HOME *Buyer's* GUIDE



TAYLOR HERITAGE HOMES

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BUYER'S GUIDE

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THE HOME BUYING PROCESS

Steps to Finding Your Dream Home



Where to Start

- DETERMINE HOW MUCH YOU CAN SPEND
- SAVE FOR A DOWN PAYMENT
- CHECK YOUR CREDIT
- GET PRE-APPROVED FOR A HOME LOAN

BUT FIRST, GET PRE-APPROVED!

Be Ready to Make an Offer

House shopping is an exciting time!

Get pre-approved for a loan first so you can be ready to make an offer when you find a home you love.

PRE-QUALIFIED VS PRE-APPROVED

Pre-Qualified

In order to be pre-qualified, a lender may or may not check your credit score and won't require documentation, only going off what you tell them. This will give you an idea of what you could qualify for, but when you're serious about buying, you'll need to get pre-approved.

VS

Pre-Approved

To be pre-approved, the lender will pull your credit and ask you for documentation to verify your finances. Before making an offer on a house, it is best to get pre-approved to show sellers your offer is serious and that a lender has already approved you for enough money to purchase the home.

MORTGAGE GUIDE

Understanding Your Loan Options

Not all mortgages work the same way, and the right loan for you depends on your credit profile, savings, and goals. Here's an overview of the main categories so you can have an informed conversation with your lender.

CONVENTIONAL LOAN

The most common type of mortgage, conventional loans, isn't backed by a government agency. They generally come with lower overall costs than government-backed options, but typically require a stronger credit profile and more established finances to qualify. Down payments can start as low as 3% for qualifying first-time buyers, though putting down 20% avoids private mortgage insurance (PMI), an added monthly cost required on conventional loans with a lower down payment.

GOVERNMENT-BACKED LOANS

FHA LOAN

Insured by the Federal Housing Administration, FHA loans are designed to make homeownership more accessible to buyers with lower credit scores or limited savings for a down payment. Down payments start as low as 3.5%.

VA LOAN

Guaranteed by the U.S. Department of Veterans Affairs, VA loans are available to eligible veterans, active-duty service members, and surviving spouses. No down payment required for eligible veterans and service members, with no cap on loan amount for those with full entitlement, making VA financing a real option even for high-value homes.

USDA LOAN

Backed by the U.S. Department of Agriculture, USDA loans support homeownership in eligible rural and suburban areas but does have income limits. No down payment required in eligible areas.

Disclaimer: Loan types, down payment minimums, and figures shown are general guidelines only and are subject to change. Taylor Heritage Homes is not a lender. Consult a licensed mortgage professional to confirm current terms and your personal eligibility.

*Source: Consumer Financial Protection Bureau

MORTGAGE GUIDE

Financing for Move-Up & Experienced Buyers

Higher-value and unique properties often call for financing tools beyond a standard mortgage. Here are a few worth knowing about.

JUMBO LOANS

Any loan that exceeds the conforming loan limit set annually by the Federal Housing Finance Agency is considered "jumbo." Conforming loan limits are set annually and vary by county, so the baseline for what's considered a jumbo loan can look quite different depending on where you're buying. The standard baseline is $832,750, rising to $1,249,125 in higher-cost counties. Because jumbo loans aren't backed by Fannie Mae or Freddie Mac, qualifying guidelines vary more by lender.

PORTFOLIO LOANS

These are loans a lender keeps on its own books instead of selling, which means the lender sets its own underwriting rules. That flexibility makes portfolio loans a good fit for business owners and self-employed buyers with non-traditional income, buyers financing unique properties like equestrian or ranch acreage, and loan amounts that go beyond standard jumbo limits.

BRIDGE LOANS

A bridge loan lets you purchase your next home before your current one sells, so you're not stuck making your offer contingent on a sale. This is especially useful in competitive markets, or for buyers relocating between states who need their new home lined up before their current one closes.

