

# THE ULTIMATE GUIDE TO BUYING YOUR DREAM HOME



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# INTRODUCTION

***So you're ready to buy your dream home!*** But between the down payment, researching neighborhoods, getting your finances together, and understanding the process as a whole, it can be tough to know where to start. If this sounds like the boat you're in, then this is the guide for you!

In this ultimate guide to buying your dream home you'll learn about the 9 steps of the home buying process, how to prepare to buy a home and more. In addition to this guide you'll also receive:

- **Dream Home Checklist**
- **Home Buying Process Overview**
- **Budget Worksheet**
- **The DO's and Don'ts of the Home Buying Process**

Go ahead and put the checklist and cheat sheets somewhere visible, like your refrigerator, to remind you of the steps that you need to take and to check off each step as you go.

**Now let's get started!**



# MEET YOUR MORTGAGE LENDER

CalCon Mutual Mortgage LLC (“CalCon”) was founded in 2013 with a mission to create a platform that would serve borrowers and their financing needs through an efficient, transparent, and technology-driven loan process. In three short years, CalCon grew a staggering 971% by bringing on top-tier mortgage professionals that shared the company’s vision.

This growth was not limited to the first three years. From 2016 to 2019, CalCon was able to sustain their remarkable growth by introducing innovative loan programs to serve its borrowers’ needs, developing unparalleled technology that allows for meaningful data analysis to increase operational efficiencies, and by diversifying its origination activity across several sectors including residential, commercial, structured finance, and construction.

In 2019, the company split its growing business up into several different companies, allowing those companies to continue to grow their core businesses. These businesses comprise the Family of Companies that, although separate from one another, work together closely to process, close, service, and acquire loans across the residential and commercial sectors. CalCon, along with the other US companies in the “Family of Companies”, is under the leadership of Island Vibe Management, which provides Executive Management services at the direction of founding brothers Joshua and Shane Erskine.

Today the company’s extensive leadership team features talent with a history of success in previous roles coupled with diverse backgrounds in technology, sales, marketing, operations, capital markets, and more. Their experience has allowed both CalCon and its sister companies to navigate the most difficult markets while continuing to grow and maintain profitability through proactive planning and risk assessment.

CalCon is licensed to originate and service loans in most states as well as Puerto Rico and US Virgin Islands. It is headquartered in beautiful San Diego, California, with operations teams throughout the US and Puerto Rico.

CalCon Mutual Mortgage offers traditional residential loan options like Conventional, FHA, VA, USDA, and Jumbo, while boasting Portfolio, Construction, and Structure Finance lending divisions. The company places special importance on customer service as evidenced by their tagline, Service is Everything!®, and through maintaining a 96% customer satisfaction rating on a 5–star review system.

***Call me today and let’s get started on your pre-approval!***



# STEP #1 Examine Your Financial Situation

Before you get pre-approved for a home loan, you'll want to take a look at your current financial situation, and see where you need to make preparations and changes, if any, to your budget.

## 1. Examine your monthly income and expenses

To help examine your monthly income and expenses, use the **custom Budget Worksheet** provided in this ultimate guide.

## 2. Check out your savings account(s) and

## 3. Take a peek at your credit report



Don't forget that along with the down payment amount, you'll also need to cover the closing costs. Closing costs generally run about 2% - 3% of the purchase price. The seller will sometimes absorb some or all of the closing costs. Discuss with your real estate agent whether it would be a good idea to ask the seller to pay for any, or all of the closing costs. Also, you may qualify for one of our low down payment programs!

An easy, fun and FREE way to peek at your credit report is by logging onto [www.creditkarma.com](http://www.creditkarma.com). This website provides your credit score from Transunion and Equifax instantaneously. It's a great resource to track the transactions on your credit report and to help you improve your credit scores.

And don't forget! You're allowed one free credit report per year from each of the three main credit report companies. Go to [www.annualcreditreport.com](http://www.annualcreditreport.com) for this free report.

**Note:** While you're house hunting, and even during the home loan process, do not apply for any credit cards or open up any new credit accounts, until after your home loan has funded and recorded. Doing so could impact your credit score and debt to income ratios negatively, as in your home loan may become in jeopardy of being declined. Please talk to me first before making any changes to your financial situation.



# STEP #2 Get Pre-Approved

Getting pre-approved is one of the most crucial steps in the home buying process. Why? Because the pre-approval letter represents a conditional commitment from the lender to provide financing for the purchase of a home. That means your loan officer has already reviewed your basic financial documents, ran your credit, and has given their stamp of approval, expressing confidence that you qualify to buy a home.

