



SOUTHEAST MINNESOTA *Home Buyer*



Ann M Huddock MN & WI REALTOR®

WELCOME *Home*

The rolling bluff landscape of southeast Minnesota is dotted with cities that offer the best of both worlds – the Twin Cities Minneapolis–Saint Paul metropolitan area, rich with cultural offerings and shopping such as the Mall of America, the stunning views and architecture in historic towns along the Mississippi River, as well as plenty of green space. Bloomington’s unparalleled shopping and attractions offer plenty of thrills, while Winona boasts dramatic river bluffs and an artsy museum scene.



And then there is Rochester; home to the prestigious Mayo Clinic, as well as rich historic sites and a surprising nightlife scene too fun to pass up. Southwestern Wisconsin, although just over the Mississippi offers a more laid-back, country feel with rolling hills, world-class cheese factories, and wineries.



How to Use This Guide Book



Follow the Road Map (page 3) to learn more about each step of the home buying process.



Throughout the guide, there are many links to checklists, calculators, and more information on many topics. Be sure to explore all your options...buying a home is a BIG purchase and requires some time, a little bit of effort, and a lot of careful consideration!

THE HOME *Buyer* ROADMAP



FIND THE RIGHT AGENT

Interview agents that have expertise in your desired area or home type and have a buyer's consultation.



GET PRE-APPROVED

Select a lender, determine the right kind of financing, check eligibility for down payment assistance, and get a pre-approval letter.



START HOME SHOPPING

I will send properties for you to review online. You can mark your favorites and view virtual tours, and then we will go some homes in person!



OFFER & NEGOTIATION

Research comparable listings and sales with your agent, put in a strong offer, and I will assist you with negotiating the terms of your contract.



HOME INSPECTION

Select a qualified home inspector, schedule and attend inspection, and negotiate major repair requests and issues.



FINALIZING THE DETAILS

Order the appraisal, select home owner insurance, final walk through, and your lender gives the "clear to close"



CLOSING DAY

Sign closing documents and get keys. You can now move in. Celebrate being a homeowner!



FIND THE *Right* AGENT



Hello!

Ann M Huddock

REALTOR® MN & WI Fathom Realty

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Homeownership is the ultimate American Dream. But there is more to buying a home than just a search online. In addition to locating the perfect home, there are many factors to consider. Finding the right lender, choosing a qualified inspector, winning in multiple bidding situations, negotiating repairs, managing all of the paperwork, deadlines, etc...and that's assuming you can even FIND a home in this hot market!

As your trusted partner, I'm here to advise and guide you through the often complicated home-buying process so you get the home YOU want at the best price and terms. I strive to be an intuitive and passionately committed partner with my clients. Today's consumers demand convenience and I provide fast, easy service and the support you need when you want it. Whether you are a first-time home buyer or you are downsizing now that the nest is empty, I'm excited to partner with you every step of the way.

I am licensed as a Real Estate Agent in MN & WI with Fathom Realty and I am a member of the National Association of Realtors®. I am also a licensed Mortgage Loan Originator with Success Lending LLC NMLS# 2156817, a licensed Minnesota Closing Agent, Notary, REO specialist, and a certified Pricing Strategy Advisor.



Check out my SEMH blog every Weekend!

Funny, informative, and personal...I discuss life as a wife, mother, homeowner, crazy dog lady, Realtor, and, rock band lead singer. [Visit my blog HERE](#)

- Ann M Huddock



When You **Work with Me** You Can Expect...

