

your **G**UIDE  
to Buying  
A home



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**#1** PROPERTIES

# congratulations!

*Buying a home is one of the biggest investments and financial decisions you can make. While it is a major commitment and responsibility, it's also a very exciting time in your life. I'm proud that I will get to play a part in it, and am excited about soon having the privilege of handing you the keys to your new home!*

*With that said, it's important to keep in mind that home-buying is a complicated process. I will be working hard to make sure that everything is as rewarding as possible, guiding you at every step and making sure that your needs and desires are met.*

*This guide was designed to inform you about all steps of the home-buying process so that you can feel confident, make informed decisions, and act as an educated buyer. It will also help both me and you understand the things that you're looking for in a home, so that our search can be as easy as possible.*

*Please take some time to review carefully all of the information presented here. If you have any questions about the topics discussed, I will be glad to go over them in detail. Since every real estate transaction is unique, you will most likely have questions or concerns not presented here. That's why I'm here – to assist you at each step, to answer your questions, and help you find the home you really want!*

## table of contents

- Step 1: Choose a Buyers Agent**
- Step 2: Preliminary Finance Concerns**
- Step 3: Which Home is the Right Home?**
- Step 4: Let the Search Begin!**
- Step 5: Making an Offer**
- Step 6: Getting to the Finish Line**

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# choose a buyer's agent

## STEP 1

**Q: What will you do for me?**

- A:
- Simplify the buying process
  - Represent you, the buyer
  - Find you the right property... including listings that have not hit the market yet
  - Tour properties that best match the criteria you have chosen
  - Share evaluation of properties
  - Listen to your feedback and fine-tune the search process accordingly
  - Work with your current mortgage lender, or recommend a trustworthy and knowledgeable lender for your unique financing needs
  - Negotiate the terms of your purchase
  - Communicate and walk you through the entire process, all the way through closing

**Q: What properties can you show me?**

- A:
- Any advertised property
  - Properties for sale by owner
  - Homes not yet advertised as available for sale
  - Existing homes
  - New construction
  - Acreage
  - Vacant lots
  - Investment properties
  - Commercial properties
  - Farm and ranch property

**Q: How much does it cost to hire you as my buyer's agent?**

A: Nothing! Commission is paid by the seller at the time of closing.

**Q: What do your past clients have to say about you?**

A: "Our REALTOR® really understood what we wanted, and put up with all our emails and questions. She was able to help us understand the things we didn't know, and really helped us make a decision that was right for us based on all the facts. We appreciate everything that was done for us throughout this process, including late-evening house hunting!" ~Kenneth B. & Jennifer G.

*See more testimonials at [www.mistiwoods.com](http://www.mistiwoods.com)!*

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# preliminary finance concerns

## STEP 2

Most home-buyers find that they need to finance at least part of their home purchase. You'll need to review your personal financial situation and make an informed estimate of your true purchasing power.

Your purchasing power will depend on:

- Your income
- Your credit rating
- Your monthly expenses
- Your down payment
- Available interest rate

*Below is a monthly payment table you can use to estimate mortgage payments based on the amount of the mortgage and the interest rate. The payments are for a 30-year mortgage and do not include taxes or insurance.*

PAYMENT TABLE					
\$'s Borrowed	4%	5%	6%	7%	8%
\$50,000	\$239	\$268	\$300	\$333	\$367
\$100,000	\$477	\$537	\$600	\$665	\$734
\$150,000	\$716	\$805	\$899	\$998	\$1101
\$200,000	\$955	\$1074	\$1199	\$1331	\$1468
\$250,000	\$1194	\$1342	\$1499	\$1663	\$1834
\$300,000	\$1432	\$1610	\$1799	\$1996	\$2201
\$350,000	\$1671	\$1879	\$2098	\$2329	\$2568
\$400,000	\$1910	\$2147	\$2398	\$2661	\$2935
\$450,000	\$2148	\$2416	\$2698	\$2994	\$3302
\$500,000	\$2387	\$2684	\$2998	\$3327	\$3669

*\*This mortgage calculation serves only as a guide. Consult your financial institution for exact calculation.*

Once you've made a rough estimate of how much home you can afford, it's time to see a lender. Your lending institution will ask you to give a complete profile of your financial situation. In addition to your income, your existing debts and assets will determine how much money you can borrow.

Below you'll find a list of documents – regarding your financial situation – that you may be required to produce when you speak to a lender. It is a good idea to gather these things now and have them on hand. You will need to provide this information for all primary and co-borrowers.

- Social Security Number
- W2 Forms from the previous two years
- Pay Stubs (most recent months)
- Employment History Summary
- Bank Statements (Checking and Savings)
- Creditor Information including:
  - Student Loans
  - Auto Loans
  - Credit Cards
  - Child Support
- Federal Tax Returns (past 2 years)
- Complete Record of Assets
  - Stocks, bonds, investment accounts
  - IRA / Retirement plan
  - Life insurance policies
  - Automobiles owned
  - Construction loan
  - Gift letters
  - Documentation of other income

After looking at this information for yourself, it's time to speak to a qualified lender. A professional advisor will not only be able to give you information on the best rates and terms available in the current market, but he or she can also explain to you what options you have given your unique financial situation.

