



90

DAYS TO HOMEOWNER

challenge

WEEK
01

Is it time for you to stop renting and buy?

Tired of the rent race and thinking about buying? Buying a home is, yes, a huge financial decision, but it's also an emotional one. And while you can find online calculators and quizzes galore to tell you whether you're financially set, the emotional side of buying a home is often overlooked. To gauge if you're ready—heart, mind, and means—to stop renting and buy, think about these below-the-surface questions:

1. Is there a “want to” to buy a home?

You should never buy a home because others are doing it or because you think it's what you're supposed to do next. You've gotta have your own “want-to” and desire.

2. Are you ready to put down roots?

Buying is a more long-term decision than renting, so you want to be sure you're ready to plant for at least a couple of years before signing on the dotted line.

3. Do you desire more privacy at home?

If you're exhausted by noisy neighbors and no place to stretch your legs, it may be time to buy.

4. Are you content in your current job?

Lenders want to see job stability, so if you're thinking of buying, evaluate your long-term employment plans.

5. Is your debt-to-income ratio in a healthy place?

Your DTI ratio is an important factor when applying for a mortgage. Getting debt under control before purchasing is always a wise decision. Not sure what your DTI is? Head over to the next page!



WEEK
01

Determine your Debt-to-Income Ratio (DTI)

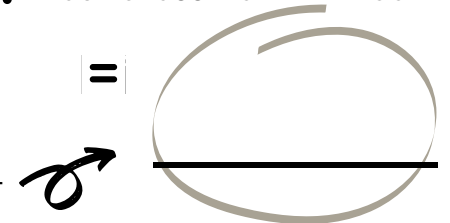
DEBT	DESCRIPTION	AMOUNT
	Monthly rent payment	
	Monthly alimony or child support payments	
	Student, auto, and other monthly loan payments	
	Credit card monthly payments	
	Other	
	Other	
	Other	
	Other	

TOTAL MONTHLY BILLS _____

÷ YOUR GROSS MONTHLY INCOME

=

YOUR DEBT-TO-INCOME RATIO



What does it mean?

0% ← 35% → 50% →

LOOKING GOOD

COULD IMPROVE

NEEDS WORK



Is it time for you to stop renting and buy?

After asking yourself these questions, do you think it's time for you to purchase your first home?

Whatever you decided, set a goal date of when you'd like to close on your first home.

Describe what you want your home to be, feel, and look like.

What is your budget for your monthly rent?

Notes:



Understanding the Home Buying Process

When purchasing your first home, it's important to know what the process is going to look like. Here's an in-depth breakdown of the home buying process:

finances

- Gather your documents
- Obtain pre-approval or proof of funds from your mortgage agent
- Get together your down-payment funds (a minimum of 5% of the purchase price is required)
- Prepare for any additional costs (closing costs are about 1%-2% of the purchase price)

search

- Preview potential properties online
- Schedule showings and view the properties you are most interested in

under contract

- Write an offer to purchase on your favorite property
- Negotiate the terms of the offer and accept the contract
- Provide deposit

due diligence/conditional period

- Conduct inspections
- Resolve/negotiate any issues from inspection
- Complete your mortgage application
- Obtain insurance quotes

closing day

- closing can happen any time between 9am and 5pm so plan accordingly
- Receive closing statement
- Your lawyer will wire your closing funds
- Closing day: Get your keys, it's all yours!

WEEK 03

Let's Talk Mortgages: Getting Pre-Approved

The very first step of the home buying process is to get a pre-approval letter from a lender stating how much you are qualified for. It's important to ask your potential lenders some questions to make sure they are a good fit for you.

Don't understand something your lender says? Stop and ask for clarification. This is your home buying journey, and you deserve to understand the process every step of the way. A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter when you're ready to buy.

Questions to Ask Potential Lenders

1. What type of loan do you recommend for me? Why? There's no one type of mortgage loan that's superior to another—but whichever you choose, you need to know why it's best and how it works.
2. Will my down payment vary based on the loan I choose? If you're tight on cash or don't want to be cash poor, let your lender know. Loans vary in their down payment requirements.
3. What is the interest rate and the annual percentage rate (APR)? Everyone talks about the interest rate, but the APR is just as important. It combines the interest rate with the fees a lender charges to originate your loan.
4. Can I lock-in an interest rate? If so, for how long? If you think rates will be moving up, ask if you can lock it in for a set period of time.
5. What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? Remember, closing costs usually run 1-2% of your loan value so you need to know how they'll be covered.



Lender Questionnaire

Use this questionnaire as you talk with and interview different lenders

Name:

Company:

Phone Number:

Email:

What type of loan do you recommend for me and why?

Will my down payment vary based on the loan I choose?

What is the interest rate and the annual percentage rate (APR)?

Can I lock-in an interest rate? If so, for how long?

What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing?

Notes:

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Searching Strategically

Before we hop into the home search, I like to advise my clients to create a "Needs" list and a "Wants" list. This will help us to really focus on the things that are most important in your future home.

Needs are the non-negotiable features; the features you simply must have in your next home. Wants are the ones you'd like to have, but you can add or change down the road.

Don't feel like your first draft has to be your final draft—and above all else, remember you can't change the lot, the location, or the price you paid so spend a good amount of time thinking through those three before moving on.

Needs might be things like:

- Enough square footage for you and your family
- Sufficient bedrooms and bathrooms
- First floor master bedroom
- Close proximity to work and school
- Attached two-car garage
- Grassy yard for children's or pet's play area

Wants will look more like:

- Specific paint or exterior color
- Pool, jacuzzi, or other exterior water feature
- Fenced-in backyard
- Specific carpet, hardwood floors, or tile
- Kitchen amenities like countertops and appliances
- Walk-in shower or double bathroom vanity in master



Home Buyer Questionnaire

This questionnaire is for you to think about what you're looking for in your home. This will help both of us to be on the same page in terms of what you're looking for.

What area are you looking to buy in?

What do you like about this/those area(s)?

How many bedrooms, bathrooms, and preferred square footage? 1 or 2 story?

Do you have children? Pets?

What's your favorite style of home?

What is the top 5 most important things in your future home?

Anything else we should keep in mind during our search?

month 1 - complete!

Congratulations, we are officially 1/3 of the way through with the 90 Days to Homeowner Challenge!

Thank you so much for allowing me to walk you through this process. Next up, we will be going over the fun part of the search: looking at homes in person! I will send you the Month 2 portion of the challenge on next month.

Remember, if you ever have any questions don't hesitate to reach out via text, call, direct message, or email! I'm always happy to help.



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