

HOMES + LOANS. ONE CLEAR PLAN.

# The Lumina Homebuyer Guide

Buying a home is a big move. This guide walks you through every step, from pre-approval to keys in hand. And since I handle both the home and the loan, it all works together.


Felicia Morales

Broker | Owner · DRE# 01471238 | NMLS# 334006


LUMINA
REAL ESTATE & LENDING



A NOTE FROM FELICIA

# Welcome,

Buying a home is one of the biggest financial decisions you'll make. It deserves a thoughtful plan.

I made this guide to walk you through the process with clarity and confidence. Inside, you'll find practical tips, prep tools, and guidance to help you make smart choices at every stage.

My goal is simple. I want your purchase to feel exciting, and I want it to be financially sound and a great fit for your future.

Let's begin.



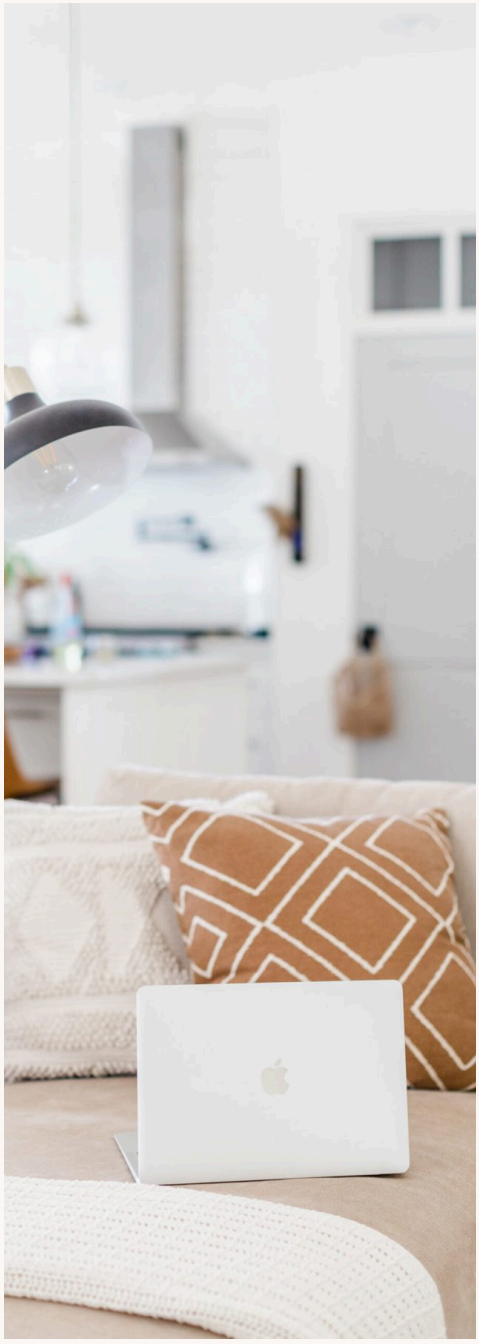
*Felicia*

Broker | Owner, Lumina Real Estate & Lending

BEFORE YOU BEGIN

# Starting Smart

Six things to look at before you start shopping. Get these right and everything after gets easier.



### JOB & INCOME

A steady two-year work history and consistent income are key parts of loan approval.

### CREDIT SCORE

Your credit shapes which loans you qualify for and your rate. Many conventional loans need about a 620 score. Your full financial picture and down payment matter too.

### DOWN PAYMENT

It depends on the loan. Some programs allow 0% to 3% down. Others need more. It comes down to your goals, savings, and long-term plan.

### CLOSING COSTS

Plan for about 2% to 5% of the price. That covers lender and escrow fees, the appraisal, and prepaid taxes and insurance.

### LONG-TERM PLANS

Think about how long you'll stay. Career, family, and lifestyle changes can shape which home is right.

### ONGOING COSTS

Budget for taxes, insurance, utilities, and upkeep. Upkeep often runs 1% to 2% of the home's value each year.

ONE STRATEGY. ONE EXPERT. START TO FINISH.

# Why Work With Felicia

You deserve a partner who knows both the home and the financing behind it. I'm a licensed real estate broker and mortgage broker. I guide you from home search to loan approval to closing, so nothing gets missed and every decision works together.

## HERE'S WHAT THAT MEANS FOR YOU

01 True buyer representation. Your interests come first at every step.

02 In-house loan strategy that lines up with your home search.

03 Real payment numbers before you write an offer.

04 Creative financing many agents can't structure.

05 Strong offer positioning when there's competition.

06 Property red flags spotted early.

07 Trusted inspectors, contractors, and vendors.

08 Contracts and loan terms explained in plain English. No jargon.

09 Tight coordination with escrow, title, agents, and underwriters.

10 Fewer surprises. Smoother closings.

You don't need a whole team of strangers to figure this out. You just need the right person guiding you.

