

THINGS TO CONSIDER WHEN **BUYING A HOME**



Courtesy of Elisa Buckley

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ELISA BUCKLEY, REALTOR®



Elisa's real estate knowledge and experience, as well as her negotiating expertise and aggressive marketing strategies, continually prove to exceed her client's expectations. Elisa's main focus is working with sellers to price, list, and sell their home in the most efficient and profitable way for the client. Elisa offers no-obligation consultation services to help prepare the home for sale and follows aggressive marketing strategies to attract buyers. Once under contract, she negotiates for the seller and focuses on obtaining the best price, in the least amount of time for the best terms, netting the maximum amount possible for her clients.

Elisa is a Realtor® and Licensed Broker at Meadows Group, Inc. Realtors in Tigard

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I am dedicated to providing my clients the best possible service, and I'm proud to be a 5-star Agent! I feel that having the right real estate agent means having an agent who is committed to you, someone who takes the time to understand the market in your specific neighborhood and who understands your unique needs and ultimate goal. I work to make the entire process as easy and streamlined as possible and reduce the stress and anxiety often associated with Real Estate transactions. I promise to keep you informed every step of the way and respond to your calls and emails quickly. I believe that working together, we can deliver!

”



5-STAR
PREMIER AGENT



TESTIMONIALS



Elisa was awesome to work with, especially for being a first time home buyer. She took the time to listen and understand what we wanted in our home, all while answering our endless stream of questions! We were able to find everything we wanted in a house without exceeding our budget. Thank you for all your help Elisa, we love our new home!

- Rabie & Yasmeen

We found Elisa through Zillow and she answered my phone call immediately and made an appointment to see the house we were interested in within the hour. She helped us negotiate a fantastic price, which was below list price in this crazy market! She was very easy to work with and always available when we had questions or concerns. I would recommend Elisa, as she made our home buying experience pleasant.

- Keri Kost

We met Elisa while touring one of her homes in the Cross Creek neighborhood (Beaverton). The one we toured wasn't quite what we were looking for, but as soon as we met Elisa, we knew we wanted to work with her. After talking for a bit, she let us know about an FSBO down the street, that we absolutely loved. It was everything we wanted, and we wouldn't have even had the opportunity to see it if Elisa wasn't such a good agent with a firm grasp of the area. We wrote our offer, and the house was ours! She patiently walked us through the entire home buying process (sometimes well past business hours), and still goes above and beyond in our relationship. I would not hesitate to recommend Elisa to anyone buying in the area, and am confident if/when we sell our home down the road, she will be the first person we call.

-Steve Curl

I met Elisa at an Open House, she seemed helpful and knowledgeable and I asked her to help me find a home for a specific school. She definitely goes above and beyond with her service and I absolutely recommend her. She has a go-getter attitude, she's prompt, readily available, she would answer my calls and emails quickly, and if she didn't know the answer she would find it. She was very attentive to my needs and made me feel like I was her Number One client. We looked at probably 20 houses before finding the one I wanted to write an offer on. Elisa was able to negotiate an amazing price and a few days later when I jokingly asked her to see if we could get it for even less, she actually did it!! She's a great negotiator! During the closing process she continued to be very attentive. She helped me coordinate appointments with contractors and repair people to get bids for some work that needed to be done, which I did not expect from an agent. Simply Wonderful!

- Jay Adla

My Husband and I were not REALLY looking for a Home to purchase..... but we were going to Open Houses. We met Elisa at one that she was holding and we fell in love with her. We stayed for a while and by the time that we left..... we had asked her to be our Agent and to start looking for a home for us. She was amazing and answered all of our questions over and over again. She never tried to Up-Sell us and worked within our perimeters and budget. Elisa used her experience and knowledge of the area to find us the perfect home. It "FITS" us. Amazingly..... from the day that we met Elisa until the day that we had the keys to our home in hand.....was only 45 days!!!! If you are looking for "The Best" agent in the area..... you must use Elisa.

- Brett Penn

Elisa was a breath of fresh air. We had worked with a previous realtor for about a year and had many offers turned down. One evening, I saw a townhome I was interested in and decided to contact Elisa on a whim. That same evening she was writing our offer for us and giving us such great advise. I went to sleep that night knowing we were meant to work with her. Sure enough, the next day we were told we had our offer accepted. Without a doubt I would work with Elisa again and recommend her to anyone looking to buy or sell.

