

A GUIDE TO HOME BUYING



PENINSULA REALTY
GROUP



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WELCOME

ABOUT ME



HIGHLIGHTS

- Over 100 families served
- Started in 2020
- Over \$80 MM in real estate closed
- Circle of Excellence Winner BRONZE- 2021, 2022
- Circle of Excellence Winner GOLD- 2023

Kate Raftery spent 12 years on Wall Street prior to becoming Realtor Owner of NextHome Peninsula Realty Group. Because of her background in investment and credit, Kate looks at home purchases as both a consumable good and a long term investment.

Born and raised in Monmouth County, Kate now lives in Fair Haven with her husband, three children and a spritely puppy, Fitz. Kate is an avid Providence College basketball fan and a big enthusiast of exploring the Shore. She serves actively in the Fair Haven PTA, the Fair Haven Day Committee, the Fair Haven Recreation Committee, coaches soccer and softball, founded the Fair Haven 100 Mile Club, and is a member of Promenade Beach Club.

Her kids and community engagement ensure she always knows what camp offers what services, how much that preschool is and when softball sign ups will be posted. "If you are relocating and feel a little lost... you know where to find me."

SINCERELY
Kate Raftery

BUYER AGENCY

THE BUYER AGENCY CONTRACT

The buyer agency contract outlines my duties and responsibilities to you, and explains the relationship between buyer and broker. Much like a listing contract when you sell your home, this document is meant to protect you, give clarification around the service you can expect, and offer transparency around buyer agent compensation.

MY RESPONSIBILITIES TO YOU

Once hired, I owe you duties of trust, loyalty, confidentiality, accounting, and disclosure. The duties of accounting and confidentiality extend beyond the agency relationship unless required by law, becomes public, or you give written consent to disclose. When representing you as a buyer, I have no duties or obligations to the seller, except to treat all prospective sellers honestly and not knowingly give false information.

MY PROMISE

Unparalleled commitment to you and your goals while maintaining honest communication, integrity and quick service that exceeds your expectations every time.

THE ROLE OF A BUYER'S AGENT

THE VALUE I BRING TO MY CLIENTS

Education

This is where you explain your value, in each of these categories- your specific value proposition that you offer to your clients, based on your business practices.

Advice, Insight, On-going consultation

This is where you explain your value, in each of these categories- your specific value proposition that you offer to your clients, based on your business practices.

Accessibility & Availability

This is where you explain your value, in each of these categories- your specific value proposition that you offer to your clients, based on your business practices.

Research

This is where you explain your value, in each of these categories- your specific value proposition that you offer to your clients, based on your business practices.

Strategy, Offer Prep, Negotiation

This is where you explain your value, in each of these categories- your specific value proposition that you offer to your clients, based on your business practices.

Managing the transaction

This is where you explain your value, in each of these categories- your specific value proposition that you offer to your clients, based on your business practices.



HOME BUYER ROADMAP

1. Buyer Consult

This is where we meet to discuss your options, get your questions answered, and put your list together of must-haves and deal-breakers for your home search.

Time frame: about an hour, give or take

2. Pre-approval

A pre-approval is a letter from a mortgage company that states they've reviewed your preliminary documents and have approved you for a loan of up to X amount (contingent on collecting more documents & a full review from underwriters).

Time frame: 1-2 days (depending on how fast you can provide docs).

3. Home Search

Once you have your pre-approval letter, we can start the fun part- looking at homes! We'll put together your criteria list: must-haves & deal breakers. Then we'll schedule showings to see homes that match your criteria.

Time frame: varies

4. Showings

As soon as a home hits the market that matches your criteria, we'll schedule a time to meet at the home and walk through it. If a home pops up that you want to see, we should schedule a showing for as soon as possible.

Time frame: 1 showing typically lasts around 20 min, but we have up to an hour to view a home.

5. Submit offer

If we are at a showing and you feel like it's "the one", we'll want to put together a purchase agreement and submit an offer as soon as possible!

