HOME *Buyer* GUIDE

A BUYER'S STEP BY STEP GUIDE TO BUYING A HOME





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SHANNON COMSTOCK

Investing in a home is one of the most important decisions you'll make. So much more than a roof over your head, your home is where life unfolds and memories are made, all while building a financial foundation for your future.

Deciding how you'll navigate your journey to homeownership is equally critical to the agent you work with. As someone who's been in your spot before, I'm familiar with what's cycling through your mind, and as a real estate agent, I've mastered the ins and outs of the buying process. When you work with me, you'll benefit from my experience, and together we'll work toward making sound, smart decisions for your future.

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LET'S CONNECT

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The Home Buying Process



The Process

STEP 1

GET PRE-APPROVED

- Gather your financial documents
- Meet with a lender
- Obtain Pre-Approval
- Confirm you have adequate funds
- Set a budget

STEP 2

MEET WITH YOUR AGENT

- Discuss budget
- Discuss market conditions
- Research area neighborhoods
- Set wants & needs

STEP 3

FIND YOUR HOME

- Tour homes
- Adjust criteria if necessary

STEP 4

MAKE AN OFFER

- Research comps in the area
- Work with your realtor to set up the best offer
- Negotiate terms of the offer

STEP 5

UNDER CONTRACT

- All negotiations are finished
- Both parties have signed contract
- Deposit earnest money

STEP 6

DUE DILIGENCE

- Professional inspects the property
- Discovers issues that may need to be worked into the purchase agreement
- Complete all due diligence
- Negotiate repairs
- Obtain home owners insurance

STEP 7

APPRAISAL

- Professional appraiser ensures the property is worth the contracted sales price

STEP 8

TITLE COMMITMENT

- The title company will send you a title insurance policy for the property after closing

STEP 9

DOCUMENTS TO LENDER

- Make sure all requested docs are sent to your lender prior to closing

STEP 10

CLOSING

- Wire final closing funds
- Final walk-through
- Sign closing documents
- Receive your keys

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The Cost Of Buying



The Costs Of Buying A Home

EARNEST MONEY DEPOSIT:

The initial amount you put to secure the home for our offer. This ranges from 1% to 5% and is reduced from your final down payment. This is typically cashed and held at either the title company or closing attorney's office.

INSPECTIONS:

Home inspections are important when buying a home. We want to find out everything that could possibly be wrong with the home. A general home inspection is a must, but you can also select many other types of inspections including termite / pest inspection, radon inspection, water inspection (if well water), septic inspection (if on-site septic), mold inspection, and lead paint inspection. You may also want to consider having a survey completed.

APPRAISAL:

All homes that have a mortgage will require an appraisal to ensure that the you are buying a home that is not overpriced. An appraisal is done strictly for the lender and costs between $400 - $600. This will be paid upfront in most cases. Speak to your lender directly to find out if they require payment up front.

DOWN PAYMENT:

This is not due in full until a day or two before closing day! Typically ranging from 3.5% (with an FHA loan) to 20%, and everywhere in between! You will be able to discuss the specifics of your loan with your lender to find out exactly how much of a down payment will be required.

CLOSING COSTS:

Closing costs are the fees that are needed to close and get keys for your new home — such as lender fees, transfer tax, escrow (including your taxes), reimbursements, and homeowners insurance. Closing costs typically range from 3%-5% of the purchase price of the home.

GENERAL HOME INSPECTION:
$450-$700 (DEPENDS ON SQUARE FEET)

HVAC:
$200-300

RADON:
$175-$300

TERMITE:
$150-$250

WELL (IF APPLICABLE):
$300-$700

ON-SITE SEPTIC (IF APPLICABLE):
$350-$800

***THESE ARE AVERAGE COSTS AND VARY DEPENDING ON THE INSPECTION COMPANY USED**

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The Mortgage Process



The Mortgage Process

The very first step of the home buying process is to get a pre-approval letter from a lender stating how much you are pre-approved for. A pre-approval letter is typically only valid for 30-90 days as long as no major financial changes have occurred in your life.

