

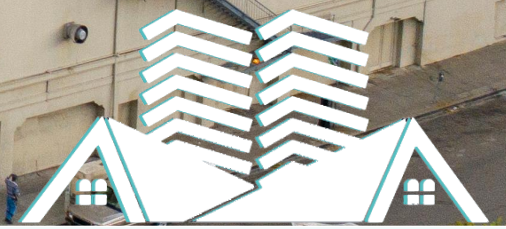
# "BECOMING THE HOMIE"

Your Step by Step Guide  
to Buying Your First Home in a Year  
(or less)



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MY REAL ESTATE PLUG



House Real Big, Yard Real Big. Fridge Real Big, Everything Real Big. Making the switch from renting to owning is exhilarating, but can be trickier than expected, especially if you're unprepared. Lucky for you, I created this step-by-step guide that'll show you how to buy your first home in a year like a real big tymer!

This 12 month timeline & checklist will help you swerve on common mistakes, like paying too much interest or getting stuck with the wrong house. (Yeah... It happens...)




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12 Months Out  
CHECK YOUR CREDIT SCORE!

You can get a copy of your credit report at [annualcreditreport.com](http://annualcreditreport.com). The three credit bureaus (Transunion, Equifax and Experian) are each required to give you a free credit report once a year. According to a Federal Trade Commission study, one-fourth of Americans had identified errors on their credit report and 5% found errors that could lead to higher rates on loans. Avoid last-minute hiccups by checking your score long before you're ready to make an offer and work diligently to correct any mistakes. (I've got a guy)

#### FIGURE OUT HOW MUCH HOUSE YOU CAN AND WANT TO AFFORD.

Lenders look for a total debt load of no more than 43% of your gross monthly income (called the debt-to-income ratio). This number includes your future mortgage and any other debts, such as a car loan, student loan, or revolving credit cards.

There are numerous calculators online to help you figure out what you can afford. If you're like Rick Ross and like to "push it to the limits," start reducing your debt-to-income ratio now. To get a reality check on what you may actually be spending every month, use this worksheet.

#### CREATE YOUR DOWN PAYMENT PLAN.

Most conventional mortgages demand a 20% down payment. If your goals are aligned, and you can make it happen, this could be a good option for you. Your loan costs will be much less, and you'll get a better interest rate. If, however, you're not able to drop that 20%, there are a bunch of programs that can help. FHA offers loans with only a 3.5% down payment, BUT they require mortgage insurance, which will increase your monthly payments. The U.S. Department of Housing and Urban Development (HUD) provides a list of nonprofit home buying programs by state. Your employer might even have an assistance program, AND you should definitely check with your credit unions. As you're planning your savings strategy, keep in mind that banks want you to "season" your money (No, not like Zatarain's). They want to see that you've had steady funds in your account for 60 to 90 days before applying for a loan. You can still use a financial gift from a family member or bonus received near the time you buy; so don't trip off that.



### 9 Months Out PRIORITIZE WHAT YOU MOST WANT IN YOUR NEW HOME.

What's most important in your new home? Being close to work? A yard real big? An open floor plan? A 3-car garage? Focusing your priorities will help you make better decisions on what home to buy. If this is a joint venture, now is the time to hash out any differences to avoid high stress and burnt time. (See what I did there?)

AND Perhaps most important: Knowing what are wants, needs and what you're willing to trade off.

### RESEARCH NEIGHBORHOODS AND START VISITING OPEN HOUSES.

Let the fun begin! You can use property-listing sites, such as MyRealEstatePlug.com or realtor.com, to find out about neighborhoods, public transportation, and expected costs of living. Start checking out open houses to get an idea of what kind of homes are in your price range and what neighborhoods are the most appealing. Seeing potential homes will also keep you motivated to continue reducing your debts and saving for your down payment.

