

# BUYING A HOME is an important financial and emotional decision.

**Whether you're buying your first home or your last, a REALTOR®** like Sterling Real Estate Incorporated, can make all the difference.

Long-time Bloomington resident **Trish Sterling** is a licensed broker with the state of Indiana.

Respected for her high ethical standards and business savvy, Trish tackles routine challenges that inevitably accompany real estate transactions with competence, confidence and genuine consideration for her clients.



2017 Realtor of the Year

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Owner/Broker

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**(812) 333-1966**

OR ON THE WEB AT:  
**trishsterling.com**

2016 SMALL BUSINESS OF THE YEAR

The Greater Bloomington Chamber of Commerce

## Important Real Estate Terms

**Earnest money:** A deposit you make to show that you are serious about buying a house. This money is held until the transaction is complete, at which time it goes toward the sale.

**Mortgage escrowed funds:** Amount built into your mortgage payment that enables the lender to pay your homeowner's insurance and property taxes on your behalf.

**Homestead and mortgage tax deductions:** The most common tax deductions available if the home will be your primary residence and/or if you hold a mortgage. Contact your county tax auditor for more information.

### Closing or ALTA (American Land Title Association)

**Statements:** The title company uses these forms to itemize all credits and debits for both the borrower and seller for a real estate transaction.

## The Right Home Loan Matters

### CONVENTIONAL LOANS

- ▲ Today, many buyers choose **fixed-rate home loans** because the interest rates and payments remain constant for the life of the loan, despite what happens in the broader economy.
- ▲ **An adjustable-rate mortgage (ARM)** resets its interest rate at specific intervals and can be a powerful tool for borrowers who don't plan on living in one place for very long or want to qualify for larger homes than they could otherwise afford. The loans may start with lower fixed monthly payments, which means your monthly payment will be more affordable. After an initial period, though, monthly payments can move up and down as interest rates fluctuate.

### GOVERNMENT-BACKED LOANS

- ▲ **Veterans Affairs (VA)** mortgages are available for most active-duty military and veterans; many reservists and National Guard members also are eligible, as are spouses of military members who died while on active duty. VA borrowers can qualify for 100 percent financing. Veterans do not have to be first-time buyers and may reuse their benefit.
- ▲ **USDA loans**, sponsored by the United States Department of Agriculture, are an excellent option for homebuyers looking to purchase a home in a rural setting without a down payment. Those that meet the USDA's income limits may borrow up to 100% of the appraised value of the home.
- ▲ **Federal Housing Administration (FHA)** mortgages have flexible lending standards to benefit borrowers with lower credit scores, smaller down payments, or people whose house payments will represent a large percentage of take-home pay.



# WHAT BUYERS NEED TO KNOW

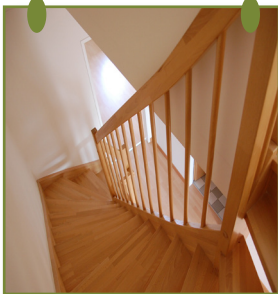


*The Real Estate Broker  
your Friends Recommend.*



## Your Wish List

Creating a wish list can help you decide what you're looking for in a home. With so many things to consider, this exercise will help you prioritize important features and eliminate others.



FEATURE	NOTES
# of Bedrooms	
# of Bathrooms	
Floorplan	
Privacy	
Yard size	
Accessibility (stairs, levels)	
Garage	
Price range	
Location/School	
Other:	

### CHECK OUT THESE HELPFUL TOOLS AT [trishsterling.com](http://trishsterling.com)

- ▲ **Mortgage calculator:** Find out how much house you can afford!
- ▲ **School links**
- ▲ **Community resources & links**



*“ When you tour a home, think outside the box . Allow yourself to see beyond the seller’s possessions & style. ”*

## Buyers Tips

1. When you tour a home, think outside the box and beyond the paint color; paint color is a quick and inexpensive fix. Allow yourself to see beyond the seller's possessions and style. Pay more attention to things like floor plan, flow and structure.
2. Consider the age and condition of the roof, heating and cooling systems, which are very expensive to replace.
3. Consider the quality and value of the seller's improvements.
4. Pay attention to the position of the home on the lot; consider things like drainage, sunlight, privacy.
5. Once you've decided to start looking for a home, don't make any major purchases or let credit card balances grow; you'll want to keep your credit score as high as possible to ensure that you qualify for the best loan at the best terms.

## The Home Buying Process

### FINANCING

- ☐ Gather 2 years of tax returns and W2s, 2 months of bank statements and a recent pay stub
- ☐ Meet with a Sterling Real Estate-referred lender to get pre-approved

### LOOKING

- ☐ Create your wish list and home selection criteria
- ☐ Browse your listing cart - an online source of available homes that Sterling Real Estate provides to match your needs
- ☐ Tour homes and neighbourhoods

### OFFER & NEGOTIATING

- ☐ Choose a house
- ☐ Work with Sterling Real Estate to prepare a written offer
- ☐ Submit offer with an earnest money check and pre-approval letter
- ☐ Receive a counter offer or an acceptance

### LOAN & INSPECTION

- ☐ Complete loan application by submitting your written offer and any missing documents to your lender
- ☐ Order a home inspection from a Sterling Real Estate-referred licensed inspector
- ☐ Respond to inspection: accept property as-is, request repairs, or walk away
- ☐ Work with Sterling Real Estate to review and approve the preliminary title report
- ☐ Research home insurance policies and forward quote to lender
- ☐ Remove all remaining contingencies

### LOOSE ENDS

- ☐ Schedule closing date and time
- ☐ Order wire transfers for anything greater than \$10,000
- ☐ Transfer utilities to your name
- ☐ Receive your approved loan
- ☐ Do a final walk-through inspection with Sterling Real Estate to ensure the house condition is as agreed

### SUCCESS

- ☐ Get the keys to your new home!