experience is second to none and we hope you choose our Team to help you achieve your goals.



We Offer

- FREE Real Estate Advice & Consulting
- FREE Moving Truck
- FREE Notary Service
- FREE Client Parties
- FREE Community Events
- FREE Copy Scan & Fax Services
- FREE Carolina Hurricanes Tickets!



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Hope To Be Your Go-To Real Estate Team!

Proud corporate sponsor of the
Carolina Hurricanes. Go Canes!



Be our friend on Facebook. We have giveaways all year long!
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