

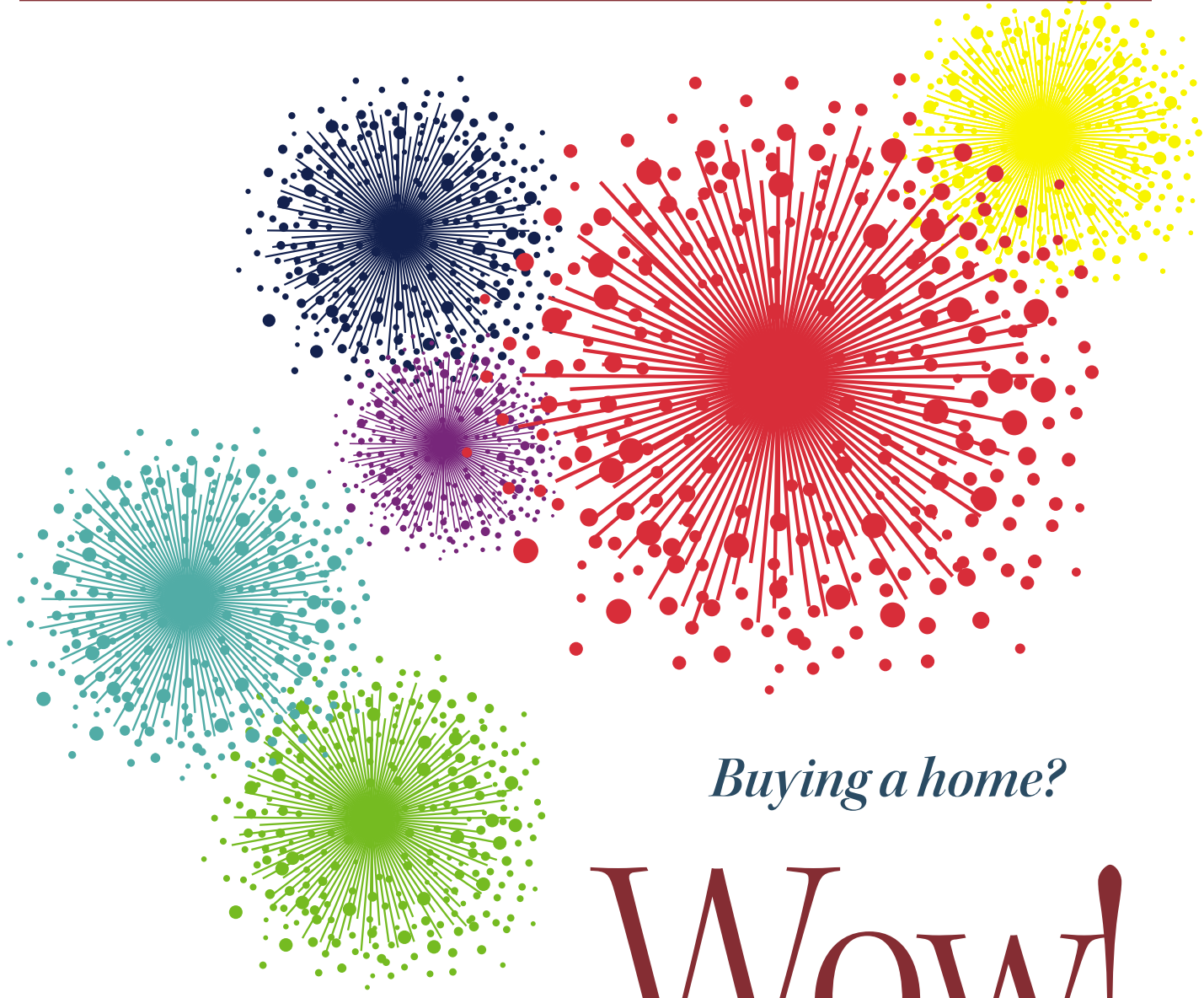


# *Extraordinary Transitions<sup>sm</sup>*

PAMELA & DAVE JONES, Long & Foster REALTORS



EQUAL HOUSING OPPORTUNITY



*Buying a home?*

# Wow!



# Extraordinary Transitions<sup>sm</sup>

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Choosing your next home to buy, whether it be to live in, vacation in, or invest in, is one of the most important decisions you can make. Thanks for giving us the opportunity to assist you in developing a plan to find the right home. Choosing an experienced agent to guide you through this challenging real estate market is a critical first step towards an extraordinary transition.

The following pages include a list of items to consider when financing a home as well as a plan of action to take you smoothly through the home buying process.

Our goal is to make sure you are so happy with your home purchase experience that you will want to recommend us to all of your family and friends.

Best wishes!

Dave Jones, Senior Real Estate Specialist

Pamela Jones, Associate Broker

*Everyone moves. It's HOW you move that matters.*

Dave is the best real estate broker that I have had the pleasure to work with. I truly appreciate his friendly, honest, and no pressure disposition. He held my hand through all aspects of the house buying process. Dave always watched out for my interests, and was by my side from the beginning of my search to the day that I sat down to sign the escrow papers. I strongly recommend Dave to anyone who wants to buy or sell a home in today's difficult real estate market.