-Patricia Chavez

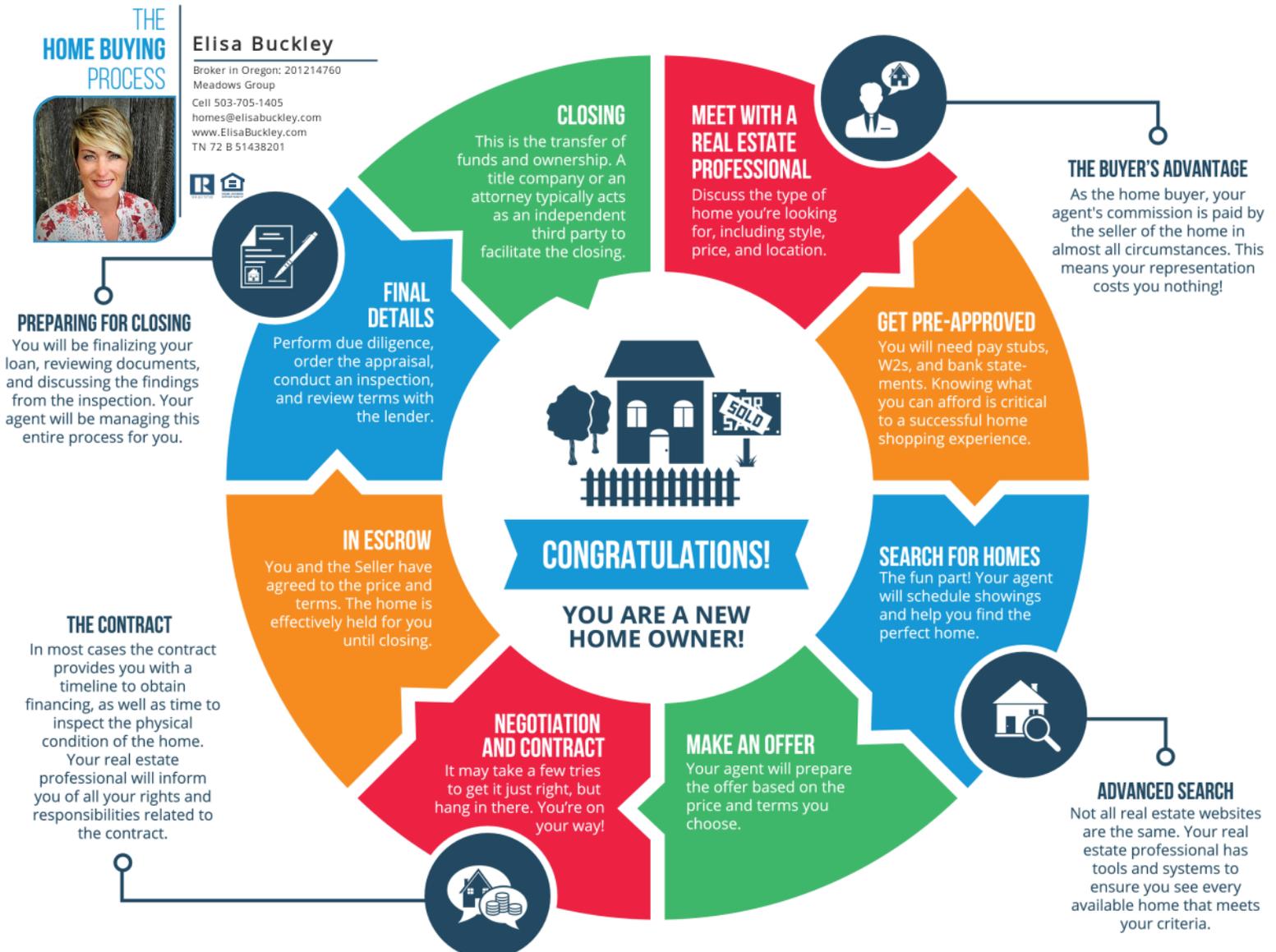
WHAT YOUR FRIENDS AND NEIGHBORS ARE SAYING ABOUT MY SERVICE

LET'S GET STARTED!

Let's get together and discuss your home wish list, what are your must-haves, your wants, and dislikes? You'll also want to meet with a mortgage lender to verify the range of loans available to you. It is best to make a loan application and be pre-approved for a home loan *before* we begin looking at homes. You may find the perfect home right away- we want to be prepared to make an offer.

You are welcome to do your own searches online or attend Open Houses to view homes as well. Please share those homes with me so I can make notes of your likes and dislikes. View homes online first, look at the satellite images from Google Maps and consider doing a drive-by on your own *before* we make an appointment to see the inside of the home. You may also find that your preferences change while we are looking at various homes and that is OK.

I am committed to finding you the best home for all your needs- present and future.



If you are already working with a real estate professional please disregard this solicitation.

REAL ESTATE TERMINOLOGY

Appraisal- This is typically done for the benefit of the buyer to ensure the property is worth what they are paying. It is often required of the lender and is a full report highlighting the estimated value of the property, completed by a qualified and neutral 3rd party.

Closing- In Oregon, “closing” refers to the notification that the Deed has been recorded with the county. Ownership of the home has officially transferred and all funding has occurred. This should not be confused with “Signing”.

Closing Costs- There are expenses associated with the transaction other than the actual cost of the home. For example, a buyer would have costs associated with obtaining the loan, having the title insured, government recording fees, etc. Your Title and Escrow agent can explain these further.

Closing Disclosure- This is a form that provides the final details about your loan- including the loan terms, projected monthly payments and any extra fees.

Commission- This is a percentage of the final sales price of the home that is paid to the Brokerage Firm. In Oregon, the commission is paid by the seller and split between the buyer agent’s firm and the listing agent’s firm.

Comparables- Homes in the area that have recently sold that have similar features.

CMA / Comparable Market Analysis- A report which shows the comparable homes and utilizes the data from those sales to determine the current market value of the property in question.

Contingencies- conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. Some contingencies may cause the contract to be canceled if they are not satisfied.

Counter Offer- The seller has the option to accept, decline, or counter any offer received from a buyer. If a counter offer is presented and the buyer declines to accept the counter offer, the original offer is dead.

Earnest Money- the deposit made from the buyer to the seller when submitting an offer. This deposit is usually held in Escrow until closing, at which time it will be applied towards the closing costs or down payment from the buyer.

Escrow- this term has multiple meanings; earnest money is typically held by a third party until closing- held “in escrow”. The Title Company also acts as the “escrow” account.

Equity- the difference between the market value of a home versus the amount owed on a home.

FHA Loan- This is a mortgage financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify.

HOA Dues – HOA Fees- In addition to a mortgage, certain neighborhoods charge a monthly fee associated with maintaining common areas and community amenities.

Home Inspection- a professional will inspect the seller's home for issues that are not openly apparent and provide a written report for the buyer to review.

Home Warranty- this is a 1-year service that covers the cost of repairs or replacements to items covered in the plan, such as appliances and home systems. It may be purchased by the buyer or the seller, for the benefit of the buyer. This does become part of the purchase agreement contract.

Mortgage Insurance- This is usually not required if the borrower has 20% or more for the down payment. This is insurance to protect the lender in the event the buyer cannot repay their loan.

