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home buyers guide

A complete guide to buying a home from start to finish

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1 Introduction



Hello! My name is Caitlyn Thomas and I am a licensed Tennessee REALTOR® with eXp Realty. If you are reading this it means that we have been in contact and you have shown interest in selling your home or maybe you're just curious as to what my listing strategy is. Either way, I hope that this packet proves helpful to you and is full of valuable information for you to turn back to whenever you have a question. I am licensed in Tennessee and have resided here since in the Clarksville area since 2020 when my husband was stationed at Ft. Campbell. With experience in VA Loans, Cash Deals, New Construction Homes, Conventional Loans, and a network of hundreds of TOP agents across the country, I bring a lot to the table that other agents may not. Likewise, I have several of our Top Producing agents in the area backing me who I work closely with to ensure my clients are supported to the utmost degree. My real estate journey began when my husband and I purchased our first home and I became very close with our agent at the time. She showed me the ropes and since I have loved every second of being able to help my clients make a smooth transition. Whether this means you are PCSing, relocating for work or family, or are looking to upgrade/downgrade, know that my biggest goal is to ensure a stress-free and easy move. With an ever changing market, it is not always easy, but with the resources I can provide to you as well as the constant support and knowledge, know that you have an agent in your corner who will be there to make sure you achieve your goals, dreams, needs, and wants.

Preparations

Find the Right Agent

Purchasing a home is one of the biggest financial decisions you will ever make. With that being said, having someone looking out for your best interest and giving you valuable advice will be the best thing for you to do for yourself during this time. Every agent is different and operates their business differently. Exploring your options and finding someone best suited for you and your needs is highly encouraged.

A good thing to remember is that sellers also have an agent in their back pocket looking out for them and their best interest. Their agent's goal is to sell their home for top dollar so that the sellers gain equity. The value in having a professional to represent you and fight for you is undeniable. All agents have fiduciary responsibilities to their clients and their clients' interests.



What an Agent Does for You

OPENING THE DOOR FOR YOU

When we begin looking at homes we will specifically seek out homes that fit your needs and wants. To do so, there is a worksheet I will supply you to fill out so that I can put these needs and wants into the search engine. I encourage you to do your own searching and send me homes that catch your eye. We will be quick to get you into each and every door. I will also be able to identify potential or current problems within homes we look at.

HANDLING CHALLENGING CONVERSATIONS

In the event that repairs or changes in price need to be made, I will be the front line in communicating these to the sellers. We are able to make requests for repairs as well as modify our purchase price when doing so to ensure that you are getting the best deal possible

STAYING ON TOP OF PAPERWORK

When it comes to purchasing a home, there are a lot of documentation and it can get a bit overwhelming. I have the knowledge and expertise to analyze contracts and relay the fine print. I intend on making sure that you understand what each contract states before you ever pick up the pen to sign.

ON YOUR SIDE

As a buyer's agent, I will represent your best interest at all times. I maintain a finger on the market to know and understand the current climate and I hold an understanding on how amenities may effect price. These factors will assist in us constructing the most competitive offer on the perfect home for you and your family

PROBLEM SOLVER

I work hard and tirelessly to protect you and your interest as well as tackle any and all issues that may arise during the course of the home buying process. Buying a home should be a fun and exciting experience, not stressful and overwhelming.

NEIGHBORHOOD EXPERT

Knowing the various neighborhoods, local areas, vendors, and schools is essential to understanding where you want your home to be. Relaying this information can assist in narrowing down our search as well as understanding the local market and home prices. This knowledge will also assist in submitting the best offer possible!

Pre-Approval & Financing



How much can you afford?

Mortgage lenders will work closely with you and I during the home buying process, but before we even think of looking at houses, we need to get you pre-approved. A pre-approval letter will be needed for any offer on a home unless you are purchasing with cash, then we will need proof of funds. Your mortgage lender will work with you in putting together a loan that will fit your financial needs. A good rule of thumb that mortgage lenders will preach is to not purchase a home that is 3-5 times your annual household income. There are many different types of loans to explore and your mortgage lender will be of great assistance in deciding what will work best for YOU.

Save cash for closing costs and other expenses!

Purchasing a home is not a seamless cost-free transaction. In order to best prepare yourself for purchasing the home of your dreams, you will need to be ready for closing costs, earnest money, down payment, and an inspection.

