

# 90

**DAYS TO HOMEOWNER**

*challenge*

# A little bit *about Us*



"The RealVantage team are truly trusted professionals in our real estate market. Spokane is an incredibly challenging market right now. Lauren and her team take the time to research, educate, and serve each of their clients with the utmost integrity (while also have fun along the way). Best team around."

-Sarah H

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# Our Story

## OUR STANDARD

This is our promise to YOU, our client, that we will always hold your best interest at our hearts. Foremost, we value honesty and integrity from start to finish, and beyond. You can expect clear and frequent communication, as well as tireless work ethic and diligence on your behalf. We will always treat you with respect and care, and come from a place of compassion and contribution.

## OUR PROMISE

Our belief in homeownership and the importance of real estate to the community drives our passion to help you achieve your goals-- and we promise to always uphold the RealVantage Standard.

## OUR NAME

We are often asked, "Why 'RealVantage' for your real estate business name?" This answer is two-fold- REAL & VANTAGE. Our slogan is "Real people. Real solutions. Real estate from every vantage point." REAL: We are real people. Meaning we are a group of authentic, compassionate, professional, and knowledgeable individuals; putting people before profits always, and choosing to lead with kindness and integrity first. We provide real solutions. Our priority is creating winning solutions for our sellers, buyers, investors, partners, and communities. And we love real estate. We help clients buy, sell, invest, and build on and off the market. VANTAGE: We see real estate from every vantage point. We look at each situation from all angles- knowing that every circumstance is unique and deserves its own plan. We think outside the box and use our vast resources and connections to help people achieve their goals and overcome any real estate challenge they are facing. Because we aren't a traditional real estate company, there are many advantages to working with us. We have access to additional opportunities for our clients and partners, and we are willing to go the extra mile to create more opportunities as well.

W E E K

O1

# Is it time for you to stop renting and buy?

Tired of the "rent race" and thinking about buying? Yes, buying a home is a huge financial decision, but it is also an emotional one. And while you can find plenty of online calculators and quizzes to tell you whether you're financially set, the mental commitment to the home-buying process is often overlooked. Scan over these questions to help gauge your readiness to dive into home-buying:

## 1. Do you have a true desire to own?

You should have a true "want-to" and desire to OWN. Ownership of a home is a commitment, and although we think it's trendy to own a home, it's much more than that. Make sure your priority to buy a home is being driven by your own wants and needs, and nothing else.

## 2. Are you ready to put down roots?

Buying is a more long-term decision than renting. Be sure you're ready to plant for at least a couple of years before signing on the dotted line.

## 3. Do you desire more privacy at home?

If you're exhausted by noisy neighbors and no place to stretch your legs, it may be time to buy.

## 4. Are you content in your current job?

Lenders want to see job stability, so if you're thinking of buying, evaluate your long-term employment plans.

## 5. Is your debt-to-income (DTI) ratio healthy?

Your DTI ratio is an important factor when applying for a mortgage. Getting debt under control before purchasing is always a wise decision. Not sure what your DTI is? Head over to the next page!



WEEK  
01

# Determine your Debt-to-Income Ratio (DTI)

\*Only the bills that would show up on a credit report\*

| DEBT   | DESCRIPTION | AMOUNT                    |
|--|-------------|---------------------------|
| Monthly rent payment                           |             |                           |
| Monthly alimony or child support payments      |             |                           |
| Student, auto, and other monthly loan payments |             |                           |
| Credit card monthly payments                   |             |                           |
| Other  |             |                           |
|  |             | TOTAL MONTHLY BILLS _____ |

What does it mean?



$$\frac{\text{TOTAL MONTHLY BILLS}}{\text{YOUR GROSS MONTHLY INCOME}} = \text{YOUR DEBT-TO-INCOME RATIO}$$

Diagram illustrating the formula for calculating DTI:

The top part shows the formula:  $\frac{\text{TOTAL MONTHLY BILLS}}{\text{YOUR GROSS MONTHLY INCOME}}$ . Below it is an equals sign (=). To the right is a large circle containing a spiral arrow pointing clockwise, with a small arrow pointing towards the circle.

W E E K

O1

# Is it time for you to stop renting and buy?

**After reading more about Week 01, do you think it's time for you to purchase your first home?**

**Set a goal date and timeline of when you'd like to close on your first home. It can be in two months or two years, whatever fits your circumstances best.**

**Describe what you want your home to be, feel, and look like. Start making a list of your needs and wants.**

**Notes:**

# Understanding the Home-Buying Process

When purchasing your first home, it's important to know what the process is going to look like. Here's an in-depth breakdown of the home-buying process. Feel free to check off the items as we complete them through the 90-day process.