Pre-Approval- the process in which a buyer must provide a mortgage professional with information on income, assets, debt, and employment- used to make the initial credit only loan decision. Once approved for a loan, the maximum sale price, loan amount and monthly payments are calculated for the borrower. This is not a loan approval.

Property Taxes- These are taxes that are imposed and enforced by the city, county and state government entities. These taxes are usually included in the monthly mortgage payment, held in escrow by the lender.

RMLS- the Regional Multiple Listing Service for our area, covering much of northern and western Oregon. This is the most reliable and up-to-date source for listing information.

Signing- This is usually done at the Escrow/Title company and typically takes place about 1-5 days prior to closing. This is the signing of all necessary paperwork required to complete the sale and transfer ownership.

Title- a legal document that proves the current and proper ownership of the property. This is also referred to as the Deed and highlights the history of property ownership and transfers.

Underwriting- this is the process in which the potential home buyer is evaluated for their financial ability to obtain and repay the loan. This also requires an appraisal of the home.

Did you know? As a Buyer's Agent...

I DO NOT KNOW YOUR FINANCIAL INFORMATION

I don't receive any information from you or your lender regarding your financial picture. I do not know your income, or what loans or debt you have. I will not see any bank statements or pay stubs. All financial information is between you and your lender.

WHAT I DO RECEIVE...

Your purchase price. Your purchase price is an amount that you and your lender agree on, and then you tell me that range. NOTE: In order to submit an offer on a home, you must have a "pre-approval" letter from your lender stating that you are indeed qualified to make this purchase. I do need a copy of this letter, or your lender's contact information so that I may reach out and obtain this letter to have on file. This is the only financial information that I will receive.

YOU DO NOT PAY ME- THE SELLER DOES!

The Seller pays the commission for both the seller's (listing) agent and the buyer's agent. The money comes out of the proceeds from the sale. This means home buyers are getting professional help from a licensed agent without paying for it!

Can you save money by not using a buyer's agent?

The simple answer is no. The home is already under a listing contract which stipulates the total commission to be paid when the house is sold. If the home is sold without a buyer's agent, that commission amount is now going to the listing agent alone. Commission can only be paid to licensed real estate brokers.

Oregon law prohibits any type of commission rebate or cash back to buyers.

Bottom Line:

You are getting ready to make a huge financial investment, and there's no cost to hiring a professional to represent you, so why would you want to go it alone?



I'M A FULL SERVICE REALTOR®



The decision to buy a home is an exciting one! I am devoted to making your experience enjoyable and as stress free as possible.

MY SERVICE PROMISES TO YOU:

1. I will deal honestly and in good faith and negotiate each step in your best interest.
2. I will always be available via text, phone or email for any questions or concerns you may have. You can reach out to me anytime, and if I'm unable to pick up the phone at that moment, I will get back to you right away.
3. I will be your consultant, advisor and counselor. Buying a home requires dozens of forms, reports, disclosures and other technical information, in addition to contract deadlines and dates that can jeopardize your home purchase if they are not followed correctly. I will make sure that you fully understand each document and are comfortable throughout the process.
4. I will assist you with your home search. Today's technology allows buyers to find homes online just as quickly as an agent can and I encourage you to do your own online searches. When a home interests you, message me! I will research the home and if you want to make an appointment to tour the home, I'm on it!
5. I will keep you informed of the current market trends and provide you with the strategies needed to win. I have a great track record of getting my buyers into the home they wanted most, despite the competition!
6. I promise to act fast! Chances are, when you find a home you absolutely adore, someone else may love it too.
7. I have a fiduciary responsibility. I will not let you make an offer on a home unless we have run a price analysis to ensure your offer price is inline with the home's current value. I also will not write an offer on a home that I have not seen in person, except in very rare cases.
8. When your offer is accepted, I will handle the opening of Escrow and ensure that all the appropriate contracts are completed and signed.
9. I will communicate every step of the way. I will provide you with an outline of the dates and tasks and help you through the process all the way to closing.
10. I will help you schedule the home inspections, radon tests, sewer scopes and assist you with collecting any necessary repair bids/estimates.
11. I will be with you at the closing table.



Starting To Look For A Home? Know What You Want vs. What You Need

In this day and age of being able to shop for anything anywhere, it is really important to know what you're looking for when you start your home search.

If you've been thinking about buying a home of your own for some time now, you've probably come up with a list of things that you'd LOVE to have in your new home. Many new homebuyers fantasize about the amenities that they see on television or *Pinterest*, and start looking at the countless homes listed for sale with rose-colored glasses.

Do you really need that farmhouse sink in the kitchen in order to be happy with your home choice? Would a two-car garage be a convenience or a necessity? Could the man cave of your dreams be a future renovation project instead of a make or break now?

The first step in your home buying process should be to get pre-approved for your mortgage. This allows you to know your budget before you fall in love with a home that is way outside of it.

The next step is to list all the features of a home that you would like, and to qualify them as follows:

- **'Must-Haves'** - if this property does not have these items, then it shouldn't even be considered. (ex: distance from work or family, number of bedrooms/bathrooms)
- **'Should-Haves'** - if the property hits all of the 'must-haves' and some of the 'should-haves,' it stays in contention but does not need to have *all* of these features.
- **'Absolute-Wish List'** - if we find a property in our budget that has all of the 'must-haves,' most of the 'should-haves,' and ANY of these, it's the winner!

Bottom Line

Having this list fleshed out before starting your search will save you time and frustration, while also letting your agent know what features are most important to you before he or she begins to show you houses in your desired area.



Why Pre-Approval Should Be Your First Step

In many markets across the country, the number of buyers searching for their dream homes greatly exceeds the number of homes for sale. This has led to a competitive marketplace where buyers often need to stand out. One way to show you are serious about buying your dream home is to get pre-qualified or pre-approved for a mortgage before starting your search.

But even if you are in a market that is not as competitive, knowing your budget will give you the confidence to know if your dream home is within your reach.