Talking to a lender at this time will help you get a more accurate idea of what you can afford. When we begin to look seriously at homes you'll go back to the lender and shop around for the best loan available. If you're still looking for a qualified and experienced lending professional, I can provide you with a list of lenders that are highly recommended by most of my clients.

## what not to do

There are a few actions that you can take that will negatively affect your credit score, and therefore your home-purchasing power. If at all possible, you should avoid making a major purchase or changing your job if you're seriously considering buying a home in the next few months.

# which home is the right home?

## STEP 3

I've made a commitment to help you find a home that suits your wants and needs, so now it's time for you to articulate exactly what those wants and needs are. By sitting down and considering the kinds of things you're really looking for, you can save a lot of time and frustration by avoiding houses that aren't for you.

### *What are you looking for?*

#### HOME TYPE

- Single Family
- Investment
- Condominium/Townhome
- Multi-Family Home
- New Construction
- Existing Home
- Ranch
- Bi-Level
- Two-Story

#### EXTERIOR FEATURES

- Large Yard
- Small Yard
- Fenced Yard
- Garage
- Car-Port
- Patio/Deck
- RV/Boat Parking

#### LOCATION

- Rural
- In-Town

#### INTERIOR FEATURES

- Air Conditioning
- Carpeted Floors
- Hardwood Floors
- Tiled Floors
- Walk-in Closets
- Extensive Cabinet/Counter Space
- Home Theater
- Fireplace
- Basement
- Office Space
- Master Bath
- Minimum Bedrooms \_\_\_\_\_
- Minimum Bathrooms \_\_\_\_\_

*Now that you know what features the "right home" should have, you can move on to Step 4...*

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# Let the search begin!

## STEP 4

Home shopping can be both exciting and exhausting, but doing some preparation – before you hit the street to look at homes – will help out tremendously.

Chances are, you've already started your search online. Please be sure to let me know about the properties you already have interest in. This will help us narrow down the search to homes with similar features that are important to you. In addition to the sites that you've already visited, I recommend looking at the following sites as well:

[www.mistiewoods.com](http://www.mistiewoods.com)

[www.cheyennehomes.com](http://www.cheyennehomes.com)

[www.realtor.com](http://www.realtor.com)

[www.trulia.com](http://www.trulia.com)

I also have virtual tours of many properties on Facebook, so you can also look there.



If you find a listing online that interests you, please email it to me at [MistieWoods@CheyenneHomes.com](mailto:MistieWoods@CheyenneHomes.com).

Not only will I arrange a showing time for us to view the property, I will also search the MLS for similar properties so you can look at other homes like the ones you've found.

Here are some great tips to keep in mind when you're home shopping:

- Don't view too many properties in one day
- Bring a notebook, pen and a digital camera with you as you search
- Keep a folder with flyers or print-outs on properties you've viewed
- When you find a property you like, visit it at different times of the day
- Don't be put off by interior decorations – they can and will be changed

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When you've found a home that you want to own, it's time to make an offer. As your buyer's agent, I will produce the necessary documents, presenting your offering price and any contingencies, to the seller.

Some things to think about prior to writing your offer:

- Purchase price?
- If you are asking Seller to pay closing costs, how much?
- Amount you are asking Seller pay for in repairs?
- Closing and possession date?
- Amount of money you are giving for earnest money?

You'll want to review this document carefully and make sure it states your terms exactly. I will go over the offer with you and answer any questions or concerns that you may have. If the offer is accepted by a seller, this contract will become a legally binding agreement.

In addition to an offer contract, you will need to provide earnest money as well as a letter from your lender indicating your qualification to purchase.

Earnest money is simply a "good faith" deposit showing that you are serious about purchasing the home. Earnest money typically equals between 1% and 3% of the property purchase price or less. You will not be at risk of losing your earnest money as long as you do not default on your contract. The amount will be credited back to you at closing.

After you've made your offer, the Seller will be able to:

- Accept your offer
- Reject your offer
- Execute a counter offer

Typical counter offers include (but are not limited to):

- Purchase price
- Closing date
- Possession date
- Inclusions

When you make an offer on a house, you should be prepared for the negotiations to possibly go back and forth several times before both parties agree to the terms. You might also have to compete with other interested buyers in certain market conditions.

When an agreement is reached on all issues, and both the seller and you – as the buyer – have signed the offer, you are both under a legally binding contract.

### things to keep in mind

As a buyer, you will be in a better negotiating position if:

- You have been pre-approved for a mortgage
- You are not selling a house at the same time
- You have not loaded your offer with contingencies

# getting to the finish line

## STEP 6

Your offer is accepted! Now it's time to get to work. Before we can close on the purchase of your new home, we need to take a few more steps to make sure the purchase is a sound decision.

### Home Inspection

As the buyer, you have the opportunity to hire professional inspectors to evaluate the condition of the home. An inspection clause is included in the written contract given to the seller. The goal of a home inspection is to give you an objective, independent and comprehensive analysis of the physical condition of your potential new home and check for any safety issues that might otherwise be overlooked.

