

# Home Buyer Guide



*Ariell Galle*  
REALTOR®

 **CRESCENT**  
CITY LIVING LLC



Congratulations! You are about to begin the most exciting journey of a lifetime. Purchasing a home is one of the biggest financial decisions most people will make in their lives. Sometimes the road to home ownership can bring a lot of anxiety. This guide will alleviate your stress by guiding you through the home buying process. In this guide, you will learn about the benefits of having an agent represent you, the requirements and financial obligations of a homebuyer, the importance of a home inspection and the appraisal process, and much more. When you have reached the end of this packet, you will be well informed and well prepared to purchase your dream home.

*Let's Begin*

# A Little About Me...

Ariell Galle  
REALTOR®



Before we begin, I want to share with you who I am and what my company represents. Technically speaking, I am a licensed real estate agent with Crescent City Living. Contrary to popular believe, my role in this process is for more complex than showing homes and collecting commission checks.

Consider me your trusted advisor, your real estate consultant who will provide excellent customer service, market information, expertise, and access to a network of highly qualified professionals in the real estate industry.

At Crescent City Living, our mission is to create exceptional client experiences by cultivating exceptional agents. With the tools and systems in place, we promise to bring an enjoyable experience from start to finish.

My approach is straightforward, and my work ethic is admirable. When you work with me, you can expect professionalism, respectfulness, dependability, dedication, and accountability. Protect your investment and hire a real estate professional who will get the job done right!

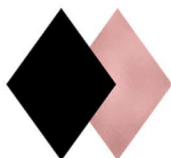
**Birthplace:** New Orleans

**Education:** BS, Accounting, Nicholls State University, 2009

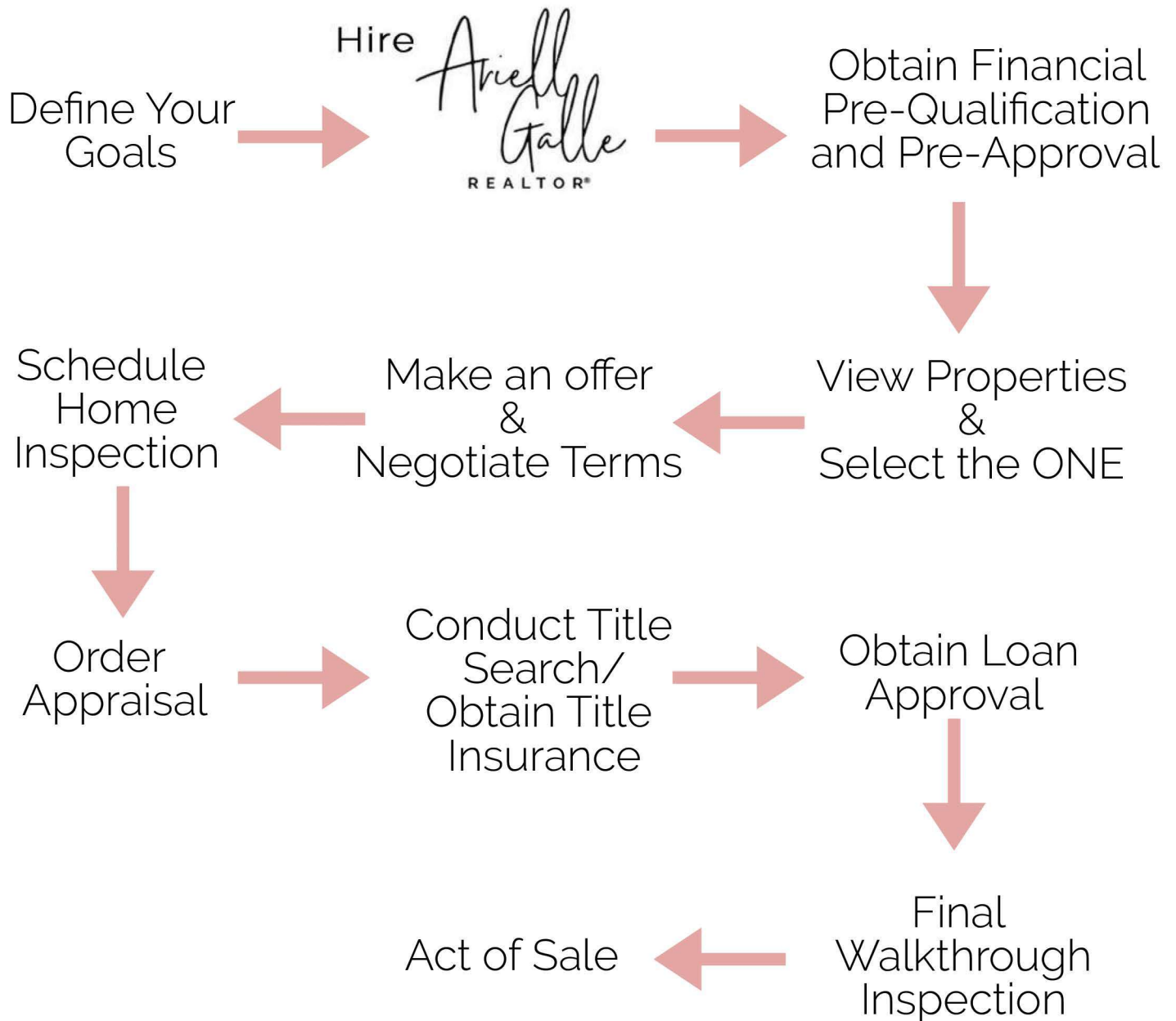
**Professional Experience:**

Financial Analyst, Postlethwaite & Netterville

Disaster Recovery Accountant, City of New Orleans  
(Office of Community Development)



# The Process



# Home Buying Process

## Step One: Define Your Goals

Before any plan is executed, you must define your goals. Determine what type of home you would like to purchase and evaluate your financial situation.

- Do you have enough money saved for your down payment and closing costs?
- Do you know your debt-to-income ratio?
- What's your current credit score?

These are the type of questions that lenders will ask during your consultation. Knowing where you stand puts you in a better position to explore your housing and financing options. Step One can be done on your own, or you contact me to help you define your goals.

## Step Two: Hire Ariell Galle, Realtor®

As complex as the real estate transaction can be, hiring a REALTOR® such as myself is advantageous to you in the following ways:

1. Buyer representation is FREE. As your buyer's agent, my commission is paid from the seller's proceeds.
2. Housing market information is provided to you.
3. I can help you find any home that is either listed with another real estate agent or sold directly by the homeowner (FSBO).
4. You will have access to a network of highly qualified professionals such as lenders, home inspectors, title companies, and more.
5. I can prepare a written contract and negotiate terms that will protect you and your best interests.

When we meet, we will discuss your goals and develop a game plan to ensure that you purchase the right home for the best price and terms.

# Home Buying Process

## Step Three: Pre-Qualification & Pre-Approval

Before the home search begins, I highly recommend getting pre-qualified and pre-approved by a lender of your choice.

**Pre-qualifying will be beneficial to you for the following reasons:**

1. You will have an estimate of how much house you can afford, and a ballpark figure of your monthly mortgage payment.
2. You won't waste time considering homes that are not within your budget.

**Pre-approving will be useful to you because of the following reasons:**

1. Real estate agents and sellers will consider you as a serious buyer when they see a pre-approval letter from your lender.
2. You will increase your bargaining and negotiating power because a seller will prefer your offer over a buyer who does not have his or her financing secured.

The pre-qualification process is the initial step in the mortgage process. You will provide an overview of your income, assets, and debts along with your authorization to check your credit score to the lender.

The next step is the pre-approval process. Your lender will verify your employment history, bank statements, and credit liabilities to determine your eligibility of a home loan. Once your lender has verified your financial history, you and the lender will discuss your mortgage loan options that best suit your needs in addition to the down payment requirements for each loan.

# Home Buying Process

## Step Four: View the Properties & Select the ONE

To save time, create a Must-Have and a Nice-to-Have lists first. Items on your Must-Have list are literally amenities that you can't live without. Your Nice-to-Have list includes items that are great to have, but not a necessity. After making your lists, we can begin your home search.

Like most buyers, you can search online via Zillow, Trulia, and REALTOR.COM® just to name a few. You can also start here: <https://ariell.findyourneworleanshome.com>. It's my website that provides customized searches, property features, neighborhood insights, and more. We will also view homes in person. We may notice things that were not photographed.

## Step Five : Make an Offer and Negotiate with the Seller

You have found the perfect home, and now it is time to write an offer. Your offer will be submitted using the Residential Agreement to Buy or Sell contract. We will discuss the terms and conditions of the contract including the purchase price, the deposit, buyer contingencies, the home warranty and appliances, and seller concessions (closing costs assistance). Once I have written your offer, I will present it to the listing agent or the seller.

When the seller receives your offer, he or she can:

- Accept your offer.
- Reject your offer.
- Counter your offer.

If the seller counters your offer, we will review the seller's terms, and determine if the terms are acceptable. If not, we can submit a new counter offer. Remember, the goal in mind is to get the best price with the best terms.

# Home Buying Process

## Step Six: Schedule a Home Inspection

It is your due diligence to ensure the condition of the home is acceptable. A home inspection will identify any problems with the house. The good news is we can request repairs or a price reduction from the seller if the inspector discovers any defects. The seller may refuse both options; however, you have the option to cancel the purchase agreement or move forward with the transaction.

### Quick Tip

If the costs of repairs exceed your budget, move on and find another house!

## Step Seven: Order the Appraisal

After inspections, your lender will order the appraisal. The appraisal is a professional opinion of the estimated value of the home. The appraisal process is fairly simple. The appraiser will find comparable homes similar to the one you want to buy, and then determine a fair price. Your lender will provide you with a copy of the appraisal report. Remember, the appraiser is loyal to your lender, not you.

We may run into a scenario if the appraisal comes in lower than the purchase price. If this happens, then we must provide a copy of the appraisal report to the seller. If the seller refuses to reduce the purchase price, then you have the right to either terminate the purchase agreement or pay the difference between the appraised value and the purchase price. Another option for you is to pay for a second appraisal if you really want to buy.



# Home Buying Process

## Step Eight: Title Policy & Title Insurance

The title company or closing attorney will conduct a title search to verify ownership, and discover any title deficiencies such as liens, judgements and other claims against the property. The abstractor will research the title history by examining the public records at the courthouse. After the title examination, the abstractor will provide an abstract of title, which is a summary of all the recorded documents and proceedings related to the property.

The next step is to obtain title insurance. Title insurance protects you in the event of unforeseen title defects such as mistakes in the recording, undisclosed heirs, unreleased mortgages, and fraud and forgery. There are two types of title insurances policies: owner policy and lender policy. Consult with your title company or closing attorney about each policy.

## Step Nine: Obtain Mortgage Approval

At this moment, you will finalize your mortgage loan with your lender. Your lender will present your loan application to the underwriter. The underwriter will assess the risks and determine if you meet the requirements of the loan. Here's another quick tip: Be honest and transparent with your lender upfront to avoid closing delays.

# Home Buying Process

## Step Ten: The Final Walk-through

You are given the opportunity to view the property within 5 days prior to the closing. The purpose of the final walk-through is to determine if the home is in the same or better condition as it was at the initial inspections and to insure all agreed upon repairs have been completed. The seller agrees to provide utilities for the final walk-through and immediate access to the Property.

## Step Eleven: Attend the Closing

The final step of the homebuying process is the closing. The title company or closing attorney will provide instructions regarding the items to bring with you at the closing. I will attend the closing with you. You will sign a plethora of documents, but the closing attorney will explain everything to you. Once the last document is signed, I will hand you the keys to your new home! YOU DID IT!!!!

# REAL ESTATE TERMINOLOGY

**Abstract of Title** – A history or summary of all transactions affecting a particular parcel of land.

**Adjustable Rate Mortgage** – A loan that has an interest rate that changes periodically throughout the life of the loan.

**Appraisal** – An assessment of the current market value of a property written by a licensed appraiser.

**Assessed Value** – The value of a property assigned by the local government to levy a tax or fee to the property owner.

**Buyer's Agent** – A real estate agent who represents the interests of a homebuyer. The cost of buyer's representation is free.

**Closing** – The final step in the sale and purchase of real estate in which the ownership of the property is transferred to the buyer.

**Closing Costs** – Fees and expenses that are paid by the buyer and seller to finalize a real estate transaction.

**Closing Disclosure** – A five-page document that provides the final details about the mortgage loan including terms, projected monthly payments, and the amount of cash necessary to bring to the closing.

