



JhHomes

The Buyer's Journey

Congratulations!

This is a step-by-step explanation and workbook detailing the possible upcoming experiences of successfully buying your new home.

Step 1

The Consideration Phase: “I think I want to buy a home.”

The following pages provide essential insights to ensure we meet your goals and expectations throughout your home buying journey.

Buyer's Goal

Understand personal readiness, finances, and timing.

Possible Obstacles

- Uncertainty about affordability or credit status
- Lack of knowledge about the buying process
- Overwhelmed by financial responsibility

How to Overcome Obstacles

- Buyer speaks with a lender for pre-qualification
- Agent offers an initial consultation to explain the process
- Educational resources or buyer guides provided by the agent



Agent Buyer Consultation with Jon Hill

1. Why are you buying a home?

- ☐ Selling current property
- ☐ Financial reasons
 - Need emergency money
 - Celebrating income increase
 - Copy goes here
- ☐ Family needs
 - Need more space
 - Want stability and security
- ☐ Investment
 - Renting is wasteful
 - Mortgage allows opportunity to recoup monthly payments that rent doesn't
 - 100% Investment to use as leverage on additional properties/assets

2. Locations and requirements?

- ☐ Affordability
- ☐ Neighborhood Ethnicity
- ☐ Financial Class / Safe
- ☐ Necessities that need to be nearby:
 - Groceries
 - Gym
 - Schools
 - Work
 - Entertainment
 - Restaurants
- ☐ Walkable

3. Home requirement details

- ☐ Open Floor Plan
- ☐ Condo
- ☐ House (Circle Option below)
 - 2 Rooms
 - 3 Rooms
 - 4 Rooms
 - 5 Rooms or more
- ☐ Townhome
- ☐ Multi Unit
- ☐ Multi Level
- ☐ New Build
- ☐ Walk in Closet Space
- ☐ Garage
 - Single Car
 - 2 or More Cars
- ☐ Yard



Agent Buyer Consultation with Jon Hill (Continued)

4. Timeline to buy

- ☐ Immediately
- ☐ Soon as I locate what is wanted
- ☐ Just looking but if something comes available

5. Budget/Price Range

- ☐ Under \$500,000
- ☐ 500,000-\$750,000
- ☐ \$750,000-\$1M
- ☐ \$1M-\$2M
- ☐ More than \$2M

6. Purchase Type

- ☐ Cash Buyer
- ☐ Loan Pre-Approval
 - Amount of loan: \$ _____
 - Date of Pre-Approval _____

7. Loan Qualifications

- ☐ Single Application
- ☐ Dual Application
- ☐ Retired
- ☐ Self Employment
- ☐ Employee
 - Duration at current job: _____
- ☐ Credit Score: _____
- ☐ Down Payment in Cash
- ☐ Down Payment in Assets



Step 2

Confirm details and Financing Preparation “I need to get pre-approved.”

These pages will walk you through the financial steps needed to prepare for homeownership, including how to get pre-approved and understand your budget.

Buyer's Goal

Get pre-approved for a mortgage and understand budget.

Possible Obstacles

- Credit issues or debt affecting loan qualification
- Confusion between pre-qualification vs. pre-approval
- Choosing the wrong lender or loan product

How to Overcome Obstacles

- Buyer works with a reputable lender recommended by agent
- Agent helps explain different loan types (FHA, VA, Conventional)
- Credit counseling if needed; budgeting support



Let's talk about the different types of Loans.

Here, we'll explore the most common types of home loans, their qualifications, and how to choose the right one based on your financial goals.

1. Conventional Loan

A standard loan not backed by a government agency.

2. FHA Loan (Federal Housing Administration)

Designed for first-time and lower-credit buyers.

3. VA Loan (Department of Veterans Affairs)

For eligible veterans, active-duty, and select service members/spouses.

4. USDA Loan (U.S. Department of Agriculture)

For rural and some suburban home purchases with income limits.

5. Jumbo Loan

Used for homes priced above conforming loan limits.



1. Conventional Loan

A standard loan not backed by a government agency.

✓ Requirements:

- Minimum credit score: 620+
- Minimum down payment: 3–5% (20% avoids PMI)
- Stable income & employment history
- Debt-to-Income Ratio (DTI): typically < 43%
- Must meet Fannie Mae/Freddie Mac loan limits (approx. \$766,550 in 2024 for most areas)

✗ What Can Disqualify You:

- Poor credit history
- High DTI ratio
- Unstable employment
- Insufficient down payment or savings
- Large recent financial changes (e.g., new debt or job)

💡 How to Prepare:

- Pay off debts and reduce credit utilization
- Save for at least a 5–10% down payment
- Maintain stable income for 2+ years
- Keep all financial records organized
- Avoid opening new lines of credit before applying



2. FHA Loan (Federal Housing Administration)

Designed for first-time and lower-credit buyers.