HOW WE BEGIN

# Pre-Approval & Documents

Before we shop, I'll review your income, assets, and credit. With the full picture, we'll pick the right loan, set a comfortable price range, and land on a monthly payment you feel good about.

Then I'll issue your pre-approval letter, good for 60 days. You'll be ready to compete the moment the right home shows up.

## Documents Needed

Please send complete statements, all pages. No screenshots.

### INCOME

- ☐ W-2s, last 2 years
- ☐ Federal tax returns, last 2 years
- ☐ Pay stubs, most recent 2 months
- ☐ Proof of any other income

### ASSETS

- ☐ Bank statements, 2 most recent
- ☐ 401(k) or investment statements

### ID & OTHER

- ☐ Driver's license
- ☐ Social Security card, if requested
- ☐ Two-year address history
- ☐ Student loan statements, if any
- ☐ Divorce, bankruptcy, or other papers, if they apply

FINANCING

# Your Loan Options

The right loan isn't one size fits all. It fits your income, credit, savings, and goals. As your broker, I compare options across multiple wholesale lenders to find the best fit for now and later.

## Conventional

The most common home loan.

Down payment typically 3% to 20%
Great for strong credit and steady income
Flexible and competitively priced

**Best for:** buyers who want structure and room to refinance later.

## FHA

More flexible on credit and debt-to-income.

Down payment from 3.5%
Easier credit guidelines

**Best for:** first-time buyers or anyone rebuilding credit.

## VA

For eligible veterans and active-duty service members.

No down payment for eligible buyers
No monthly mortgage insurance

**Best for:** military families making the most of an earned benefit.

## USDA

For homes in eligible rural areas.

No down payment in eligible areas
Income limits apply

**Best for:** moderate-income buyers in qualifying areas. Ask me to check an address.

UNDERSTANDING

# Debt-to-Income Ratio

Your DTI compares your monthly debt payments to your gross monthly income. Lenders use it to see how comfortably you can handle a mortgage payment.

### THE GENERAL GUIDE

**36%**

Under 36% is considered strong.

**43%**

Most programs prefer a DTI under 43%.

### WHAT COUNTS

Rent or current mortgage

Credit cards

Auto loans

Student loans

Personal loans

Other minimum required debt payments

Doesn't count: utilities, subscriptions, and everyday spending.

### QUICK EXAMPLE

New house payment of $2,400 plus $600 in car and card payments = $3,000 a month. $3,000 divided by $8,000 gross monthly income = a 37.5% DTI.

### BROKER INSIGHT

A higher DTI doesn't always mean no. We may be able to pay down or restructure debt, or pick a different loan program that fits.

BEFORE THE SEARCH

# Needs vs. Wants

Before we start looking, we'll sort your true needs from your wants. It keeps our search focused on what matters most over the long run.

## Needs

Non-negotiables tied to how you live, how the home works, and long-term value.

MIGHT LOOK LIKE

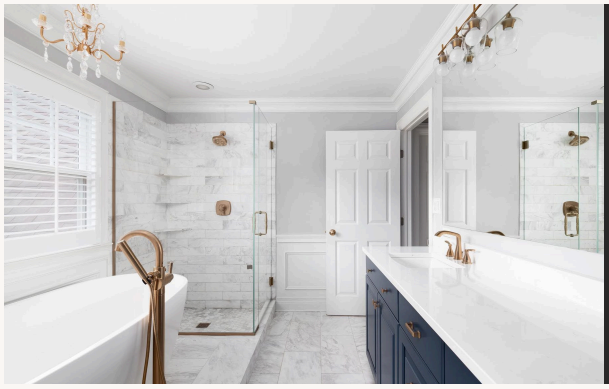
- Enough bedrooms for your family
- A first-floor bedroom
- Close to work or school
- An attached two-car garage
- A yard for kids or pets

## Wants

Style choices and extras you can often add later.

MIGHT LOOK LIKE

- A certain paint or exterior color
- A pool
- Specific flooring
- Kitchen upgrades or appliances
- A walk-in shower or double vanity



REMEMBER

You can change the finishes. You can't change the location, the lot, or the price you paid.

FIRST THINGS FIRST

# The Home Search

Now that we know your needs and wants, the real strategy starts. I'll set you up on a private MLS search built around your criteria. You'll get an alert the moment a home that fits hits the market.

## HOW WE SEARCH SMARTER

01

### I curate the search.

I watch inventory every day and send only the homes that truly fit. You can also search on my website and flag anything that catches your eye. We'll look at it together.

