A BUYER'S GUIDE TO THE FUNDAMENTALS

How Buying Actually Works

The process, the pressure, and the protections, explained plainly.

Donald Beamon

Real Estate Agent · DRE 02285343
Golden Eagle Properties · DRE 01896949
GoBeamon.com · 619-206-9529

The decision is yours.
My job is to make sure it is informed.

If you are already working with a real estate professional, please disregard this.

HOW THIS BOOK IS BUILT

Seven Stages.
One Sequence.

This book explains how buying a home actually works in California. Not the brochure version. The real sequence, from the first money conversation to the day the deed records with your name on it.

A buyer holds the most exposed seat in the deal. You are bringing the money, carrying the loan, and taking on the condition and history of a house other people know better than you do. The other side of the table often believes it runs the transaction. This book has one job: show you the game and the protections, stage by stage, so nothing that happens comes as a surprise.

TRUTH — MONEY — THE FIELD — OFFER — THE WAR — ESCROW — CLOSE

The sequence this book follows. Every page belongs to one of these stages.

> WHAT YOU WON'T FIND IN THIS BOOK
>
> Gimmicks, scripts, or a sales pitch. The one page about how I work is near the end, clearly labeled and easy to skip.

The Blunt Truth

Buying goes best for people willing to hear three facts up front. None of them are meant to discourage you. All of them are protective.

The other side is playing a game, and playing it well.
The listing agent's duty runs to the seller. Negotiation is their daily work, and in a hot market many will tell you the terms out loud: their way, or no house. That does not make them villains. It makes them the other team, and the other team usually assumes your side does not know a game is being played. Knowing it is the first protection.

Emotion is the most expensive thing in a purchase.
Falling hard for a house, or panic-shopping after losing a few bidding wars, produces the same result: paying tomorrow's price for today's home. The market can smell both. Every protection in this book works better on a buyer who decided in advance what they will do and what they will not.

The listing is marketing.
Photos, staging, and descriptions are the seller's best case, built on purpose, and the portal estimate under them was generated by software that never walked the home. Condition is discovered through inspection. Value is discovered through comparable sales. Believe those two, not the listing.

> Every risk named in this book comes with a protection built into the process. Knowing the protection is free, and this book gives you all of them. Having someone enforce them at the table is what buyer representation is actually for.

Every Risk Has A Protection

That is the quiet promise of this whole book. For every place a buyer can get hurt, the process already contains a way to protect yourself.

Knowing the protection is free, and this book hands you all of them. What you cannot get from a book is someone standing at the table making sure each one is actually used, on time, in your favor. That is what buyer representation is for.

So read these pages to understand the game. Understand the game well enough, and two things happen. You stop being surprised, and you start making decisions from information instead of pressure. A calm, informed buyer is the hardest person at the table to push around.

> Everything ahead is built on one idea: you should never learn something important about your own purchase at the moment it is too late to do anything about it. Early beats late, every single time.

"A calm, informed buyer is the hardest person at the table to push around."

Money First

The first place buyers get hurt is money they didn’t understand. So the search starts at the lender, not the listings.

What you qualify for and what you should spend are two different numbers.
A lender approves a ceiling based on math. Your budget comes from your life: the payment you can carry comfortably after the moving boxes are gone. Set the budget before you see a single house, because it is the one protection emotion will attack first.

A real pre-approval is a strong position.
A pre-qualification is a conversation. A pre-approval is verified documents and a real number, and it is what most strong buyers shop with. It tells sellers your financing is real. Some buyers go a step further and get fully underwritten before choosing a home, which is still uncommon, so if you have a solid pre-approval, you are not behind. You are ready. Ready beats eager.

Rates make headlines. Payments pay the mortgage.
Rates move weekly and get the attention. Your monthly payment, taxes and insurance included, is the number that lives with you for years. Shop the payment, not the headline. And know that the loan stays alive until closing. A later page covers protecting it.

Loan Types Are Mechanics

Conventional, FHA, VA, cash. Each has its own down payment rules, credit thresholds, and closing rhythm, and those thresholds move. None is automatically better. The right one fits your money and your plans, and a good lender maps you to it in one conversation.

Low down payment does not mean low cash at the table.
This is where buyers get surprised. A low or zero down payment sets what you finance, not what you need in hand on closing day. Your deposit, closing costs, and prepaids are still real cash, and some loan programs carry their own upfront fees on top.

> **IF YOU ARE USING A VA LOAN**
> Zero down does not mean zero at the table. VA loans carry a one-time funding fee, often around 2 percent of the loan, and some veterans with a service-connected disability are exempt. Ask your lender what it comes to for your situation, and whether you are paying it at closing or rolling it into the loan. That one question saves a closing-day surprise.

The takeaway.
Before you fall for a house, have your lender walk you through your actual cash to close, in dollars, for the loan you are using. Not the down payment alone. The whole number.