- A down payment will typically be between 3.5%-20% of the purchase price unless you are using a VA loan (then no payment)
- Earnest Money is money that you will put down to show that you are serious about purchasing the home. It is also known as a good faith deposit and is credited back to you on closing day.
- Closing costs for the buyer are typically between 2%-5% of the loan amount and cannot be put into your loan
- A home inspection will usually be between \$300-\$500

Checking your credit

A mortgage will require good credit. While your mortgage lender will talk with you on various programs they have for improving your credit, you can look at these tips and get a general idea of what you can do to ensure your credit is where it needs to be....

- Pay down on any credit card balances
- Continue to make payments on time
- Avoid applying for new credit cards, personal loans, and car loans until you are approved for a mortgage
- Avoid making big purchases until you are approved for a mortgage
- If possible, avoid changes to your employment and employment status until after approved for a mortgage

Get Pre-Approved

Being pre-approved is not the same as being pre-qualified. In order to begin looking for your new or first home, you need to make sure you are pre-approved. Pre-approval holds much more weight and explicitly shows what you can truly afford. This pre-approval will dictate the price range we search within as well. You will need to supply some documentation in order to get pre-approved. Such documents consist of income, statements, assets, debt & credit reports, etc.

All of this information will be reviewed and verified by your lender.

Preparing for a

Home Loan

GET *qualified*

LOAN TYPE	CREDIT SCORE	DOWN PAYMENT
VA Loan	580	NO DOWN PAYMENT
USDA Loan	620	NO DOWN PAYMENT
FHA Loan	580+	3.5%
	500-579	10%
203K Loan	640	3.5%
Conventional 97	620	3%
Conventional	640	5-20%

INCOME *qualifications*

QUALIFYING INCOME

- W-2 Salary/Income
- Income from part-time jobs
- Income from a second or third jobs
- Overtime & bonuses
- Seasonal jobs
- Self-employed income
- Alimony & child support documentation

NON-QUALIFYING INCOME

- Income from the lottery
- Gambling winnings
- Unemployment pay
- Single bonuses
- Non-occupying co-signer income
- Unverifiable income
- Income from rental properties

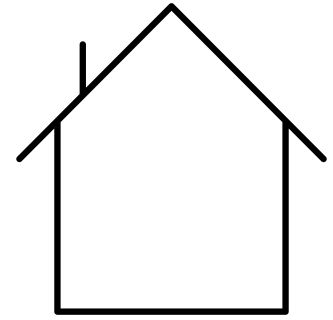
NEEDED *documents*

- W-2 's from the past 2 years
- 3 months worth of pay-stubs
- Bank statements (last 3 months)
- Previous 2 years of tax returns
- List of debts and assets
- Divorce decree
- Additional income documents

Types of Home Loans

loan type	who qualifies	down payment	upfront mortgage insurance	monthly mortgage insurance	minimum credit score
VA Department of Veteran Affairs	Veterans Personnel with Honorable Discharge Reservists & National Guard Surviving Spouses	None	None	None	580
USDA Department of Agriculture	Someone who is buying a home in a USDA designated rural area	None	2% of loan amount. Can be rolled into loan amount	Required	640
FHA Federal Housing Administration	Anyone who meets the minimum credit and income levels	At least 3.5% of purchase price	1.75% of purchase price	Required	580-640
203k Federal Housing Administration	Anyone who plans to purchase a fixer-upper or needs to renovate their home and meets credit & income requirements	At least 3.5% of purchase price	1.75% of purchase price	Required	580-640
Conventional 97	Depending on the program, available first time home buyers (a buyer who hasn't owned in the last three years) can put 3% down with a Conventional 97 program	Varies from 3%-20% of purchase price	None	Required	620
Select Smart Plus	Anyone who meets lenders credit, income, and debt level requirements	Varies from 3%-20% of purchase price but typically ranges from 5%-20%	None	Required	620

House Hunting



This is when we start shopping for homes in your price range. We will take notes during every showing. It can be hard to remember all the details of each home we see so I encourage you to take pictures or videos while we are there. I will also have the listing printed of each home we see so you may take notes on those to remember the specifics of each home.

Once we find the perfect home, we will construct a competitive and appropriate offer based on current buyer activity and recent sales. We will also look at the value of the property in its current condition. Negotiations may then take place after our offer has been presented

tip

We will make a point to check every little aspect of each home we see:

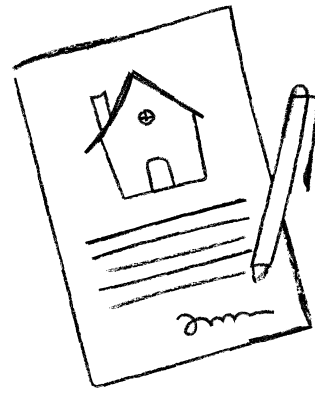
- Check plumbing & water pressure
- Check electrical systems
- Open and close all doors and windows to ensure they work properly

We will evaluate the neighborhood and surrounding areas:

- How well are the surround homes maintained?
- How much traffic is on the street regularly?
- Is it conveniently located to work, schools, shopping, restaurant, and recreational areas?

Please note that when we house hunt, it is also important to keep in mind which active listings may offer seller concessions. Seller concessions are sums of money that are credited to you, the buyer, and may be used for buying down your interest rate, covering closing costs, or may even be home upgrade allowances

Making an Offer



When to make an offer:

So we have found THE home! This is an exciting but critical time. Acting fast is of the utmost importance especially in markets where demand is higher than the number of available homes.

How much to offer:

We will take a moment to sit down and review recent home sales in the area, the current condition of the home, as well as recent buyer activity. All of this information will help us come to an appropriate price to offer

What makes a strong offer?

Good Impression

We will discuss your options and create your very best offer. In some circumstances, this may be our one and only chance to create a good impression with the seller

A Reasonable & Healthy Earnest Money Deposit

A large earnest money deposit will show the seller how serious you are about purchasing the home

Cash Talks

A potential transaction that is not dependent on loan approval can be more attractive to the seller

Short Inspection Period

We can shorten the inspection period to 10 days

A Quick Closing

Many sellers will prefer to close within 30 days of an accepted offer

Under Contract



How do you get "Under Contract"?

After the offer has been submitted The seller can do 1 of 3 things . . .

1. Accept the offer
2. Reject the offer
3. Counteroffer

When the seller declines, this will usually mean that they did not feel that the offer was within their expectations and therefore do not wish to negotiate.

When the seller counter-offers, this means that the offer is acceptable but the seller wishes to make changes to a few terms. In the instance of a counter-offer, you may then make the decision to accept, decline, or counter the sellers counter-offer.

Negotiations can take place back and forth for as long as needed until you reach and agreement or someone decides to walk away.

Accepted Offer = Under Contract

At this point, when the offer is accepted, we will sign the purchase and sale agreement. This will officially mean we are under contract! This period is also referred to as the contingency period. Appraisals, inspections, and anything else built into your agreement will take place at this time.

Escrow Period

Order an Inspection

During the inspection period we will order an inspection of the home from a reputable home inspector who will do a thorough investigation of the home. Once complete, we will be supplied a list of their findings. These findings are typically labeled with their level of seriousness. We may then accept the home as-is with all of the findings or request the seller to address some or all of the findings. It is important to be mindful and reasonable when it comes to the smaller items but to also be cautious of any and all potential and serious issues.

Negotiate Final Offer

Issues tend to arise after the home inspection is completed. These issues tend to result in another round of negotiations for credits or resolutions.

1. **We can request a credit from the seller for the work that needs to be done.** Most likely, the last thing the seller will want to do is repair every last **issue that is found**
2. **Think "big picture" and don't sweat the small stuff.** A leaky faucet, scuffs, or any other small repairs that may need to be done can easily be fixed and touched up. Repairs are still up for negotiation and a small credit may assist with closing costs.
3. **Keep your poker face.** The listing agent will be present during inspections and letting your guard down could result in unpleasant further discussions or negotiations

Appraisal Ordered

At this time, your lender will arrange for a third-party appraiser to provide an independent estimate of the home you are purchasing. The appraisal will let all parties know that the price is fair. From here, your loan file will be moved on to the mortgage underwriter.

If approved, you will receive your final commitment letter that will break down your full loan term and percentage rates.



Prior to closing we will also need to explore some home insurance options as you will need to make sure you have this in place to protect from flooding, fires, and storms.

We will also run a property title search to ensure that the seller truly owns the property. This search will also ensure that all liens, loans, and judgements existing on the property have been disclosed.

Closing/Moving Time

SCHEDULING YOUR MOVE

After Signing

- Finalize Mortgage
- Schedule Home Inspection
- Declutter - begin going through your belongings and sorting what is coming with you to your new home and what needs to be donated or thrown away.
- Secure copies of medical records and store with all other important documents
- Create an inventory of everything with significant value that is making the move with you
- Get estimates from moving companies

4 Weeks Until Move

- Give 30 day notice if you are currently renting
- Schedule movers/moving truck
- Buy/find packing materials
- Start packing

3 Weeks Until Move

- Arrange appraisal
- Complete title search (title company will do this)

2 Weeks Until Move

- Secure home warranty
- Get quotes for home insurance
- Schedule time for closing
- Contact utility companies (water, electric, etc.)
- Change address: mailing, subscriptions, etc.
- Minimize grocery shopping
- Keep packing

1 Week Until Move

- Obtain certified checks for closing
- Schedule and attend final walk through
- Finish packing
- Clean
- Confirm delivery date with moving company. Write directions to the new home along with your phone number



Closing Day

Closing Day

Closing is when you finally get to sign your ownership and insurance paperwork! By the end, you will have your new house keys in hand. Typically, closing will take 4-6 weeks and during this time your purchase funds will be held in an escrow account. The funds will be held safe and secure here until the transaction is complete.