—Sue Lynde, Leesburg, VA

First off, I wasn't completely sold on using an agent. By the end of the process, even I had to admit Dave Jones had earned his worth and maybe more. Most importantly, my wife and I are very happy with our new house, and we would not be there if it were not for Dave. It came on the market and moved almost immediately, and Dave guided us through the process adeptly. If we had done this ourselves or used a less talented or experienced agent, we would not have been able to close on this home that we like so much. Kelly mentioned that her favorite thing was how smooth the entire process was. There were no surprises and no stress-inducing events.

Finally, on a personal level, Dave is an expert at dealing with people. He never pushes, but knows when to word his responses strongly enough where we got the point. In short, he is excellent to deal with in his role as an agent.

—David McMinn & Kelly Dwyer



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# Planning to Buy Your Home



## How Much House?

House hunting begins at home—with planning. The first step toward buying a house is to sit down. Before you grab the road maps and hit the streets, you need to do a little planning. We call it “pre-qualifying”. Simply, it’s determining how much house you can afford to buy. Knowing your affordable price range will bring your house-hunting into focus. Many lenders will send out all required verification and pre-approve you for a mortgage, allowing you the opportunity to negotiate as a cash buyer.

How much house you can afford to buy depends on two things: how much you can afford for the monthly housing payment, and how much you can invest in the down payment. Monthly payments include principal and interest on the mortgage loan, and property taxes and insurance against fire and other hazards. These four costs are often abbreviated “P.I.T.I.”. For some buyers and lenders, monthly housing costs may also include homeowners association dues, condominium fees, and mortgage insurance.

## How Much House Can I Afford?

The key items are the size of the down payment, interest rate, any monthly property fees, and the amount of the mortgage. The down payment might be zero in the case of VA-backed mortgages. A down payment of 20% or more on a conventional loan will eliminate the need for mortgage insurance. Your Long & Foster Sales Associate can be very helpful to you in determining just how much house you can afford.

## Sources For Your Down Payment

The obvious source of money for your down payment is either your savings or the proceeds from the sale of a home you already own. But there are some other not so obvious sources. In recent years, for example “parent power” has taken some new twists for first-time buyers.

**Home Equity Loan.** Parents often have considerable equity built up in their own homes—and many are tapping that asset through home equity loans to make a gift to their children. Ask your tax

advisor for current information. Often lenders will require a “gift letter” to verify that parents don’t expect repayment.

**Life Insurance.** If you have built up a cash value on your life insurance policy over the years, you may be able to borrow from your insurance company up to the amount of this accumulated cash value. Often, they will even ask a more favorable interest rate than would be asked for other types of loans.

**Stocks and Bonds.** If you feel the market doesn’t favor selling your stocks or bonds now, you may be able to secure a bank loan using your portfolio as security.

**Company Profit Sharing or Savings Plan.** Look into the possibility of withdrawing what you have in your profit sharing or savings plan account or borrowing against it, if your company has these programs.

## Mortgage Insurance Can Reduce Down Payment

If you obtain a conventional loan, you may make a down payment of 20% or less. Through the lender, you will be required to buy private mortgage insurance (PMI). This insurance provides protection for the lender in case of default, allowing the lender to approve a larger loan amount.

Mortgage insurance offers a variety of payment options. You may make an initial payment at closing and monthly payments with the house payment. You may make only an initial payment or only monthly payments. You may even increase your interest rate and have the lender pay the insurance. Be sure to ask your lender for a comparison of the benefits of each of these plans.

## One Caution

The larger the down payment, the less money you need to borrow. This means a lower monthly payment. However, remember that in addition to your down payment and monthly payments, you will need money to pay for closing costs, moving, appliances, household setup, a reserve for family emergencies, and other miscellaneous items. So don’t plan to put your last penny down on the closing table.

# Home Search Services Plan Of Action



1. Conduct an in depth interview to determine your needs and wants.
2. Assist you in arranging all financing, appraisals and inspections.
3. Enter your search criteria into the Multiple Listing Service (MLS) database.
4. Schedule you for instant property match email notification.
5. Develop a shopping plan that's right for you.
6. Research all For Sale by Owners (FSBO), expired, withdrawn and cancelled listings for additional potential matches.
7. Prospect daily, our database of clients, leads and neighborhoods that you want to live in, leaving no stone unturned to find the home of your choice.
8. Contact other top listings agents, to discuss potential pocket listings.
9. Broadcast your needs and wants at our office meeting and preview property daily, to view new inventory.
10. Call you as matches occur.
11. Show you the properties you select and obtain all information you need to determine the type of offer you want to make.
12. Write the purchase contract and arrange for it to be presented.
13. Handle negotiations of the contracts.
14. Supervise the completion of all paperwork.
15. Call you each week to advise you of the status and answer any questions you may have.
16. Schedule inspectors and appraisers.
17. Arrange a final walk through.
18. Review closing documents and arrange for the closing.
19. Deliver the keys.
20. If you have not purchased within two weeks, conduct a re-consultation interview to determine changes that must be made to search criteria.
21. Once you have purchased, I will continue to follow up with you quarterly by phone and mail, to keep you up to date with markets trends and values.



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