



REALTOR®, ENGINEER, INVESTOR

## Buyers Guide

Welcome to the exciting journey of buying your dream home! As your trusted real estate agent, I want to ensure that you have all the information you need to make informed decisions. I am here to make your experience as stress-free as possible.

I've put together a basic guide to walk you through the home buying process and ensure you can choose what works best for YOU.

## About Me



My name is Cade Boseck, and I was born and raised in Huntsville, Alabama. Unlike most agents, my career began as a missile defense systems engineer. My background is very analytical, and I believe this gives me a unique advantage in real estate: crunching numbers and attention to detail. I can run detailed market analysis to help make sure you know a home's proper value and have a great eye for detail/potential upgrades if you are looking to add value to your future home.

I am also a real estate investor. I know a home is a big investment, and I can help make sure you pick the right one for your situation. I provide comparable market analysis reports, contractor referrals, and specific knowledge on each suburb of Huntsville as a local expert.

Lastly, I became a real estate agent because I thoroughly enjoy helping people. I want to make a meaningful difference in people's lives, not just earn a paycheck. It's more about finding someone the place they'll call home and create lifelong memories. It's also about being a trusted guide during a significant life transition, offering support, expertise, and understanding every step of the way. Helping people find a place where they can be happy is why I chose this path, and it's what keeps me committed to this profession.





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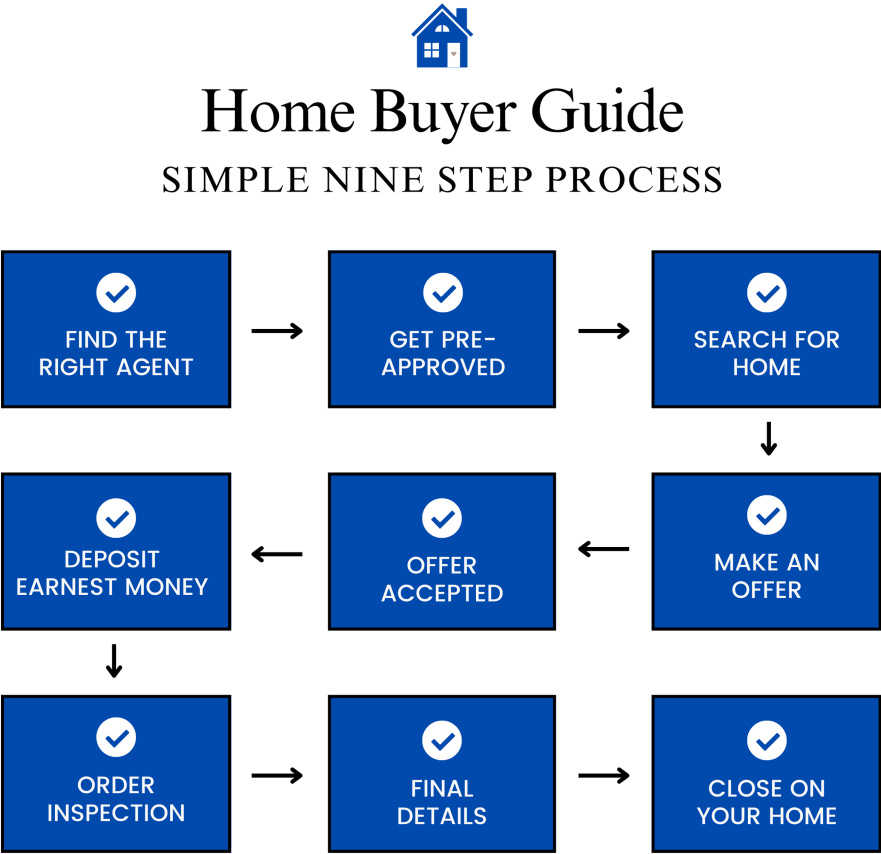
Cloud Realty

[choosecade@gmail.com](mailto:choosecade@gmail.com)  
(256) 714-4408  
[@cadeboseck](#)



# Home Buying Process

The home buying process can be overwhelming at first, but it doesn't have to be! I break it down into nine simple steps and will walk through each of them with you.