A professional inspector will check on the structure, construction and mechanical systems of the home. This usually includes checking the following items;

- Electrical systems
- Plumbing and waste
- Disposal
- Water heater
- Insulation
- Ventilation
- HVAC system
- Water source and quality
- Waste disposal
- Pests
- Foundation
- Doors
- Windows
- Ceilings
- Walls
- Floors
- Roof
- Radon gas
- Asbestos
- Lead paint

You will receive a written report of the inspection and an estimate of the cost of any and all repairs. If you choose to be present during the inspection, you can ask your inspector about unique features of the property and get his or her opinion on the necessary maintenance for each different area.

Depending on the results of the inspection, you will have the opportunity to:

- Get out of the written offer if major problems are discovered
- Renegotiate the purchase price to account for necessary repairs
- Negotiate that repairs are made by the seller before final purchase of the property

I will be happy to provide you with a list of inspectors in our area, that includes the charges associated with each type of inspection.

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## CLEARING THE HOME TITLE

Simply explained, “Title” is the right to own, possess, use control and dispose of property. When you buy a home, you are actually purchasing the seller’s title to the home. A deed is the written legal evidence that the seller has conveyed his or her ownership rights to you.

Before the closing meeting when the actual transfer of ownership occurs, an attorney or title specialist generally conducts a title examination. The purpose of the title examination is to discover any problems that might prevent you from getting clear title to the home. Generally, title problems can be cleared up before settlement but, in some cases, severe title problems can delay settlement, or even cause you to consider voiding your contract with the seller.

Some “clouds on title” can be corrected relatively easily, while others can become quite complicated to remove. You should insist on being kept informed of every step in the title examination process. If title problems are uncovered, it is important for you to understand your legal rights.

## TITLE INSURANCE

Title insurance is the best way to protect yourself against title defects that have occurred in the past, which may not appear until after you’ve taken ownership of the property. Before a title insurance policy is issued, a title report is prepared, based on a search of the public records. This report gives a description of the property, along with any title defects, liens, or encumbrances discovered in the course of the title search. It is different than casualty insurance in that you pay a one-time fee and it protects against past (as opposed to future) events. The title fee will be included in your closing costs.

Title insurance will protect you against title defects that were not discovered in the course of the title search. If such a defect were discovered later, your title insurance would cover you. If title problems are severe enough and not covered by insurance, you could actually lose your house. A title insurance policy protects you and your heirs against title defects for as long as you own your home.

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## ORDER AN APPRAISAL

In Wyoming, appraisals are ordered by the lending institution.

An appraisal is an estimate of the value of a property, made by a qualified professional. The appraisal of your prospective home is as important as your credit history in obtaining a mortgage. After all, the property you are purchasing serves as the collateral for the loan.

Although the primary goal of the appraisal is to justify the lender's investment, it also protects you from over-paying. Your lender will generally hire the appraiser and will charge you, the buyer, a fee for the service. This fee will also be included in your closing costs.

If the appraisal falls short of the amount you wish to borrow, you may be refused a mortgage or offered a smaller amount on the mortgage. Your offer contract will be contingent on whether the appraisal comes in at or above the purchase price that you and the seller have agreed upon.

## CLOSING

All the preparation is complete... Now it's time for closing! Closing is the legal transfer of ownership of the home from seller to buyer. It is a formal meeting that most parties involved in the transaction will attend. Closing procedures are usually held at the title company. Your closing officer will coordinate the signing of documents, as well as the collection and disbursement of funds.

In order to ensure a smooth closing, you will need to:

- Obtain homeowner's insurance and provide the policy information to your lender or closing agent.
- Review the Settlement Statement or HUD-1 that your lender or closing agent will provide you a couple of days prior to closing. These documents will contain a detailed description of all costs associated with the transaction, including the exact dollar amount you will need to bring to closing.
- Verify with your lender/closing agent any other items that you need to bring with you. Examples are valid driver license and/or other forms of identification.
- Conduct a walk-through of the property prior to closing. This will give you an opportunity to see that the condition of the house is the same as it was at the time of contact. Additionally, you will be able to ensure that any repairs agreed to by the seller, based on the inspection, have been completed.

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### CONTACT INFORMATION

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### PROFESSIONAL EXPERIENCE

Real Estate Agent, #1 Properties Real Estate (Cheyenne, WY)  
Real Estate Agent, Prudential Cheyenne Real Estate (Cheyenne, WY)  
Office Manager and Secretary for Law Firm (Mesa, Arizona)

### PROFESSIONAL TRAINING

Licensed Real Estate Sales Associate in Wyoming  
Paralegal Professional in Arizona

### PROFESSIONAL DESIGNATIONS

REALTOR®  
eCertified  
Certified Home Marketing Specialist  
Currently working on Certified Residential Specialist Designation

### PROFESSIONAL AFFILIATIONS

Cheyenne Board of REALTORS®  
Cheyenne Multiple Listing Service  
Wyoming Association of REALTORS®  
National Association of REALTORS®

### EDUCATION

Mesa Community College (Arizona) Associate Degree in Business  
Arizona State University Bachelor of Business Administration; Small Business Mgmt

