
First Time Home Buyer's Guide

Produced by:
The Michael Vincent Property Group

Get Prepared:

It's time to Adult... remember all those documents & items that everyone told you to protect, don't give out, or share with anyone... well now is the time to start gathering together because, you will need them to verify your residence, age, employment, credit, etc...

Get the following items together:

Copies or Originals of the last two years of tax returns, last two months of paystubs or income earned, copy of driver's license, social security card.



Step #1

Stop Spending Money!!! Your Debt to Income is going to play a major part of getting a loan for a home.

→ **Credit**

STOP! Do not open or use it until you own your home. You can get your 10% discount at ABC store after you buy your home.

→ **Accounts**

No NSF or penalties in your bank account for the last 90 Days. No one wants to give you a loan if you can't pay your bills.

→ **Down Payments**

There is a procedure for everything and you can get help, but don't randomly deposit \$ in your bank account and say you found \$10k under the bed.



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What Is A First Time Home Buyer?

→ The Internal Revenue Service states a First Time Home Buyer is a taxpayer who has not owned another principal residence at any time during the three years prior to the date of purchase.



Tip #1

Special Incentives!

FTHB's have special financing options available, but must have a specified minimum credit score!





Step #2

Pick One & Stick With It! You only need one Captain to navigate your way to homeownership but there will be a few specialists along the way!

→ **Agents**

The right agent can make life extremely easy or the wrong one can cause you a lot of stress. Shop for the best and leave the rest...

→ **Lenders**

Wholesale vs retail. Customer service is the most important, but deals make swallowing a big mortgage a little easier. Look for lowest fees & interest rates.

→ **Title Companies**

These are the folks that make sure no one retains ownership of your newly purchased home. Competence & Experience are key!

—
My cousin's mother in law's 3rd cousin's hairdresser is a realtor. She can help me, right?

You will be paying for your home for the next 15-30 years and gambling with your future is not something you want to put in the hands of a novice.

When making the largest purchase of your life, do you want anyone or the right one?

Pick the right one!



Tip #2

A Realtor is a NETWORKER-They should have an arsenal of resources and contacts to make your life easier. If your agent doesn't, get one that does!



Step #3

Get Approved! You need your financing secure before you go House Hunting!

→ **Pre-Qualified vs Pre-Approved**

Qualified is a great way to say you have a chance of getting a home. Approved is a concrete answer on your buying ability based on documented earnings & credit..

→ **They Said NO!**

Getting turned down today by a lender, does not mean go find another, and try again tomorrow. The right lender will guide you to a YES, but you may have to do some work on your part.

→ **\$#@%- What does that mean?**

There are going to be terms you have never come across, and may not understand. It's ok, the right agent will explain what it all means if not, fire your agent and get one who will.



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You, did it! You are approved to buy a home...Now, make a List!

- I love...
- I want...
- I need...
- I wish...
- Bonus* -Pool, Hot Tub, etc...



Tip #3

Ask everyone in your home what they would like in the new home .and what are all of the must haves. Save yourself the headache so you don't get blindsided by it later.



Step #4

Pick A Winner! No Home is Perfect, Regardless if it is new construction or a historic home, human error is always involved.

→ **New Construction**

The appeal of New is always tantalizing, but it comes with a cost, and usually is not an option for many First Time Home Buyers, unless in a builder owned subdivision.

→ **Used Homes**

Unlike a car, homes are either new or resale, everything else is semantics. Homes built during certain eras offer many things newer construction cannot. Consider all options!

→ **Foreclosures**

Everyone wants a deal, and an REO home can be a great deal, but many are not usually an option for FTHBs due to loan structures and restrictions.



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– You're going to fix that...Right?

- Unlike renting or living with family, you are now your landlord, maintenance person, and landscaper... or you can hire someone. :)
- *YouTube, Pinterest, Hardwood Stores- these are you new best friends!*
- Ask for tools, and other items you don't own for your next birthday, christmas, Mardi Gras, or anytime you can get a freebie from a friend or family member.



Tip #4

Home Warranties save a ton of money & time. Consider it when purchasing a home with older appliances & mechanical units.