QUESTIONS TO ASK POTENTIAL LENDERS:

1. What type of loan do you recommend for me and why? There are multiple types of mortgage loans, and you should know which one is best for you and how it works. The lender can help break this all down in easy terms for you to understand, and will be here alongside us in the journey to help answer any questions that come up that pertain to the home loan.

2. Will my down payment vary based on the loan I choose? If you're tight on cash or don't want to be cash poor, let your lender know. Loans vary in their down payment requirements, and no two scenarios are the same. The lender is there to put the puzzle pieces together, and come up with a plan that will for for you and your financial scenario so it is best to be completely transparent with them from the beginning.

3. What is the interest rate and the annual percentage rate (APR)? Everyone talks about the interest rate, but the APR is just as important. It combines the interest rate with the fees a lender charges to originate your loan. It is the full cost of financing a home.

4. Can I lock in the interest rate? If so, for how long? If you think rates will be moving up, ask if you can lock it in for a set period of time. Some lenders have extended rate lock options.

5. What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? Can I take a higher interest rate and use a lender credit to help cover my closing costs? Closing costs usually run 3-5% of your loan value so you need to know how they'll be covered. Sometimes we can also negotiate the seller to help cover a portion of your closing costs, depending on the market conditions.

RECOMMENDED LENDERS

YOU CAN USE THE LENDER YOU CHOOSE. THESE ARE A FEW OF THE LENDERS I KNOW AND TRUST AND HAVE WORKED WITH



GREEN FRONT MORTGAGE
JOSH MORROW
916.233.7303
JOSH@GREENFRONTMORTGAGE.COM



PAC RES MORTGAGE
KELLY FRAZEE
775.343.9187
KELLY.FRAZEE@PACRESMORTGAGE.COM



ELEMENT MORTGAGE
KYLE NICHOLAS MCCRAY
916.880.8059
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Mortgage Loan Guide

There are many different types of loans. when you speak to your lender, they will help decide which one is the best fit for you. Each loan product has different minimum credit scores required as well as different down payment options.

FHA LOAN

Loans designed for those with high debt-to-income ratios and lower credit scores, and most commonly issued to first-time homebuyers. Offered by FHA-approved lenders only and backed by the Federal Housing Administration.

VA LOAN

Loans designated for veterans, spouses, and reservists, offered through private lenders and guaranteed by the U.S. Department of Veteran Affairs. This is a $0 down loan program.

USDA LOAN

Loans for homebuyers in designated rural areas, backed by the U.S. Department of Agriculture. There are income qualifying limits as well. It is also a $0 down loan program.

CONVENTIONAL LOAN

The most common type of home loan, which is offered through private lenders.



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Do's & Don'ts Of The Loan Process







There are certain "Do's and Don'ts"of the home loan process which may affect the outcome of the ability to purchase a home. These remain in effect before, during, and after loan approval up until the day of funding your loan and closing. Many times credit, income, and assets are verified days or hours before you have signed your final loan documents.

MAKE SURE THAT YOU DO NOT:

- Don't buy a car
- Don't get married or divorced
- Don't change professions or start your own business
- Don't change bank accounts
- Don't buy ANYTHING! (appliances, furniture, etc.)
- Don't co-sign a loan for ANYBODY else
- Don't throw away documents
- Don't get lazy with monthly bills and incur any late payments
- Don't let anyone run your credit or apply for any credit cards
- Don't pay off any old debt collections unless instructed to do so by your lender

MAKE SURE THAT YOU DO:

- Do keep all accounts current, including mortgage, car loans, credit cards, etc.
- Do contact both your lender anytime a question may arise
- Do make all payments on or before due dates on all accounts, even if the account is being paid off with your new loan
- Do return phone calls from your agent, loan officer, Settlement Company, or anyone else involved in your transaction ASAP! TIME IS OF THE ESSENCE !