What Buying Actually Costs

The purchase price is the headline. Your cash to close is the story. Every pile below is money you need liquid and ready, not money you plan to move from a retirement account the week of closing.

EARNEST MONEY
Your good-faith deposit, wired to escrow days after acceptance. Commonly 1 to 3 percent. It credits toward your down payment, it does not add to it.

DOWN PAYMENT
Set by your loan type, from zero on some loans to more on others. Due at closing, and your earnest money counts toward it.

CLOSING COSTS
Lender fees, escrow, title, plus prepaids: first-year insurance and a few months of taxes and insurance held in reserve. Often 1 to 6 percent on top of the price.

Paid along the way, win or lose.
Inspections and the appraisal are ordered during escrow and paid when ordered, typically a few hundred dollars each. If the deal dies afterward, that money is spent. The next page explains why that is one of the smartest dollars you will spend, not a loss.

Your own agent’s compensation
Buyer representation is agreed in writing, and the amount is negotiable. In many deals the seller's side covers some or all of it. In some it falls to you. If it comes from your pocket, be clear on what you are buying: not door-unlocking, but pricing truth before you offer, a negotiator across from a professional negotiator, and someone whose only job is you.

Come To The Table Strong

A common mistake: a buyer hears "low down" or "zero down," and shows up with exactly that and nothing behind it. Coming strong is not about spending more. It is about arriving prepared enough to be taken seriously, and to walk if the deal is not fair.

What an earnest money deposit actually is.
The **earnest money deposit**, also called the **good faith deposit** (your lender or escrow officer may use either name), is money you wire to escrow shortly after your offer is accepted. It is not a fee and not extra money. It credits toward your down payment at closing. What it does is tell the seller you are serious, because it is your own cash sitting in escrow while the deal comes together.

Three percent is the strong-buyer standard.
One percent can work. Three percent of the purchase price reads stronger, and in competition it separates you from buyers who bring the minimum. Keep it separate in your head from your down payment. The deposit is your good-faith money up front. The down payment, whatever your loan requires, is what you bring at closing. Two different commitments, and a strong buyer plans for both.

Proof of funds, ready and visible.
Sellers want to see that the money behind your offer is real and reachable. Having proof of funds ready to send, alongside your pre-approval, removes the biggest question a seller has about you. It costs nothing and makes your offer easier to say yes to.

What Strong Really Buys

All of that preparation adds up to one thing that matters more than any single dollar: leverage.

A prepared buyer can credibly walk away, and that willingness is the whole leverage. It is not about bullying a seller or winning for its own sake. It is about being able to insist on a fair deal, and meaning it.

Remember what you are actually doing here. You are taking on this home, its condition, and its history for the long haul. The seller is moving on. You are the one who lives with the roof, the foundation, and every decision made about this house before you owned it. That is reason enough to come strong and hold a fair line.

> **ONE MORE THING ABOUT THIS**
> A cross-qualification request is now common: the seller may ask that their preferred lender verify your financing before accepting, or on the first counter. It usually asks little or nothing extra from you and is a normal part of many deals, not a red flag. Knowing it is coming keeps it from feeling like a hurdle.

> **AND THIS IS MY JOB**
> I am a protector before I am a door opener. Any agent can unlock a house. The job is protecting your money, your deposit, and your position from the first conversation to the day it records.

“Walking power is not a threat. It is just the freedom to insist on fair.”

Inspection Money Is Insurance

Set aside some money you are prepared to lose on inspections. Not because you expect to, but because the buyers who plan for it never get cornered into a bad decision. Think of it like an insurance premium: a small, known cost that protects you from a large, unknown one.

When a problem shows up, you have options.
During escrow you pay for inspections out of pocket: a general home inspection, and often termite or sewer depending on the home. If something real turns up, this is a negotiation, not a dead end. The common fixes are a reduction in price, a credit or concession toward your costs, or the seller having it repaired by a qualified contractor before close. Any of those can make the deal right.

Sometimes the answer is to walk.
If the problem is serious, the seller will not reduce, credit, or repair, and you decide the home is not worth it on those terms, you walk. Your protections return your earnest money deposit. The few hundred dollars you spent on inspections is gone. That is not a loss. That is the system working.

A worked example.
Say you spend about 600 dollars on a home and sewer inspection. The sewer line is collapsing, a 9,000 dollar repair or more. The seller will not reduce, credit, or fix it. You walk, out 600 dollars, and you just avoided inheriting a 9,000 dollar problem, or discovering it yourself a year after closing when it is entirely your bill.

