



# GUIDE TO BUYING YOUR FIRST HOME

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Licensed in the Commonwealth of Virginia



# 1

### READY TO BUY A HOME

You decide and are ready to buy a home. Get an idea of certain needs and wants in a home (# of Bedrooms, Baths, layout, etc.). Its good to make a list of specific things that you would want in your home. Discuss and determine your preliminary budget; Although you may have a budget in mind it is best to determine what price range you can qualify for as well as interest rates by talking to a lender.



# 2

### GET A REAL ESTATE AGENT - CALL ME

Once you have decided that you are ready to buy a home the next step you should take is to contact an agent (that would be ME). Call me! It is best to work with someone you know and trust – if you want to see a home do not go with just any agent you find on Zillow – contact your realtor friend first! Real estate agents like myself have a wealth of knowledge and get you started in the right direction and help provide you with the necessary steps to take. Note: Buyers DO NOT pay agents commission – the commission is paid out by sellers.



# 3

### GET PRE-APPROVED

Your Realtor should know a network of preferred and trusted lenders to use (if you do not) that can help you determine what type of loan, interest rates and how much you can be approved for (buying power). There are many great loan types available for first time home buyers and some require 0% down payment. See page 6 to learn about loan options.



### 4

#### START THE SEARCH

You now have an idea of what you want in a home, you have an agent, and you have a pre-approval and budget in mind. The next step is to use your criteria and budget to search for homes. Your agent has access to all the tools that will help you search for your home (MLS, Homesnap, Zillow). We will set up email notifications as well as specific search criteria that will help us find homes that we can tour.



### 5

#### TOUR HOMES

Search, identify, tour. As your agent I will be ready to tour homes at anytime. Once we identify a home that you like and matches your criteria and budget, we can go tour any home you want. Tip: In a competitive market (like we have now) we will need to act FAST – if we find and tour a home you love we will need to be ready to submit an offer ASAP. Inventory is very limited right now and homes are on the market for a very limited time before receiving an offer.



### 6

#### BE READY TO SUBMIT AN OFFER

Find and tour homes – when you find a home you love the next step is to submit an offer (known as purchase agreement). As stated, the market is very competitive – this means that we will need to submit a very strong offer with the expectation of paying full closing costs (around 3% of purchase price.)





### 7

#### OFFER ACCEPTED

You have now submitted an offer to purchase a home. The seller and their agent will review and if the offer is accepted, you are on the final steps to becoming a homeowner. Once the offer is accepted the loan officer will get to work to push the loan through underwriting and get you loan approved. From there we will choose a title and settlement company (i.e: The Title Professionals) who will coordinate with loan officer and ensure all necessary steps are taken to get to closing.



### 8

#### CONTINGENCIES

When we submit an offer, we will most likely include certain items that we would like to cover that are “contingent” on the purchase. This includes home inspection, septic (if home is on well and septic), appraisal and termite inspection. Once we have executed on all contingencies and the lender approves your loan, we are now CLEAR TO CLOSE.



### 9

#### CLOSING

Your offer has been accepted, all contingencies has been executed, and loan has been approved – We are now clear to close. The title and settlement company will draw-up all necessary closing and settlement documents and work with lender to make sure financing is in place and approved. You will be required to sign all settlement documents, expect to pay up-to 3% closing cost, title will be transferred. Once all documents are signed you now own the home and can move in immediately. NOTE: I will pay for 1-year cost of Home Warranty if you purchase a home with me!