Freddie Mac lays out the advantages of pre-approval in the 'My Home' section of their website.

“It’s highly recommended that you work with your lender to get pre-approved before you begin house hunting. Pre-approval will tell you how much home you can afford and can help you move faster, and with greater confidence, in competitive markets.”

One of the many advantages of working with a local real estate professional is that many have relationships with lenders who will be able to help you with this process. Once you have selected a lender, you will need to fill out their loan application and provide them with important information regarding *“your credit, debt, work history, down payment and residential history.”*

Freddie Mac describes the '4 Cs' that help determine the amount you will be qualified to borrow:

- **Capacity:** Your current and future ability to make your payments
- **Capital or Cash Reserves:** The money, savings, and investments you have that can be sold quickly for cash
- **Collateral:** The home, or type of home, that you would like to purchase
- **Credit:** Your history of paying bills and other debts on time

Getting pre-approved is one of many steps that will show home sellers that you are serious about buying and it often helps speed up the process once your offer has been accepted.

Bottom Line

Many potential home buyers overestimate the down payment and credit scores needed to qualify for a mortgage today. If you are ready and willing to buy, you may be surprised at your ability to do so as well.

What You Need to Know About The MORTGAGE PROCESS

What You'll Need to Qualify in Today's Market:

- ✓ **Down Payment:**
Generally between 5-20% of the purchase price (*40% of buyers are putting down less than 10% - with many putting down as little as 3%*)
- ✓ **Income Verification, Credit History & Asset Documentation**
- ✓ **Impartial Third-Party Appraisal:**
Your lender needs this to verify the value of the house you want to purchase.
- ✓ **Stable Income** ✓ **Good Credit History**



You will interact with various **professionals** during the home buying process, all of whom are **valuable resources** & perform **necessary roles**.

Steps To Take:



Find out your current credit history & score.
You don't want to start out with any surprises.



Start gathering all of your documentation:
Income Verification (W-2 forms, tax returns, employment), Credit History & Assets (such as bank statements to verify your savings)



Contact a professional to help you develop a spending plan & determine how much you can afford.



Consult with your lender to review your income, expenses & financial goals to determine the type and amount of mortgage you qualify for.



Talk to your lender about applying for a mortgage & getting a pre-approval letter. This letter provides an estimate of what you might be able to borrow (*provided your financial status doesn't change*) & demonstrates to home sellers that you are a serious buyer.



Bottom Line:

Do your research, reach out to the professionals, stick to your budget & be sure you are ready to take on the financial responsibilities of being a homeowner.

Source: Freddie Mac

GETTING A MORTGAGE: WHY SO MUCH PAPERWORK?

Why is there so much paperwork mandated by lenders for a mortgage loan application when buying a home today? It seems that they need to know everything about you and require three separate sources to validate each and every entry on the application form.

Many buyers are being told by friends and family that the process was a hundred times easier when they bought their home ten to twenty years ago.

There are two very good reasons that the loan process is much more onerous on today's buyer than perhaps any time in history.



1. The government has set new guidelines that now demand that the bank prove beyond any doubt that you are indeed capable of paying the mortgage.

During the run-up in the housing market, many people 'qualified' for mortgages that they could never pay back. This led to millions of families losing their homes. The government wants to make sure this can't happen again.

2. The banks don't want to be in the real estate business.

Over the last seven years, banks were forced to take on the responsibility of liquidating millions of foreclosures and also negotiating another million+ short sales. Just like the government, they don't want more foreclosures. For that reason, they need to double (maybe even triple) check everything on the application.

However, there is some good news in the situation.

The housing crash that mandated that banks be extremely strict on paperwork requirements also allowed you to get a mortgage interest rate below 4%.

The friends and family who bought homes ten or twenty years ago experienced a simpler mortgage application process but also paid a higher interest rate (the average 30-year fixed rate mortgage was 8.12% in the 1990's and 6.29% in the 2000's).

If you went to the bank and offered to pay 7% instead of below 4%, they would probably bend over backwards to make the process much easier.

Bottom Line

Instead of concentrating on the additional paperwork required, let's be thankful that we are able to buy a home at historically low rates.



You Do NOT Need 20% Down To Buy Your Home!

There are many misconceptions about buying a home that are believed to be true. Let's take a look at two of the more common ones that may be holding you back from buying today.

1. Down Payment

Buyers often overestimate the down payment funds needed to qualify for a home loan. *Urban Institute* in a recent report entitled, "*Barriers to Accessing Homeownership: Down Payment, Credit, and Affordability*," found that the American public is still somewhat confused about what is required to qualify for a home mortgage loan in today's housing market.

"Consumers often think they need to put more money down to purchase a home than is actually required... 68% of renters cited saving for a down payment as an obstacle to homeownership. Thirty-nine percent of renters believe that more than 20% is needed for a down payment and many renters are unaware of low-down payment programs."

While many believe that they need at least 20% down to buy their dream homes, they do not realize that there are programs available which allow them to put down as little as 3%.

According to the *Realtors® Confidence Index* from the *National Association of Realtors (NAR)*: "*74% of first-time homebuyers put down less than 20% down to purchase their home last month.*"

