



A Residential Redevelopment Company



# Buyers Guide to Homeownership

# Who Are We?

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**Your Home Solutions USA, LLC** is the area's premiere real estate solutions company, and since our inception we have been helping homeowners along with improving communities in each and every city we work in.

Through our **extensive knowledge** of the business, network of resources, and years of **expertise**, we are able to assist homeowners with a wide variety of real estate problems.

We pride ourselves on our reputation for working one-on-one with each customer to handle their individual situations.

**With the ability to directly purchase homes and make cash offers, we can create an extremely fast and hassle-free transaction.**

In addition, we re-develop a large number of single family and multi-family properties throughout the state with the intention of **revitalizing communities** and encouraging home ownership. **Our mission** is to rejuvenate neighborhoods and increase the standard of living by improving the overall quality of housing for the residents. **Call us today and let's see how we can work together!**

We not only purchase property but we also sell homes, many of which are completely renovated and in move-in condition. Whether you are dreaming of becoming a first time home buyer or looking to upgrade your current home, **we can help.**

**Your Home Solutions USA, LLC** is truly committed to helping each individual customer. **We focus on fast response, integrity and over-delivering on customer service. By putting the customer's needs first, whether selling or buying a home, we can help you realize your real estate goals.**

## *Important Facts About Your Home Solutions USA*

- Experienced in solving real estate problems and helping homeowners find solutions to their real estate needs
- Ability to make cash offers for houses and create fast, hassle-free transactions, closing in as little as 10 days
- 'A' Rating with the Better Business Bureau
- All information kept private and confidential

## **LOOKING TO BUY A HOME? WE CAN HELP!**

- We can get you pre-qualified quickly, and at no cost to you
  - We have numerous properties available and also have immediate access to homes before they are even put on the market
  - We help "Credit Challenged" buyers qualify for a home
  - Our network of mortgage brokers, real estate agents, attorneys and other real estate professionals will be your resources as well
  - You get a clear-cut, honest transaction with a reputable company you can trust
  - We help you determine renovation costs on a fixer-upper property
  - We offer a Rent-To-Own program that enables you to lease the home of your dreams until you are ready to qualify for financing
  - Our company can help finance the purchase of your home! You get all the benefits and pride of owning a home, without requiring a bank to finance you
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# Who Are We?

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When a passion for real estate is combined with talented individuals who have an uncompromising drive to succeed, amazing things will happen. At **Your Home Solutions USA**, it's our goal to not only have a positive effect on ourselves and our families - but also to inspire, motivate and create lasting change in everyone we encounter. We will treat our clients and team members with respect at all times. Our company will dedicate itself to everlasting education and professional growth that will make the leaders of tomorrow.



# Company Leadership & Team

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At **Your Home Solutions USA, LLC** our team is highly motivated, knowledgeable, ethical and resourceful. Qualified to handle any real estate transaction, our dedicated staff is committed to helping people with their real estate needs and making successful deals happen. Our team of professionals has the integrity to follow up on our promises, and the expertise to navigate any transaction to ensure you're fully informed for making the best decision possible.

*Our goal when working with new clients is to make the home buying process fun and stress free.*

*We take pride in knowing our experience in the industry will save you time, money and stressful situations!*

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# Company Credentials

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## WHY WORK WITH YOUR HOME SOLUTIONS USA?

Having a knowledgeable real estate professional looking out for you during the home buying process will mean that you would have purchased your home with confidence; it means that you will be able to enjoy your new home for years to come - knowing that you made the smartest home buying decision possible.

Most buyers are aware of the fact that numerous buying opportunities exist in today's real estate market. The problem is they don't know how to identify and then analyze them to ensure they are actually getting a good value. That's where we come in. We use the same techniques to analyze a property for our buyer clients that we personally use on our own investments. **Your Home Solutions USA, LLC** is constantly on the hunt for the next great buying opportunity.