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Home Search



Home Search

Once you have your finances in order, the house hunt officially begins!

I will set you up on an automatic search through the Multiple Listing Service (MLS), which is the database that Realtors use to list and search for homes. The moment a home that fits your search criteria is listed for sale, it will be sent directly to your email inbox. If we ever need to adjust the search criteria, just let me know and I can make any changes you need.

some quick tips

- **Use the search filters but not too much.**

You don't want to narrow your search so much that you only have a handful of homes to view. Keeping your wants vs. needs list in mind, expand your geographic search will allow for more options

- **If you find something that catches your eye, it's a good idea to do a drive-by first**

Online pictures can be deceiving so driving through the area will give you a better sense of the neighborhood, area, and if it's a home you want to view.

- **Remember, you can't change the size of lot or the location**

Location, location, location! Consider this when purchasing,

- **Don't let yourself get distracted by the home decor or staging.**

While the decor or furniture may be attractive , these things don't come with the home and will be gone by the time you move in. Try to stay focused on the floor plan, and condition of the home.

- **Consider you options, but don't get analysis paralysis.**

If a home makes a good first impression, make sure you write down all of the reasons why you love that home. This is one of the largest purchases you'll ever make , so I fully understand wanting to make sure you make the right decision. Don't take so much time deciding that somebody else swoops up the home and gets under contract before you can even write an offer.

QUESTIONS TO ASK BEFORE SEARCHING FOR A HOME

1. WHERE DO YOU WANT TO LIVE?
2. IS THERE A SPECIFIC SCHOOL DISTRICT YOU'D LIKE TO BE IN?
3. ARE YOU INTERESTED IN NEW CONSTRUCTION OR A RESALE HOME?
4. WHAT STYLE HOME WOULD YOU PREFER?
5. ARE STAIRS ACCEPTABLE?
6. DO YOU WANT A GARAGE?
7. WHAT SIZE LOT AND BACKYARD WOULD YOU PREFER?
8. DOES IT MATTER IF YOU ARE IN AN HOA?
9. DOES HAVING A BASEMENT OR THIRD FLOOR MATTER?
10. WHAT FEATURES OF A HOME ARE MOST IMPORTANT TO YOU?

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Offer & Negotiations



Offer & Negotiations

So you've found "the one" and you're ready to put in an offer—let's go over the basics!

IN ORDER TO WRITE AN OFFER, WE WILL NEED THE FOLLOWING INFORMATION:

- **PRE-APPROVAL LETTER AND PROOF OF FUNDS.**

Include a pre-approval letter that shows that you're serious, pre-approved, and ready to purchase.

- **OFFER PRICE**

i will help you determine the property's market value based on comps. You may only get one shot, so make it count. We will use comps as a guide, but go in with a strong number and terms we know a seller would find favorable.

- **EARNEST MONEY DEPOSIT**

This Is typically 1-5% of the purchase price.

- **FINANCING AMOUNT**

What percentage of the loan you are financing, and how much you are putting down

- **CLOSING DATE**

If getting a mortgage, this is typically 30 days from acceptance of the offer. This will be the day the deed to the home is recorded in your name and keys are handed over. It is favorable to ask the sellers what their preferred settlement date Is.

- **INSPECTIONS**

The inspection contingency is usually anywhere from 7-14 days, to perform Inspections & renegotiate or terminate the contract If the Inspection comes back unacceptable.



Inspections & Insurance



Inspections

During the inspection period, the buyer has the right to hire a professional to inspect the condition of the home. The inspection will uncover any issues in the home that would have otherwise been unknown. I always highly recommend to have home inspections done. Even on new construction!