## finances

- Gather your documents (W-2s, bank statements, etc)
- Obtain pre-approval or proof of funds
- Locate down payment funds
- Prepare for any additional costs

## search

- Preview potential properties online
- Schedule showings and view the properties you are most interested in

## under contract

- Write an offer to purchase on your favorite property
- Negotiate the terms of the offer with the listing agent and seller
- Get your offer accepted, deposit earnest money (~1%), and complete loan application

## due diligence

- Conduct inspections
- Resolve/negotiate any issues from inspection
- Your lender will order the appraisal
- Obtain homeowners insurance quotes
- Title company will conduct title search

## closing process

- Receive closing statement/clear to close
- Wire funds to closing company
- Conduct a final walk-through of property
- Closing day: Get your keys, it's all yours!

W E E K

03

# Let's Talk Mortgages: Getting Pre-Approved

The very first step of the home buying process is to get a pre-approval letter from a lender stating how much you are qualified for. It's important to ask your potential lenders some questions to make sure they are a good fit for you.

Don't understand something your lender says? Stop and ask for clarification. This is YOUR home buying journey, and you deserve to understand the process every step of the way. A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter until you're ready to buy.

## Questions to Ask Potential Lenders

### 1. What type of loan do you recommend for me?

**Why?** There's no one type of mortgage loan that's superior to another—but whichever you choose, you need to know why it's best and how it works.

### 2. Will my down payment vary based on the loan I choose?

**If you're tight on cash or prefer to keep more cash in the bank, let your lender know.** Loans vary in down payment requirements.

### 3. What is the interest rate and the annual percentage rate (APR)?

Everyone talks about the interest rate, but the APR is just as important. It combines the interest rate with the fees a lender charges to originate your loan.

### 4. Can I lock-in an interest rate?

If so, for how long? If you think rates will be moving up, ask if you can lock it in for a set period of time.

### 5. What will my closing costs be?

Are they a part of my loan, or will I pay them in cash at closing? Remember, closing costs usually run 2-4% of your loan value so you need to know how they'll be covered.



# Lender Questionnaire

Use this questionnaire as you talk with and interview different lenders

**Name:** Sean Sievke

**Company:** First Choice Loan Center

**Phone Number:** 509.217.7777

**Email:** sean@mtgloancoach.com

What type of loan do you recommend for me and why?

Will my down payment vary based on the loan I choose?

What is the interest rate and the annual percentage rate (APR)?

Can I lock-in an interest rate? If so, for how long?

What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing?

Notes:

# Lender Questionnaire

Use this questionnaire as you talk with and interview different lenders

**Name:** Luke Baker

**Company:** Guardian Mortgage

**Phone Number:** 509.710.4631

**Email:** LukeBaker@gmc-inc.com

What type of loan do you recommend for me and why?

Will my down payment vary based on the loan I choose?

What is the interest rate and the annual percentage rate (APR)?

Can I lock-in an interest rate? If so, for how long?

What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing?

Notes:

# Lender Questionnaire

Use this questionnaire as you talk with and interview different lenders

**Name:** \_\_\_\_\_

**Company:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_

**Email:** \_\_\_\_\_

What type of loan do you recommend for me and why?

Will my down payment vary based on the loan I choose?

What is the interest rate and the annual percentage rate (APR)?

Can I lock-in an interest rate? If so, for how long?

What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing?

Notes:

W E E K

04

# Searching Strategically

Before jumping into the home search, we like to advise our clients to create a "Needs" list and a "Wants" list. This will help us to really focus on the things that are most important in your future home.

Needs are the non-negotiable features; the features you simply must have in your next home. Wants are the features you'd like to have, but you can add or change down the road.

Don't feel like your first draft has to be your final draft—and above all else, remember you can't change the lot, the location, or the price you paid so spend a good amount of time thinking those through before moving on.

## "Needs" may be things like:

- Enough square footage for you and/or your family
- Sufficient bedrooms and bathrooms
- A primary bedroom ensuite
- Close proximity to work and/or school
- A garage
- In-law set up

## "Wants" will look more like:

- Specific paint or exterior color
- Pool, jacuzzi, or other exterior water feature
- Attached two-car garage
- Fenced-in backyard
- Specific carpet, hardwood floors, or tile
- Kitchen amenities like countertops and appliances
- Walk-in shower or double bathroom vanity in primary



# Wants vs. Needs

Write down your *needs* and your *wants* in your future home. Needs are the non-negotiable features; the features you simply must have in your next home. Wants are the ones you'd like to have, but you can add or change down the road.