✓ Requirements:

- Minimum credit score: 580 (with 3.5% down), or 500–579 (with 10% down)
- DTI ratio: generally < 43%
- Must be for primary residence
- Property must pass FHA appraisal
- Mortgage Insurance Premium (MIP) required

✗ What Can Disqualify You:

- Credit score below 500
- Major recent derogatory marks (foreclosures, collections, bankruptcies)
- Property doesn't meet FHA guidelines
- High DTI without compensating factors

💡 How to Prepare:

- Work with a credit counselor if score is low
- Save at least 3.5% for down payment
- Get pre-approved through an FHA-approved lender
- Choose homes that are in livable, FHA-approved condition



★ 3. VA Loan (Department of Veterans Affairs)

For eligible veterans, active-duty, and select service members/spouses.

✓ Requirements:

- Must meet VA service eligibility criteria
- No down payment required
- No PMI
- Flexible credit (typically 580–620+ credit score)
- DTI under 41% recommended
- Must be for primary residence

✗ What Can Disqualify You:

- Not meeting VA service eligibility
- Poor credit history
- High DTI with no compensating factors
- Buying an investment or second home

💡 How to Prepare:

- Obtain your Certificate of Eligibility (COE) early
- Pay off non-service-related debts
- Work with VA-friendly real estate agents and lenders
- Stay current on all financial obligations



4. USDA Loan (U.S. Department of Agriculture)

For rural and some suburban home purchases with income limits.

Requirements:

- Primary residence in a USDA-eligible area
- Income must be at or below 115% of area median income
- No down payment
- Credit score: 640+ recommended
- Stable job and DTI under 41%

What Can Disqualify You:

- Income too high for area
- Property not in an eligible location
- Low credit or recent bankruptcies
- Unverified or unstable income

How to Prepare:

- Check USDA property eligibility map
- Confirm household income limits
- Work on improving or building your credit
- Avoid new credit lines or job changes before application



5. Jumbo Loan

Used for homes priced above conforming loan limits.

Requirements:

- Credit score: 700+
- Minimum down payment: 10–20%
- Strong income and liquid reserves
- DTI under 43% or lower
- Full financial documentation

What Can Disqualify You:

- Low credit or high debt
- Irregular or hard-to-document income
- Insufficient cash reserves
- Buying high-value homes without enough down payment

How to Prepare:

- Keep credit usage low and score high
- Save a substantial down payment
- Prepare full documentation: W-2s, 1099s, bank statement
- Limit large financial moves during escrow



Additional Information About Loan Qualifications

General Tips to Qualify for Any Loan:

- Monitor and improve your credit
- Limit debt and keep DTI low
- Build savings (for down payment and reserves)
- Avoid major purchases or job changes during escrow
- Get pre-approval (not just pre-qualification) early
- Work with a trusted real estate agent and loan officer who can guide you based on your unique situation

Details Checklist

- ☐ Already have a pre-approval
- ☐ No pre-approval, contact my 3 loan officers
 - Good Credit Score 670-850: Contact LongName ShortNameLoan 000-000-0000
 - Medium Credit Score 580-669: Contact LongName ShortNameLoan 000-000-0000
 - Low Credit Score 300-579: Contact LongName ShortNameLoan 000-000-0000



Step 3

Agent Engagement “I need someone to guide me.”

Step 3 focuses on partnering with a dedicated real estate agent who understands your needs and ensures your home buying experience is smooth, supportive, and rewarding.

Buyer's Goal

Choose a knowledgeable, trustworthy real estate agent.
That would be me, Jon Hill.

Possible Obstacles

- Mistrust or uncertainty in choosing an agent
- Unclear expectations of the agent-buyer relationship
- Lack of a signed Buyer Representation Agreement (BRA), which may be required in CA to attend open houses

How to Overcome Obstacles

- Interview agents, ask about local expertise and communication style
- Clearly outline responsibilities and sign a BRA early
- Agent provides transparent communication from the start

Checklist Details

Checklist Details

(Repeat the list below until buyer is satisfied)

- ☐ Buyer flexible on exact area
- ☐ Compile list of 3 properties in preferred are and 6 properties in neighboring areas
- ☐ Show properties



Step 4

Home Search “Let’s find the right place.”

This phase is all about finding homes that align with your lifestyle, preferences, and financial comfort—while keeping you excited, informed, and focused on what matters most.

Buyer's Goal

Identify homes that match buyer's needs, wants, and budget.