Time frame: it will only take 10 min or so to go over the offer, I'll type it up, and have you sign it electronically. We'll want to submit the offer asap

6. Negotiations

We typically give the seller a deadline of 24 hours to respond to our offer. The seller may send a counter offer. Counter offers can be sent back and forth until both parties are satisfied.

Time frame: varies

HOME BUYER ROADMAP



7. Accepted Offer

Once both parties are satisfied, and a signed accepted offer or counter offer is in hand, we can move forward with the loan application, inspections, & appraisal. Deadlines to get all of those things done will be outlined in the offer.

Time frame: varies

8. Financing

Now that you have an accepted offer, you'll need to officially apply for the loan. The underwriting will begin, and you may be asked to submit more documents, until the lender is satisfied and they give final approval.

Time frame: 30-45 days

9. Inspections

In the meantime, we'll order any inspections you'd like to have done at the house. We'll review the reports together, and decide if there are any items you'd like to request the seller have done prior to closing.

Time frame: order inspections asap. 10-12 days to respond

10. Appraisal

Your lender will order an appraisal on the home. They will require payment from you prior to ordering this. This needs to be done as soon as possible after you received an accepted offer.

Time frame: this can take up to 10 days or so to receive the appraisal report

11. Final Things

As we get closer to closing, we'll remind you to get utilities scheduled at your new house. We'll also have you wire your funds for closing to the title company, and we'll do one final walk-through at the house before signing closing docs!

Time frame: usually the day before or the day of closing

12. Closing

We will have a scheduled day and time to meet at the title company to sign closing docs with the sellers. You will be provided the keys to the house (unless a different possession date was negotiated). Yay! You bought a home!

Time frame: about an hour

BUYER EXPENSES

UPFRONT

EARNEST MONEY: typically around 1% of the purchase price. Will be turned in within 2 days of an accepted offer.

INSPECTIONS: a general inspection typically starts around \$400 (but depends on the size of the home). Add-ons will cost more: sewer line, termite, radon, well, septic, pool, etc). I would recommend budgeting for \$500-\$700.

APPRAISAL: usually around \$450. The lender will charge you for this before ordering the appraisal, which needs to be ordered as soon as you receive an accepted offer.

AT CLOSING

DOWNPAYMENT: minimum down payment will be 3% of the purchase price, depending on the type of loan. You can put more down if you'd like, if you are willing and able!

LENDER & TITLE CO FEES: These are lumped in as part of your "closing costs," and they vary depending on the lender and title co you close with. Your lender can provide you with an estimate of what your closing costs will be.

PREPAID INSURANCE: a few months of your homeowner's insurance premium will be collected at closing. Contact your insurance carrier for a quote once you receive an accepted offer.

GETTING PRE-APPROVED

A pre-approval is needed to submit an offer. It gives the seller proof that a lender has reviewed your preliminary documents and has determined you are very likely going to be approved for a loan to buy their house.

Shopping for a lender

It is a good idea to speak to a couple different lenders before deciding who you'd like to work with. When interviewing loan officers, ask them the following:

- What is the best type of loan for me?
- Do I qualify for any special loan programs or discounts?
- Are your rates, terms, fees and closing costs negotiable? (and what are they?)
- When can you lock in my rate, and how long is it locked for?
- Will I have to pay for private mortgage insurance (PMI)? If so, how much will that cost?
- Can I buy down points for a lower interest rate?
- How much should I expect to pay in closing costs?



Initial docs needed for a pre-approval letter:

- Recent tax returns
- W-2 forms
- Paystubs
- Bank Statements
- List of monthly debt
- Credit report (you will give them permission to pull your credit. It will not drastically effect your score, but you want to limit the amount of pulls if you are shopping lenders).

FINANCING- WHAT NOT TO DO WHEN BUYING A HOME

You want to avoid doing any of the following during the process of buying a home, because they will affect your ability to get approved for the mortgage loan.