**NEEDS**

**WANTS**

# Home Buyer Questionnaire

This questionnaire is for you to think about what you're looking for in your home. This will help all of us to be on the same page in terms of what you're looking for.

What area(s) are you looking to buy in?

What do you like about this/those area(s)?

How many bedrooms, bathrooms, and preferred square footage? 1 or 2 story? Split levels?

Do you have specific home needs for any children, additional family members, and/or pets?

What's your favorite style of home?

What are the top 5 most important things in your future home?

Anything else we should keep in mind during our search?

WEEK  
05

# Searching strategically online

You've done it! You've made it to Week 5 of the 90 Days to Homeowner Challenge!

Now that you've got your wants vs. needs list in hand, the fun really begins! It's time to talk about narrowing down those listings and deciding which ones to see in person.

First up, let's talk about best practices for searching online. No doubt you know the sites (Realtor.com, Zillow, Redfin, Trulia), but how can you get the results you want? Try some of these tips. I also provide a search of my own that will send you homes within your criteria!

- **Use the search filters but not too much.**

You don't want to restrict your search so tightly that you only have a handful of homes to view.

Keeping your wants vs. needs list in mind, expand your geographic search.

- **If you find something that catches your eye, check out the Google street view.**

Online pictures can be deceiving so a virtual 'walk down the street' will give you a better sense of the house and surrounding area.

- **Don't shy away from a home because it is "pending" or "under contract."**

Pending contracts do occasionally fall through, so keep it on your list especially if it checks all your boxes. However, don't count on it coming back on market. We will follow up with the listing agent and ask to keep us top of mind should something happen is smart!



After you've found a few homes you like, jot down the MLS number and address. Shoot the list to us and we will call the listing agents to gather pertinent information and check on the seller's motivation. At this point, it's time to look at the calendar and find a chunk of time to tour the homes on your shortlist. Carve out more time than you think you'll need since you don't want to be rushed if you find a home that may be "the one." Typical showings are 30 minutes per home.

WEEK  
06

## Making the most of your showings

You're SO READY to get inside those homes on your shortlist and see for yourself if one of them is your new 'soon-to-be' address. We know you're excited, but remember to go into these showings cool, calm, collected and with your thinking cap on. Here's a quick list of how to do just that:



**Before scheduling a showing, read over your wants vs. needs list and check in with your budget.**

Having this fresh on your mind will help you stay objective and focused. Take pictures and videos to jog your memory later and to help you process with friends and family.

**Remember, you can't change the lot or the location so make sure you love both.**

You also don't want to be the priciest home on the block. We will help you assess whether or not that's the case.

**Don't let yourself get distracted by decor or staging.**

These things will be gone by the time you move in, so try to stay focused on the things that cannot be changed as easily.

**Take your time.**

If a home makes a good first impression, let us know if you're interested and that you'd like to spend a bit more time looking around. This is one of the largest purchases you'll ever make so it's worth it to learn as much as you can while you're there.

Dont forget to ask questions!

# Showing Checklist

Print a few copies of this and bring to your showings of you desire!

Address:

First impression rating  
(1-10) of exterior:

First impression rating  
(1-10) of interior:

List 3 pros of the home:

List 3 cons of the home:

Take pics/vids of home

Circle one: No way | Maybe | Very interested | It's the one!

Address:

First impression rating  
(1-10) of exterior:

First impression rating  
(1-10) of interior:

List 3 pros of the home:

List 3 cons of the home:

Take pics/vids of home

Circle one: No way | Maybe | Very interested | It's the one!

W E E K

07

# How do you know it's finally "the one"?

After all the waiting, searching, longing, and looking—have you finally found “the one?” Today, let’s talk about how you can know for sure you’ve found the home of your dreams.

If you’re doing any of the following things, this may be *the one*.

You look at other houses, but are still thinking about *this* one.

You are comparing every other house to *this* one.

You've told all of your friends and family about *this* one.

You keep looking at the photos.

You want to go back inside the house again.

You feel defensive about the house.

You've started thinking about furniture arrangements.

It checks everything off of the “*needs*” list

You've driven by it ten times since your showing that was...ahem, yesterday.



