

FIRST TIME HOME BUYERS *guide*



BUYING A HOME DOESN'T HAVE TO BE STRESSFUL



PRESENTED BY:



♥ LOAN WONDER WOMAN ♥

close faster. celebrate sooner!

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JENNIFER LEONG

sales manager / loan advisor

Helping clients achieve the dream of home ownership is extremely gratifying, but educating along the way brings complete satisfaction. I serve my clients with compassion, integrity, and honesty. Known to go beyond regular duties as a Loan Officer to help borrowers achieve the American dream regardless of their situation and circumstance. My mission in life, as well as business, is to have a positive impact on the lives of the people I encounter. My goal is to become your LENDER for life.

Change Home Mortgage has diverse loan options to assist all homebuyers: Our programs include Conventional, FHA, VA, Portfolio, No Income Loans, Investor options, and first-time homebuyer programs with down payment assistance (DPA). I specialize in all three DPA programs offered through the State of CA. I am licensed and able to serve clients in the following States: AL, AZ, CA, FL, IA, ME, MN, TX, TN.

I would be honored to assist with financing as you purchase your next home.

Jennifer



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LOANWONDERWOMAN.COM



JLEONG.HOMELOANS



JLEONG.HOMELOANS OR
JENNIFERLEONG.HOMELOANS

all I do is
EAT, SLEEP AND
STRUCTURE LOANS.

Testimonials

Extremely knowledgeable, quick, hardworking. I rightly call her Superwoman. She will answer all your queries, respond quickly and will make sure that you have the house keys before the expected date of closing. Like wise one has to be quick to give her documents as soon as she asks for it. She made sure we got the lowest rate of interest, and gave us best favorable deal .We got the house keys within 15 days, which is super fast. Once you work with her, you would not want to work with anyone else. Definitely recommend her.

Saf S.

I have worked with Jennifer multiple times. She is professional, responsive and incredibly knowledgeable. I was very impressed with her ability to close purchase transactions quickly (faster than most lenders I have worked with) and without any challenges. Definitely recommend to anyone looking to buy or refinance their home.

Brittany A.

I love Jennifer. I honestly cannot say enough nice things about her. We were first time homebuyers and she made the process a breeze. It was stressful buying a house but I knew Jennifer was on my side and she answered all my questions. I would recommend her to anyone looking for a loan or to refinance.

Tiffany A.

HOME BUYING *process*

DETERMINE

how much you can afford. Lenders look at total funds available for the transaction plus debt to income ratios. Your max buying power may not be comfortable for you. I usually ask your comfort zone for monthly payment. This allows me to also provide buying power within your comfort zone.

PREAPPROVAL

To complete the preapproval process: we will collect an application, run credit, require 2 years W-2's, 30 days of paystubs, 2 months of bank statements. Additional documents may apply depending on your situation.

FIND THE RIGHT REAL ESTATE AGENT

I am happy to refer you to one of the amazing agents I work with. Real estate agents provide helpful information regarding homes and neighborhoods. They also run comps and prepare your offer contracts.

TOUR HOMES

Make a list of all the things you need and want in a new home. Including number of bathrooms, bedrooms, size and neighborhood.

MAKE OFFERS

Once you've found the home you want, the next step is to make an offer.

NEGOTIATE

Many times after the initial offer is presented the owner will come back with a counter-offer. Your agent will guide you with regards to appropriate counter-offers.

APPRAISAL

We order the appraisal within 24 hours of receiving a fully executed purchase contract. Buyers will e-sign the initial round of loan disclosures, appraisal is ordered same day or next business day. Most appraisal contingency periods are 14 days or less.

UNDERWRITING CONDITIONS

Underwriting will review your file, issue a conditional commitment to lend. I will email the "condition" list requested from underwriting and provide a timeline to return documents. Once the file is "clear to close" it's time to wet sign final loan docs in person with a notary.

CLOSING

After wet signing your loan documents, the package is returned to the title office. Title office forwards complete "funding" package to our funding department. Typically we fund loans within 24 hours unless contract specifies otherwise. After funding, we wait for County recording to take place.