Change jobs

Buy a vehicle

Spend excess money

Make large deposits

Co-sign another loan

Change bank accounts

Open new lines of credit

Omit debt from loan application



THE HOME SEARCH

HOW SHOWINGS WORK

The Who

When there is a home or homes you'd like to view, you'll contact me right away and we'll schedule a time to meet at the houses. The seller will not be there.

The How

I will take care of requesting showings to view homes. Once the seller and/or listing agent approves our request, I will be provided with the access info. Only licensed Realtors are given this info to access the home for showings.

The When

We are only allowed in the home during the scheduled time frame. Typically, we can schedule a 30 minute block of time at a house (although we don't HAVE to use up that whole time if we don't need it). When a home you are interested in hits the market, we want to go view it as soon as possible.

Visiting Open Houses

If you are out and about, feel free to stop by open houses! Just let the hosting real estate agent know that you do have a Realtor representing you already.

SUBMITTING AN OFFER & NEGOTIATIONS

When you find the home you LOVE- it's time to make an offer! We will go over the purchase agreement together, fill in our price and terms, and I will submit it to the listing agent.

The offer will include a deadline for the seller to respond to us (typically around 24 hours, sometimes shorter).

THEN, THE SELLER HAS 3 OPTIONS

REJECT

If the seller is not satisfied with your offer in any way, or think you are too far apart in price, they may simply reject the offer.

COUNTER

They can choose to send a counter offer, asking to change the price, or any other terms from the original offer.

ACCEPT

If the seller is satisfied with the offer as it is written, they may accept the offer and we'd all move on with next steps!



How counter offers work

If the seller sends us a counter offer, they will ONLY counter the items they want CHANGED from the original Purchase Agreement. If an item is not mentioned in the counter offer, that means they are ok with it, and it carries over legally in the agreement.

You can then either: sign and accept their counter offer, OR send a counter offer back to them. This can go back and forth until both parties are satisfied.

TAKE NOTE: Nothing is officially "accepted" or "countered" until the signed document has been delivered from agent to agent via email. An offer or counter offer may be rescinded at any time prior to the delivery of the signed, accepted document.

THE PURCHASE AGREEMENT

CONTRACT DETAILS

1

PRICE

The big one- the price is the main part of the offer. The purchase agreement includes the price you are offering for the home.

2

TERMS

The negotiable terms include but are not limited to: type of financing, timelines for inspections & appraisal, amount for earnest money, who picks title company, Closing date/possession, what's included/not included in the sale, etc.

3

CONTINGENCIES

Unless you are paying cash, the offer will be contingent on your ability to get a mortgage loan approved. Sales are often contingent on a satisfactory inspection, and on receiving an appraised value at (or above) the contract purchase price. The offer could also be contingent on the current home selling (if you have to sell before you buy.)

4

CLOSING/POSSESSION

The closing date will be agreed upon in the contract, as well as when the buyer will take possession of the home.

WHAT IF THE SELLER HAS MULTIPLE OFFERS?

If the seller receives multiple offers, **they COULD choose to call for "highest and best."** This means they will notify all buyers that they have received multiple offers, and will put out a deadline to revise your offer if you wish, and re-submit.

If your current offer is already the best offer you are willing to submit, you can simply re-submit the same offer by the given deadline.

The sellers do not HAVE to call for highest and best. If one offer stands out and they'd like to accept one, they have that right. They don't have to give you a chance to revise or counter.

That is why it is important to always put your best foot forward from the beginning! If you want the home, don't play games.



My best tips to win a multiple offer situation:

- Always submit a pre-approval letter
- Have your lender call the listing agent
- Offer above asking (based on my recommendation)
- Be flexible with the closing date
- Be flexible with possession date
- Appraisal gap coverage
- Escalation Clause
- Inspection repair limits
- Keep the offer as clean as possible with contingencies- if it's not a deal breaker, don't ask for it.



YOUR OFFER WAS ACCEPTED!

Now what?