The standard home inspector's report will cover the condition of the home's heating system; central air conditioning system; interior plumbing and electrical systems; the roof, crawl space, attic, and visible insulation; walls, ceilings, floors, windows, and doors; the foundation, basement and structural components. You will receive a written report of the inspection, *but I recommend you attend the last 30 minutes of the inspection to go over any findings with the inspector.*

ADDITIONAL INSPECTIONS YOU MAY NEED:

- **HVAC INSPECTION** - An HVAC inspector will look at the heating and cooling system in more detail than the home inspector. They are expensive systems and I always recommend this inspection.
- **RADON INSPECTION** - Radon gas is the 2nd leading cause of lung cancer in the US- it is a naturally occurring gas that is colorless and odorless and can only be detected with a radon detector.
- **PEST INSPECTION** - Ask your lender if your loan requires any certain inspections such as a Wood Destroying Organism (WDO) inspection.
- **LEAD-BASED PAINT INSPECTION** - If the home was built prior to 1978, a lead-based paint inspection is optional.
- **WELL WATER / SEPTIC INSPECTION -** If the home has a septic system or well water it is important to do these inspections to make sure the water is not contaminated and the septic system is working properly with no leaks or breaks in the lines or septic tank.

Homeowner's Insurance

Homeowner's insurance is always required when you are financing a home. Depending on if your house is in a flood zone, or potential flood zone, flood insurance may also be required. Always discuss all your options and quotes with your insurance agents. Below are the different types of insurance.

HOMEOWNERS	The standard homeowners insurance covers financial protection against loss due to disasters, theft and accidents
FLOOD	Protects against damage caused by a flood. If you are near a flood zone, it still could be worth it to get flood insurance even if it is not required.
HAZARD	Hazard insurance protects against damage caused by fires, severe storms, hail/sleet, earthquakes or other natural events
WIND	Protects against damage caused by events such as tornadoes, hurricanes, or gales.

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Closing



Preparing For Closing

TITLE

The title company will conduct a title search to ensure the property is legitimate and find if there are any outstanding mortgages, liens, judgments, restrictions, easements, leases, unpaid taxes, or any other restrictions that would impact your ownership associated with the property. Once the title is found to be "clear", the title company will issue a title Insurance policy that protects lenders and owners against claims or legal fees that may rise over ownership of the property. This is required when obtaining a mortgage and is highly recommended even if you are paying cash. This will also be a part of your closing costs, and the fees are state-regulated, which means every title company will charge the same amount for title insurance, making It easier for you because you don't need to "shop around"!

"CLEAR TO CLOSE" IS EXCELLENT NEWS!

It means the mortgage underwriter has officially approved all documentation required to fund the loan. All that remains is the actual closing process. When we hear "CLEAR TO CLOSE" that doesn't mean go out and start financing new appliances, and new cars. You still need to wait until after closing to make any other large purchases.

FINAL WALKTHROUGH

We will perform a final walkthrough the day of settlement to confirm that the seller made any repairs that were agreed upon and to make sure no issues have come up while under contract. Not to worry - I have a very detailed final walk through checklist to use to ensure we don't miss anything!

closing checklist

- [ ] TRANSFER ALL UTILITIES INTO YOUR NAME (GAS, ELECTRIC, WATER, SEWER, ETC.)
- [ ] REVIEW THE CLOSING SETTLEMENT STATEMENT A FEW DAYS BEFORE CLOSING
- [ ] FINAL WALK-THROUGH
- [ ] WIRE FUNDS TO THE CLOSING COMPANY
- [ ] BRING YOUR DRIVER'S LICENSE OR PASSPORT TO THE CLOSING TABLE
- [ ] SIGN ALL CLOSING DOCUMENTS AND WAIT FOR THE PROPERTY TO RECORD IN YOUR NAME
- [ ] **HURRAY! POP THE CHAMPAGNE, YOU ARE A HOME OWNER!**