Of course there's more to buying a home than warm fuzzies and new barstools, but bottom line? You SHOULD feel excited when you finally find *the one*. Yes, it's gotta meet your needs and fit your budget, but the adage usually does hold true—when you know, you just know. **CAUTION:** Keep your emotions in check and don't get too attached to a home. You'll thank us later as we are in a competitive market! It's good to be positive but stay grounded as well.

W E E K

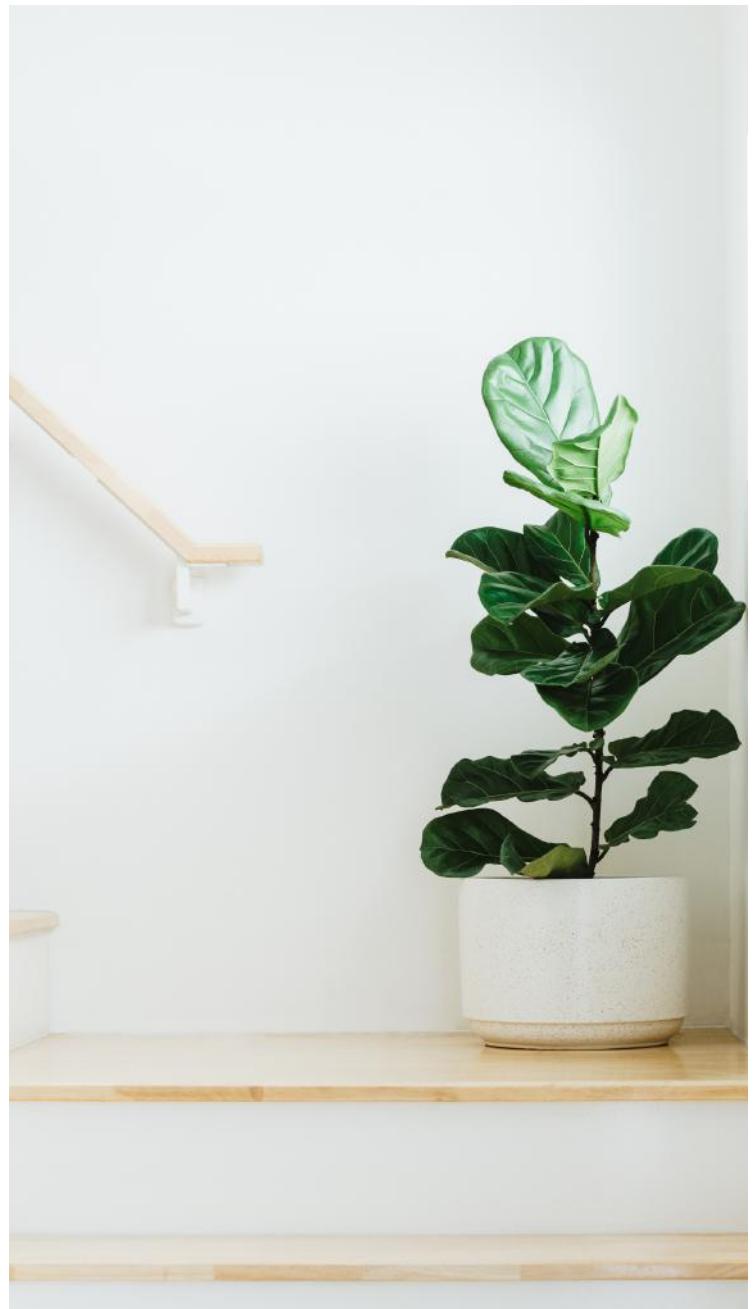
08

## Making an offer (hopefully one they cannot refuse!)

So you think you've found "the one" and you're ready to put in an offer!

Here's how to make sure your offer stands out from the rest:

- Include a pre-approval letter that shows that you're serious, qualified, and ready to purchase.
- Put your best foot—and price—forward. You may only get one shot, so make it count. We can use comps and trends as a guide, but go in with a strong number you know a seller would find favorable. Your agent should help guide you with a winning offer.
- Propose to close quickly and only include contingencies if you must. However, allow enough time for everyone involved in the real estate transaction to do their part, (30-45 days).



And of course, when you're ready, we will guide you through putting together an offer that gives you every advantage in landing the home of your dreams.

WEEK  
09

# We're under contract... now what?

You made an offer, and it has been accepted—go ahead, cue the confetti! And while it'll be a few more days until you can move in, you're well on your way to closing the deal on your new home sweet home.