HOME BUYER

Common Mistakes

NOT UNDERSTANDING THE FULL COST OF OWNERSHIP

As a first-time home buyer, you're probably accustomed to the monthly cost of renting, which usually includes your rent payment, some of the utilities, and your internet and cable bills. As a homeowner, you'll be responsible for additional monthly costs that may have been covered by your landlord. That includes things like water, sewer and garbage bills, monthly HOAs (if you're buying a condo) and the cost of lawn care. You'll also be responsible for paying property taxes and homeowners insurance. And don't forget the cost of maintenance. It's recommended that you set aside 1-3 percent of the purchase price of the home annually to cover repairs and maintenance.

GETTING TOO EMOTIONAL

Think it's impossible? It's actually not. Once you decide to buy a home, start thinking of yourself as a businessperson and investor rather than just a future homeowner. In fact, forget that you're the "Buyer" altogether. By looking at the transaction from a purely financial perspective, you'll distance yourself from the emotional aspects of buying the property. While it is important to factor in certain emotional aspects, don't let it cloud the process. Real estate IS an investment. Don't let emotions distract you from that.

SHOPPING BEFORE GETTING PRE-APPROVED

It's more fun to look at homes than it is to talk about your finances with a lender. So that's what a lot of first-time home buyers do: They visit properties before finding out how much they are able to borrow. Then, they are disappointed when they discover they were looking in the wrong price range (either too high or too low) or when they find the right home, but aren't able to make a serious offer. How to avoid this mistake: Talk to a mortgage professional about getting pre-qualified or even preapproved for a home loan before you start to seriously shop for a place. The pre-qualification or preapproval process involves a review of your income and expenses, and it can make your bid more competitive because you'll be able to show sellers that you can back up your offer.

EMPTYING YOUR SAVINGS

If you buy a previously owned home, it almost inevitably will need an unexpected repair not long after. Maybe you'll need to replace a water heater or pay a homeowner's insurance deductible after bad weather. How to avoid this mistake: Save enough money to make a down payment, pay for closing costs and moving expenses, and take care of repairs that may come up. Lenders will give you estimates of closing costs, and you can call around to get estimates of moving expenses.

CHOOSING THE WRONG LENDER

Local lenders know the market in your area better than anyone else. When you work with me, you're paired with a licensed loan officer and team of professionals who are experts in getting your loan closed on time. I will help you choose the right type of loan for your circumstance and keep you updated along the way, ensuring each step is done with care and concern. I have the in-house tools and resources to expedite a loan, ensuring everything is taken care of with time to spare. Be leery of online lenders as many charge substantial points (only disclosing during rate lock when it may be too late to back out of the home purchase) - it's called bait and switch. The Rocket is notorious for this business practice. This is the biggest financial decision you will ever make. You will find, I am transparent and honest - throughout your entire loan process.

FINANCING

Tips



GET YOUR CREDIT IN CHECK

Make sure you're financially prepared for homeownership. Do you have a lot of debt? Plenty saved for a down payment? What about closing costs? Ask yourself "how much house can I afford?" on a monthly basis. Additionally, know that lenders look closely at your credit score when determining your eligibility for a mortgage loan. Check your credit score within 90 days of applying for a mortgage. Lowering outstanding debt below 30% utilization and hold off on applying for any other loans or credit cards until after you purchase your home.



FIND THE RIGHT LENDER

Just like you want to get the home that best suits your needs, you'll want to find a lender that best suits you. Not all lenders are created equal. When you work with me, I will be your point of contact from start to finish. My team works the backside of the loan. I take phone calls after business hours, including weekends, and holidays. This is very important when listing agents want to get in touch with your lender to verify financing outside normal business hours.



BE PREPARED

A lender will need information from you in order to get you pre-approved and through the home buying process. Here are a few things to have ready for them:

- W-2 forms from the past two years
- Pay stubs from the past 30 days
- Federal tax returns from the past two years
- Proof of other sources of income
- Recent bank statements
- ID and Social Security number

*If you're self-employed, you may have to provide extra proof of your financial stability, including YTD profit and loss statements, and possibly providing business tax returns.

In a competitive market, agents and sellers will ask for pre-approval letters and proof of funds prior to showing homes or allowing scheduled appointments. Make sure to get a pre-approved letter before you start viewing homes.

HOME TOURING

Tips

On a house tour...



- Take photos with your phone while visiting each house. Organize the photos at home with the address of the property so you can remember details later.
- Focus on the things you can't change like the neighborhood, lot or size of bedrooms.
- Test things as you walk through the home. Open and close windows, turn faucets on and flush toilets to make sure everything is in working order.