WHAT THIS MEANS FOR YOU

The right financing tool depends on your income structure, your timeline, and the property itself. We work with lenders experienced in these more specialized loan products, so you're never boxed into a one-size-fits-all mortgage.

QUESTIONS WORTH ASKING

- Would a jumbo, portfolio, or bridge loan fit my situation better than a standard mortgage?
- Is there a program available right now that lets me buy my new home first and sell my current one after?
- Do I qualify for interest-only or asset-based qualification options?
- How would vesting the property in a trust or LLC affect my financing?

QUESTIONS TO ASK

When Choosing a Lender

Not all Lenders are the Same.

The type of loans available, interest rates, and fees can vary. Interviewing lenders is an important step in determining what type of home loan is best for you.

QUESTIONS TO ASK LENDERS

- Which types of home loans do you offer?
- What will my interest and annual percentage rates be?
- Do I qualify for any special programs or discounts?
- What estimated closing costs can I expect to pay?
- What is your average loan processing time?

LOAN APPLICATION CHECKLIST

Documents Typically Required by Lenders

To determine loan eligibility, lenders typically require the following types of documents from each applicant:

INCOME DOCUMENTS

- [ ] Federal tax returns: last 2 years
- [ ] W-2s: last 2 years
- [ ] Pay stubs: last 2 months
- [ ] Any additional income documentation: pension, retirement, child support, Social Security/disability income award letters, etc

ASSET DOCUMENTS

- [ ] Bank statements: 2 most recent checking and savings account statements
- [ ] 401(k) or retirement account statement and summary
- [ ] Other assets: statements and summaries of IRAs, stocks, bonds, etc.

OTHER DOCUMENTS

- [ ] Copy of driver's license or ID and Social Security card
- [ ] Addresses for the past 2-5 years and landlord's contact info if applicable
- [ ] Student loan statements: showing current and future payment amounts
- [ ] Documents relating to any of the following if applicable: divorce, bankruptcy, collections, judgments, or pending lawsuits

HOUSE WANTS & NEEDS LIST

Important Features You're Looking for in a Home

Determine the features you are looking for in your ideal home and prioritize which items are most important to you. No house is perfect, but this will help us find the best match for you.

TYPE OF HOME

☐ Single Family Home ☐ Townhouse ☐ Condo ☐ Other _____

CONDITION OF HOME

☐ Move-In Ready ☐ Some Work Needed is OK ☐ Fixer Upper

DESIRED FEATURES

_____ Bedrooms _____ Bathrooms _____ Car Garage **(Circle)**

Ideal Square Footage: _____ Small or Large Yard _____

Desired Location/Neighborhood/School District: _____

_____

Must Have

_____

_____

_____

_____

_____

_____

_____

Would Like to Have

_____

_____

_____

_____

_____

_____

_____

HOUSE HUNTING TIPS

Tips for Finding Your Ideal Home



Investigate the Area

Drive around neighborhoods that interest you to get a feel of the area, how the homes are cared for, what traffic is like, etc.



Ask Around

Talk to family, friends and co-workers to see if anyone might know of a house for sale in an area you're interested in. One of them may even know of someone that's thinking about selling but hasn't put the house on the market yet.



Keep an Open Mind

Finding your dream home isn't always an easy task! Have a priorities list but keep an open mind when viewing houses.



Take Pictures & Notes

When you visit multiple houses it gets difficult to remember specific details about each one. Take photos and notes while touring houses so that you can reference them later when comparing the properties that you've seen.



Be Ready to Make an Offer

When you find a home you want to buy, keep in mind there may be others interested in it as well. Be ready to make a solid offer quickly in order to have the best chance at getting that home.

MAKING AN OFFER

Factors that can Make an Offer More Enticing

When we have found a home that you're interested in buying, we will quickly and strategically place an offer.

PUT IN A COMPETITIVE OFFER

We will assit in advising on a reasonable offer price based on:

- Current market conditions
- Comparable properties recently sold in the area
- The property value of the house
- The current condition of the house

PAY IN CASH VS. LOAN

Paying in cash versus taking out a loan offers a faster closing timeline and less chances of issues arising, making it more appealing to sellers.