- ✓ **Available and Convenient.** For my active buyers, and I am a text or call away, nights, weekends, and most holidays. I pride myself in being responsive.
- ✓ **Direct and Honest Communication.** No beating around the bush ever! I'm here to assist you in what may be the largest purchase in your lifetime and you need straight forward advice and to know all of your options.
- ✓ **Access to Off-Market Properties.** When homes hit the market right now, they are selling fast, usually with multiple offers. To make sure you have an advantage, I have access to many properties that are not found on the MLS or online.
- ✓ **Client Perks.** Your new home could include a free 12 month warranty with [America's Preferred Home Warranty, Inc](#) or Ring® Home security system when you buy with me (some conditions apply).
- ✓ **Love It or Relist It.** If you don't love your home, within the first 6 months, I will relist it with NO listing commission.
- ✓ **Work Directly with Me.** As an independant agent not on a team, you can expect to work with directly with me from start to finish. This makes for smoother communication, less confusion, less overhead, and I take full responsibility for protecting your best interests.
- ✓ **Client for LIFE.** This means I won't disappear the day after you close. I am not just an expert for hire. I strive to earn your trust and loyalty to be your real estate advisor for life!

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7 Reasons to Work With a REALTOR®

REALTORS® are members of the National Association of REALTORS® and subscribe to its strict Code of Ethics. When you're buying a home, here's what an agent who's a REALTOR® can do for you.

- 1. Act as an expert guide.** Buying a home typically requires a variety of forms, reports, disclosures, and other legal and financial documents. A knowledgeable real estate agent will know what's required in your market, helping you avoid delays and costly mistakes. Also, there's a lot of jargon involved in a real estate transaction; you want to work with a professional who can speak the language.
- 2. Offer objective information and opinions.** A great real estate agent will guide you through the home search with an unbiased eye, helping you meet your buying objectives while staying within your budget. Agents are also a great source when you have questions about local amenities, utilities, zoning rules, contractors, and more.
- 3. Give you expanded search power.** You want access to the full range of opportunities. Using a cooperative system called the multiple listing service, your agent can help you evaluate all active listings that meet your criteria, alert you to listings soon to come on the market, and provide data on recent sales. Your agent can also save you time by helping you winnow away properties that are still appearing on public sites but are no longer on the market.
- 4. Stand in your corner during negotiations.** There are many factors up for discussion in any real estate transaction—from price to repairs to possession date. A real estate professional who's representing you will look at the transaction from your perspective, helping you negotiate a purchase agreement that meets your needs and allows you to do due diligence before you're bound to the purchase.
- 5. Ensure an up-to-date experience.** Most people buy only a few homes in a lifetime, usually with quite a few years between purchases. Even if you've bought a home before, laws and regulations change. Real estate practitioners may handle hundreds or thousands of transactions over the course of their career.
- 6. Be your rock during emotional moments.** A home is so much more than four walls and a roof. And for most buyers, a home is the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on the issues most important to you when emotions threaten to sink an otherwise sound transaction.
- 7. Provide fair and ethical treatment.** When you're interviewing agents, ask if they're a REALTOR®, a member of the National Association of REALTORS®. Every member must adhere to the REALTOR® Code of Ethics, which is based on professionalism, serving the interests of clients, and protecting the public.



FINANCING YOUR *Home*

You have MANY options when it comes to financing. If you're like most home buyers, you likely know you need to take out a mortgage, but choosing between the different options can be as overwhelming as finding your dream home. Traditional mortgage options including Conventional, FHA, FHA's 203(k), USDA, and VA are common ways for people to afford a home. There are also many other programs if your credit is less than perfect and I can help get you there.






The bottom line: There are many things to consider when you want to finance a new home so it is very important that you find a loan officer or company that you can trust.