Many top real estate agents understand the power of the pre-approval, and will only work with you once you have it. Sellers also understand the power of the pre-approval, it shows you're serious, motivated, and have the financing needed to support your offer. This will give you the edge over other competing offers.



**NOTE:** It's important to note that a pre-approval is not a guarantee that you will be approved for a mortgage; it's conditional due to a variety of factors including: home appraisal, application documentation provided and more.

## List of documents needed to start the pre-approval process:

1. Last 30 days of pay stubs
2. Previous two-years' W-2's or 1099's
3. Previous two-years' income tax returns
4. Last 2 months of asset statements, such as bank, investment and retirement accounts
5. Identification document such as driver's license, social security card, passport, voter registration

*Call me today and let's get started on your pre-approval!*



## STEP #3 Dream-Up Your Dream Home

It's time to imagine your dream home. Is it in the sunny suburbs or is it in a lively downtown area? Are you looking for a single-family residence, a condo, townhome, or are you open to all options? How many bedrooms does it have? Does it need a lot of fixing up? Close to work? Is it in a desirable school district(s)? The more details that you provide to your real estate agent, the easier it will be for them to help you find your dream home.

When looking at homes, inspect them closely, write down details, and take photos! Find out the age of the home and if the electrical, plumbing and heating are up to code. Check out the condition of the roof and ask about the local crime rate. These are just a few of the different things that you'll want to know about the home and its location. You can also go online to the city website to learn more about the neighborhood.

Take along the **Dream Home Checklist** so you can take notes as you view homes.



# STEP #4 Finding The Right Real Estate Agent

Finding a real estate agent that knows how to communicate, follow up, and listen is a key ingredient to helping you find the home of your dreams. Before you even start shopping for a home, shop for a real estate agent! The right real estate agent will help you find DIAMONDS in the market. Real estate agents don't charge for their house hunting expertise, typically the seller pays the commission for both of the real estate agents (both buyer and seller side), once the home has been purchased.



The real estate agent's job is to listen to your needs, and help you find what you're looking for in a home. They'll compile a list of properties that match your specific criteria and will provide objective, useful information on each of the properties to help you make an informed decision. When you're ready to make an offer, they will help negotiate price and give insight on market trends so that you can make a reasonable offer. In addition, the agent will arrange inspections, help you understand important paperwork, and stay up to date on pertinent timelines. For most people buying a home doesn't happen every day, but real estate agents handle these transactions all of the time, so take advantage of their knowledge and experience.

**If you need help finding a real estate agent, please ask me! I work with the best of the best, and would be able to make some referrals.**



# STEP #5 Making an Offer On Your Dream Home

Once you've found the home of your dreams, it's time to make an offer.

There are three potential outcomes when making an offer:

- 1) **The seller accepts the offer**
- 2) **The seller counteroffers**
- 3) **The seller rejects the offer and no deal can be made**

## Making an Offer

To ensure that you're making the right offer, one that the seller will likely accept, get the help of your real estate agent to do some research beforehand. If you think there are potentially many homebuyers interested in the property, conduct your research quickly, and get your offer in before it's too late.

Here is a list of items that you should consider researching before making an offer:

- 1) **Find out why the seller is selling. This will reveal the seller's situation: do they want to get out quick, or can they afford to wait for the ideal offer? This may be hard to find out as the listing agent will likely not want to disclose this information.**
- 2) **Analyze the market. If it's a buyer's market, there will be fewer competing offers and a higher likelihood that the seller will be flexible on price and terms. If it's a seller's market, the seller can get choosy with price and conditions and will probably entertain multiple offers.**
- 3) **Ask your real estate agent for a comparable market analysis. This report compares similar properties in configuration, age and location to the home you want to buy. Use this to gauge the price to offer.**
- 4) **Determine the number of days the home has been on the market. The longer a home has been on the market, the more flexible a seller may be in terms of price and conditions.**