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Moving Checklist



4-6 WEEKS BEFORE

- [ ] Declutter, discard & donate
- [ ] Collect quotes from moving companies
- [ ] Locate schools, healthcare providers in your new location
- [ ] Secure off-site storage if needed
- [ ] Choose a mover and sign contract
- [ ] Create a file of moving-related papers and receipts
- [ ] Contact homeowner's insurance agent about coverage for moving
- [ ] Contact insurance companies to arrange for coverage in new home

3-4 WEEKS BEFORE

- [ ] Notify the following about your change of address:
  - [ ] Banks + Post Office
  - [ ] Credit Card Companies
  - [ ] Insurance Companies
  - [ ] Lawyer + Financial Advisor
  - [ ] Magazine Subscriptions
  - [ ] Family + Friends
- [ ] Notify utility companies of date to discontinue/ transfer service
  - [ ] Electric
  - [ ] Water
  - [ ] Trash
  - [ ] Gas
  - [ ] Internet
  - [ ] TV

2-3 WEEKS BEFORE

- [ ] Notify DMV of new address
- [ ] Discontinue additional home services (housekeeper, gardener/lawn service)
- [ ] Start using up things you can't move, such as perishables
- [ ] Close/open bank accounts
- [ ] Arrange for child and pet care on moving day
- [ ] Notify HOA about upcoming move

1 WEEK BEFORE

- [ ] Confirm final arrangements
- [ ] Arrange transportation for your pets and plants
- [ ] Review your moving-day plan with moving company
- [ ] Take a picture in your home
- [ ] Pack an essentials box for quick access at new home
- [ ] Label moving boxes with the contents inside

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Frequently Asked Questions

- **SHOULD I SPEAK WITH A LENDER FIRST?**

The answer to the question is YES! There are tons of reasons why you should talk with a lender and get pre-approved before looking at homes. First and foremost, talking with a lender before looking at homes can help you understand exactly how much you can afford. There is no reason to look at homes that are listed for $450,000 if you can only afford up to $400,000.

- **WHAT IS AN EARNEST MONEY DEPOSIT?**

An earnest money deposit is also frequently referred to as a good faith deposit. When a buyer purchases a home, they provide the seller's real estate company a deposit to hold in their escrow account. The primary purpose of this deposit is to show a seller you are serious about purchasing their home. The amount that is deposited is subtracted from the final figure that a buyer pays at the closing table. In most cases, the larger the deposit, the stronger a purchase offer looks to a seller.

- **WHY IS THE SELLER LEAVING?**

Understanding why the seller is moving — whether it's due to downsizing, a job relocation or as a result of a major life event — might help you get a better deal on the property. A good buyer's agent will try to find out this information for you and gauge how flexible (or not) the seller might be during negotiations. A motivated seller who needs to move quickly or whose home has been on the market a while is more likely to work with you than someone who isn't in a rush to move.

- **ARE THERE ANY PROBLEMS WITH THE HOUSE?**

Sellers are required to provide a disclosure form listing any known defects. But what they don't disclose — and you don't know — can lead to major issues later. That's why it's critical to get a home inspection done by a professional home inspector as soon as a purchase agreement is signed. The inspection report outlines the home's overall condition and can help you negotiate future concessions, such as repairs or seller-paid credits, before closing the deal. If a home has too many problems and you included an inspection contingency when you made an offer on the home, you'll be able to back out of the deal without penalty and (in most cases) get your earnest deposit returned as long as you do it before this contingency ends.

General Info

REASONS WHY NOT TO CALL THE AGENT ON THE YARD SIGN

The listing agent has a fiduciary duty to the seller by signing a contract with them first, you as a buyer **are a second interest.** If you went to court, would you use the other person's attorney? Of course not! It is the same exact situation when you are buying a home. You want an agent representing YOUR best interest and negotiating and advocating for you. No matter what real estate company a home is listed for sale with, I have the ability to show you that home and write up any offers.

