



BUYER'S GUIDE

Lysnel Gutierrez

(773) 939-7006



Our mission is to empower agents to succeed while fostering stronger, more connected communities. We are committed to earning trust through transparency and delivering exceptional customer service. Our goal is to exceed expectations at every stage of the real estate journey, whether buying or selling. With a passion for what we do, we specialize in helping individuals and families navigate the real estate market and achieve their goals.

Buying your first home can be exciting and overwhelming all at the same time. **REALTY OF AMERICA™** offers experienced brokers who will answer your questions, address any concerns, and provide tools and resources to guide you through your buying experience.

Whether you're just starting to save or already have a house in mind, we can help you get the keys to your first home or investment property.



HOME BUYER'S STEPS



STEP 1

**MEET WITH
A REALTOR®**



STEP 2

**GET
PRE-APPROVED**



STEP 3

**VIEW
HOMES**

While an **earnest money deposit** functions as a promise to the seller, a **down payment** is a promise to the lender providing your mortgage loan. **Earnest money is a financial commitment** signaling the buyer's serious intent to purchase a home.



STEP 4

**SUBMIT
OFFER**



STEP 5

**ACCEPT
OFFER**



STEP 6

**EXECUTED
CONTRACT**



STEP 7

**5 DAY
ATTORNEY REVIEW**



STEP 8

**DELIVER
EARNEST MONEY**



HOME BUYER'S STEPS



STEP 9

**SCHEDULE
INSPECTIONS**



STEP 10

**PAY FOR
APPRAISAL**



STEP 11

**APPRAISAL
RESULTS**



STEP 12

**CHOOSE HOME
INSURANCE**



STEP 13

**CLEAR TO
CLOSE**



STEP 14

**FINAL
WALK-THROUGH**



STEP 14

**CLOSING
DAY!**



THINGS TO KEEP IN MIND

It's important to always do your due diligence before committing to any vendor or service. Ensure you fully understand what is being provided, and that all contracts, prices and services have been clearly explained.

PRIMARY COSTS

Earnest Money: An amount of money that a buyer pays upfront to demonstrate good faith and intention to complete the transaction (within 1 to 3 business days of signing a contract and in most cases 1% of the purchase price is recommended, however the amount can vary). Earnest money can go towards the buyers final cost, it can be refundable, and non-refundable.

Closing Costs: Are the total amount of fees charged to buyers/ sellers for the sale of a home. Both the buyer and the seller have a portion of responsibility towards the payment of the closing costs.

Home Inspection: An inspection is strongly recommended. Buyer may conduct any inspections they would like (at buyers expense) by Illinois licensed inspectors. Recommended to perform needed inspections within 5 business days of contract.

Appraisal: An appraisal will be requested by the lender and paid for by the buyer. Estimated cost of appraisal estimate varies on the property being purchased.

Attorney: Must have an IL licensed attorney. Estimated cost \$500 - \$750, typically due at closing (costs may vary).

LIST OF OPTIONAL INSPECTIONS

Please be aware that each inspection category requires its own licensed professional. The home inspector you choose can guide you if other inspections might be needed.

- Lead
- Radon
- Mold
- Termite/Pests
- Roof
- Home Interior
- Home Exterior
- Sewer

KEEP IT SIMPLE

Pre-approval: An estimated amount of the purchase price you qualify for.

PITI: Your max allowed monthly payment

Principal: List/Sale Price

Interest: Current rate (will vary)

Taxes: Yearly property taxes per treasurer

Insurance:

Homeowner Insurance: To protect your investment

Mortgage Insurance: Only if leaving less than 20% in down payment

Programs, rates, terms, and conditions are subject to change without notice.

LOAN APPLICATION CHECKLIST

In order to ensure that your loan transaction is completed in a timely manner, we have provided a list of items that may be needed in conjunction with your mortgage application.

REQUIRED GENERAL DOCUMENTS

Identification



Pay-stubs



W-2's



Tax Returns



Bank Statements



Investment Statements



Copy of Purchase: Your loan officer will be able to guide you on the items they will require to approve your loan.



BREAKDOWN OF CLOSING COSTS

UNDERSTANDING CLOSING COSTS

- Closing costs are the total amount of fees charged to buyers/sellers for the sale of a home.
- Both the buyer and the seller have a portion of responsibility towards the payment of the closing costs. However, at times the buyers can ask the sellers to give them a “credit” from their offer price to cover the costs of closing.

HOW DOES THIS CREDIT AFFECT YOUR OFFER?

Example:

List Price: \$300K

Down Payment: \$10,500

Closing Costs Estimated: \$9,000

Offer Price (Loan Amount): \$300,000

(-) Closing Costs \$9,000

(=) Seller Keeps \$291,000

- Your home purchase has to appraise for a minimum of \$300K or the seller will most likely ask to renegotiate the closing credits.
- If the closing credits are renegotiated to a lesser amount, you as the buyer will have to come up with the difference if needed.