## Find the Right Agent

A Real Estate Agent can make or break your home buying experience. The right agent listens to your specific needs and preferences. They tailor their recommendations to your unique situation, ensuring you find a property that suits you perfectly. They will be by your side each step of the way and resolve any questions that come up during your home buying process.

## Get Pre-Approved

Imagine pre-approval as a big financial permission slip to buy a house.

Pre-approval helps you know how much money a bank might give you to buy a house. Sellers like buyers who are pre-approved because it shows you're serious about buying. This can help you when you want to negotiate on the price.

1. **Find a Lender:** First, find a bank or a company that lends money for homes. Ask your agent or your family's friends for suggestions.
2. **Collect Papers:** Think of it as homework for buying a house. You'll need:
  - Pay stubs and tax forms that show how much money you make.
  - Statements showing money you have saved (from your bank accounts).
  - Information about where you work.
  - The bank will also check your credit history by looking at a special report.
3. **Fill Out an Application:** You will fill out a form from the lender telling them about your money and how much you want to borrow.
4. **Get a Letter of Pre-Approval:** The lender will give you a special letter basically saying "Hey, this person can borrow \$xxx,xxx to buy a house."

**\*Important Note\* – Keep Your Money Steady.** While you're looking for a house, don't do anything big with your money, i.e. buy a new car or apply for a new credit card. Banks like it when your money situation stays the same.

## Search for Home

Make a list of what you want in a home. Think about the number of bedrooms, bathrooms, location, schools, and any specific features or amenities you desire. This list will guide your search. With your agent's help, begin searching for homes online and attending open houses.

Your agent will take care of scheduling visits to homes that match your criteria. Walk through each property and pay attention to details like the condition, layout, and potential maintenance or renovation needs.

Compare the homes you've seen with your wish list and budget. Consider factors like the neighborhood, proximity to work and schools, and the overall appeal of each property.

Throughout this process, your real estate agent will be your trusted guide, providing advice, answering questions, and helping you make informed decisions. It's an exciting journey, and

with the right support, you can find a home that meets your needs and fulfills your dreams.

## Make an Offer

Making an offer on a home is a crucial step in the home buying process. It's when you officially express your interest in purchasing the property. Here's a breakdown of how to make an offer on a home:

Your real estate agent plays a key role in this process. They will help you determine a competitive and reasonable offer price based on market research and the property's condition.

**Review the Comparable Sales:** Your agent will provide you with information on recent sales of similar homes in the neighborhood. This data, known as "comparable sales" or "comps," helps you gauge the fair market value of the property.

**Consider Your Budget:** Make sure your offer aligns with your budget and the amount you're pre-approved for by your mortgage lender. You want to ensure that you can secure financing for the amount you're offering.

**Draft the Purchase Agreement:** Your agent will help you draft a formal document known as the "purchase agreement." This agreement outlines the terms and conditions of your offer, including the price you're willing to pay, any contingencies (such as a home inspection or financing), and the proposed closing date.

**Submit Your Offer:** Your agent will submit your offer to the seller's agent or directly to the seller if it's a "For Sale by Owner" situation. The seller will then review your offer.

**Negotiation:** It's common for the seller to respond to your offer with a counteroffer. This process can involve multiple back-and-forth negotiations until both parties agree on the terms of the sale. Your agent will help you navigate this negotiation process.

**Acceptance or Rejection:** Once both parties agree to the terms and conditions, the offer becomes a binding contract. However, if the seller rejects your offer outright, you can continue searching for another property.

## Offer Accepted

After your offer is accepted, you'll typically have a period, often referred to as the "contingency period," during which you'll conduct inspections and secure your financing. If significant issues are discovered during inspections or if you can't secure financing, you may have the option to back out of the contract.