Today, we're going to give you a quick rundown on what happens after you make an offer and your new home is "under contract." So grab a cold one, kick your feet up, and read through what's coming up next in your home buying journey:

- First, we will carefully review important dates and information you will need to know to ensure a successful closing. Check out the checklist on the following page to get all of your need to know information & important dates.
- You'll need to meet with your mortgage lender to firm up financing details and lock in your interest rate. Make sure they have everything they need to send you to final underwriting.
- Once the home inspection report comes in (and you should definitely request a home inspection), we may need to negotiate any repairs with your seller.
- Towards the closing date, you'll get a call from the closing office to schedule your signing.



# congrats, YOU'RE UNDER CONTRACT!

Use this checklist to keep track of important due dates and ensure a smooth closing. These dates are sent to you in the email you've received from me after mutual acceptance.

**Escrow deposit.** You must send escrow deposit of \_\_\_\_\_ via check or wire to \_\_\_\_\_.

**IMPORTANT:** Be very careful when wiring any funds. Never trust wiring instructions sent via email.

## **Begin loan application. THIS SHOULD ALREADY BE DONE!**

Your loan application needs to be started within 5 days from the executed contract date. During your loan processing, it is VERY IMPORTANT not to make any major job changes, major purchases, or open new credit cards or lines of credit, as any of these activities could alter your qualifications.

**Schedule inspections.** The last date to renegotiate or cancel contract due to anything that comes up in inspections is \_\_\_\_\_ so we recommend scheduling any inspections immediately

**Obtain home insurance.** Start contacting Insurance companies for quotes immediately, we will need to make sure the home is insurable before the end of the inspection period (\_\_\_\_\_)

## **EXECUTED CONTRACT**

## **ESCROW DEPOSIT DUE**

## **LOAN APPLICATION DUE**

## **INSPECTION PERIOD ENDS**

## **EST. CLOSING DATE**

**ADDRESS:**

**TITLE COMPANY:**

**PURCHASE PRICE:**

\$

**ESCROW DEPOSIT:**

\$



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W E E K

10

# All About Home Inspections and Insurance

Are you ready for another installment in the 90 Day to Homeowner Challenge? For Week 10 of the Challenge, let's talk about all things home inspections.

## **What is a home inspection?**

The inspection will uncover any issues in the home that would have otherwise been unknown. You will receive a written report of the inspection. We recommend that you are present for the inspection, so that you may ask the inspector any questions. If you're unable to attend the whole visit, try your hardest to show up at the last half hour of the inspection.

## **What does "inspection period" mean?**

During the inspection period, the buyer has the right to hire a professional to inspect the condition of the home. If the results on the inspection report comes back with any issues that need to be addressed, the buyer may ask the seller to cover the costs of these repairs, reduce the sales price, or fix the repairs before closing. If an agreement can not be made, the buyer has the right to back out of the contract and get the earnest money deposit back with no consequences.

**TIP: SCHEDULE ALL INSPECTIONS IMMEDIATELY, SO IF WE NEED TO NEGOTIATE ANY REPAIRS WE CAN BEFORE THE INSPECTION PERIOD ENDS.**

## **The home seems fine, do I really need a home inspection?**

You may think the home is in perfect shape, but some of the costliest problems are difficult to spot: leaks, termite damage, foundation issues, poor ventilation, faulty wiring, and drippy appliances. A home inspection gives you the chance (before you sign on the dotted line) to have a professional inspector see if there are any problems that need to be addressed, replaced, or fixed.

If you are getting a loan, the lender will require you to obtain home insurance. The home insurance company will typically require that you have a certain inspection(s) done. In order to obtain insurance, the inspection reports will need to fit the criteria of the insurance company. This is another reason that you may need to have an inspection done.

W E E K

10

# Inspection Cheat Sheet

| Type of Inspection | Description   | Average Cost  |
|--------------------|---|---|
| Standard           | The standard home inspector's report will cover the condition of the home's heating system; central air conditioning system; interior plumbing and electrical systems; the roof, attic and visible insulations; walls, ceilings, floors, windows and doors; the foundation, basement and structural components. | <b>Enter average price for your area here</b><br><br>\$400-\$700<br><small>Dependent on size of home and location</small> |
| Sewer Scope        | The purpose of a sewer scope inspection is to determine the condition of the property's sewer line and to determine if the system is functioning as designed . Sewer scope inspections have become a standard component of the pre-purchase inspection period.  | <b>Enter average price for your area here</b><br><br>\$200  |
| Radon              | Radon gas forms as the result of uranium decaying in soil. The radioactive gas is released from the soil and travels upward into the air. Radon becomes harmful when it travels through a house and becomes trapped inside. Radon can lead to lung cancer.  | <b>Enter average price for your area here</b><br><br>\$150  |
| Lead-Based Paint   | If the home was built prior to 1978, a lead-based paint inspection is an option. Typically a home has been repainted, but if this is a concern, inquire about this inspection!  | <b>Enter average price for your area here</b><br><br>Depends on inspector   |

\*\*Your home may also require a well and/or septic inspection.\*\*

Ask Us For Our List of Local, Trusted Home Inspection Companies!!