As soon as you have an accepted offer, all the deadlines outlined in the contract will begin the day AFTER acceptance was received in writing.

Next Steps

- Turn in earnest money: this will be given to the listing agent's company or sometimes the title company. It will be held in their account and will be applied to the purchase price at closing. Typical deadline: 2 business days.
- Apply for the mortgage loan: you have your pre-approval letter, but now that you have a contract, you'll need to sign the official loan application with your lender. Typical deadline: 7 days.
- Order inspections and respond to inspection report: you'll want to get an inspection ordered immediately so we have time to review it and put together a response. Typical deadline: 10-14 days.
- Pay for and have your lender order the appraisal: contract deadline says "immediately" after accepted offer.
- Get a commitment letter for homeowner's insurance: You'll call your insurance provider (or I can recommend one) to get a quote and commitment letter. The lender will require this before closing. Typical deadline: 10-20 days.
- Order title.

LET'S CHAT INSPECTIONS

The purchase agreement says exactly how many days you have to get all inspections done, and respond to those inspection via an "inspection response."

You may either: WAIVE or RESERVE the right to have independent inspections done within an agreed upon timeline.

Any and all inspections shall be at the **buyer's expense**.

Inspection Response is Required:

If a "defect" is revealed by an inspection, you must: provide the inspection report or relevant parts, and give the seller the opportunity to remedy the defects. The buyer's inspection response will outline/list out the defects you want addressed.

If the seller is unwilling or unable to remedy defect to your reasonable satisfaction, you can either: terminate the agreement (and get your earnest money back), or waive the defects and proceed towards closing.



DEFECT, defined:

A "Defect" means a condition that would have a significant adverse effect on the value of the Property, that would significantly impair the health or safety of future occupants of the property, or that if not repaired, removed, or replaced would significantly shorten or adversely affect the expected normal life of the premises.

TYPES OF INSPECTIONS

You may get the following types of inspections done on your home during the agreed upon inspection response period. Including but not limited to:

General inspection
Radon Testing
Termite inspection
Sewer line scope
HVAC/mechanical inspections
Roof inspections

Lead-based paint tests
Mold tests
Structural/Foundation
Well water tests/inspections
Septic System inspections
Pool



WHAT IS AN APPRAISAL?

An appraisal is the estimation of a home's current market value. A licensed appraiser completes this estimation, which is calculated by comparing recent nearby sold homes to the property that is being appraised.

WHAT IS IT FOR?

Appraisals are required by mortgage lenders to be sure that the money they are lending to a buyer is a fair amount for the home. The lenders want to be sure that the buyers are not overpaying for the property. This is to protect the lender. If the buyer stops making payments on the home, the lender wants to make sure they would be able to sell and re-coup the money that they loaned for the home.

HOW DOES IT WORK?

If you are financing the sale with a mortgage, the lender will require an appraisal to be done on the home. The lender hires a 3rd party appraisal company, who will send an appraiser to your home. They will evaluate your home, look at comparable sales, then send the lender a full appraisal report, which includes the "appraised value" of your home. The buyers typically pay for the appraisal.

TIMING

Appraisals can take a few minutes to a few hours to complete, depending on the details of the home and the appraiser's methods. It usually takes a week to 10 days to complete and send the appraisal report to the lender (or whomever ordered it).

WHAT HAPPENS IF THE APPRAISAL COMES IN LOW?

If the appraised value comes in and it's **BELOW** the agreed upon purchase price, a few things could happen:

OPTION 1: Either party, buyer or seller, could choose to terminate the contract (unless a different agreement was made in writing upfront, as part of the offer).

OPTION 2: Both parties re-negotiate the purchase price. The seller could agree to sell for the lower appraised value, the buyer (if able and willing) could come up with the difference in cash and move forward at the original agreed price, or a different price, somewhere in-between, could be negotiated.

OPTION 3: After reviewing the appraisal report, if you believe the appraiser to be wrong (maybe you disagree with the comps they used), you could go through an appeal process. But this doesn't guarantee that the appraiser will change the value. In this case, see if the lender will allow a second appraisal. Both parties will have to agree to this, and decide who is paying for the second appraisal.