## Counteroffers

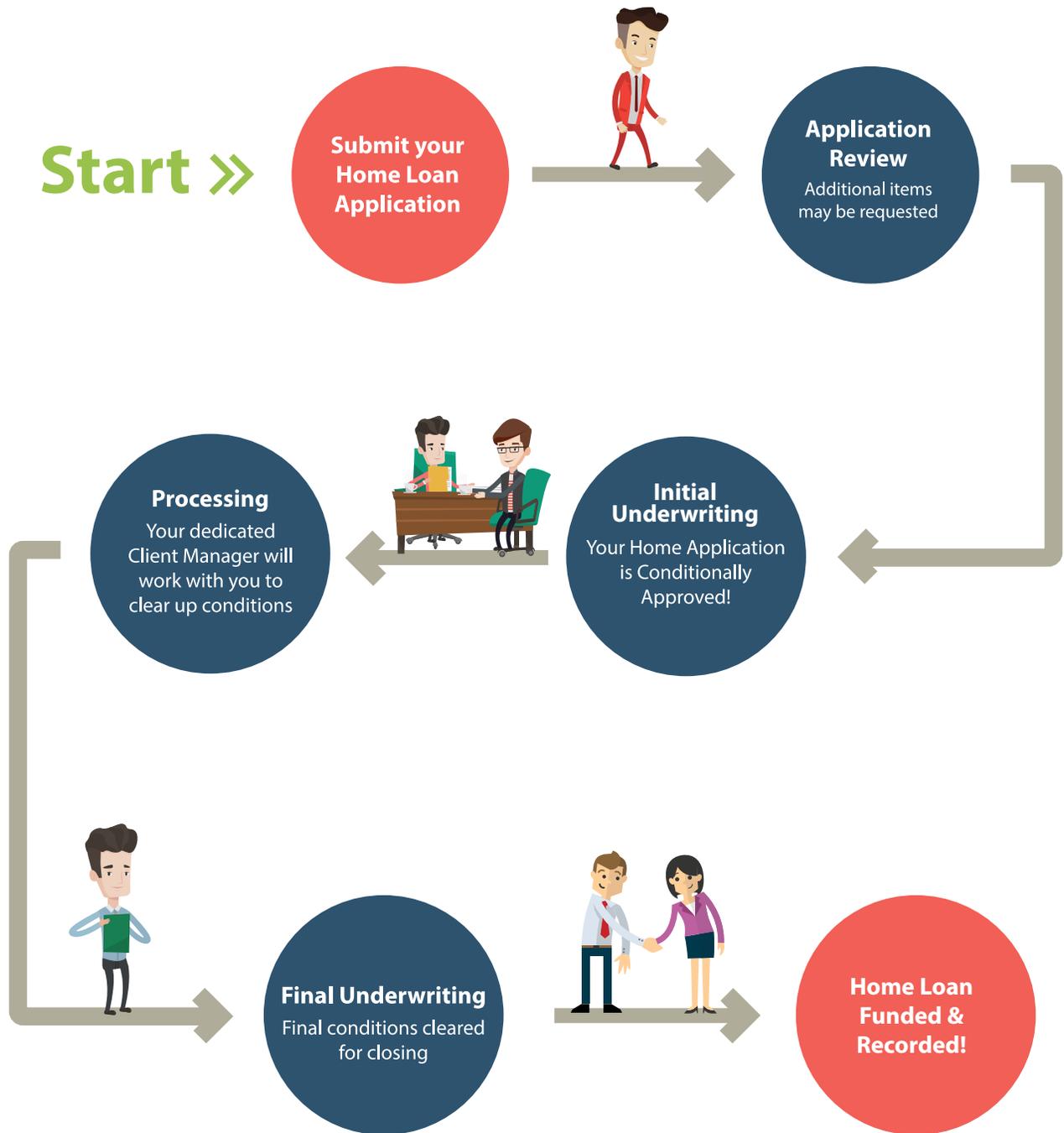
So let's say that in general the seller finds your offer suitable, but doesn't like the proposed sales price or the requested closing date. You'll receive a written counteroffer explaining the changes the seller would like to see made before they will accept. You can accept, reject, or make another counteroffer. Every time either party makes a counteroffer, the other side is free to accept, reject, or counteroffer once again.

## Offer Accepted!

Once one of the parties accepts, the offer becomes a legal contract. At this point your real estate agent will ask that you send escrow your good faith deposit (earnest money deposit) so that escrow can be opened. The amount that you send to escrow is determined in advance by you and your real estate agent before submitting your offer to the seller. Be sure to go over the earnest money deposit stipulations thoroughly with your real estate agent.



# STEP #6 The Home Loan Process



## STEP #7 Get A Home Inspection

Home inspections are a very important part of the home buying process and are highly recommended. The buyer is in charge of hiring a home inspector to come out and inspect the property. The inspection is not designed to criticize every minor problem or defect in the home, but is intended to report on major damage or serious problems that require repair to the structure of the home: plumbing, electrical, air conditioning and heating, ventilation, roof and foundation of the home. If serious problems are found, the inspector should recommend that a structural engineer or some other professional inspect the property as well.

The seller may be willing to negotiate completion of repairs or a credit for repairs, or you may decide that the home will take too much work and money. A professional inspection will help you make a clear-headed decision.