**Collateral** – A property or asset that the buyer offers to the lender as a security to repay the loan.

**Commission** – A percentage of the sale price of the home that is paid to the buyer's agent and listing agent.

**Comparable** – Homes of similar size, age, condition, and style that have recently sold in a particular neighborhood.

**Contingencies** – Conditions that must be met before the purchase and sale agreement is binding.

**Counteroffer** – A response to a contract offer that revises the initial offer and make it more desirable for the person proposes a new offer.

**Debt-to-Income Ratio (DTI)** – The percentage of the borrower's gross monthly income that is used to pay off debt such as car payments, credit card bills, and student loans.

**Deed** – A legal document filed with the parish that transfers the title (ownership) or an interest in real property to the buyer.

**Down Payment** – A percentage of the total cost of the property that the buyer pays upfront in cash at the closing.

# REAL ESTATE TERMINOLOGY

**Earnest Money** – A good faith deposit that the buyer pays immediately after the seller has accepted the buyer's offer. The amount is typically 1% - 3% of the sale price of the home.

**Escrow** – An arrangement where a trusted third party handles the exchange of funds and documents until the closing. Typically, the title company or attorney holds the buyer's earnest money.

**Equity** – The difference between the current market value of a property and the amount the owner owes on the mortgage.

**FHA Loan** – A mortgage loan issued by a qualified lender and insured by the Federal Housing Administration.

**FSBO** – An acronym which stands for "For Sale By Owner." The owner has chosen to sale his/her property without an agent representation.

**Fixed Rate Mortgage** – A loan with a set interest rate throughout the life of the loan.

**Home Inspection** – A thorough examination of property's condition by a licensed home inspector.

**Home Warranty** – A service contract that covers the cost of repairs or replacements of system components and appliances.

**Homeowners Association Fee** – An annual or monthly fee paid by the homeowner to fund the maintenance of common areas, lawn care, city services and other community operations.

**Homeowners Insurance** – A form of property insurance that protects the homeowner from future damages to the home and personal legal responsibility for injuries to individuals.

**Listing Agent** – A real estate agent who represent the interests of a seller.

**Mortgage Insurance** – an insurance policy that protects the lender if the borrower defaults on the loan.

**Multiple Listing Service (MLS)** – a marketing database that compiles available properties for sale submitted by member brokers and agent.

**Pre-Approval** – The second step in the mortgage process in which the lender verifies the borrower's financial history and determines whether the borrower is eligible for a loan.

**Pre-Qualification** – The initial step in the mortgage process in which the borrower supplies an overview of the borrower's financial history to the lender, including annual income, debt, and credit score.

**Property Tax** – A tax that is imposed by a state or local government and paid by a property owner.

**Property Disclosure** – A document completed by the seller that discloses any known defects or issues with the property.

# REAL ESTATE TERMINOLOGY

**Purchase and Sale Agreement** – a legal contract between two or more parties to buy and sell real estate.

**Real Estate Owned Home (REO)** – A foreclosed property currently owned by a financial institution (bank).

**Short Sale** – The sale of a home in which the seller's lender is willing to accept an offer that is less the mortgage amount owed by the seller.

**Title** – The ownership rights to a specific real estate property.

**Title Insurance** – A form of indemnity insurance that protects the insured lender or buyer against title defects, liens, encumbrances, and claims of ownership on a property.

**Title Search** – An examination of official public records by a title company or an attorney to uncover the history of ownership of specific real estate property and identify any encumbrances and other judgments of the property.

**Underwriting** – The process in which a potential borrower's financial records are evaluated by a lender to determine whether the borrower is a good or bad credit risk.

**VA Loan** – A mortgage loan program administered by the US Department of Veterans Affairs that's only available to eligible veterans, their spouses, and other beneficiaries.

# Thanks!

I hope that this guide addressed any questions or concerns you have regarding the home-buying process. While I want to be there for you during this process, I desire to be more than that. My goal is to be a resource to you throughout life's major milestones, including buying a home, selling a home, and home ownership. With my help, I hope that home ownership will be a chapter in your life that you can enjoy.

**Call 504-235-9388 to start your journey to home ownership!**



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