2. FICO® Scores

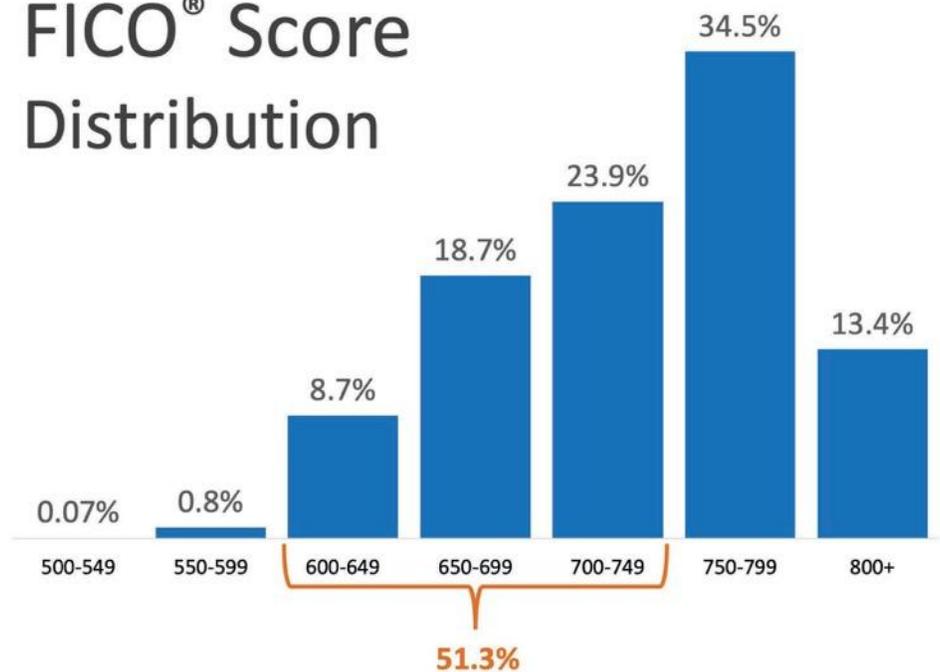
Similar to the misconceptions surrounding down payment requirements, many either don't know or are misinformed about what FICO® score is necessary to qualify for a home loan.

Many Americans believe that a 'good' credit score is 780 or higher.

To help debunk this myth, let's take a look at *Ellie Mae's* latest *Origination Insight Report* which focuses on recently closed (approved) loans.

As you can see on the right, 51.3% of approved mortgages had a credit score of 600-749.

FICO® Score Distribution



Bottom Line

If you are a prospective buyer who is ready and willing to act now, but you are not sure if you are able to, let's meet so I can help you understand your true options today.





61% Of First-Time Buyers Put Down Less Than 6%

According to the *Realtors Confidence Index* from the *National Association of Realtors*, 61% of first-time homebuyers purchased their homes with down payments below 6%.

Many potential homebuyers believe that a 20% down payment is necessary in order to buy a home and many have disqualified themselves without even trying, but in October, 74% of first-time buyers and 52% of all buyers put less than 20% down.

Elizabeth Mendenhall, President of NAR, recently shed light on why buyer demand has remained strong,

"Despite first-time buyers struggling to achieve homeownership, Realtors® in most areas say demand is still the strongest at the entry-level segment of the market.

For prospective first-timers looking to begin their home search, competition will remain swift. That is why it's important to be fully prepared with a pre-approval from a lender, and to begin conversations with a Realtor® early about what you're looking for and where."

It's no surprise that with rents rising, more and more first-time buyers are taking advantage of low-down-payment mortgage options to secure their monthly housing costs and finally attain their dream homes.

Bottom Line

If you are one of the many first-time buyers unsure of whether or not you would qualify for a low-down-payment mortgage, let's get together and set you on your path to homeownership!

2 Factors To Watch In Today's Real Estate Market

When it comes to buying or selling a home there are many factors you should consider. Where you want to live, why you want to buy or sell, and who will help you along your journey are just some of those factors. When it comes to today's real estate market, though, the top two factors to consider are what's happening with interest rates & inventory.

Interest Rates

Mortgage interest rates have been on the rise and are now over three-quarters of a percentage point higher than they were at the beginning of the year. According to *Freddie Mac's Primary Mortgage Market Survey*, rates have climbed to around 4.8% for a 30-year fixed rate mortgage.

The interest rate you secure when buying a home not only greatly impacts your monthly housing costs, but also impacts your purchasing power.

Purchasing power, simply put, is the amount of home you can afford to buy for the budget you have available to spend. As rates increase, the price of the house you can afford to buy will decrease if you plan to stay within a certain monthly housing budget.

The chart below demonstrates the impact rising interest rates would have if you planned to purchase a \$400,000 home while keeping your principal and interest payments between \$2,020-\$2,050 a month.

With each quarter of a percent increase in interest rate, the value of the home you can afford decreases by 2.5% (in this example, \$10,000). Experts predict that mortgage rates will be over 5% by this time next year.

Buyer's Purchasing Power

RATE	\$ 400,000				
	-2.5%	-5%	-7.5%	-10%	
6.00	\$ 2,398	\$ 2,338	\$ 2,278	\$ 2,218	\$ 2,158
5.75	\$ 2,334	\$ 2,276	\$ 2,218	\$ 2,160	\$ 2,100
5.50	\$ 2,272	\$ 2,214	\$ 2,158	\$ 2,100	\$ 2,044
5.25	\$ 2,208	\$ 2,154	\$ 2,098	\$ 2,044	\$ 1,988
5.00	\$ 2,148	\$ 2,094	\$ 2,040	\$ 1,986	\$ 1,932
4.75	\$ 2,086	\$ 2,034	\$ 1,982	\$ 1,930	\$ 1,878
4.50	\$ 2,026	\$ 1,976	\$ 1,926	\$ 1,874	\$ 1,824
	\$ 400,000	\$ 390,000	\$ 380,000	\$ 370,000	\$ 360,000
		-2.5%	-5%	-7.5%	-10%

Principal & Interest Payments rounded to the nearest dollar amount



Ready To Make An Offer? 4 Tips For Success

So you've been searching for that perfect house to call 'home' and you've finally found it! The price is right and, in such a competitive market, you want to make sure you make a good offer so that you can guarantee that your dream of making this house yours comes true!

Below are 4 steps provided by *Freddie Mac* to help buyers make offers, along with some additional information for your consideration:

1. Determine Your Price

"You've found the perfect home and you're ready to buy. Now what? Your real estate agent will be by your side, helping you determine an offer price that is fair."