In choosing a home inspector, consider one that has been certified as a qualified and experienced member by a trade association.



# STEP #8 Closing



Once all the conditions of your home loan have been met, your loan documents will be sent to escrow for you to sign. Once signed, you'll be required to wire the remaining "cash to close" amount to escrow. The "cash to close" amount will be any remaining down payment and closing costs left over after your earnest money deposit and any other credits that are applicable have been deducted.

The result of all your hard work and preparation is coming to a close. Take a deep breath because it's almost over. You will now receive an email, call or text saying; Congratulations your loan has funded and recorded. At this moment you can start jumping for joy and celebrating your victory. You are officially a homeowner! Now it is time to contact your real estate agent and make arrangements to get the keys to your new home.



# STEP #9 Moving into Your New Home

**CONGRATULATIONS!** You have closed on your new home and are ready to move! Think about your move as a series of small projects that you can begin while your home is under contract. Your move will progress as your contract and closing progress. That way, when the day comes to physically move your belongings, most of the details will be taken care of. Most first time homebuyers will give a 30-day notice to their current landlord about 1 - 2 weeks prior to the tentative date that their loan will be funding and recording. About this time is when you should feel pretty confident that your loan will fund and record on time.

**Keep record of all of your moving expenses as they may be tax deductible. Many expenses, including house hunting trips are tax deductible.**

**If you qualify, you may deduct the following expenses:**

- 1) Tolls and parking fees on the trip
- 2) Up to 30 days' storage of household goods
- 3) Disconnecting and connecting utilities
- 4) Packing and transporting household goods
- 5) Mileage for use of your own car (or gas and expenses)
- 6) Transportation and lodging for yourself & members of your household while traveling to the new home



Not all moves are tax deductible. Consult a tax advisor or CPA to see if you qualify.

## Design and Decorating

Another fun part about buying a new home, is all of the new ways that you will get to design and decorate it. Think about your personal style and find inspiration online and in your favorite catalogs. You can look for unique pieces online or in a local flea market. Your new home is truly a blank slate for you to express yourself and create new memories. I would love to help you get to the final step of the home buying process. Please contact me so that we can get you pre-approved to buy your dream home!



# DREAM HOME CHECKLIST

**IDEAL PRICE** \_\_\_\_\_

**NUMBER OF BEDROOMS** \_\_\_\_\_

**NUMBER OF BATHROOMS** \_\_\_\_\_

**GARAGE NUMBER OF CARS** \_\_\_\_\_

**LOT SIZE** \_\_\_\_\_

**AGE OF HOUSE** \_\_\_\_\_

- \_\_\_\_\_ Existing home
- \_\_\_\_\_ Custom built house
- \_\_\_\_\_ Historic - vintage home

**SQUARE FOOT OF HOUSE** \_\_\_\_\_

**STYLE OF HOUSE**

- \_\_\_\_\_ Two story
- \_\_\_\_\_ Ranch
- \_\_\_\_\_ Split level
- \_\_\_\_\_ Traditional
- \_\_\_\_\_ Contemporary
- \_\_\_\_\_ Historical
- \_\_\_\_\_ Cape Cod
- \_\_\_\_\_ Townhouse - Condo - Co-op

**NEIGHBORHOOD**

**REQUIREMENTS**

- \_\_\_\_\_ School district
- \_\_\_\_\_ Access to public transportation
- \_\_\_\_\_ Proximity to shopping
- \_\_\_\_\_ Community services
- \_\_\_\_\_ Recreation center

**HOME SPECIFICS**

- \_\_\_\_\_ Large front yard
- \_\_\_\_\_ Large backyard
- \_\_\_\_\_ Minimal up-keep landscaping
- \_\_\_\_\_ Privacy from neighborhoods
- \_\_\_\_\_ Deck-patio
- \_\_\_\_\_ Pool
- \_\_\_\_\_ Living room
- \_\_\_\_\_ Formal dining room
- \_\_\_\_\_ Eat-in kitchen
- \_\_\_\_\_ Family room - den
- \_\_\_\_\_ Home office
- \_\_\_\_\_ Laundry room
- \_\_\_\_\_ Basement
- \_\_\_\_\_ Dishwasher
- \_\_\_\_\_ Garbage disposal
- \_\_\_\_\_ Walk-in closets
- \_\_\_\_\_ Ceiling fans
- \_\_\_\_\_ Wall-to-wall carpeting
- \_\_\_\_\_ Hardwood floors
- \_\_\_\_\_ Tile floors
- \_\_\_\_\_ Central air-conditioning
- \_\_\_\_\_ Hot tub
- \_\_\_\_\_ Miscellaneous