PUT DOWN A LARGER DEPOSIT

An offer that includes a larger earnest money deposit presents a more serious and competitive offer.

ADD A PERSONAL TOUCH

We include a letter to the sellers with your offer, letting them know what you love about their home. Adding this personal touch can give you an advantage over other offers by making yours stand out from the rest.

OFFER A SHORTER CLOSING TIMELINE

An offer with a shorter timeframe for closing is generally more attractive to sellers over one with an extended time period with a house sale contingency. A typical closing timeframe is 30-45 days.

OFFER ACCEPTED!

What's Next

Once the seller has accepted your offer, both parties sign a sales agreement and you're officially under contract.

EARNEST MONEY DEPOSIT GOES INTO AN ESCROW ACCOUNT

Your earnest money deposit will be put into an escrow account that is managed by a neutral third party (typically a title company or bank) who holds the money for the duration of the escrow period. They will manage all the funds and documents required for closing, and your deposit will go towards your down payment which is paid at closing.

INSPECTIONS GET SCHEDULED

Home, pest, roof, and more inspections are optional but highly recommended to make sure that the home is in the condition for which it appears. Inspections are typically completed within 10-14 days after signing the sales agreement.

APPRAISAL IS ORDERED

An appraisal will be required by your lender to confirm that the home is indeed worth the loan amount. The appraisal takes into account factors such as similar property values, the home's age, location, size and condition to determine the current value of the property.

COMPLETE ANY MORTGAGE REQUIREMENTS

Once you've come to an agreement on the final offer, it's time to finalize your loan and lock in your interest rate if you haven't done so already. You may need to provide additional documentation to your lender upon request.

RENEGOTIATE IF NECESSARY

The home inspection will tell you if there are any dangerous or costly defects in the home that need to be addressed. You can then choose to either back out of the deal completely, ask for the seller to make repairs, or negotiate a lower price and handle the repairs yourself.

WHAT NOT TO DO

During the Home Buying Process

It's extremely important not to do any of the following until after the home buying process is complete:

BUY OR LEASE A CAR

CHANGE JOBS

MISS A BILL PAYMENT

OPEN A LINE OF CREDIT

MOVE MONEY AROUND

MAKE A MAJOR PURCHASE



Any of these types of changes could jeopardize your loan approval. It's standard procedure for lenders to also do a final credit check before closing.

FINAL STEPS BEFORE CLOSING

You're Almost there!

Insurance Requirements

Most lenders require both homeowner's insurance and title insurance. Homeowners insurance protects your home and possessions against damage and theft, while title insurance protects the lender and/or homeowner from financial loss against claims regarding the legal ownership of a home. Policies vary so it's recommended to get quotes from multiple companies to compare price, coverage and limits.

Closing Disclosure

At least 3 days before closing, lenders are required to provide you with a Closing Disclosure with your final loan terms and closing costs for you to review. Closing costs for the buyer typically range from 2-5% of the purchase price, which can include lender fees, lender's title insurance, and HOA dues if applicable.

Final Walk Through

Within 24 hours of closing we will do a final walk through of the home before signing the final paperwork. This last step is to verify that no damage has been done to the property since the inspection, that any agreed upon repairs have been completed, and that nothing from the purchase agreement has been removed from the home.

Next Step: Closing!

CLOSING DAY

Congratulations, You Made it to Closing!

Closing is the final step of the buying process.

On the day of closing you'll be going over and signing the final paperwork, and submitting a cashier's check (or previously arranged wire transfer) to pay the remaining down payment and closing costs.

Property ownership is then officially transferred from the seller to the buyer.

ITEMS TO BRING TO CLOSING:

- Government Issued Photo ID
- Homeowner's Insurance Certificate
- Certified Funds or Cashier's Check
- Final Purchase Agreement

Enjoy your new home!

real

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