W E E K

11

# Pre-Closing

We are so close to the closing table! Here's what's going to happen leading up to you receiving the keys:

- Under Contract**
- Inspections**
- Obtain Insurance**

## Appraisal

An appraisal is an estimate of the value of the property by a licensed professional appraiser. Once any problems during the inspection are solved, the appraisal will be ordered by the lender and paid for by you. The goal of the appraisal is to verify the value of the property for the lender and to protect you from overpaying. The contract is contingent upon whether the appraisal comes in at or above the purchase price. If the appraisal comes back short, we will be back to the negotiating table.

## Double Check All Paperwork is Submitted

Before we can close on your new home, it's important to ensure everyone who is working on closing on your home has all paperwork needed. If signatures are sent out to you, try to quickly respond to keep everything moving smoothly.

**TIP: IT IS VERY IMPORTANT NOT TO MAKE ANY MAJOR JOB CHANGES, MAJOR PURCHASES, OR OPEN NEW CREDIT CARDS OR LINES OF CREDIT, AS ANY OF THESE ACTIVITIES COULD ALTER YOUR QUALIFICATIONS FOR A LOAN.**

## Survey (not required)

Unless the seller already has a recent & acceptable survey of the property, a buyer may have to pay for a survey if your lender requires it. The survey is a sketch showing a map of the property lines/boundaries among other things. The survey will show if there are any encroachments on the property. This is not typically required as most county assessor's have parcels identified.

## Title

The title company will conduct a title search to ensure the seller is the legal representative of the property and find out if there are any outstanding mortgage liens, judgments, restrictions, easements, leases, unpaid taxes, or any other restrictions that would impact your ownership associated with the property. Once the title is found to be clear, the title company will issue a title insurance policy which protects lenders or owners against claims or legal fees that may arise over ownership of the property. This will also be a part of your closing costs.

## Clear-to-Close!

The magic words! It means the mortgage underwriter has officially approved all documentation required to fund the loan. All that remains is the actual closing process.

# WEEK

# 12

# Closing Time!

You've gotten the "clear-to-close" and we've scheduled our closing date and time! You typically sign a day or two before the "get the keys" day, but let's answer some questions you may have about the closing process:

## Q: When do we do the final walk-through?

A: The final walk-through is exactly what it sounds like - it allows the buyers to do one last walk through before closing to confirm that the seller made the repairs that were agreed upon and to make sure no issues have come up while under contract. We will typically schedule to do this within 2-3 days before closing.

## Q: Who will be at closing?

A: Situations vary, but you can expect some combination of these folks: Buyer (that's you!), seller, real estate agents, closing agent/attorney, mortgage lender, and title company representative... or just you and the closing agent!

## Q: What will I do?

A: Stretch those fingers and get ready to sign, sign, sign. At closing, the seller will sign ownership of the property over to you, and you'll sign to receive possession.

## Q: What should I bring?

A: Bring a photo ID and a cashier's check to pay any closing costs. Your agent will tell you any other documents specific to your situation. The closing process is relatively simple but be prepared for A LOT of paperwork. (And always, always, always ask if you have a question along the way.) The good news is once you've signed the last page, it's time to get a hold of those keys and celebrate!



**Keys!** When you will receive possession (keys) depends on how it is written in your contract. Typically though, Keys are exchanged after the sale has been recorded with the county. This is typically done between 2pm-4pm on day of closing. Each deal varies of course.

# ~~congratulations!~~

**Congratulations, we are officially *DONE* with the 90 Days to Homeowner Challenge!**

Thank you so much for allowing us to walk you through the home buying process. We hope this challenge has inspired you to take the first steps towards homeownership, and answered any questions you may have had about purchasing a home.

Please remember, we are always here to help! Our job is to make sure home buyers feel informed and comfortable every step of the process. Never hesitate to reach out with questions!



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