When deciding how to pay for a home, your biggest considerations are

- Cash on hand
- Your credit score
- How long you plan to stay in the home

| OPTIONS | PROS | CONS |
|-------------------|--|---|
| ALL CASH BUYER | Fast close 7-10 days, no appraisal, competitive offer | Not enough cash on hand, must have excellent credit to convert a mortgage to cash offer |
| MORTGAGE | Most common way to pay for a home, many options based on credit scores 500+  | Thousands on of interest over the life of the loan, 30-45 day close, payments for 15-30+ years |
| CONTRACT FOR DEED | Fast close 7-10 days, keep banks out, nothing on credit report | Miss a few payments and you lose everything, sometimes higher interest and balloon payment  |
| RENT TO OWN | Perfect if you fall short credit-wise for qualifying for a mortgage, lock in future price | Long term more expensive, higher payments to cover rent and future downpayment |
| RIGHT TO PURCHASE | Short-term or try before you buy  | Long term more expensive, no advantages of homeownership |

Your *Credit* Score

Your credit scores help determine which loan programs you're eligible for, as well as the interest rate you qualify for. Higher credit scores generally mean more financing options and potentially better interest rates for you. It's essential if you are planning to apply for a mortgage that you know your credit score.

CREDIT SCORE NEEDED FOR MORTGAGES



Free Calculators & Tools

Try out the Home Affordability Calculator, Rent vs Buy, Monthly Payment Calculator, and more by clicking [HERE](#).

The *Conventional* Mortgage

Conventional loans are often the best option for borrowers with strong credit who can contribute a down payment of at least 3% or more. Lenders view conventional loans as riskier because they're not guaranteed by the Federal government, so they tend to have tougher requirements. You'll generally need a credit score of at least 620 to qualify for a conventional loan, though a score that's above 740 will help you get the best rate.



Government Backed Mortgages

A government-backed home loan is insured by a federal agency. Because it is insured by a federal agency, it is significantly less risky for lenders, as the agency will repay the loan in the event of a default. This allows lenders to offer government-backed loans at lower rates or even with lower down payments than some Conventional Loans.

The three main government-backed home loans are the Federal Housing Administration (FHA) Loan, the U.S. Department of Agriculture (USDA) Loan, and the Department of Veterans Affairs (VA) Loan. Each has different requirements and each offers different benefits.

FHA Loans

FHA Loans are the most widely accessible type of government-backed mortgages. They have no specific location, occupational, or income restrictions and typically have more lenient credit score requirements than Conventional Loans. The lowest down payment option for FHA Loans is 3.5%*. This can be extremely beneficial in a housing market with rising home prices. If you do choose to finance with an FHA Loan, you will be required to pay an upfront and ongoing mortgage insurance premium (MIP). Unlike conventional loan private mortgage insurance (PMI), the MIP is not cancellable.



USDA Loans

USDA Loans are available for homeowners and home buyers in select rural or suburban areas. Initially created to encourage rural development, the USDA Loan is still a popular low-interest home loan option for many people. It is one of two home loans that offers 100% financing (0% down payment). Though USDA Loans typically require higher credit scores than FHA Loans and have certain income and location restrictions, they are still a very beneficial financial tool for those who qualify. Unlike FHA Loans, the USDA Loan does not require mortgage insurance – which can save you thousands every year. To check your USDA eligibility, you will need to visit the USDA website or talk with a loan officer.

VA Loans

VA Loans are the other mortgage option that offer eligible buyers 100% financing. To be eligible for the VA Loan, you must be a Veteran, reservist, National Guard member, surviving military spouse, or active-duty military. Similar to the USDA Loan, the VA Loan has no mortgage insurance requirement. It does however require a small funding fee which can be 0.5% to 3.6% of your loan amount. This can either be rolled into your loan or paid at closing. You will also need to provide your Certificate of Eligibility (COE).



HOW MUCH WILL I NEED TO HAVE ON HAND TO BUY A HOME?

Regardless of what type of financing you have, in order to make your dream of buying a home a reality, you will need to save cash for your down payment, earnest money, closing costs & home inspector.

- A Down Payment - between 3% & 20% of the purchase price
- Earnest Money is money you put down to show you're serious about purchasing a home. It's also known as a good faith deposit. Plan on this being around 1%.
- Closing Costs for the buyer run around 3% of the loan amount
- A Home Inspection - \$300 to \$500

Down Payment Assistance

If you are a first time homebuyer, you may need some assistance with coming up with cash for a down payment. There are several programs available and it only takes a few minutes to find out if you are eligible.



Down Payment Money is available
SEE IF YOU'RE ELIGIBLE





FINDING *Your* HOME



And now, the fun part! First, we will discuss everything you would like to find in your new home. Then I'll set you up with **text and email alerts** so that every time a property that meets some or all of the things you are hoping for in your new home hits the market, you will know about it right away. I also watch for any off-market properties that fit your search.

From my [website](#) you can request a showing, save your favorites, ask a question, and take a virtual tour (if available) easily! I can get you in for a private tour of a property typically in 2 to 24 hours.

THINGS TO CONSIDER FOR YOUR HOME SEARCH

Make a list of the things you'll need to have in the house. Ask yourself how many bedrooms and bathrooms you'll need and get an idea of how much space you desire. How big do you want the kitchen to be? Do you need lots of closets and cabinet space? Do you need a big yard for your kids and/or pets to play in?

Once you've made a list of your must-haves, don't forget to think about the kind of neighborhood you want, types of schools in the area, the length of your commute to and from work, and the convenience of local shopping. Take into account your safety concerns as well as how good the rate of home appreciation is in the area.



Offers & NEGOTIATION

Your finances are in order, your ideal neighborhoods identified, and you found the perfect property – next up is making a competitive offer. More importantly, one that is accepted over other offers. It's important to prepare yourself for the mortgage process, home search, bidding wars, and what you'll do next if you do not get the home of your dreams. Here are my 6 main strategies to getting your offer accepted.

01

COMPETITIVE OFFER

A good rule of thumb, specifically in a seller's market, is to start strong.

To do this, we will assess the property's market value with a CMA and determine what it's worth in the current market.

02

EARNEST MONEY

This deposit signals how serious a buyer you are. Try doubling the amount that the seller requests or that is customary in the area. So, be sure you do not back out of the contract for no good reason. If you do, you'll lose your earnest money.

03

GIFT OF TIME

Express your willingness to work with the sellers' timetable to go to closing. We can ask the sellers when their ideal closing date would be so the offer will make them feel like they are winning!

04

MAKE A CONNECTION

Tell the seller why you love their home. Is it the neighborhood park or access to top-rated schools? Maybe the kitchen size and design are everything you've dreamed of. Speak up! Establishing rapport with the sellers can tug at their emotions. So, help them to remember your name when they review potential offers.

05

LIMIT CONTINGENCIES

Contingencies can add time to the negotiation process. They're beneficial to buyers, but can be a nuisance to sellers who are ready to move on fast. It's important to avoid any unnecessary contingencies. According to the National Association of Realtors, the offer with the fewest contingencies is often the most attractive.

06

ESCALATION CLAUSE

An escalation clause is a way to automatically escalate your bid by a certain dollar amount, up to a certain dollar amount. Keep in mind, you're risking the seller seeing the true amount you'll pay and maybe paying significantly over the home's appraised value. Is this home truly worth it?

Before we begin writing an offer, will need to gather some documents and discuss some important details...



- ☒ Pre-approval Letter
- ☒ Offer Price
- ☒ Financing Amount
- ☒ Escrow Deposit
- ☒ Closing Date
- ☒ Inspection Period
- ☒ Closing Costs

The Offer & Negotiation *Process*

First Offer Submitted

The seller can ACCEPT your offer or the seller can DECLINE your offer - This happens if the seller thinks your offer isn't close enough to their expectations to further negotiate.

Counter

A counter-offer is when the seller offers you different terms. If this happens, you can ACCEPT or DECLINE the counter offer.

Repeat

You can negotiate back and forth as many times as needed until you reach an agreement or someone chooses to walk away.

Accepted

Once all parties agree on all the terms, you are officially under contract! CONGRATS!



THE HOME *Inspection*

Your offer is accepted. Now what?
Don't worry, I'm here to help you through this process.