Based on your agent's experience and key considerations (like similar homes recently sold in the same neighborhood or the condition of the house and what you can afford), your agent will help you to determine the offer that you are going to present.

Getting pre-approved will not only show home-sellers that you are serious about buying, but it will also allow you to make your offer with confidence because you'll know that you have already been approved for a mortgage in that amount.

2. Submit an Offer

"Once you've determined your price, your agent will draw up an offer, or purchase agreement, to submit to the seller's real estate agent. This offer will include the purchase price and terms and conditions of the purchase."

Talk with your agent to find out if there are any ways in which you can make your offer stand out in this competitive market! A licensed real estate agent who is active in the neighborhoods you are considering will be instrumental in helping you put in a solid offer.

3. Negotiate the Offer

“Oftentimes, the seller will counter the offer, typically asking for a higher purchase price or to adjust the closing date. In these cases, the seller’s agent will submit a counteroffer to your agent, detailing their desired changes, at this time, you can either accept the offer or decide if you want to counter.

Each time changes are made through a counteroffer, you or the seller have the option to accept, reject or counter it again. The contract is considered final when both parties sign the written offer.”

If your offer is approved, *Freddie Mac* urges you to *“always get an independent home inspection, so you know the true condition of the home.”* If the inspector uncovers undisclosed problems or issues, you can discuss any repairs that may need to be made with the seller or even cancel the contract altogether.

4. Act Fast

The inventory of homes listed for sale has remained well below the 6-month supply that is needed for a ‘normal’ market. Buyer demand has continued to outpace the supply of homes for sale, causing buyers to compete with each other for their dream homes.

Make sure that as soon as you decide that you want to make an offer, you work with your agent to present it as quickly as possible.

Bottom Line

Whether buying your first home or your fifth, having a local real estate professional who is an expert in his or her market on your side is your best bet in making sure the process goes smoothly. Let’s talk about how we can make your dream of homeownership a reality!





Have You Put Aside Enough For Closing Costs?

There are many potential homebuyers, and even sellers, who believe that you need at least a 20% down payment in order to buy a home or move on to their next home. Time after time, we have dispelled this myth by showing that there are many loan programs that allow you to put down as little as 3% (or 0% with a VA loan).

If you have saved up your down payment and are ready to start your home search, one other piece of the puzzle is to make sure that you have saved enough for your closing costs.

Freddie Mac defines closing costs as follows:

“Closing costs, also called settlement fees, will need to be paid when you obtain a mortgage. These are fees charged by people representing your purchase, including your lender, real estate agent, and other third parties involved in the transaction.

Closing costs are typically between 2 & 5% of your purchase price.”

We’ve recently heard from many first-time homebuyers that they wished that someone had let them know that closing costs could be so high. If you think about it, with a low down payment program, your closing costs could equal the amount that you saved for your down payment.

Here is a list of just some of the fees/costs that may be included in your closing costs, depending on where the home you wish to purchase is located:

- Government recording costs
- Appraisal fees
- Credit report fees
- Lender origination fees
- Title services (insurance, search fees)
- Tax service fees
- Survey fees
- Attorney fees
- Underwriting fees



4 Reasons To Buy A Home Now

Below are four great reasons to consider buying a home today instead of waiting.

1. Prices Will Continue to Rise

CoreLogic's latest Home Price Index reports that home prices have appreciated by 5.6% over the last 12 months. The same report predicts that prices will continue to increase at a rate of 4.7% over the next year.

The bottom in home prices has come and gone. Home values will continue to appreciate for years. Waiting no longer makes sense.

2. Mortgage Interest Rates Are Projected to Increase

Freddie Mac's Primary Mortgage Market Survey shows that interest rates for a 30-year mortgage have increased by nearly a full percentage point to around 4.8% in 2018. Most experts predict that rates will rise over the next 12 months. The *Mortgage Bankers Association*, *Fannie Mae*, *Freddie Mac*, and the *National Association of Realtors* are in unison, projecting that rates will increase by this time next year.

An increase in rates will impact YOUR monthly mortgage payment. A year from now, your housing expense will increase if a mortgage is necessary to buy your next home.

3. Either Way, You Are Paying a Mortgage

There are some renters who have not yet purchased a home because they are uncomfortable taking on the obligation of a mortgage. Everyone should realize that unless you are living with your parents rent-free, you are paying a mortgage - *either yours or your landlord's*.

As an owner, your mortgage payment is a form of *'forced savings'* that allows you to have equity in your home that you can tap into later in life. As a renter, you guarantee your landlord is the person with that equity.

Are you ready to put your housing cost to work for you?

4. It's Time to Move on with Your Life

The 'cost' of a home is determined by two major components: the price of the home and the current mortgage rate. It appears that both are on the rise.

But what if they weren't? Would you wait?

Look at the actual reason you are buying and decide if it is worth waiting. Whether you want to have a great place for your children to grow up, you want your family to be safer, or you just want to have control over renovations, maybe now is the time to buy.

If the right thing for you and your family is to purchase a home this year, buying sooner rather than later could lead to substantial savings.





The True Cost Of NOT Owning Your Home

Owning a home has great financial benefits, yet many continue to rent! Today, let's look at the financial reasons why owning a home of your own has been a part of the American Dream for the entirety of America's existence.

Realtor.com reported that:

“Buying remains the more attractive option in the long term – that remains the American dream, and it's true in many markets where renting has become really the shortsighted option...as people get more savings in their pockets, buying becomes the better option.”

What proof exists that owning is financially better than renting?

Here are the top 5 financial benefits of homeownership:

Homeownership is a form of forced savings.

Homeownership provides tax savings.

Homeownership allows you to lock in your monthly housing cost.

Buying a home is cheaper than renting.

No other investment lets you live inside of it.

Studies have shown that a homeowner's net worth is 44x greater than that of a renter.

A family who purchased a median-priced home at the start of 2018 will build more than \$49,000 in family wealth over the next five years with projected price appreciation alone.