# Our Clients

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The ability to identify a property you can call home, together with making sure it's a secure real estate investment, is certainly a learned skill. A skill that we at **Your Home Solutions USA** have spent time and money to hone for the benefit of - not only our own company and our personal investments, but the benefit our clients as well. We have the knowledge, skills and intuition to spot great opportunities in today's market, and we aren't afraid to share them. As our client, we share with you the same properties that we see every single day. We have also identified the best and most lucrative sub-markets in our area and are happy to discuss them with you.

Our ability to locate a great real estate deal covers all types of real estate investment. We are able to identify great buying opportunities for the following types of buyers:

- First-time Homebuyers
- Buyers Looking to Relocate
- Rehabbers
- Landlords



## FIRST-TIME HOMEBUYERS

Buying a home can be exciting, stressful and puzzling, all at once. After all, you are making what's likely to be the largest purchase of your lifetime. Your home is not only a financial asset; it's a place for you to build your life and your family. We have helped numerous families achieve the dream of home ownership through our first time homebuyer educational program and credit repair program.

If you are a first-time homebuyer who has been looking for the perfect opportunity to buy a new home, then the time is now. The current real estate market is perfect for everything from buying a new home to investing in the real estate market, which is why first-time home buyers and investors have been going head to head and competing for the best real estate on the market.

Why, exactly is now a great time for first time homebuyers to purchase a new home? At **Your Home Solutions USA**, we know there are opportunities in ANY real estate market. With our buying strategies, we're able to find great values - whether in a down market or in a booming real estate market.

Our goal is to help make your home buying and selling processes flow smoothly and trouble free. By providing you with quality information, you'll thoroughly understand the process and details of buying a home. You'll make the best decisions when you're most informed.

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# Buying a Home

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## 7 REASONS TO BUY A HOME

1. Pride of ownership is a key reason for wanting your own home. Decorate it to your own taste and enjoy all of the benefits while making a great investment.
2. Real estate over time has been considered a good investment because how much it has appreciated. The effects of leverage can multiply the increase when borrowed funds are used to purchase the home. Many times, the largest investment a person owns is their home, which has also been a good hedge against inflation. Homeowners build equity and can borrow against that equity for a variety of reasons that could include college, medical, or to start a business.
3. Qualified mortgage interest and home equity loans are deductible for Income Tax purposes.
4. Property taxes on a first or second home are deductible for Income Tax purposes.
5. A homeowner can exclude up to \$500,000 of capital gain if married, filing jointly or up to \$250,000 if single or filing separately for homes that have been the taxpayer's principal residence for the previous two years. There is no age requirement for taking the capital gains exclusion like the "over 55" rule in the past. It is not necessary to purchase a replacement home more expensive than the one sold. Homeowners can buy a more or less expensive home with no tax consequences assuming their gain is less than the allowable amounts.
6. Preferential tax treatment on gains that have been made from capital assets held more than one year are permitted by IRS. This is especially important for homeowners with gains in excess of the allowable exclusion.
7. Mortgage payments include the interest for the time that the money has been used and principal to retire the debt over a period of time. Each month, part of the payment is for principal accumulation.



# The Closing Process

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## STEPS TO BUYING A HOME: THE CLOSING PROCESS

- ❑ **Order Title Search From Lawyer or Title Company:** If it is a foreclosure situation, you must put a rush order on the title search.
  - ❑ **Insurance Binder:** Call insurance broker and obtain insurance binder for property so insurance is in place the day of closing. Make sure lender's name is on policy as additional insured.
  - ❑ **Lead Violations/Building Violations:** Call the city and ask if there are any outstanding leads or building violations against the property.
  - ❑ **Condo Docs/Resale Certificate:** If it is a condo, call the condo management company and make sure the seller has obtained a copy of the condo docs and a 6D certificate.
  - ❑ **Water Company:** Call company and have water bill changed over into company name set for the day of closing.
  - ❑ **Sewer Company:** Call company and have sewer bill changed over into company name set for the day of closing.
  - ❑ **Gas Company:** Call company and have gas bill changed over into company name set for the day of closing.
  - ❑ **Oil Company:** Make sure there is enough oil to last 3 months.
  - ❑ **Electric Company:** Call company and have electric bill changed over into company name set for day of closing.
  - ❑ **Traditional Mortgage(s):** Check with mortgage broker or loan officer to get all paperwork, appraisals, fees, etc. done on time; get loan commitment and closing date commitment.
  - ❑ **Mortgage(s) for Private/Hard Investor(s):** Call lawyer and inform him/her who will be sending money over if private or hard money lenders are involved, who needs to have a mortgage, and what the terms are.
  - ❑ **Call Private Investors to Send Over Money:** Call all private investors for that project and have them send the money to the lawyer. Give them the wiring instructions as well as the address of the lawyer.
  - ❑ **Company Funded:** If the company is purchasing the property with its own funds, find out the amounts needed to be brought on the day before the closing.
  - ❑ **Certificate of Good Standing (if buying in business name):** Bring original to close. You can order through your Secretary of State.
  - ❑ **Change of Management Letters:** Create and send letters to all existing tenants informing them of a change in management. Include a new application for them to fill out with your information. Have the seller sign the letters.
  - ❑ **Signed and Notarized Limited Power of Attorney:** Required for all properties where the seller is not going to attend the closing.
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# The Closing Process

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- ❑ **Get Smoke and Carbon Monoxide Detectors Installed:** Check the fire department of the individual town to find out where the detectors need to be installed and if they need to be hard-wired; Ask homeowner to install or if need be, buy them and have them installed.
- ❑ **Set Up Smoke Inspection (at least one week before the close):** Find out the costs and if you have to pay in advance; Get receipt and a copy of the check if you make payment.
- ❑ **Set Up Water Reading (2 – 3 days before the close):** Make arrangements to have the water paid on the HUD if possible. Otherwise, you need a receipt and a copy of your check. Get a faxed or scanned copy of the water reading that can be turned in at the close.
- ❑ **Title V Report:** If the property has a septic tank, make arrangements to have a title V inspection completed.
- ❑ **Keep in Contact With the Closing Attorney:** Make sure that the closing attorney and mortgage broker have all the information they need in order to close.
- ❑ **Check Preliminary HUD Against Closing Attorney Final HUD Draft:** Make sure negotiated figures are the same and that final HUD will be acceptable to the banks.
- ❑ **Find Out Close Location & Time:** If there is one individual who has limited power of attorney, see to it that they can attend the close.

## Day Before Closing:

- ❑ **Get Copy of Insurance Binder:** Call insurance company and get a copy of the insurance binder faxed over so that you have it at closing.
- ❑ **Review draft of the Closing HUD:** Make sure numbers are what you thought they were supposed to be.
- ❑ **Coordinate Closing Times with Seller & Lawyers:** Call ahead of time to see if there are any final adjustments.

## Day of Closing:

- ❑ **Final Walk Through:** Do a final inspection of the property the morning of the closing to make sure there is no additional damage.
- ❑ **Get Copies of All Closing Docs:** Make sure all closing docs are in the closing folder.

## Steps After Closing (at the Courthouse / City Clerk's Office):

- ❑ **Get copy of Title Insurance Policy:** Obtain this from the lawyer.
  - ❑ **Closing Folder:** Go through and make sure checklist is completely finished and prepare the closing folder and transfer it to the properties owned file.
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# Purchase Programs

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## SAVE MONEY ON THE PURCHASE OF YOUR HOME

Every soon-to-be homeowner welcomes reducing a financial burden of this magnitude. With our intricate knowledge of the business, we will show you a variety of things you can do before, during and after the closing to save money on the purchase of your home!

## INVESTOR EXPERTISE

Property investing is a serious business. Whether you are an experienced investor or just beginning, the key to making money in real estate investing starts with BUYING RIGHT. This is the #1 mistake investors make. They don't understand that you make money when you buy a property. We have helped landlords, rehabbers and wholesalers all across the state by arming them with the knowledge to make the BEST decisions, ensuring a solid investment!

## ACCESS TO OUR NETWORK OF REAL ESTATE INDUSTRY PROFESSIONALS

When you purchase a property from us, you are not just buying the house, but you're also obtaining access to our entire network of real estate professionals as well. We work closely with a network of real estate professionals in order to provide you with access to the best-of-the-best in the industry. To assist you in the home buying process, we often leverage our close relationships in order to meet your needs.

*We'll provide you with our network of:*

- Mortgage brokers
- Credit repair experts
- Attorneys
- Home inspectors
- Private money lenders
- Contractors
- Moving companies

## HOME BUYER EDUCATION

The home buying process can seem complicated, but if you take things step-by-step, you will soon be holding the keys to your own home! First, you need to know how and where to begin. We will answer all of the questions you have when deciding whether or not you are ready to buy a home. With all of the details involved, we will be there to hold your hand and navigate you through every step.

## KNOWING AND UNDERSTANDING YOUR CREDIT

It's important to understand the importance of credit and how it affects you when buying a home. Together, we can find out what your credit score is and discuss what it says to lenders. We can show you how to get a free copy of your credit report and how to correct any errors you may find. If you have not-so-great credit, we also work with credit repair experts who can help you repair your damaged credit and put you back on the right path. We also have an excellent rent-to-own program that is beneficial to you during the transition if needed.

## RENT-TO-OWN PROGRAM

If you aren't quite ready to purchase yet, you can really benefit from our rent-to-own program. The program was designed to help renters with credit issues who can't yet qualify for a mortgage or don't a large lump sum of cash available for a down payment. With our rent-to-own program, instead of just paying rent, your rent payments apply toward the purchase of a home! So you can to build equity, while repairing your damaged credit to qualify for a mortgage.

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# Creative Financing

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## CREATIVE FINANCING OPTIONS

Better decisions are made when they are based on good financial information. Knowing there are alternatives helps to determine the right choices. Whether you're looking to buy your first home, relocate to another home, or start buying rental properties, it's smart to be savvy when it comes to financing. Outside the traditional financing method, a few creative financing techniques include: *lease option, owner finance, subject-to, or seller carry-back, and many more.* Knowing your options will assist you in making a better decision as to how you'll finance your new home.

### HERE ARE JUST A FEW CREATIVE FINANCING METHODS:

Lease Option: This is when you lease a property for a specific period of time, with the option to buy the property within a given time period for a price agreed upon in advance. This is a great way to purchase a property with no money down.

Subject-To: This is a strategy where you buy properties but leave the seller's loan in place. You do not have to go out and get new financing for the property; you buy the property "subject to" the existing debt.

Owner Financing: You can buy a home by taking over the existing financing and making payments to the current homeowner. The seller of a property allows the buyer to pay all or some of the purchase price over time. The deed to the property transfers to the buyer when all payments have been made.

Seller Carry-Back: The seller acts as the bank or lender and carries a mortgage on the home, which the buyer pays down every month. The structure of a seller carryback can vary based on what is negotiated between buyer and seller, and the interest rate is usually between 8-25%.

Wrap-Around Mortgage: A type of loan that enables a borrower to take out a second mortgage loan to help guarantee payments on their original mortgage. Here, the borrower will make payments on both of the mortgages to the new lender, who is called the "wrap-around" lender. The new lender (typically a bank or the seller of the real property) assumes the payment of the existing mortgage and provides the borrower with a new, larger loan, usually at a higher interest rate.

## ESTIMATED PURCHASE COSTS

It is important to know the amount of funds you'll need to buy a home - not only for the down payment, but the fees associated with obtaining the loan and conveying title.

## MORTGAGE QUALIFICATION

Discover what size mortgage you can qualify for using the same guidelines that a mortgage company uses.