While inspections are not required in most cases, getting a professional home inspection is almost always **the right call**. A home inspection is a thorough visual review of a residential property's physical structure and components. The professional home inspector closely examines all visible aspects of the home, checking for repair issues, safety hazards, and anything that might need to be replaced.

The buyer's inspection typically takes place within a few days after the offer has been accepted, and before finalizing the sale giving the buyer a chance to understand their purchase, perhaps negotiate repairs, or even identify deal breakers.

During the inspection period determined by the terms of your offer, you will schedule an inspection with a reputable home inspector to do a thorough investigation of the home. Once this is complete, the inspector will provide us with a list of findings. If the inspection reveals safety issues or needed repairs, you may be able to negotiate with the seller to address those issues.



**Watch this video to
learn more about
home inspections!**



As the buyer, YOU chose your inspector. Costs range from \$250 to \$500 depending on the home type (condo, single family, multi-family etc), age, and experience of the inspector.



THE FINAL *Details*

The *Appraisal*

A home appraisal is a review that gives the current value of the property you want to buy. You must get an appraisal before you buy a home with a mortgage loan. Lenders require appraisals because they can't lend out more money than a home is worth. The lender chooses the appraiser. If the appraised value comes back lower than your offer, you might have trouble getting financing. Be thoughtful about your offer and consider contesting the results of the appraisal if you believe the appraised value is too low.

Homebuyers should also include an appraisal contingency in their offer. Appraisal contingencies are often drawn up to allow buyers to back out of a purchase (or negotiate a lower price) without losing their earnest money deposit if the home appraises for less than the offer amount.

Homeowner's *Insurance*

You will need to obtain a Homeowner's Insurance Policy that will begin on the day of closing on your home. You can shop dozens of insurance companies and get a [free risk assessment](#) of your property on my website.



**Young
Alfred**

The *Final* Walk Through

You should do a final walk-through in your new home before you close, even if you're 100% committed to the property. This time allows you to check and make sure that the seller has made the repairs you requested and cleared out the property. Walk through the home and make sure the seller hasn't left any belongings. Check your repair areas if you requested them and keep an eye out for pests. You may also want to double-check your home's systems one final time to make sure everything is in working order.

FINAL WALK THROUGH

Checklist

Things to Determine

Yes

No

☐☐

Are the agreed-upon repairs complete and to your satisfaction?

☐☐

Is there anything missing from the home that should have been left, such as appliances, window treatments, built-ins, etc?

☐☐

Are there items that the seller has left behind that should not be here?



Test every light and fan switch



Run every faucet and flush every toilet to check for leaks



Turn on every appliance and check ice maker



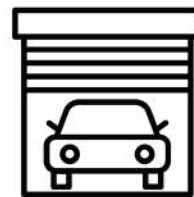
Be sure heating and cooling units are functioning



Check the ceilings and walls for any recent water damage



Make sure every window and door opens and shuts



Check the garage and test the garage door



Check for any signs of new damage



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Southeast
MN HOMES TEAM



ITS *Closing* DAY!



The home inspection is done. The homeowner's insurance has been obtained. Your whole life has been packed into lots and lots of brown boxes. The day you have been waiting for is finally here: CLOSING DAY! If everything is in order, the closing can run smoothly and ownership of the property will be transferred to you with no problems. Before the congratulations are given and the fireworks go off there is going to be a lot of signing.

Your lender is required to give you your Closing Disclosure, which tells you what you need to pay at closing and summarizes your loan details, three days before closing. Read through your Closing Disclosure and make sure the numbers don't vary too much from your Loan Estimate, which you would have received three days after your initial application. Once you've reviewed your Closing Disclosure, it's time to attend your closing meeting.

Bring your ID, a copy of your Closing Disclosure and proof of funds for your closing costs. You'll sign a settlement statement, which lists all costs related to the home sale. This is when you pay your down payment and closing costs. You'll also sign the mortgage note, which states that you promise to repay the loan. Finally, you'll sign the mortgage or deed of trust to secure the mortgage note.