Some argue that renting eliminates the cost of taxes and home repairs, but every potential renter must realize that all the expenses the landlord incurs are already baked into the rent payment – along with a profit margin!

Bottom Line

Owning a home has many social and financial benefits that cannot be achieved by renting.

Do You Know The Cost Of Waiting To Buy?

CoreLogic recently shared that national home prices have increased by 5.6% year-over-year. Over that same time period, interest rates have remained historically low which has allowed many buyers to enter the market.

As a seller, you will be most concerned about 'short-term price' – where home values are headed over the next six months. As a buyer, however, you must not be concerned about price, but instead about the 'long-term cost' of the home.

The Mortgage Bankers Association (MBA), Freddie Mac, and Fannie Mae all project that mortgage interest rates will increase by this time next year. According to CoreLogic's most recent Home Price Index Report, home prices will appreciate by 4.7% over the next 12 months.

What Does This Mean as a Buyer?

If home prices appreciate by the 4.7% predicted by CoreLogic **over the next twelve months**, here is a simple demonstration of the impact an increase in interest rate would have on the mortgage payment of a home selling for approximately \$250,000 today:

	Mortgage	Interest Rate*	Payment (P&I)**
Today	\$250,000	4.8%	\$1,311.66
2019	\$261,750	5.3%	\$1,453.51

Difference in Monthly Payment \$141.85

**Rates based on Freddie Mac's prediction at time of print*

Monthly	Annually	Over 30 Years
\$141.85	\$1,702.20	\$51,066

Bottom Line

If buying a home is in your plan for this year, doing it sooner rather than later could save you thousands of dollars over the terms of your loan.



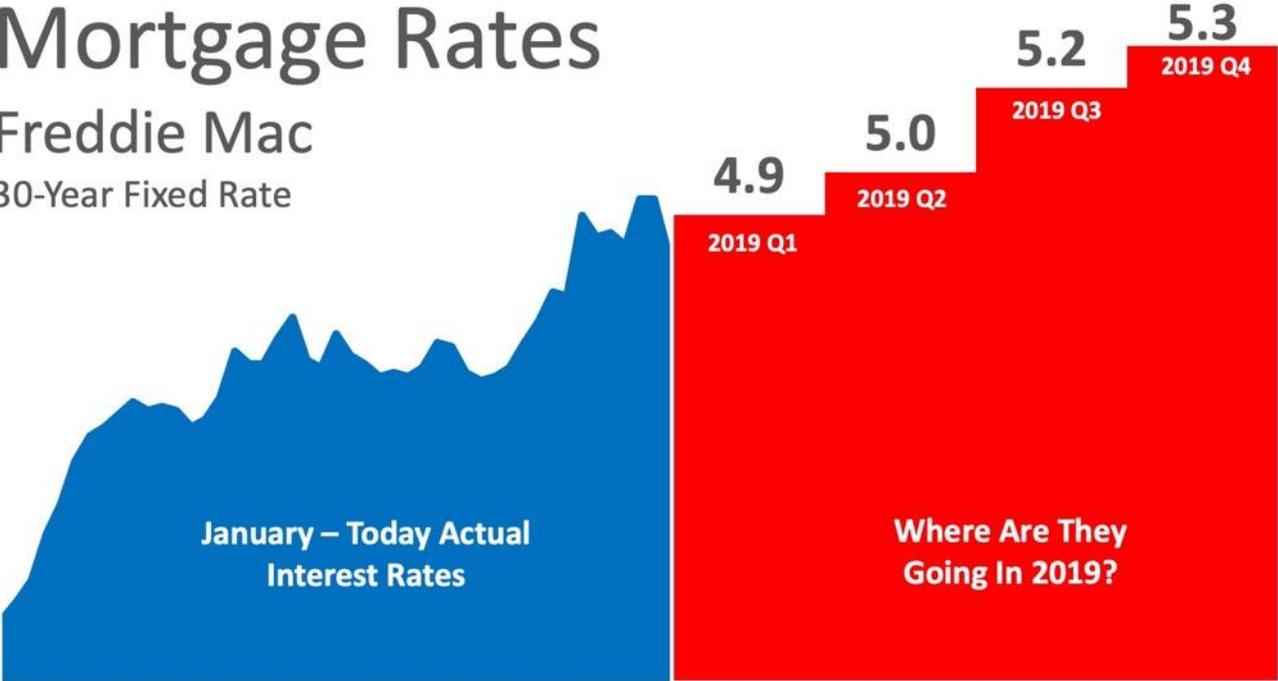
Where Are Interest Rates Headed?

The interest rate you pay on your home mortgage has a direct impact on your monthly payment. The higher the rate, the greater the payment will be. That is why it is important to know where rates are headed when deciding to start your home search.

Below is a chart created using *Freddie Mac's U.S. Economic & Housing Marketing Outlook*. As you can see, interest rates are projected to increase steadily through the end of 2018 and into 2019.