The reason these are your options, is because the lender will only loan money for (up to) the appraised value. They can't simply add the discrepancy into the mortgage. You, as the buyer, would have to have the extra cash.





FINAL THINGS

A few things need to happen right before closing

Final clear to close - given by the lender, once their underwriters have cleared all conditions and give us the go-ahead to schedule closing with the title company.

Final paperwork - When we get the clear-to-close, the lender gives the final numbers and "closing package" to the title company.

The title company then prepares their closing documents based on what was provided by the lender. Those documents then go BACK to the lender for final approval, before final numbers are given to the agents and their clients.

Final walk through - The home needs to be delivered in the same or better condition as when they made the offer. The buyers will likely schedule a final showing at the home so they can walk through and verify this.

Utility Transfer - You'll want to make sure you call your utility companies to transfer the utilities out of your name. You'll simply tell them you are moving, and give them your closing date. Have them turned off in your name the day after closing.



CLOSING

Both parties will find a time they can meet at the title company (on the closing date agreed to in the contract) to sign all the closing documents together at the same time.

A Realtor representing each client is required to be there. The title company "closer" will go over all the documents with each party, will get all signatures needed & notarize, then they will get the deed recorded and transferred with the county.

WHAT TO BRING:

All you will need to bring to closing is a valid photo ID that is not expired and any checks title has requested.

SENDING THE WIRE

As soon as we get the clear to close from the lender, the title company will work up the "settlement statement", breaking down all the numbers, including the final amount you need for closing. If this amount is over 10K, it MUST be wired from your bank to the title company. Otherwise a cashiers check will suffice. If you are sending a wire, we will get the title company's wiring instructions, which your bank will need to send the money. Ideally this is done the day prior to closing, to make sure the money get's transferred in time for closing.

KEYS AND POSSESSION

The buyer will get possession as outlined in the purchase agreement, at which point you'll give them the keys & garage openers. This may be at the closing table, or at a later date if you have agreed to give the seller post possession.

MEET YOUR TEAM



NextHome Peninsula Realty Group

Unparalleled commitment to you and your goals while maintaining honest communication, integrity and quick service that exceeds your expectations every time.

Bushra Del Vecchio Transaction Coordinator

Our licensed TC takes care of all the behind the scenes paperwork, and keeps us all on track with our contract deadlines. So we can focus on what's most important, YOU!



Lee Batcha Loan Depot

As your trusted loanDepot loan consultant, I will walk you through every step of the loan process and support you from pre-approval through your closing date.

TESTIMONIALS

FROM MY BUYER CLIENTS

Kate was absolutely wonderful during our home buying Journey. As first time homebuyers, Kate gently guided us towards the home of our dreams. She was always willing to take time and explain the upside and downside of each house we looked at. She has our highest recommendation, and we are extremely thankful for her guidance. - Tom L

We were so lucky to work with Kate throughout the entire home-buying process. She is skilled, trustworthy, responsive, and has great connections. Thank you for helping us find the perfect home for our family!
_Shannon H

We feel extremely lucky having Kate by our side during this pivotal moment in our lives. What we liked the most about her was her friendly, straightforward approach as well as her speed and expertise throughout every step of the way.
- Eun C

We were so incredibly lucky to work with Kate who made navigating this crazy market way easier than we expected. She is extremely knowledgeable and takes time to truly understand what you are looking for. She worked tirelessly to help us find our dream home, stopping at nothing to ensure we had the strongest offer on the table. -Mandy



NEXT STEPS



If all your questions have been answered, and we decide to work together, we'll go over the buyer agency contract, get you pre-approved (if you aren't already!), and then we can start looking at homes! (The fun part!)

SINCERELY,

Katherine Raftery

NEW HOME WISH LIST

Must Haves & Deal Breakers

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Nice to have but can live without

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NOTE:

