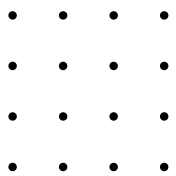


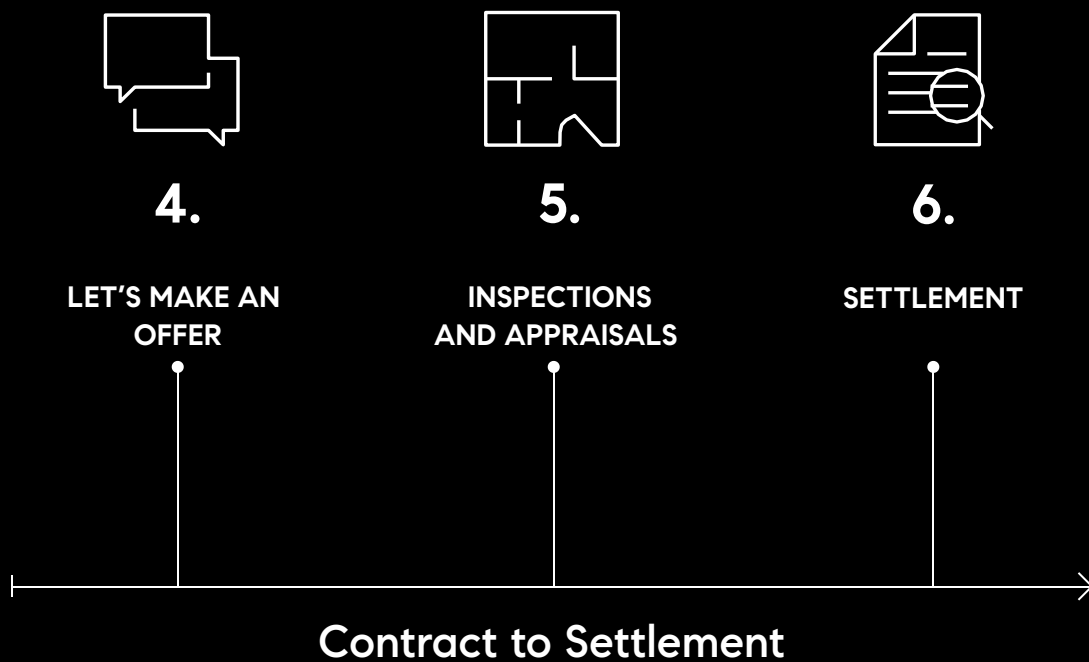
Buying with Mollaan Babbington Group



COMPASS



The Homebuying Process



Preparing for Purchase





1. Choosing a Buyer Agent

Your Agent's Primary Role

- Guide you through your home search and help find relevant inventory
- Advise you on pricing, contracts, and the transaction process
- Negotiate on your behalf, with your best interest in mind
- (Discuss agency and representation with your agent)

What To Look For in an Agent

- Communication style
- Industry knowledge
- Neighborhood expertise

Principles of Buyer Agency

- Disclosure, Confidentiality, Diligence

QUICK TIP

Curious about commissions? In the Metro area, sellers typically pay the agent's commission, although you may be responsible for a broker flat fee.



2. Get Pre-Approval

Determine What You Can Afford

- Figure out how much cash you have for a down payment.
- Find out your credit score and whether you need to take action to remediate.
- Calculate how much you'd be comfortable spending.
- Consider your lifestyle and how this purchase may impact your monthly budget.
- Meet with a lender to discuss your options. They will look at your credit, all accounts, income, and debt history to calculate what you can realistically afford.

QUICK TIPS

Rates change on a daily basis and pre-approval usually expires after a few months. Be mindful when shopping for rates. Pre-approval involves pulling credit. Doing this too many times in a short timeframe may negatively impact your credit score. Avoid activity that can impact your debt-to-income ratio, such as buying a car, charging expensive items to your credit card or taking out a personal loan.



Questions to Ask Your Lender

- How fast can I be fully approved for the loan?
- Am I eligible for any first-time homebuyer tax credits?
- What are the loan types?
- What is the maximum amount the lender will allow for seller credits?
- Does my loan program require additional inspections?

Costs to Consider

Buying a home is more than a down payment and figuring out the monthly mortgage. A range of out-of-pocket expenses can arise during and after the transaction, so be sure to discuss these with your lender and your agent to be prepared.



3. Finding Your Dream Home

Why Am I Buying a House?

Understanding your motivation for the move will help keep you focused on your priorities.

- Understand home types and their pros and cons (Condos, Co-ops, Fee Simple)
- Make a list of your must haves and deal breakers
- Think about the type of neighborhood you see yourself in
- Anticipate how long you want to live in this home
- Communicate with your agent about your needs
- Be flexible and open to alternatives

Contract to Settlement





4. Let's Make An Offer

The Three Main Factors That Affect Your Offer

- Price
- Number of contingencies
- Length of terms

Price

Price is obviously an important factor, as it will determine how much the seller nets. Work with your agent to figure out the value of the home and how much you're comfortable spending. Your agent will pull a list of all the homes that recently sold to give you a better idea of the market.

Number of Contingencies

Contingencies are terms that need to be met in order for the contract to go to closing. The more contingencies, the higher the risk for the seller. The most common contingencies are home inspection, appraisal and financing.

Length of Terms

Considering the length of each term is very important when submitting an offer. Every day that a house is under contract, the home is essentially "off" the market. The seller is "taking a risk," by waiting for each term to be met.

Your agent will know the best strategy to make a compelling offer based on market conditions, while considering your needs and comfort level.



5. Inspections and Appraisal

Inspections

Home inspections can be nerve wracking, but they are an important part of the process. There are many types of inspections depending on the location and home you are looking to purchase.

Be Present

Take the time to attend the inspection so you can have a better sense of how the home works, see which areas will require maintenance, and assess whether you will need to consider home improvements down the line. Don't be afraid to ask questions!

Be Realistic

Expect to have a list of items from your inspector in a couple days. Don't panic! Every home has a list of potential repairs, and most will be minor.

Be Practical

Home inspections are another opportunity to negotiate. Speak with your agent about what items they recommend asking for repair. Focus on the items that matter the most. Keep in mind that the seller is not obligated to make all the requested repairs, unless required by a lender (FHA, HPAP, VA etc.).

Appraisal

This is the assessment of value on the home by a third party appraiser. It lets the lender know how much they will be able to lend for the home.



6. Settlement

All terms of the contract have been satisfied and now is time to prepare for settlement!

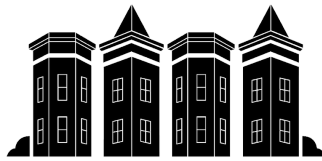
You first complete the final walk through to confirm the property is in the same conditions as agreed in the contract and then, it's time to sign some papers! During settlement, the title attorney will go through your final settlement statement, line by line. The title company will be in charge of disbursing the funds to the seller and the bank (if they still owe a balance on their mortgage).

Don't forget your government-issued ID, cashier's check or certified funds (if amount you owe isn't wired to the title company prior to the settlement), and personal checkbook for any small last-minute expenses.

Make sure you have set your utilities accounts and receive all copies of the keys.

Once you've signed all the documents and the deed, CONGRATULATIONS!, you can officially call yourself the homeowner!

**This might seem like a lot but don't worry!
Your agent has your best interest at heart and will be every step of the way by your side. Having the right agent will make the home buying process seamless for you and a happy homeowner!**



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