What to bring...

- Your agent! Your agent is your #1 resource when house shopping. Bring them on tours so they can help you navigate this step of the home-hunting process.
- Pen and paper. You'll want to take notes during your tour so you can reference them later, especially if you have plans to see multiple properties.
- Measuring tape and measurements. You need to know exactly how much space you have to work with in any new home you may choose. A dream home will quickly become a nightmare if things don't fit inside it!
- An open mind! While it's good to have an idea of what you want, it's also important to be flexible. You never know what surprises a tour may reveal to you!

MAKING *an offer*

Now is the exciting time! When you are ready to write an offer, your Agent will walk you through the contract. It is important to write a fair offer or you can run the risk of the seller not responding or even losing the property to another buyer making an offer. Here are the steps:

- Write the Offer
- Negotiate the Offer
- Offer Accepted = escrow period begins



HOW TO MAKE *a great offer*

- Submit a Pre-approval Letter with your Offer
- Put your Best Foot Forward
- Put Down a strong Earnest Money Deposit
- Shorten Inspection and Contingency Periods
- Offer to Close Quickly
- Other ideas to make your offer stand out:
free rent back for the seller, appraisal gap coverage, offering over list price

NEGOTIATING

your offer

Many times after the initial offer is presented the owner will come back with a counter-offer.

As a buyer, don't be afraid to bargain for what you want. Whether that be cost, a new roof or the whole house painted.

You don't know what they're willing to do unless you ask.

In a competitive market you may be less likely to request repairs. Many homes are currently selling without inspection contingencies or listed as-is. Meaning sellers are not entertaining repairs or credits.



- Try to Have More Data Than the Other Side
- Learn the Power of No
- Your Agent may be able to determine Seller's Lowest Price
- Learn What the Other Party Needs From the Deal
- Keep Your Cards Close, but Try to Stay Nonchalant

TIPS FOR
negotiating

HOME *Inspection*



A home inspection is a visual assessment of a house's physical structure and mechanical systems, including the roof, ceilings, walls, floors, windows and doors. The inspector will check that major appliances are functional, scrutinize the heating and air-conditioning system, examine the plumbing and electrical systems and may even poke around in the attic and basement. The goal of a home inspection is to uncover issues with the home itself. Inspectors won't tell you if you're getting a good deal on the home or offer an opinion on the sale price.

The home inspection happens after the seller has accepted your offer but before the purchase is complete. To provide enough time for additional inspections or for negotiations with the seller, you'll want to schedule a home inspection as soon as possible once you're under contract. You should allow at least 7 to 10 days in the homebuying process to take care of inspections.

As the buyer, it's on you to hire the home inspector. Even if the seller offers to share their home inspection report or claims the house is pre-inspected, you'll want to arrange your own inspection so you can vet the inspector yourself. Home inspectors aren't federally regulated, and they're not even licensed in all States. Seek recommendations from your Agent as they deal with inspectors on a regular basis.



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loan wonder woman

HOME *Appraisal*



A home appraisal is a licensed or certified appraiser's opinion of a home's value. The appraisal is based on research of recent sales of comparable homes in the area, an analysis of the property and the appraiser's judgment. Mortgage lenders require an appraisal to help gauge risk of making a loan. The property serves as collateral in case the borrower defaults, so the lender wants to make sure the loan isn't too big, compared with the property's value.

An appraisal is an assessment of home value. The appraiser considers the home's condition as part of the analysis of how much the property is worth, as well as other factors, such as the local housing market.

Conventional appraisals are less strict than FHA appraisals in terms of property condition. Your FHA appraisal may request FHA required repairs. Appraisal repairs must be completed before the lender can fund the loan.



closing

PRIOR TO CLOSING, COMPLETE A FINAL WALK THROUGH WITH YOUR AGENT TO CHECK FOR ANY OUTSTANDING ITEMS.

THE CLOSING PROCESS FINALIZES THE PURCHASE OF YOUR HOME AND MAKES EVERYTHING OFFICIAL.

CLOSING IS WHEN THE LOAN HAS FUNDED AND THE DEED TO YOUR HOME IS RECORDED WITH THE COUNTY.

START CALLING THE UTILITY COMPANIES TO TRANSFER UTILITIES (A FEW DAYS BEFORE CLOSING IS A GOOD TIME).