## Deposit Earnest Money

In most cases, you'll need to include "earnest money" with your offer. Earnest money is a deposit that demonstrates your serious intent to purchase the property. If your offer is accepted, this money is typically applied toward your down payment or closing costs.

## Order Inspection



Your agent can provide recommendations for reputable inspectors in your area and guide you through the process.

**Include an Inspection Contingency:** When you make an offer on a home, your purchase agreement should include an "inspection contingency." This clause allows you to have the property inspected, and if significant issues are discovered, you may have the option to negotiate repairs or back out of the deal.

**Choose a Qualified Inspector:** Select a licensed and certified home inspector with a good reputation. Ask for referrals from your real estate agent, friends, or family. It's essential to hire someone with experience and expertise.

**Schedule the Inspection:** Once you've chosen an inspector, contact them to schedule the inspection. It's usually best to schedule the inspection as soon as possible after your offer is accepted to ensure you have ample time to address any issues.

**Attend the Inspection:** While it's not required, it's highly recommended that you attend the inspection. This allows you to ask questions, learn about the property's condition firsthand, and gain insights into any potential issues.

**Inspector's Evaluation:** The inspector will evaluate various aspects of the property, including but not limited to:

- Structural integrity
- Roof condition
- Electrical systems
- Plumbing systems
- HVAC (heating, ventilation, and air conditioning)
- Appliances
- Foundation
- Pest or termite damage
- Safety concerns
- Overall condition of the home

**Receive the Inspection Report:** Within a few days of the inspection, you'll receive a detailed inspection report. This report will outline the inspector's findings, including any issues or concerns discovered during the inspection.

**Review the Report:** Carefully review the inspection report with your real estate agent. If there are significant issues that you weren't aware of, you may want to discuss potential negotiations with the seller to address repairs or adjustments to the sale price.

**Decide on Next Steps:** Based on the inspection report, you'll need to make a decision. You can:

- Proceed with the purchase as is.
- Negotiate with the seller for repairs or concessions.
- Choose to terminate the purchase contract if the issues are deal-breakers.

## Final Details

The "final details" in home buying are the last steps before you officially own the house:

1. **Loan Approval:** If you're getting a mortgage, the bank checks your finances one last time.
2. **Title Search:** They make sure no one else owns the house, and you get insurance to protect your ownership.
3. **Home Insurance:** You get insurance to cover your new house.
4. **Final Walkthrough:** You walk through the house to make sure everything's okay and hasn't changed.
5. **Closing Date:** You set a date to finalize the deal.

## Close on Your Home

The "closing" is the last step in the home buying process, and it's when ownership of the property officially transfers from the seller to the buyer. Here's a simplified explanation of the closing step:

1. **Sign Documents:** At the closing, you and the seller will sit down together (or separately) to sign a bunch of papers. These documents include the final purchase agreement, the mortgage note, and other legal paperwork.
2. **Pay Closing Costs:** You'll pay any remaining closing costs, which include fees for the loan, title insurance, taxes, and other expenses related to the purchase. These costs are outlined in the Closing Disclosure, which you receive before the closing.
3. **Receive Keys:** Once all the paperwork is signed, and all funds are distributed as needed, you'll receive the keys to your new home. This is the exciting moment when you officially become the homeowner!
4. **Recording:** After the closing, the deed and other necessary documents are recorded at the county clerk's office. This legal step solidifies your ownership.
5. **Post-Closing Details:** After you've closed, there are a few more tasks to complete, such as updating your address with various parties, transferring utilities, and ensuring all keys and garage door openers are provided.

In essence, the closing is the finish line of the home buying process, where all the paperwork and payments are finalized, and you gain full ownership of your new home. It's a significant step that marks the transition from being a homebuyer to a homeowner.



# FAQ

## 1. What's the significance of a credit score in buying a home?

- **Answer:** Your credit score is like a report card for your financial history. Lenders use it to decide if they'll give you a mortgage and what interest rate you'll pay. A higher score is better.