American Home Shield preferred by THEMVPG



Step #5

Never Show Your Hand! Take the emotion out of negotiations, a level head and clear vision will always win!

→ **Price**

Don't sweat over a grand its minimal in the grand scheme of things!

→ **Closing Costs**

100% No Money Down- doesn't mean you get a home for FREE! Great Agents find ways to get the seller to pay for the buyers closing costs, if not you have to foot the bill.

→ **Added Values**

A seller may offer to leave all kinds of great items for you to make the home seem like a great deal. Nothing is worth buying a bad home unless it's to be bulldozed!



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– They Accepted! Time to Move...Right?

→ On paper you are moving right along, but we have to check the boxes and dot the “i’s” and cross the “t’s” before you order that U-Haul.



Tip #5

Don't make any plans until you are told to by 3 of 3 people... Your agent, lender, and title company.

Patience is a Virtue, time to embrace it.



Step #6

Expect to Inspect!! Home Inspections are not required but strongly recommended.

→ **General Home Inspection**

State Licensed and Certified Inspectors are trained in all areas of Residential Homes to ensure general practices and codes are followed and permitted.

→ **Wood Destroying Insect Inspection**

Termites are not the only bugs that like wood! Government backed loans require all homes pass this type of inspection.

→ **Specialty Inspections**

Plumbing, Well/Septic, Environmental and other specialized inspections are needed on a case by case basis, but don't skip if recommended.



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– Appraisals & Prayers!

- You made it through inspections! Now you are envisioning where everything is going to go and all you can think about is when do you get the keys?
- Now it's time to see what it's all worth, and make sure all of that tough negotiating paid off, literally!



Tip #6

The average house is listed within 3-5% of market value and usually only elevated above due to most homes today are being purchased with closing costs and pre-pays anticipated by the seller.



Step #7

It's worth what? An appraisal is an assessment of the market based on the previous 180 days to date sales of homes comparable to yours on quality, size, condition, and extras.

→ **Above Appraisal**

Nothing wrong with a little equity. Demand and time of year creates elevated equity earnings.
Buy low, Sell high!

→ **At Cost Appraisal**

Just right! You bought it at the right price, and everything suggest it will continue to be a great investment.

→ **Below Appraisal**

The market changes, and so do values, "*It was worth way more in 2013, you didn't measure right, or came on a cloudy day*" are the excuses most common with a low appraisal."
Numbers don't lie, pay more or they sell it for less, either way back to negotiations.



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– Today Is The Day...

- You think back, wow I'm buying a home today... Nerves, Chills, Giggles, are all coming over you. Uh Oh! Can I do this, can I pay the bills, what if something breaks, who do I get water & electricity from? What about internet, I can't watch YouTube without my WiFi.
- Hold on, remember your agent is here, to answer everything and guide you into homeownership. "Hakuna Matata"



Tip #7

Your lender is going to discuss with you, the cost associated with the purchase of your home and what the anticipated monthly payments will be.



Step #8

Signatures, please!! Closing day can be a bit overwhelming, and you will be signing legal binding documents as fast as the Notary/Attorney can move the paper for what feels like hours. Breathe...

→ **Paperwork**

The lender is responsible for the Closing Documents be reviewed 3 days before closing day and further explanation can be administered by Notary/Attorney day of.

→ **Homestead Exemption**

Home Ownership has its perks, and one of them is a \$75k break on your property taxes,

→ **Moving Day!**

Weather it's the day of or the day after, as of today the home is yours when the final approval has cleared for funds, and the keys are handed to you! Congrats on buying your first home! You did it.



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What's all this mail?

The purchase of a home is public information, and companies pay a lot of money for it.

30, 60, 90 days after you purchase your home, you will receive mail through the USPS from all types of companies and official looking documents telling you that you must act now, or activate blah, blah, blah... Take a picture, text your realtor with, Keep or Trash?

Tip #8

Your Realtor is a great resource for everything within your community, and they want to be your Realtor and anyone and everyone you know as well. So, ask them anything... Chances are they know the answer.



Thank You!

"The Only Name In Real Estate You Need To Know & Trust"



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