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A FEW THINGS TO BRING TO CLOSING

- A valid government issued photo ID
- Cashier's check for the total amount due

WHAT TO EXPECT

The escrow officer will look over the purchase contract to: identify what payments are owed and by whom; prepare documents for the closing; conduct the closing; make sure taxes, title searches, real estate commissions and other closing costs are paid; ensure that the buyer's title is recorded; and ensure the seller receives any money due.

YOUR COST

Some of the most common fees include:

- Lender fees
- Escrow fees
- Recording and notary fees
- Title insurance
- Appraisal fees
- Transfer taxes
- Homeowners Insurance
- Home Owners Association fees, if applicable
- Reserves for tax/insurance escrow accounts

AFTER CLOSING

Make sure to keep copies of all closing documents for tax purposes.

LENDER

Recommendations

- Sellers expect buyers to have a pre-approval letter or proof of funds. This will make your process seamless, quicker and can give you more power when negotiating.
- Get pre-approval so you know how much you can afford and always consider your comfort level on what you spend monthly not just the amount you are pre-approved for. A pre-approval is a statement from me that you qualify for a specific mortgage amount based on review of all of your financial information.
- In addition to a down payment, you should budget 2-5% of the purchase price on costs to cover at closing. The costs consist of an initial deposit for your escrow account, appraisal fees, underwriting and processing fees. I can help you determine the amount to prepare.
- You want to look at homes after you are pre-approved. Many sellers will not consider an offer that does not have a pre-approval letter. This helps you set the right expectations on a home that you can afford and prevents you from getting your hopes up.
- If you are behind on credit report accounts, bringing them current could help. While a late payment can remain on your credit report for up to seven years, having all your accounts current can be good for your scores. Opening new accounts reporting to the major credit bureaus is an important first step in building your credit file. You can't start laying down a good track record as a borrower until there are accounts in your name. Payment history is one of the most important factors in determining your credit scores, and having a long history of on-time payments can help you achieve excellent credit scores. Make sure you don't miss loan or credit card payments by more than 29 days. Keep credit card balances under 30% of your credit limit, pay your bills on time, do not close unused cards, and check your credit report for any errors for free at annualcreditreport.com.
- Budget to buy: Down payment 0-20%. Closing costs 2-5%. Home inspection \$300-\$600.
- It's not likely we'll see a "buyer's" market in 2022. While strong construction could put more inventory on the market, it likely will not be enough to tip the scales in buyers' favors. To give yourself a leg up, get pre-approved for your mortgage and be willing to get creative in your offers. If you can stand out from the competition, that home could be yours!

REAL ESTATE *Terms*

APPRAISAL

A determination of the value of something, in this case, the house you plan to buy. A professional appraiser makes an estimate by examining the property, looking at the initial purchase price, and comparing it with recent sales of similar property.

CLOSING COSTS

All settlement or transaction charges that home buyers need to pay at the close of escrow when the property is transferred. These typically include lender's fees and points or prepaid interest, a prorated share of the property taxes, transfer taxes, credit check fees, homeowners' and title insurance premiums, deed filing fees, appraisal fees, and title or attorney fees.

APPRECIATION

Increase in the value or worth of an asset or piece of property that's caused by external economic factors occurring over time, rather than by the owner having made improvements or additions.

MLS

A computer-based service, commonly referred to as MLS, that provides real estate professionals with detailed listings of most homes currently on the market. The public can now access much of this kind of information through websites.

ZONING

The local laws dividing cities or counties into different zones according to allowed uses, from single-family residential to commercial to industrial. Mixed-use zones are also used. Zoning ordinances control size, location, and use of buildings within these different areas and have an effect on traffic, health, and livability.

CONTINGENCY

A provision in a contract stating that some or all of the terms of the contract will be altered or voided by the occurrence of a specific event, usually by specific dates leading up to the closing.

ESCROW

The holding of funds or documents by a neutral third party prior to closing your home sale. This is typically done by a title company.

HOME INSPECTION

An examination of the condition of a real estate property. A home inspector assesses the condition of a property, including its heating / cooling systems, plumbing, electrical work, water and sewage, as well as some fire and safety issues.

TITLE

Ownership of real estate or personal property. With real estate, title is evidenced by a deed (or other document) recorded in the respective county recorder's office.