Final Walk Through

Within the last 24-48 hours, we will perform what is known as a "final walk through" where we will check the property's condition. It will usually take about an hour. During this walk through we will verify that any and all repairs that we requested to be done have indeed been completed.

We will also check...

- Make sure all appliances work properly
- Run the water through all faucets to ensure there are no leaks and water pressure is good
- Open and close the garage door(s) with the opener
- Flush toilets
- Run the garbage disposal and exhaust fans

At the Closing Table

Typically, closing will occur at the title company. Be prepared to sign a lot of paperwork including, but not limited to, the deed of trust, promissory note, and other documents.

The following people will be present during closing...

- Your agent
- The seller
- The seller's agent
- A title company representative
- Your loan officer
- Any real estate attorney's involved

Closing Disclosure

Your lender will be required to supply you with what is called a closing disclosure. They will be expected to do so three days prior to the day of closing and you will have those three days to review all of the terms. The closing disclosure will break down your final loan terms as well as your closing costs. This also gives you a second to breathe and know exactly what is expected come closing day so there will not be any unwanted surprises. If there are any discrepancies or concerns found while you are reviewing the closing disclosure, we must notify and speak with your lender and the title company immediately.

Closing Day Continued

Closing Costs

Closing costs vary when it comes to the purchase price as well as the location in which you are going to be living. Generally, you can expect your closing costs to be 3% to 4% of the purchase price.

Closing costs can also be shared with the seller

What to Bring to Closing

- Government-issued photo ID
- Copy of sales contract
- Homeowner's insurance certificate
- Proof of funds to cover the remainder of the down payment and closings costs

Receive Your Keys!!

You've done it! This is the finish line! You are finally the owner of your new home! All that's left is to move in, settle down, and make your new house a home.



Final Thoughts/Resources

Resources Available to You

Curbio

Curbio is a resource that my brokerage partners with that offers pre-listing upgrades, repairs, and improvements. These are entirely dictated by you. From fast fix-ups to full renovations, there is NOTHING due until the home sells!

Express Offers

My brokerage built a proprietary iBuying software program, ExpressOffers®, which allows agents like myself to submit my seller client's properties to institutional buyers who buy in cash and in a much shorter timeframe than your traditional transaction. Rather than getting one offer, you would be connected with buyer's across the country and can hand pick your highest and best offer!

EyeSpy360

EyeSpy360, another amazing partnership with my brokerage, offers 360 home-tours with video-chat integration. EyeSpy360 offers the total package with photography services, virtual staging, virtual renovation and full CGI. This is great for giving out-of-state buyers and immersive tour!

Utility Connect

Utility Connect is an awesome resource we offer to home buyers. It does the leg work for you, finding the best home service providers in your area and makes sure it fits your budget. Personalize your utility companies, easily have them connected/switched into your name, and settle into your new home!

And More!

Thanks to my wonderful brokerage and partnerships with local businesses, I am happy to say I have a number of resources to offer my clients, buyer or seller! I have found these take a lot of stress off of the table and provide just another sense of ease when making such a large transition. Ask me what other resources I have for you and your family!

Final Thoughts

Now that you have reviewed all the steps that will be taken during the entire home buying process, the biggest question to ask yourself is whether or not you are ready. Purchasing a home, whether it is your first time or tenth time, is always a big decision and is not always the easiest process.

Taking it one day at a time and being prepared for anything is the best mindset to go into this transaction with but it is my hope that I am able to take the weight off of your shoulders.

Whether you are ready to jump in now, have already taken the steps to get started, or need some time to prepare, the perfect home will always be there waiting for you to open the door.

I will also be there at any time between now and when you are ready to answer any questions, offer advice, or to help in any way I am able. For those who are ready now, I am thankful for the opportunity to work with you and look forward to what is to come!

Stay in Contact



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Call, text, or email me with any questions or if you are ready to begin your home buying journey, reach out and we can talk about how we may begin working together! Thank you for taking the time to read through this guide and I hope it serves you well navigating this exciting transition!