Possible Obstacles

- Limited inventory or competition in the market
- Emotional highs and lows from falling in love with homes out of reach
- Misalignment on needs vs. wants

How to Overcome Obstacles

- Agent sets realistic expectations and adjusts search filters
- Agent schedules showings efficiently and gives honest feedback
- Buyer stays flexible and focuses on priorities



Step 5

After Chosen Property, To do list before making offer:

The next pages will discuss details to for financing preparation.

◆ Before Making an Offer:

- The seller may provide a preliminary disclosure package, including:
- Natural Hazard Disclosure (NHD)
- Transfer Disclosure Statement (TDS)
- Seller Property Questionnaire (SPQ)
- Buyers can review these upfront, especially in competitive markets, to make more informed offers.



Contact selling agent, ask following:

Learn details about the Seller

- ☐ What is Seller timeline (Urgency): _____
- ☐ Yes - Seller has new property
- ☐ No - Seller does not has new property
- ☐ Inspections completed
 - Which Inspections were completed?
 - When were they completed? _____

What is Asking price? \$ _____

- ☐ Firm price
- ☐ Flexible negotiable price
 - How flexible is the sellers asking price? _____

Any Seller Concessions offered?

- ☐ Buyer agent commission
- ☐ Lower price to help buyer down payment

Property Historical Details (buyer order inspections

- ☐ Year built _____
- ☐ Roof age _____
- ☐ Foundation Conditions _____
- ☐ Electrical issues _____
- ☐ Plumbing issues _____
- ☐ Mold _____

Property Historical Details (buyer order inspections

- ☐ Previous fire damage
 - When? _____
- ☐ Previous earthquake damage
 - When? _____
- ☐ Previous flooding
 - When? _____



Disclosures & Reports in California that are recommended to be completed:

✓ Summary for a Safe Purchase:

(*) Means a report is Required by the State of California

- NHD Report *
- TDS *
- Lead Disclosure: Homes built pre-1978
- General Inspection: All homes
- Pest/Termite: All homes
- Mold: Homes with prior water issues
- Sewer Line: Homes with older pipes or large trees
- Foundation/Structural: Earthquake zones or visible cracking
- Roof: Homes older than 10 years built or has visible wear
- HVAC: Seasonal climates or older systems
- Radon: Northern CA or radon-prone areas
- Water / Septic: Homes with private systems
- Soil/Slope Stability: Hillsides or elevated terrain
- Permits / Zoning: Any remodeled/expanded property
- HOA Docs (if applicable): Condos, townhomes, or planned communities



Mandatory Disclosures & Reports in California that need to be completed:

1. Natural Hazard Disclosure (NHD) Report

Purpose

- Informs if the home lies within zones prone to:
- Earthquakes (fault zones, seismic hazard zones) Flooding (special flood hazard areas) Fire hazards (state responsibility areas and very high fire hazard severity zones)

Who Provides It:

- Seller (through a third-party NHD company)

2. Transfer Disclosure Statement (TDS)

Purpose

- Discloses all known issues with the property (plumbing, electrical, roofing, appliances, etc.)

Who Provides It:

- Seller

3. Lead-Based Paint Disclosure

Required For: Homes built before 1978

Purpose

- Discloses presence of lead-based paint and hazards

Who Provides It:

- Seller



Step 6

Making an Offer “I found the one!”

The following pages will walk you through crafting a strong offer and what happens next, ensuring you meet every important deadline and feel confident in your decision.

Buyer's Goal

Submit a competitive offer that reflects value and intent.

Possible Obstacles

- Offer rejected or countered
- Bidding wars driving up price
- Emotional reaction to negotiations

How to Overcome Obstacles

- Agent prepares a strong, well-supported offer
- Buyer sets a walk-away price with guidance
- Agent manages expectations and stays calm during counteroffers



After Offer Acceptance: This is when most inspections and due diligence occur:

✓ Buyer's Right to Conduct Inspections

- Home inspection (general)
- Pest inspection
- Roof, foundation, plumbing, electrical
- Sewer lateral inspection (depending on city)
- Mold, radon, asbestos, lead-based paint (if applicable)
- Environmental and geological hazard reviews
- Review of HOA documents (if applicable)

✓ Buyer Reviews Full Disclosures

- Any additional disclosures from the seller
- NHD, TDS, SPQ (if not already provided)

◆ Contingency Period (Default: 17 Days in RPA)

- Buyer may cancel or negotiate repairs/credits if major issues are discovered.
- Buyer may also back out if financing or appraisal contingencies are not met.



Highly Recommended Inspections (Buyer's Responsibility):

☐ General Home Inspection

Purpose

- Assesses overall condition of the structure, systems, appliances, etc.