## 2. What's the difference between a fixed-rate and adjustable-rate mortgage (ARM)?

- **Answer:** A fixed-rate mortgage has a stable interest rate that won't change over the loan term. An ARM starts with a low rate but can increase over time, which can affect your monthly payments.

## 3. How does the down payment amount affect my mortgage?

- **Answer:** A larger down payment means you'll borrow less money for your mortgage, which can lead to lower monthly payments and less interest paid over time.

## 4. What are closing costs, and why do they matter?

- **Answer:** Closing costs are fees associated with finalizing the home purchase. They include things like appraisal fees, title insurance, and legal fees. You should budget for them because they can add up.

## 5. What's the role of a home inspector, and can I skip the inspection?

- **Answer:** A home inspector checks the property for hidden issues. Skipping the inspection can be risky because you might miss costly problems that could affect your decision to buy.

## 6. Why is homeowners' insurance essential?

- **Answer:** Homeowners insurance protects your investment. It can cover damages from things like fires, storms, or theft, helping you repair or replace what's damaged.

## 7. How do property taxes work, and how do they affect my monthly costs?

- **Answer:** Property taxes fund local services like schools and roads. They're usually paid annually but can be included in your monthly mortgage payment through an escrow account.

## 8. What is the difference between pre-qualification and pre-approval for a mortgage?

- **Answer:** Pre-qualification is an estimate based on your financial information. Pre-approval involves a thorough check by a lender and is a stronger commitment, making you a more attractive buyer.

## 9. Can I negotiate the price of a house, and how should I do it?

- **Answer:** Yes, you can negotiate. Research the market, understand the property's value, and work with your real estate agent to make a competitive offer and negotiate effectively.

## 10. What's the timeline for the home buying process, from offer to closing?

- **Answer:** The timeline varies, but it generally takes 30 to 45 days from the time you make an offer to the closing date. It depends on factors like financing, inspections, and negotiations.

## Common Real Estate Terms

**Adjustable-rate mortgage (ARM):** A mortgage loan with an interest rate that can change throughout the loan's lifetime.

**Agent:** A real estate professional that is **legally licensed** to buy and sell property on behalf of their clients. An agent cannot operate independently, they must work under a licensed broker.

**Amortization:** The process of gradually reducing mortgage loan debt over time by establishing scheduled monthly payments. The interest payment of an amortized loan will decrease as time goes on, while the principal payment will increase.

**Assessed value:** The value assigned to a real estate property that is used to determine its property tax rate.

**Broker:** A real estate professional that is licensed to represent clients and manage a brokerage in their state. Brokers receive extensive education and licensing, allowing them to manage individual agents through a firm or operate independently.

**Buying agent:** A real estate agent or broker that operates on behalf of a client buyer to help them find and purchase a property.

**Capitalization rate, or cap rate:** a metric used in real estate to evaluate the potential return on an investment property.

**Closing:** The process of finalizing a real estate transaction. This includes finalizing mortgage agreements, paying applicable transaction fees and signing on the dotted line to close the deal.

**Closing costs:** The fees associated with finalizing a real estate transaction. Both the buyer and seller will have expenses during the closing process. Closing costs normally

include an application fee, inspection fees, homeowner's insurance, property taxes and the agents' commission.

**Comparable, or comp:** A term that refers to the prices of recently sold properties that are used to determine market value of other similar properties. A seller will refer to these "comps" when trying to figure out what their property is worth.

**Comparative market analysis:** A process used to determine the value of a home based on the sale prices of similar properties in the area.

**Contingency:** A condition that must be met in order for a real estate contract to be finalized.

**Contract:** A written and legally binding agreement between a buyer and seller outlining the details of a real estate transaction.

**Debt-to-income ratio:** A percentage that helps lenders calculate the risk associated with giving out a loan to a borrower. It is the total of all monthly debt payments divided by monthly gross income.