# 1-9

1. **READY TO BUY** – you have decided to buy a home
2. **CHOOSE AN AGENT** – choose me as your agent
3. **PRE-APPROVAL** – get loan pre-approval from lender
4. **SEARCH HOMES** – starting looking for homes
5. **TOUR HOMES** – view homes matching your criteria
6. **SUBMIT OFFER** – submit a strong purchase offers
7. **OFFER ACCEPTED** – offer is accepted
8. **CONTINGENCIES** – home inspection and appraisal
9. **CLOSING** – loan approval, title transfer, take ownership

## SOME COSTS ASSOCIATED WITH BUYING A HOME:

- **Home Inspection:** A home inspection will cost between **\$350-\$450**
- **Closing Costs:** Typically, around **3%**; in some instances, the seller will agree to pay some closing costs, but buyer should expect to pay around 3% of purchase price in closing costs.
- **Commissions:** The **buyers are not responsible** for paying the agents commissions. The seller pays out commission to both buyer and sellers' agent at closing.
- **HOA Dues/Fees:** Most homes that are located with in a subdivision/neighborhood will have homeowners association dues. These dues are attributed to common area maintenance, trash service and more. They range between **\$50-\$120/Month**
- **Moving Costs:** If you hire a moving company you will have to factor in this cost as well. Furthermore, some neighborhoods may charge a Move-In" fee - Check with your agent to see if these exist in the neighborhood you are purchasing your home.
- **Home Warranty:** An annual service contract for **\$400-\$500/yr** will typically cover basic systems like air conditioning, electrical, and plumbing, and important appliances like your refrigerator, dishwasher, washer, and dryer.

**I WILL COVER 1-Year COST OF HOME WARRANTY IF YOU BUY WITH ME**

### LOANS

### Available Home Loans and Quick Details

LOAN TYPE	DOWN PAYMENT	CREDIT SCORES
Conventional	3%-20%	620/640
VA (veterans only)	0%	620
FHA	3.5%	620/640
VHDA (first time homebuyers*)	0%	620
USDA	0%	640

### LENDERS

You should shop around with lenders to get the right fit for you. But here are a few lenders that I work with and trust.

1. **Brandon Colletti**, Movement Mortgage | (540) 842-3838
2. **Rusty Cowper**, Embrace Home Loans | (540) 842-8642
3. **Reid McKee**, George Mason Mortgage | (703) 343-3308
4. **Mike Hall**, Towne First Mortgage | (804) 852-8601

### VHDA LOANS

**VHDA programs** offer first-time home buyers some unique benefits, ranging from down payment grants to federal tax breaks.

#### Highlights

- Down payment grants available.
- Some programs allow zero down payment.
- Many loan programs are eligible for federal tax credits.

#### Eligibility

- Required credit score varies by program; lowest is 620.
- Haven't owned a home in the past three years (except in certain areas).
- Maximum income and loan limits vary by home's location.

# Guide for First Time Home Buyers

# CONTACT

HAVE ANY QUESTIONS CONTACT ME



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Patrick Baden is a real estate agent with Hometown Realty in Fredericksburg, Virginia, driven to provide the best results and overall experience for his clients. He started his career in Real Estate in 2010 working for Silver Companies, a large regional commercial developer in Fredericksburg, Virginia. During his time at Silver, he was able to learn from some of the best in the commercial real industry while helping to build, grow and mold the brokerage companies' brand and overall marketing initiatives.

In 2013 Baden became the Marketing Manager of Coldwell Banker Commercial Elite (CBCE), a Commercial Real Estate office that produced over \$200M in yearly transaction volume. As Marketing Manager with CBCE he developed and implemented unique marketing strategies, managed site selection projects with major retailers and helped close deals with small businesses to fortune 500 companies. During his time with CBCE he delivered consistently and helped increase sales production and profitability year over year. Baden furthered his career by launching his own real estate marketing and consulting company in the fall of 2017. His company, Baden Real Estate Consulting, has worked with some of the nation's top residential and commercial real estate brands to help them develop and execute strategic marketing campaigns.

As a Real Estate agent with Hometown Realty, Baden will focus on working with not only residential buyers and sellers but also businesses and owners with commercial real estate transactions. Baden is a native to Spotsylvania County, VA and has exponential knowledge of the local area and prides himself as a real estate market knowledge leader in the area. My focus as a real estate agent is to not only produce results but to ensure that my clients are making the best decision for their future.