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# Financial Data Worksheet

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## FINANCIAL DATA WORKSHEET

What size monthly payments do you desire? \$ \_\_\_\_\_

In what price range are you looking? \$ \_\_\_\_\_

How much cash do you have available? \$ \_\_\_\_\_

Does this include closing costs?  Yes  No

Do you currently own?  Yes  No

Do you need to sell your current home before buying?  Yes  No

How much do you think your current home is worth? \$ \_\_\_\_\_

What is the unpaid balance? \$ \_\_\_\_\_ Interest Rate \_\_\_\_\_% Term \_\_\_\_\_#Years

Dated \_\_\_/\_\_\_/\_\_\_ Type of loan \_\_\_\_\_ Monthly payment  
\$ \_\_\_\_\_

If renting, how much is your rent? \$ \_\_\_\_\_

List your regular monthly payments (installment debt, revolving charges, student loan, etc.)

Description	Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Are all debts current?  Yes  No

Is there any problem with your credit?  Yes  No

What is your monthly income: \$ \_\_\_\_\_ Employed  Self-employed

What is your spouse's monthly income? \$ \_\_\_\_\_

Do you have any other monthly income?  Yes  No If yes, how much? \$ \_\_\_\_\_

Where are you employed? \_\_\_\_\_

How long have you been employed there? \_\_\_\_\_ years / months

Have you or your spouse ever filed bankruptcy?  Yes  No

If yes, explain: \_\_\_\_\_

Have you or your spouse had a home foreclosure?  Yes  No

If yes, explain: \_\_\_\_\_

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# Pre-Approval & Mortgage Preparation

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Applying for a loan and obtaining approval before you find a home you want to purchase can be a distinct advantage and is necessary, unless you are going to purchase the home with cash. We will need to have a pre-approval letter from your bank, credit union, or mortgage broker which states the amount they are willing to lend you for a home mortgage.

If you don't know where to begin in getting a loan, we can assist you with selecting the right mortgage professional and refer you to local bankers and mortgage brokers that have served our clients well in the past. We encourage all of our clients to give our preferred lenders a call - there is no obligation and you may just save some money. (We do not receive any benefit from any company to which we refer our clients. Our referrals are based on past experience with those companies, and our criteria are simple. They have to treat our clients with the same level of care and service that we provide, they have to maintain good communication, and they can't make mistakes!)

## *Advantages of Being Pre-Approved*

- Minimize the anxiety of not knowing whether or not you qualify
- Avoid disappointment in deciding on a home that you can't afford
- Save money with a seller who is confident about taking their home off the market with buyers who have a definite loan commitment
- One less contingency that the seller will be concerned with to get their home sold
- Faster process to close (mortgage approval is usually the lengthiest contingency) - also appraisal can be done quickly

## PRE-QUALIFICATION VS. PRE-APPROVAL

- A pre-qualification is simply the bank's best guess as to how much you would qualify to buy based on general information you provide about your employment and finances. In this process, any obvious difficulties that might cause problems might be discovered.
- A pre-approval requires a complete application after the bank actually verifies your employment, checks your credit history, etc. A pre-approval letter is a commitment by the bank to actually loan you a specific amount of money at a specific interest rate. The main benefit in getting pre-qualified is that it is an expression of your seriousness in purchasing a home, which may be a deciding factor in a situation of competing offers from other not-yet qualified buyers on your dream home.



# Preparing For a Mortgage Application

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## Mortgage Application Checklist

### Employment

- Names and addresses for two full years
- Gross monthly income
- W-2s for two years, if available
- Year to date pay stub
- Proof of income from rentals, investments, etc
- Proof of retirement, disability or Social Security
- Proof of child support or alimony paid/received

### If Self-Employed

- Two years Federal Income Tax Returns
- Current year profit and loss statement

### Creditors

- Each creditor's name, addresses and type of account
- Account numbers for each
- Monthly payments and approximate balances
- Amounts of child care expenses

### Banking

- Names and addresses of banking institutions
- Account numbers for all accounts
- Type of accounts and present balances

### Miscellaneous

- List of assets in stocks, bonds, and property
- Life insurance cash value (documented if used as cash down payment)
- If applicant is selling a home, a copy of sales contracts
- Social Security numbers for all parties
- Veterans - Certificate of Eligibility & DD-214
- Cash or check to pay for application fee

### Property

- Copy of sales agreement
  - Copy of listing on property
  - Instructions on how appraiser is to gain entrance
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