Mortgage Rates

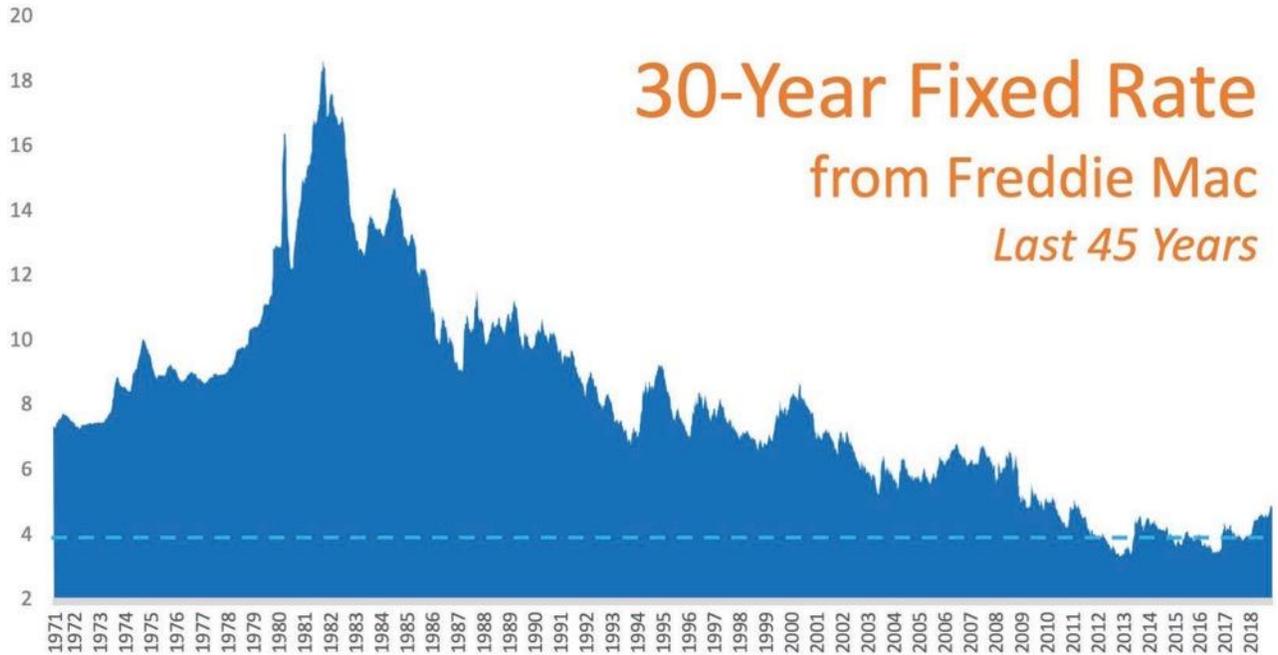
Freddie Mac
30-Year Fixed Rate



How Will This Impact Your Mortgage Payment?

Depending on the amount of the loan that you secure, a half of a percent (.5%) increase in interest rate can increase your monthly mortgage payment significantly. But, don't let the prediction that rates will increase stop you from purchasing your dream home this year.

Let's take a look at a historical view of interest rates over the last 45 years.



Bottom Line

Be thankful that you can still get a better interest rate than your older brother or sister did ten years ago, a lower rate than your parents did twenty years ago, and a better rate than your grandparents did forty years ago.





How to buy in a tight market?

Increase your chances of getting your dream house in a competitive housing market.

Get prequalified for a mortgage. You'll be able to make a firm commitment to buy and your offer will be more desirable to the seller.

Stay in close contact with your real estate agent. Your agent will be on the lookout for the newest listings that meet your criteria. Be ready to see a house as soon as it goes on the market – if it's a great home, it will go fast.

Scout out new listings yourself. Browse sources such as realtor.com and local real estate listing sites. Set up alerts for the neighborhoods and characteristics you're looking for. Drive through your target neighborhoods, and if you see a home you like for-sale, send the address and listing agent's name to your agent, who can schedule a showing for you.

Be ready to make a decision. Spend plenty of time in advance deciding what you can afford and must have in a home so you won't hesitate when you have the chance to make an offer.

Bid competitively. Your first inclination may be to start out offering something less than what you can actually afford, but if you go too low in a tight market, you will likely lose out.

Keep contingencies to a minimum. Restrictions such as needing to sell your home before you move can make your offer unappealing. Remember that, if the market is tight, you'll probably be able to sell your house rapidly. You can also talk to your lender about getting a bridge loan to cover both mortgages for a short period.

But don't get caught in a buying frenzy. Just because there's competition for a home doesn't mean you should buy it. And even though you want to make your offer attractive, don't neglect inspections that help ensure the house is a sound investment.

My final notes...

As a Real Estate Agent, I am not an hourly or salaried employee, I do not get a paycheck from my Brokerage. I also do not get travel reimbursements or any stipends for fuel or expenses.

I am ONLY paid when I sell a home, at the end of the process, and only when I represent YOU.

The following scenario happens all the time (fortunately it hasn't happened to me yet, but it better explains how buyers and agents work together)

I've been helping you with your home search for a few weeks and one day you pop into an Open House- and you absolutely love it. You tell the agent you want to make an offer and that agent says, "Great! I can do that for you right now!" You are so excited you found the perfect house so you give them all your information and they submit the offer to the seller. Well, now that agent is being paid. And I am not. And I can no longer help you with the rest of the process because you are under contract with another agent.

There are many local agents who require their clients to sign a **Buyers Agreement** so that when something like this happens, they can still be paid for their time already spent. I personally do not feel right having my clients sign a contract that locks them into using me as their agent, because in real life- situations change, things happen, and I feel that our personal relationship is more important than our business relationship. I simply ask that my buyers act in good faith and always be honest with me. Communication is key in all relationships!

Here's what I ask of my clients-

If we've been working together and you find a house you want to make an offer on: Call me immediately! If you think I'm too busy to help you, I'm not!

If we've been working together and you decide you are no longer in the market: I simply ask that you let me know and then contact me again when you are ready to buy. And of course I appreciate any referrals to your friends, family and co-workers in the meantime. If I enjoyed working with you, chances are I'll enjoy working with them, too!

If we've been working together and something happens that causes you to decide you no longer want to work with me: I would appreciate the courtesy of letting me know. I've only received 2 "break-up" texts and fortunately both of them were due to the buyer deciding to look in an area outside my licensing! But please, let me know if you no longer want to work with me.

Bottom Line: Help me to help you- communication is everything!

Dedication. Drive. Delivery.

Doing MORE from For Sale to SOLD!



I'm sure you have questions and concerns...

I would love to talk with you more about what you read here, and help you on the path to buying your new home. My contact information is below. I look forward to hearing from you...



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