### BUDGET FOR VARIOUS HOME BUYING EXPENSES.

Buying a home has some miscellaneous upfront costs, including but not limited to: home inspections, title searches, property surveys, and home insurance. Costs differ by location, but expect to pay at least a few hundred dollars. If you don't have it, now's a good time to get it. Start a home maintenance account. Speaking of savings, it's important to have a rainy day fund. Literally you should have an account that will take care of repairs, "unexpected maintenance" and/or rainy days (like if your roof leaks). It's bad enough to have to call a plumber (for various reasons), but it's worse to pay interest on something you're not interested in paying for in the first place.



## 6 Months Out

### THE PAPERWORK PARTY.

Banks are very particular when it comes to loaning money for mortgages. They're very needy when it comes to paperwork. What they'll want from you includes:

- W-2 forms -- or business tax return forms if you're self-employed -- for the last two to three years
- Personal tax returns for the past two to three years
- Your most recent pay stubs
- Credit card and all loan statements
- Your bank statements
- Addresses for the past five to seven years
- Brokerage account statements for the most recent two to four months
- Most recent retirement account statements, such as 401(k)

If you start getting these documents together now, it'll be a breeze when it's time to get your loan.

**FACT:** Looking closely at your loan documents each month will also help you stay focused on saving for your down payment and keeping your debt-to-income ratio low.

Now is a good time to contact My Real Estate Plug and create a strategy as well as inquire about lenders that'll best suit your needs.

Having My Real Estate Plug on board will work in your best interest to find you the right property, negotiate with the seller's agent, and guide you through the closing process. Your Real Estate Plug will be instrumental in finding a lender who's familiar with first-time homebuyer programs. Even better, look for a mortgage broker, who will shop for a competitive loan rate for you among multiple lenders, unlike a bank, which can only offer its own products.





### 3 Months Out

#### GET PRE-APPROVED FOR YOUR LOAN.

At this point, if you've been following this timeline, your credit score, paperwork, and down payment should be on track. You've done your research on lenders and have created a strategy with My Real Estate Plug. Now it's time to start putting in work. First you'll need to get pre-approved for a mortgage.

Make an appointment with your lender or mortgage broker and bring all your paperwork, or if you're savvy you can send it via secured email. They'll run a credit check on you and tell you how much of a loan you're approved for. It often makes sense to borrow less than the maximum the lender allows so you can live comfortably. Draft a budget that accounts for mortgage payments, insurance, maintenance, and everything else you have going on in your life.

Start shopping for your new home. Once you're pre-approved, My Real Estate Plug will be able to target homes that meet your priorities in your price range. This way you won't be wasting time looking at homes you can't afford.

### 2 Months Out

#### MAKE AN OFFER ON A HOME.

It usually takes about four to six weeks to close on a home. So if you have a firm move-out date, allow enough time to deal with any hiccups that can delay closing.

Get a home inspection. One of the first things you'll want to do after an offer is accepted is have a home inspector look at the property. If the home inspector finds something that needs repair, that's a common example of something that can delay closing or give you negotiating power.

**DOUBLE & TRIPLE-CHECK THAT ALL YOUR FINANCIAL DOCUMENTS ARE IN ORDER AND REVIEW ALL THE LENDERS DOCUMENTS BEFORE CLOSING.**

You're in the home stretch! If you've been keeping your documents up to date, and your down payment is in reserve, these final steps are the easiest. Reviewing the mortgage documents is probably the most difficult. My Real Estate Plug can help guide you through them.

Get insurance for your new home. Don't forget to get insurance before closing. You'll need to bring proof of insurance to the closing.

**DO A FINAL WALK-THROUGH.**

Do a final walk-through of your new home, usually a day or two before closing, to make sure the home is in the shape you and the seller have agreed upon.

Get a cashier's check or bank wire for cash needed at closing. Make sure you get an exact amount of cash needed for closing. You'll get that number a few days before closing so you can secure a cashier's check or arrange to have the money wired like it's a ransom. Regular checks aren't accepted.

Following this guide will assist you in "Becoming the Homie."

If you have any questions, comments or concerns, don't hesitate to hit us up!

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