02

### We move fast.

When the right home shows up, we act. We review the comps and plan our position before you write an offer.

03

### Off-market opportunities.

Sometimes I find homes that aren't widely marketed and still fit what you want.



BROKER INSIGHT

Online searching helps, but strategy wins in a competitive market. Our goal isn't to see every home. It's to see the right ones first.

YOUR WORKSHEET

# Clarifying Your Search

Jot down your answers. We'll use them to build your search.

**Preferred areas or neighborhoods**

**What draws you there?** Schools, commute, lifestyle, amenities, community

**Bedrooms**

**Bathrooms**

**Approx. sq ft**

**Single story or two story?**

☐ Single ☐ Two ☐ Either

**Move-in ready or open to a project?**

☐ Move-in ready ☐ Open to it

**Lifestyle** Kids, pets, working from home, future plans

**Non-negotiables**

**Anything else I should factor into our strategy?**

THE FUN PART

# During Showings



## MY BEST SHOWING TIPS

Review your needs and wants before each visit. Stay objective.

Look past the decor and staging. Focus on layout, light, and function.

Pay attention to the lot, location, and surroundings. Those are permanent.

Take notes or photos (where allowed) so you can compare later.

Notice how the home feels, not just how it looks.

## KEEP AN EYE OUT FOR

### Structural red flags

Cracks, sloping floors, water intrusion, or signs of skipped upkeep.

### Noise and surroundings

Busy roads, nearby schools, or commercial activity.

### Roof and plumbing

Water stains, visible patchwork, or aging systems.

### Layout and flow

Does the home work for the way you live?

YOU FOUND THE ONE

# Writing Your Offer

Now we build a strategic offer. Here's how we help you compete and win.

01

### Pre-approval and proof of funds

As your broker and lender, your financing is lined up before we write. That gives sellers extra confidence.

02

### The seller's priorities

Knowing their motivation, timing, and preferred terms helps us build a stronger offer.

03

### A strategic price

We use comparable sales, market trends, and the competition to set the right number.

04

### Smart terms

Closing timeline, contingencies, and deposit can matter just as much as price.



BROKER INSIGHT

## Your Buyer Representation Agreement

Before we tour homes, we'll sign a Buyer Representation Agreement. It's required, and it spells out how I represent and protect you.

It also covers broker compensation. We'll ask the seller to pay it in your offer, but that isn't guaranteed. We'll go over every option up front so you can move forward with confidence.

KNOW THE TERMS

# Your Offer Terms

Every offer is more than a price. Here's what each part means for you.

### PURCHASE PRICE

What you're offering for the home. In a competitive market, price has to reflect value and strategy. We look at comps, condition, and market momentum first.

### EARNEST MONEY DEPOSIT

A good-faith deposit, usually 1% to 3% of the price, held by escrow. At closing it goes toward your down payment or closing costs. Cancel without a valid contingency and it may be at risk.

### INSPECTION PERIOD

Usually 7 to 17 days to check the home's condition. If big issues come up, we can ask for repairs, ask for a credit, or cancel.

### CONTINGENCIES

**Loan:** protects you if your financing falls through.
**Appraisal:** protects you if the home appraises low.
**Inspection:** lets you renegotiate or cancel for real issues.
We balance protection with a strong offer.

### CLOSING COSTS

Lender fees, escrow, title insurance, taxes, and related costs. Usually 2% to 5% of the price. We'll review them early so there are no surprises.

### CLOSING DATE

The day the home becomes yours. 30 days is common. We can adjust it for your loan, the seller's needs, or to stand out.

YOUR QUESTIONS, ANSWERED

# Inspections & Insurance

## What's a home inspection?

A professional check of the home's condition. It finds issues you can't see during a showing. You'll get a written report. I recommend you attend so you can ask questions.

## Do I really need one?

Yes. Even well-kept homes can hide leaks, termite damage, foundation movement, poor ventilation, aging systems, or faulty wiring. It protects you from surprise costs later.

## When should I schedule it?

Right away. I'll help book everything fast so we have time to review reports, get estimates, and negotiate before your contingency ends.

## How long is the inspection period?

Usually 7 to 17 days, based on your contract. It's your window to look into the home's condition before you remove contingencies.

## Issues came up. Now what?

That's normal. Every home has findings. We sort minor from major. Then we can ask for repairs, negotiate a credit, or cancel within the contingency and keep your deposit.

## What about home insurance?

Start getting quotes as soon as your offer is accepted. Your lender needs proof of coverage before final approval. Rates and availability vary, so shop early.