> **HOW MUCH TO SET ASIDE**
> I suggest setting aside some extra money for inspections. It does two things: it makes you more willing to walk away from a bad deal, and it keeps you financially ready to offer on the next home right away. A colleague's buyers once walked when an inspection came back bad and the seller would not help, then had nothing left for inspections on other homes. They stepped out of buying for two years. Not because of a few hundred dollars, but because once you quit, the motivation and momentum are hard to get back. Staying in the game is how you avoid that story.

Who Works For Whom

Everywhere you will walk during a home search, someone is working for someone. Knowing who is who protects you before you say a word.

Your side.
A buyer's agent owes their duty to you: pricing opinions, condition red flags, negotiation, and paperwork all run for your benefit. That relationship is agreed in writing before touring, which is normal now, and the terms are negotiable.

At an open house.
The agent greeting you works for the seller. Be polite, be curious, and be careful what you volunteer. Your timeline, your budget, and how much you love the place are negotiation information, and it flows one direction.

At a new construction sales office.
The friendly staff work for the builder, and many builders decide whether you can bring your own representation based on your first visit and how you registered. If you want your own agent at a new build, that happens before you walk in, not after.

With a for sale by owner.
The seller is unrepresented, so nobody is producing the disclosures, timelines, and paperwork unless someone is brought in to do it. It can still be a good buy. It just is not a casual one.

“Know whose side everyone is on before you say very much.”

Writing an Offer

Sellers read offers the way lenders read applications: for certainty. An offer is six commitments moving together.

Part	What It Means
Price	The headline. Set by comparable sales and competition, not the asking price or an estimate.
Financing	Your loan type and proof. Some sellers screen by it. A strategy problem with answers, not a verdict on you.
Deposit	Your skin in the game. Bigger reads stronger. Its safety depends on your contingencies.
Contingencies	Your protections and exits. Fewer and shorter reads stronger to a seller, and costs you cover.
Timeline	How fast you can close. Speed is currency when the seller wants it. So is flexibility when they need time.
Terms	Everything else: what stays, rent back, who pays what. Small levers that win ties.

In competition, certainty wins.
When a seller has options, the winning offer is usually the one most likely to actually close, not always the biggest number. What you emphasize depends on your goal: a long hold, a tight budget, a must-have school boundary, a fast relocation. There is no universal script.

The Bidding War

A bidding war is a psychological game before it is a financial one. Offer deadlines, requests for highest and best, mentions of other buyers, urgency built by design. The pressure has a purpose: get you to make your next decision faster and more emotionally than your last one.

Decide which war you're in before you offer.
There are two modes, and the mode is chosen calmly, in advance. Never in the middle of the war.

THE VALUE BUY

The home is right at the right number, and only at the right number. You bid to the value and stay genuinely willing to walk. Walking power is the entire leverage. There will be another house.

THE MUST-HAVE

The home is the one. The game shifts from price to certainty: clean terms, verified money, smart speed. Win without overpaying excessively, and know exactly what winning costs before choosing it.

Your budget is armor here.
Losing a home stings for a week. Overpaying, or settling for the wrong one because the last three slipped away, stings for years. The budget and walk-away number you set before you ever started looking, before emotion showed up, are what keep a hard week from becoming a long regret.

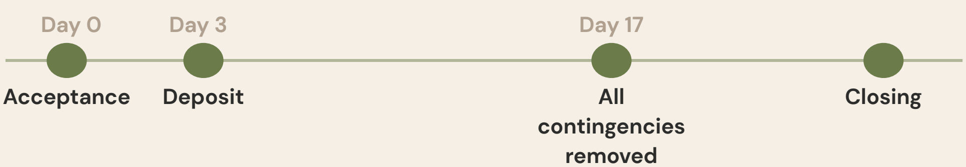
> *"A buyer who knows the game is being played has already changed it."*

WHAT CONTINGENCIES DO

Protection, Built In

Contingencies are the contract's built-in protections: conditions that let you exit with your earnest money deposit if something real goes wrong. They are also negotiation leverage.

- **Inspection.** Discover the home's true condition and respond: request a price reduction, a credit, a seller repair, or walk.
- **Appraisal.** If the home appraises under the price, this protects your loan math and reopens the conversation.
- **Loan.** If final approval fails despite good faith, you exit with your deposit.
- **Insurance.** Confirms the home can be insured at a livable premium. In parts of California, no longer a formality.
- **HOA documents.** Time to read the rules and finances you would be marrying.
- **Title.** The ownership history and anything attached to the property, reviewed before it becomes yours.



California default timelines, counted from acceptance. Every one is negotiable, and in competitive offers often shortened.

Removing or shortening contingencies makes an offer stronger by spending protection to buy competitiveness. Sometimes that is the right trade. It should never be a casual one. Once protections are removed, your deposit is increasingly exposed.

> “*A protection you don’t understand is a protection you don’t have.*”

Escrow, Round Two

An accepted offer opens escrow. It doesn’t end the game, and it doesn’t put your loan on autopilot.