Congratulations!

You are officially a Homeowner!

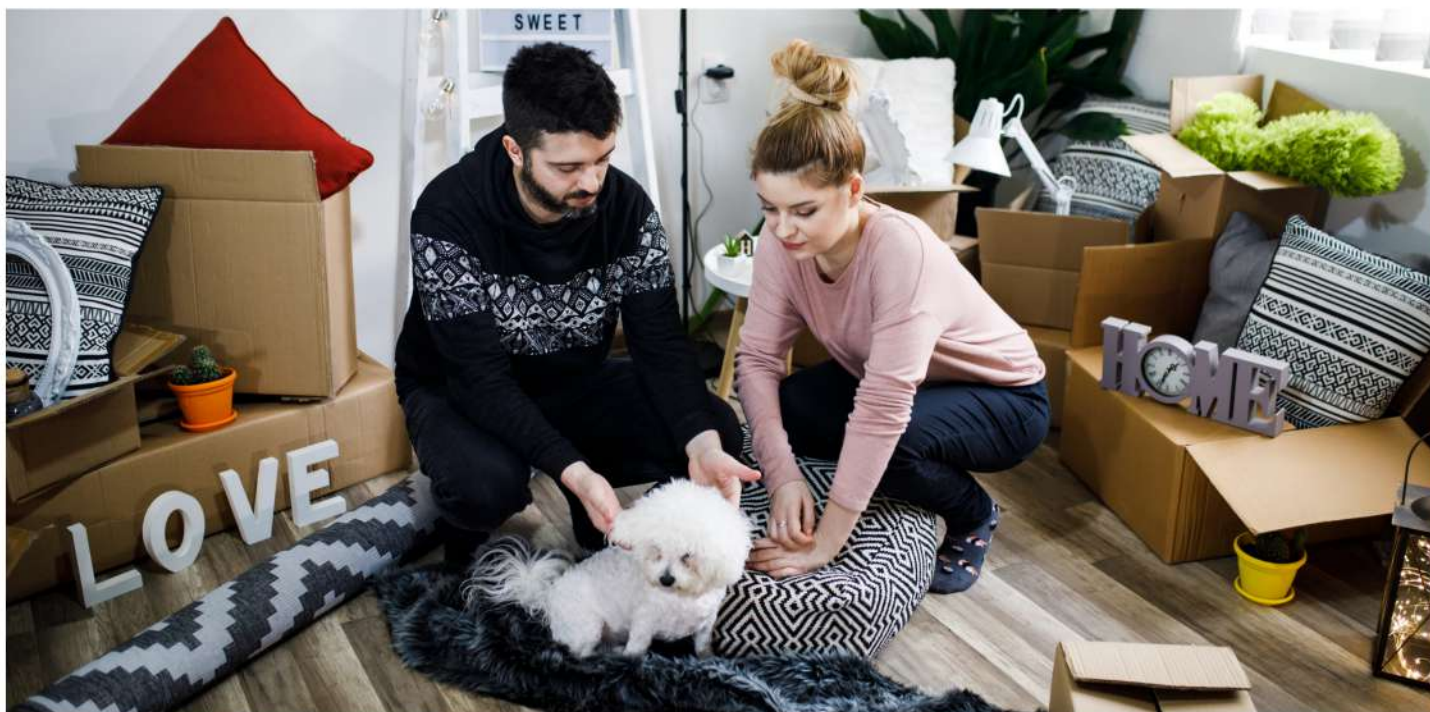
10 Tips for Moving With Your *Pets*

- 1) Update your pet's tag.** Make sure your pet is wearing a sturdy collar with an identification tag that is labeled with your current contact information. The tag should include your destination location, telephone number, and cell phone number so that you can be reached immediately during the move.
- 2) Ask for veterinary records.** If you're moving far enough away that you'll need a new vet, you should ask for a current copy of your pet's vaccinations. Depending on your destination, your pet may need additional vaccinations, medications, and health certificates. Have your current vet's phone number handy in case of an emergency, or in case your new vet would like more information about your pet.
- 3) Keep medications and food on hand.** Keep at least one week's worth of food and medication with you in case of an emergency. Vets can't write a prescription without a prior doctor/patient relationship, which can cause delays if you need medication right away. You may want to ask for an extra prescription refill before you move.
- 4) Seclude your pet from chaos.** Pets can feel vulnerable on moving day. Keep them in a safe, quiet, well-ventilated place, such as the bathroom, on moving day with a "Do Not Disturb! Pets Inside!" sign posted on the door. There are many light, collapsible travel crates on the market if you choose to buy one.
- 5) Prepare a first aid kit.** First aid is not a substitute for emergency veterinary care, but being prepared and knowing basic first aid could save your pet's life. A few recommended supplies: Your veterinarian's phone number, gauze to wrap wounds or to muzzle your pet, adhesive tape for bandages, non-stick bandages, towels, and hydrogen peroxide (3 percent). You can use a door, board, blanket or floor mat as an emergency stretcher and a soft cloth, rope, necktie, leash, or nylon stocking for an emergency muzzle.
- 6) Play it safe in the car.** It's best to travel with your dog in a crate; second-best is to use a restraining harness. When it comes to cats, it's always best for their safety and yours to use a well-ventilated carrier in the car. If you'll be using overnight lodging, plan ahead by searching for pet-friendly hotels. Have plenty of kitty litter and plastic bags on hand, and keep your pet on its regular diet and eating schedule.