**NOTES:**

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**PROPERTY ADDRESS VIEWED:**

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# THE HOME BUYING PROCESS



**STEP #1**  
Examine your financial  
situation



**STEP #4**  
Find the right real estate  
agent and house hunt



**STEP #7**  
Get a home inspection



**STEP #2**  
Get Pre-approved



**STEP #5**  
Make an offer on your  
dream home



**STEP #8**  
Sign loan documents &  
wire funds to escrow



**STEP #3**  
Dream-up your  
dream home



**STEP #6**  
Submit your home loan  
application



**STEP #9**  
Move in!



# DREAM HOME BUDGET WORKSHEET

## Net monthly income | net = after taxes have been deducted

Salary, Tips, Wages \_\_\_\_\_

Bonuses \_\_\_\_\_

Dividends & Interest \_\_\_\_\_

Any Other Source of Income \_\_\_\_\_

Self Employed Net Income \_\_\_\_\_

Total Monthly Income \_\_\_\_\_

**NOTE - Factoring Your Net Monthly Self-Employed Income:** If you are self-employed you would take your gross average yearly income and deduct your gross average yearly business expenses and then deduct what you think you will have to pay, as a percentage of this income, in taxes each year to the IRS & State. You would then divide this amount by 12 to come up with your estimated net monthly income amount. For example, if you made a gross yearly amount of \$100,000 and you had \$20,000 a year in business expenses you would subtract \$20,000 from \$100,000 for a total amount of \$80,000 of income (after business expenses have been deducted). If you think that you would have to pay about 28% of taxes on this amount of income you would multiply \$80,000 x 28% which equals \$22,400. Now subtract the \$22,400 from the \$80,000 of income to get your estimated total yearly net income of \$57,600. Divide \$57,600 by 12 to get your estimated monthly net income amount of \$4,800.

## Monthly Expenses

Credit Card Bills - minimum payment \_\_\_\_\_

School Loans \_\_\_\_\_

Car Loans or Leases \_\_\_\_\_

Other Installment Loans \_\_\_\_\_

Internet/Electricity/Garbage/Utilities \_\_\_\_\_

Water \_\_\_\_\_

Gas - Car \_\_\_\_\_

Groceries \_\_\_\_\_

Clothing - new & dry cleaners \_\_\_\_\_

Car Insurance \_\_\_\_\_

Cell - Phone \_\_\_\_\_

Health, Dental & Eye \_\_\_\_\_

Child Care \_\_\_\_\_

Alimony - Child Support \_\_\_\_\_

Entertainment \_\_\_\_\_

Savings Investing \_\_\_\_\_

Cash Savings \_\_\_\_\_

IRA - 401K \_\_\_\_\_

Total Monthly Expenses \_\_\_\_\_

Subtract your total monthly expenses from total monthly net income to come up with the amount that you have left over at the end of each month.

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- How much do you have left over? How much of this amount are you prepared to put towards your housing expenses each month?
- Is there anywhere in your monthly expenses where cutbacks can be made?
- Can you pay off any credit card debts, car loans or installment loans?



# THE CREDIT DOS AND DON'TS DURING THE MORTGAGE PROCESS.

Good credit history and credit scores are critical to obtaining the best interest rate and terms on a home mortgage. Learn to do the right things, and avoid the wrong things when it comes to your credit.

## DO

- ◆ **Create a file and keep copies** of all your important financial documents including check stubs, W-2s, tax returns, bank and investment account statements, rental agreements, etc.
- ◆ **Save up and set money aside** for your down payment. Or if you are receiving gifts to go towards your down payment, talk to your mortgage professional about how to handle.
- ◆ **Stay current on existing accounts** – one 30-day notice can cost you!
- ◆ **Continue to use your credit as normal** - changing your pattern may raise a red flag and negatively impact your credit score.
- ◆ **Keep your credit card balances 30% below** their limit during the loan process. If you pay down balances, do it across the board.

## DON'T

- ◆ **Change your job, job title, salary, compensation structure or employer** – we must be able to verify this information!
- ◆ **Make any large purchases** such as a new car, boat, or appliances until after your loan has funded.
- ◆ **Make large deposits** into your bank account or change bank accounts.
- ◆ **Apply for a new credit card** or give your personal information to someone who may run your credit report – credit inquiries may have an impact on your credit score.
- ◆ **Close credit card accounts** - if you close a credit card account, it may appear that your debt ratio has gone up.