BUYER'S REAL ESTATE TERMINOLOGY

APPRAISAL	A report highlighting the estimated value of the property completed by a qualified 3rd party. This is typically done for the benefit of the buyer or the buyer's lender to ensure the property is worth the purchase price.
CLOSING	When the new title to the property is officially recorded by the County Recorder's Office and ownership of the property transfer to the new buyer.
CLOSING DISCLOSURE	A form that provides the final details about the mortgage loan. It includes loan terms, projected monthly payments, and how much the extra fees will be.
COLLATERAL	Something of value (in this case your home) that is held to ensure repayment of the mortgage or loan.
COMPARABLES	Homes in the area of interest that have recently sold that have similar features.
CONTINGENCIES	Conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. If the contingency is not satisfied the contract may be canceled.
COUNTEROFFER	The response from the seller in regard to an offer.
DOWN PAYMENT	A percent of the cost of the property that is paid up front as a part of the mortgage.
EARNEST MONEY	The deposit made from the buyer to the seller when submitting an offer. This deposit is typically held in trust by a third party. Upon closing, the money will generally be applied to the down payment of closing costs.
ESCROW	This term has multiple meanings; earnest money is typically held by a third party until closing in "escrow." It can also be referred to as the time period from when the contract is written and accepted by the seller to when the home sale actually closes.
EQUITY	The difference in the market value of a home versus what is owed on the home.
HOME INSPECTION	The process in which a professional inspects the seller's home for issues that may not be readily apparent, and then creates a report for the buyer to review.
HOME PROTECTION PLAN	A one-year service that covers that cost of repairs or replacements to items covered in the plan (such as stoves, dishwashers, A/C, heater, etc...).

BUYER'S REAL ESTATE TERMINOLOGY

MORTGAGE INSURANCE (PMI)	Insurance written in connection with a mortgage loan that protects the lender in the event the borrower cannot repay their loan. This is usually not required if the borrower has 20% or more for the down payment.
MORTGAGE NOTE	A promise to pay a sum of money at a standard interest rate during a specific term that is secured by a mortgage.
MULTIPLE LISTING SERVICE (MLS)	The national list of real estate properties that are available for sale. These are the most reliable sources to receive up-to-date listing information.
PRE-APPROVAL	The process in which a lender makes an initial evaluation of how much money a buyer might be qualified to borrow based on the preliminary financial information provided. This gives the seller more confidence in the buyer's ability to close escrow, but is not a guarantee that the loan will be approved.
PRINCIPAL	The underlying amount of the loan which is actually borrowed.
PROPERTY TAXES	These are the taxes that are enforced by the city, town, county, and state government entities. Sometimes they are included in the total monthly mortgage payment paid to the lender and sometimes they are paid directly by the home owner.
REO	Real estate owned properties or foreclosed properties currently owned by the financial institution such as the bank that made the loan to the previous owner.
REVERSE MORTGAGE	This is specifically for seniors and it allows them to convert the equity in their home to cash.
SHORT SALE	A situation when the seller's lender is willing to accept as offer and allow the sale to be completed for an amount less than the mortgage amount owed by the seller.
TITLE	A legal document proving current and proper home buyer is evaluated for their financial ability to obtain and repay a loan. This normally includes a credit check and an appraisal of the property.
UNDERWRITING	The process in which the potential home buyer is evaluated for their financial ability to obtain and repay a loan. This normally includes a credit check and an appraisal of the property.
VA LOAN	Special no down payment loans that are available to Americans who have served in the Armed Forces. These loans are issued by private lenders are guaranteed by the Department of Veteran Affairs.

GENERAL QUESTIONS

FULL NAME _____

PHONE _____

EMAIL _____

ADDRESS _____

CITY _____ ST _____ ZIP _____

FAMILY SIZE: _____

PRE-SCREEN

Employment: Yes No Years of Employment: _____

Significant Other: Only required if they will be listed on loan

Employment: Yes No Years of Employment: _____

ARE YOU PRE-APPROVED: Yes No IF YES WITH WHO: _____

CURRENTLY LEASING/RENTING? Yes No WHEN DOES IS EXPIRE?
Date: _____

SIGNIFICANT OTHER _____

PHONE _____

EMAIL _____

ADDRESS _____

CITY _____ ST _____ ZIP _____

PETS: Yes No HOW MANY: _____

Do you know your credit score: Yes No Need Help

Do you know your credit score: Yes No Need Help

WHAT IS YOUR PRICE RANGE?
\$ _____ - _____

NEED TO LEAVE SOONER?
Date: _____ Reason: _____

GENERAL QUESTIONS

ABOUT YOUR FUTURE HOME

Where are you looking to buy? Area _____

School District _____

Will you need to sell a property before purchasing? Yes No On the market

Are you interested in a home that is: Move-In Ready Rehabbed Investment Property

Do you require disability accommodations or requirements? Yes No

If yes, which features? _____

of Bedrooms _____ # of Bathrooms _____ Gated Community? Yes No

Type of home?

Single Family Townhome Condo Loft/Studio Multi-Unit How many units: _____

Finished basement: Yes No Backyard: Yes No Garage: Yes No

Are there any other specific features that are not listed in this questionnaire that you would like to address?

OUR COMMITMENT

Full Disclosure & Honesty

It's my responsibility to fully disclose all important information regarding the buying process and remain realistic with any and every possible outcome.

Frequent Communications

Expect frequent communication at all times. I will acknowledge receipt of an e-mail, text message, or phone call within a few hours of receiving your message, especially during a competitive market. I will notify you about new listings, showings, complications, budgeting and earnest money.

Professionalism

Knowledge/understanding of the market to best serve your needs. As your advocate, I will be a strong negotiator to ultimately meet your home buying needs.

Availability

Buying a home takes time and devotion. As your agent I'd like to make this experience as enjoyable and successful as possible. I shall respect your time, maintain punctuality, and keep a flexible schedule as needed.

OUR COMMITMENT



Lysnel Gutierrez

Realtor®

773-939-7006

l.gutierrez@realtyofamerica.com

THANK YOU.





www.realtyofamerica.com