**Dual agency:** A situation where a **real estate agent** or broker represents the buyer and seller.

**Down payment:** The amount of money that a buyer must pay upfront as part of a real estate transaction. It is usually expressed as a small percentage of the overall price of a property. Most mortgage lenders will require a down payment as collateral.

**Earnest money:** A cash deposit paid by the buyer during a real estate contract to indicate they are serious about purchasing the property. Sometimes called a good faith deposit.

**Equity:** A measure calculated by taking the market value of a property and deducting the amount that is still owed on the mortgage, if any.

**Escrow:** An arrangement in which a neutral third party provider holds the funds associated with a real estate transaction until a specific condition is met.

**Exclusive Right to Sell agreement:** A listing agreement where a property owner must pay commission to a real estate agent no matter who finds the buyer. If the owner finds a buyer, they must still pay a commission to the agent.

**Exclusive agency agreement:** A listing agreement between a property owner and a real estate agent where commission is paid if the agent finds a buyer. The owner is not responsible for paying commission if they find a buyer themselves.

**Foreclosure:** A legal process that occurs when a property owner fails to uphold their mortgage agreement and make their payments. The mortgage lender will claim the property and resell it as an attempt to recoup their losses.

**FHA loan:** A mortgage loan that is backed and administered by the Federal Housing Administration.

**Fixed-rate mortgage:** A home loan with an interest rate that stays the same throughout the loan's lifetime.

**Home appraisal:** The process during which a licensed appraiser evaluates different elements of a property to determine its fair market value. An appraisal is ordered by a mortgage lender.

**Home inspection:** An examination of the overall condition of a property. It is ordered by a real estate buyer.

**Interest:** The profit a mortgage lender makes in exchange for the loan. It is quantified as a percentage.

**Listing agent:** A real estate agent or broker that operates on behalf of the property owners to help them sell their property.

**Listing agreement:** A legally binding contract that allows a real estate agent to sell a property on behalf of their client, the property owner.

**Mortgage:** a long-term loan given by a lender to finance a real estate property. The property is used as collateral in exchange for the money that is borrowed.



**Multiple listing service (MLS):** A digital database of current real estate listings that is operated by a group of agents or brokers. An MLS provides accurate, up-to-date information about the status of local listings.**Net operating income (NOI):** a value that determines how much profit a commercial real estate property generates.

**Open listing:** A situation in which a property owner chooses to sell their home on their own. There is no exclusive agreement, which means they can have listings with multiple agents.

**Open house:** An event run by a real estate agent that allows prospective buyers to visit a property without an appointment for a certain period of time. The goal is to generate interest and showcase the property in a casual setting.

**Pocket listing:** a property that is up for sale but hasn't been made publicly available to other agents or buyers.

**Principal:** The total amount borrowed in a mortgage loan.

**Private mortgage insurance (PMI):** An insurance policy that requires payment of additional premiums that protect the lender in case the borrower goes into default.

**Realtor:** an individual who is a member of the National Association of Realtors (NAR), a trade association for real estate professionals. By becoming a member, realtors agree to abide by a strict Code of Ethics laid out by the NAR.

**Refinancing:** The process of replacing a current mortgage loan with a new one under different terms and conditions. The goal is to **get a better interest rate** on the new loan.

**Reverse mortgage:** A loan that allows the borrower to relinquish home equity in exchange for money. This type of loan is only available to homeowners that are 62 and older.

**Short sale:** A property that is sold for less than the amount that is owed on the mortgage.

**Staging:** The process of organizing the interior of a home to be more attractive to prospective buyers.

**Title insurance:** A type of insurance that protects the buyer and lender in case the seller does not have full lawful ownership of the property.

**Title search:** The process of searching through public records to ensure that the seller of a property has lawful ownership of it. A title search can uncover possible deficiencies or defects in ownership that could greatly impact a real estate