NEW CONSTRUCTION

It is a similar scenario when buying a new home. The new home sales rep has the builder's best interest at heart and represents the builder. Additionally, I can often negotiate better terms or upgrades in your new home that the builders do not tell buyers about because they have the builder's best interest and profit in mind, and not yours. I can also recommend which upgrades to do now with the builder, and what would make more sense to do after you move in. I am also happy to recommend vendors who can do upgraded work post closing, for less costs than the builder will charge.

FORECLOSURE/BANK-OWNED PROPERTIES

Though many foreclosed homes are perceived as an excellent investment due to lower than average pricing, there are a few stipulations to consider. Many foreclosed homes are in a rough condition due to previous owners being forced out of their homes. With this in mind, the properties are rarely left in "move-in" condition and are always sold as-is with an extremely rare chance to have the home fixed prior to purchase. An additional bit of info to understand is that just because you found it online listed as a pre-foreclosure doesn't mean it will actually ever hit the market for sale. Sometimes those homeowners are refinancing, getting caught up with their payment, or the home gets sold all cash at an auction. If a foreclosure home is for sale on the market, I still can help represent you in the purchase of that home. You do not have to bid online on your own.

WHY HIRE ME AS YOUR AGENT ?

- Advise and negotiate on your behalf through our offer strategy to ensure you get the best deal or to have your offer accepted in a multiple-offer situation
- Perform a free market evaluation prior to writing any offers to ensure you are comfortable with our offer strategy
- I can connect you with lenders who have financing options for buyers, including down payment assistance and low down payment programs
- I conduct "reverse prospecting" to proactively go after sellers looking to sell the specific type of property you are looking for
- Updates on searches daily In the multiple listing service so that you get the most up-to-date homes and do not miss any opportunities
- I use e-signing for all contracts and offers in order to get an offer submitted quickly and efficiently
- I have an extensive referral network to help give you the best deal and any discounts when it comes to the maintenance and long term care of your new home
- I love to celebrate this incredible milestone with my clients, and can't wait to celebrate with you too!

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Reviews



"We worked with Shannon with selling my mother's home. She always kept us up to date during the whole process. I asked her for names of landscapers, junk removal, cleaners and even moving companies. Her response was quick and spot on. I loved how she sent us short little videos about the next steps. Thanks so much to you, Shannon. If you need a great agent, look up Shannon!" - Nani Hogan

"Shannon Comstock was very helpful, patient, knowledgeable and became a delightful friend. She helped us navigate the real estate market in the Reno/Sparks area in Northern Nevada. She made buying the perfect forever home very easy with recommendations for the right mortgage agent and lending company. Shannon was the eyes, ears, and nose for us as we were living in San Diego at the time we were buying our home in Nevada. She viewed several homes for us to choose from and created YOUTUBE videos so we could go through the homes as many times as we wanted to select the perfect home for us. She pointed out defects, smells, and sounds as she was showing us the various properties, until we found the perfect forever home. Shannon Comstock's professionalism and attention to detail stands above and apart from her contemporaries. She handled the purchase of our new home with class and aplomb." -Ken Wylie

"Shannon is one of the most dedicated, knowledgeable, and effective Realtors I have ever worked with. I've executed several successful transactions with her at my side, and could not possibly be happier!" - Corey Smith

"Shannon was so helpful with our house buying process, without her help we wouldn't have been able to get our now home. She was incredibly attentive as well as positive even when we started to become deterred in the current market. She was always available to answer any questions we had about the process, this being our first home there was a lot of them! She treated us like family and we are so fortunate to have met her!" - Kylee Webster

"Shannon is an outstanding realtor. When helping us look for the perfect home, she took into consider all of our needs such as family size, location, daily work commute and found us a home that met all of our requirements. During the buying process, she gave us a thorough run down of what to expect and checked in with us daily. She answered all questions and was very professional the entire time. She is an awesome realtor that we highly recommend!" - Valerie Salazar

Notes

"Owning a home is a keystone of wealth." -Unknown



"Coming home is one of the most beautiful things." - Andre Rieu



I look forward to earning your business.



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