Some issues that may trigger specialist inspections if found

- (Examples: electrical, HVAC, structural)

☐ Pest / Termite Inspection

Purpose

- Detects wood-destroying pests and damage (termites, dry rot)

May Include:

- A clearance certificate if repairs are made

☐ Mold Inspection

Purpose

- Identifies potential mold growth and moisture intrusion

Recommended If:

- Odors, visible stains, or prior water damage are present

☐ Sewer Line Inspection (with camera)

Purpose

- Detects tree root intrusion, cracks, or backups in older homes

Recommended For:

- Homes over 20 years old or with large trees nearby

☐ Foundation or Structural Engineer Inspection

Purpose

- Assesses cracks, settling, or integrity of foundation

Critical In:

- Areas with high seismic activity or visible cracks



Highly Recommended Inspections (Buyer's Responsibility) (Continued):

☐ Roof Inspection

Purpose

- Evaluates remaining life, damage, and repairs needed

Important:

- For older roofs or when patching is visible

☐ HVAC Inspection

Purpose

- Checks heating, ventilation, and air conditioning efficiency

Especially Helpful:

- In regions with extreme seasonal temperatures

☐ Chimney & Fireplace Inspection

Purpose

- Identifies fire hazards, cracks, or creosote buildup



Location-Based Inspections (As Needed):

☐ Radon Gas Testing

More Common:

- In certain Northern CA areas (e.g., Sierra foothills)

Purpose

- Evaluates remaining life, damage, and repairs needed

☐ Well Water Testing (If Applicable)

Purpose

- Ensures water quality and safety in rural homes with private wells

☐ Septic System Inspection (If Applicable)

Purpose

- Ensures the system is functioning and not near capacity

☐ Environmental Hazards / Soil Stability / Slope Testing

Recommended In

- Hillside homes or homes built on fill

Purpose

- Identifies risk of landslides or erosion



Regulatory & Zoning Checks:

☐ Permit History Report

Purpose

- Verifies all additions/remodels were permitted and code-compliant

How

- Check with city or county building department

☐ Property Line / Survey Inspection

Purpose

- Confirms lot lines, fences, and structures are within legal bounds

☐ HOA (Homeowners Association) Disclosures

If Applicable

- Review CC&Rs, rules, fees, special assessments, and budget



Step 7

Escrow and Due Diligence – “Is this home really what I think it is?”

Step 7 dives into the escrow process and due diligence period—confirming that this home is the right one, both structurally and financially.

Buyer's Goal

Complete inspections, disclosures, and financial milestones.

Possible Obstacles

- Unexpected issues during inspection
- Appraisal lower than offer
- Delays in loan underwriting or escrow

How to Overcome Obstacles

- Agent coordinates inspections and negotiates repairs
- Buyer keeps open communication with lender
- Agent manages timelines and keeps everyone informed

Escrow Details

Escrow Account

- ☐ Speak with Escrow Agency
- ☐ Receive Escrow Instructions
- ☐ All required disclosures completed
- ☐ All financial requirements met



Step 8

Final Loan Approval and Closing Prep “We’re almost there!”

Step 8 prepares us for the final stretch—clearing any remaining conditions, signing documents, and ensuring everything is ready for closing day.

Buyer's Goal

Finalize loan, sign documents, prepare for closing.

Possible Obstacles

- Last-minute financial changes (job change, large purchase)
- Missing paperwork or lender delays
- Confusion over closing costs and wire fraud fears

How to Overcome Obstacles

- Agent ensures buyer avoids credit or job changes
- Close coordination with escrow and lending team
- Agent educates buyer on secure closing procedures



Step 9

Closing Day – “It’s official!”

You’ve reached the finish line—closing day is where ownership officially transfers, keys are handed over, and the journey to your new home begins.

Buyer's Goal

Sign final documents, transfer funds, get the keys.

Possible Obstacles

- Paperwork errors or signing delays
- Closing costs exceed expectations
- Emotional stress of the big moment

How to Overcome Obstacles

- Agent reviews closing disclosure with buyer in advance
- Buyer wires funds safely and confirms receipt
- Agent is present (virtually or in person) for questions and reassurance



Step 10

Post-Close Support “Welcome Home!”

Nothing more to say but... Congratulations! I'm still here for anything you need as you settle in and make your new house a home.

Buyer's Goal

Settle in, enjoy the home, understand next steps (utilities, taxes, etc.)

Possible Obstacles

- Uncertainty about homeownership responsibilities
- Feeling “abandoned” by professionals post-close
- New homeowner anxiety

How to Overcome Obstacles

- Agent checks in after move-in
- Provide welcome packet: utility info, maintenance tips, tax timelines
- Recommend local services or contractors as needed

✓ Successful Outcome:

- Buyer closes on a home they love, feels supported, informed, and confident throughout the journey, and has a positive experience worth referring or repeating.