- 7) Get ready for takeoff.** When traveling by air, check with the airline about any pet requirements or restrictions to be sure you've prepared your pet for a safe trip. Some airlines will allow pets in the cabin, depending on the animal's size, but you'll need to purchase a special airline crate that fits under the seat in front of you. Give yourself plenty of time to work out any arrangements necessary including consulting with your veterinarian and the U.S. Department of Agriculture. If traveling is stressful for your pet, consult your veterinarian about ways that might lessen the stress of travel.

8) Find a new veterinary clinic and emergency hospital. Before you move, ask your vet to recommend a doctor in your new locale. Talk to other pet owners when visiting the new community, and call the state veterinary medical association (VMA) for veterinarians in your location.

9) Prep your new home for pets. Pets may be frightened and confused in new surroundings. Upon your arrival at your new home, immediately set out all the familiar and necessary things your pet will need: food, water, medications, bed, litter box, toys, etc. Pack these items in a handy spot so they can be unpacked right away. Keep all external windows and doors closed when your pet is unsupervised, and be cautious of narrow gaps behind or between appliances where nervous pets may try to hide. If your old home is nearby, your pet may try to find a way back there.

10) Learn more about your new area. Once you find a new veterinarian, ask if there are any local health concerns such as heartworm or Lyme disease, or any vaccinations or medications your pet may require. Also, be aware of any unique laws. For example, there are restrictive breed laws in some cities. Homeowner associations also may have restrictions — perhaps requiring that all dogs are kept on leashes. If you will be moving to a new country, carry an updated rabies vaccination and health certificate. It is very important to contact the Agriculture Department or embassy of the country or state to which you're traveling to obtain specific information on special documents, quarantine, or costs to bring the animal into the country.



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HELPFUL *Links*

Local Resources

Crime reports, school information,
county resources, and more!

New Construction

MN & WI Resource Guide

SEMH Blog

Weekly local blog covering helpful
topics for MN & WI homebuyers and
sellers

Online Tools

Down Payment Assistance

Insurance Risk Assessment

Mortgage Calculators

Helpful Links

Home Warranty Information

MN Housing Programs

Home Inspection Information

WI Housing Programs

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