Inspection results come in three buckets.
Expected wear, real problems worth negotiating, and walk-away findings. On the real problems, the answers are the same as before: a price reduction, a credit, or a seller repair by a qualified contractor. Not every flaw is a negotiation, and not every negotiation is worth the house. Match the response to the bucket, not the emotion.

A low appraisal reopens the math.
The options run from a price reduction, to bridging the gap in cash, to a mix. Which is right depends on the market, the home, and your budget. It is a conversation, not a crisis.

Pressure can continue after acceptance.
In a hot market, some sellers negotiate inside escrow like the backup offer is parked in the driveway: pushing to shorten protections, waive repairs, or hurry removals. Stay calm. While your contingencies are alive, that pressure is noise, and noise is never a reason to hand back protection.

Keep Your Loan Alive

The lender keeps verifying until the end. Conditions, documents, and employment checks come days before closing. Slow responses stall escrows. Fast ones keep your leverage and your closing date.

WHILE YOUR LOAN IS ALIVE: DO

- Pay everything on time
- Answer lender requests same day
- Keep money where it sits, with a paper trail

WHILE YOUR LOAN IS ALIVE: DON'T

- Open or close credit, or finance anything
- Move large unexplained deposits
- Change jobs without telling your lender first

None of this is complicated. It is just easy to forget in the excitement of buying a home, and a single wrong move here can delay or sink a loan that was otherwise fine. When in doubt before you do anything with money or credit, ask your lender first. That one habit protects the whole deal.

> The dangerous problems in escrow are almost always the quiet ones. Caught early, most are survivable. That is why you hear from me before each stage, not after.

Closed Means Recorded

The finish line has steps, and the order matters.

Final walkthrough
Days before closing you walk the home to confirm it is in the condition you agreed to buy: repairs done, included items present, nothing new gone wrong. This is verification, not a second inspection.

Signing
You sign loan and escrow documents with a notary a few days out. Signing is not closing. Nothing has transferred yet.

Funding, then recording
Your lender funds, then the county records the deed. Recording is the legal moment the home becomes yours. Nobody hands over keys on a home that has not recorded, and you should not want them to.

Keys and possession
Transfer happens per the contract: often at recording, sometimes later if the seller needs days to move, occasionally earlier if the home sits empty. Either way, it was set back at the offer, on purpose.

Your file
A purchase generates a stack of disclosures, reports, and signatures. Keep a complete copy. Taxes, insurance, remodels, and the eventual sale will all ask questions your file answers.

Before You Offer

Everything in the last several pages, turned into a list. Walk through it before you write on a single home.

Money & Readiness

- ☐ My budget is set by the payment I can carry, not just the ceiling I qualify for
- ☐ I have a real pre-approval, with verified documents
- ☐ I know my full cash to close in dollars, not just my down payment
- ☐ My earnest money is ready to wire, and I know 3 percent reads strongest
- ☐ My proof of funds is ready to send alongside my pre-approval
- ☐ I have money set aside I am prepared to spend and lose on inspections

Strategy & Position

- ☐ I know the difference between my deposit and my down payment
- ☐ I know the difference between a value buy and a must-have, and I will choose my mode with clear eyes
- ☐ I understand my six offer levers, not just the price
- ☐ I understand how each contingency protects me and what it costs to shorten one

Mindset

- ☐ I am prepared to walk if the deal is not fair, and I know that is my leverage
- ☐ I remember I am taking on this home for the long haul while the seller moves on

How I Work

A short true story, details blurred. A buyer of mine found a home she loved and was ready to pay for it. The problem was the number and the terms: overpriced, with fine print quietly shifting the seller's costs onto her. I laid it out plainly. Wrong price, wrong terms, and here is exactly what saying yes would cost you. We offered where the value actually was. The other side kept pushing the price up, so we walked.

Three days later a different home came up, and this one was the one. We switched from bidding on value to winning on certainty: clean terms, verified money, smart speed. We got it, with everything that mattered to her protected. The first home was still sitting on the market the day she closed on the better one. The touring was never the job. The read on that first home, and the discipline to walk, was.

You are shopping for your long-term home. My job is the deal.
You will hear my honest read, even when it is not the fun one. If you hear me out and still want the home, we go get it, and that is completely fine, because the decision was informed. You make the call. I make sure it is an informed one.

That read is not a guarantee. Before each stage I tell you what I expect, so little feels like an ambush, but a purchase has moving parts. If it goes differently, I did not misread it. If it goes as I said, I am not a fortune teller. Either way, you have an agent thinking ahead and working your side. And you reach me directly. My phone, my email, me. No layers.

If I am not delivering, you can leave.
I do not trap people in agreements. You stay because the work is good, and for no other reason.

“Fundamentals, done properly, with someone on your side of the table.”

Ready When You Are.

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If you want help, you know where to find me.

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