QUICK REFERENCE

# Inspections Cheat Sheet

The four inspections you'll hear about most, what they cover, and what they typically cost.

| TYPE | WHAT IT COVERS | AVG. COST |
|---|---|---|
| **Standard** | The home's major systems and structure: HVAC, plumbing, electrical, roof, attic, insulation, walls, ceilings, floors, windows, doors, and foundation. | **$450 to $750**<br>Varies by size |
| **Termite** | Looks for wood-destroying pests, dry rot, or moisture damage. Some loan programs require it. | **$125 to $175**<br>Sometimes seller-paid |
| **Sewer Scope** | A camera check of the main sewer line for cracks, roots, blockages, or aging pipe. | **$300 to $600** |
| **Defensible Space** | A check by fire officials, like CAL FIRE, that the property meets vegetation clearance laws. | **$0 to $250**<br>Varies; may be seller-paid |

CHOOSING AN INSPECTOR

You can pick any licensed professional. Once we're under contract, I'm happy to recommend people based on your needs and the type of home.

Costs are estimates and vary by the home's size, age, and complexity.

CONGRATULATIONS

# We're Under Contract!

Your offer was accepted! Here's what happens between now and closing.

### 01 Open Escrow

Escrow, a neutral third party, starts handling funds and documents. You'll sign initial paperwork and send your earnest money deposit.

### 02 Inspections & Appraisal

We book inspections right away. I'll order the appraisal to confirm the value supports your price. If issues come up, we negotiate.

### 03 Loan to Underwriting

I submit your loan and documents for full approval. I'll let you know right away if anything else is needed.

### 04 Seller Disclosures

We review and sign off on every seller disclosure and report before we remove contingencies.

### 05 Order Insurance

Line up coverage early. Give your insurance agent my contact info so they get the lender details they need.

### 06 Loan Signing

A notary meets you 1 to 2 days before closing to sign your loan and escrow documents. Then you'll wire any remaining funds.

### 07 Final Walkthrough

Right before closing, we confirm the home is in the agreed-upon condition.

### 08 Closing Day

Once the county records the deed, the home is yours. Keys usually come later that day, per your contract.

PROTECT YOUR FUNDS

Before you wire money, call escrow at a number you already know to confirm the instructions. Never trust wiring changes sent by email.

THE NUMBERS, PART ONE

# Your Closing Numbers

## Down Payment

Your share of the purchase price. It depends on your loan and strategy, usually 3% to 20%.

## Closing Costs

The costs of the whole transaction. On average, 2% to 5% of the purchase price.

### WHAT'S IN CLOSING COSTS

**Origination Fees**
May apply for arranging your loan. Not every loan has one. We'll find the most cost-effective setup.

**Discount Points**
Optional fees you pay to lower your interest rate.

**Appraisal** $600 to $800
Confirms the home's value for your lender.

**Credit Report** $150 to $200
Pulls your credit for the loan review.

**Underwriting** $1,000 to $1,500
Covers the lender's review and approval of your loan.

**Title & Escrow** often $3,000 to $5,000
Handles the transaction and title insurance. Varies with price and loan amount.

**Lender Credit**
Take a slightly higher rate and get a credit toward closing costs.

**Seller Credit**
In some cases, we negotiate for the seller to help cover your costs.

BROKER INSIGHT

Before you write an offer, I'll walk you through typical costs so you know what to plan for. Exact title and escrow fees come once escrow opens after your offer is accepted.

THE NUMBERS, PART TWO

# Prepaids & Funds to Close

Prepaids are upfront payments collected at closing for future costs of owning your home.

| | |
|---|---|
| **Homeowner's Insurance** | Usually the first year's premium, plus 2 months to set up your escrow account. |
| **Property Taxes** | Lenders collect 2 to 8 months of taxes so the money's ready when the bill comes due. |
| **Prepaid Interest** | Interest from your closing date until your first mortgage payment. |
| **Mortgage Insurance** | May apply if you put down less than 20%. |

ESTIMATED FUNDS TO BRING

Down Payment + Closing Costs + Prepaid Items = *Funds to Close*

You'll get a detailed Loan Estimate early on, and your final Closing Disclosure at least three days before signing. We'll go over both together so everything's clear.



CONTINUE YOUR JOURNEY

# Your next chapter starts here.

I handle both the home and the loan. That means one person, one plan, and one clear path from your first question to the day you get your keys.

BOOK A CALL WITH FELICIA

GET PRE-APPROVED




## Felicia Morales

TEMECULA VALLEY LOCAL FOR 20+ YEARS

(951) 760-8307

felicia@luminabroker.com

luminarealestate.com

@felicia.thebroker

LUMINA
REAL ESTATE & LENDING

31938 Temecula Pkwy Suite A355
Temecula, CA 92592
DRE# 01471238 | NMLS# 334006