

# WELCOME TO MONEY SMART DAY

2023

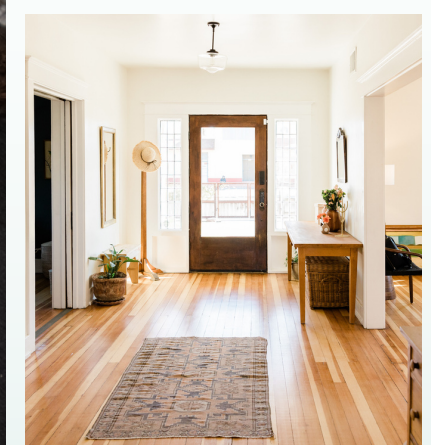


[moneysmartday.gmu.edu](https://moneysmartday.gmu.edu)



# "Hall" You Need To Know to Buy Your First Home

Amal Hall, REALTOR®



# About me

- 2018 - Graduated from GMU - Major: Sport management
- 2018 - Internship - Washington Nationals
- 2019 - Sales Coordinator - D.C. United
- Aug 2020 - Furloughed from D.C. United
- Dec 2020 - Real Estate License (Virginia)
- Jul 2021 - Bought our first home and moved to Fredericksburg
- ~4,750,000 in Sales Volume Since 2020
- ~72% of my clients are either first time home buyers or first time sellers

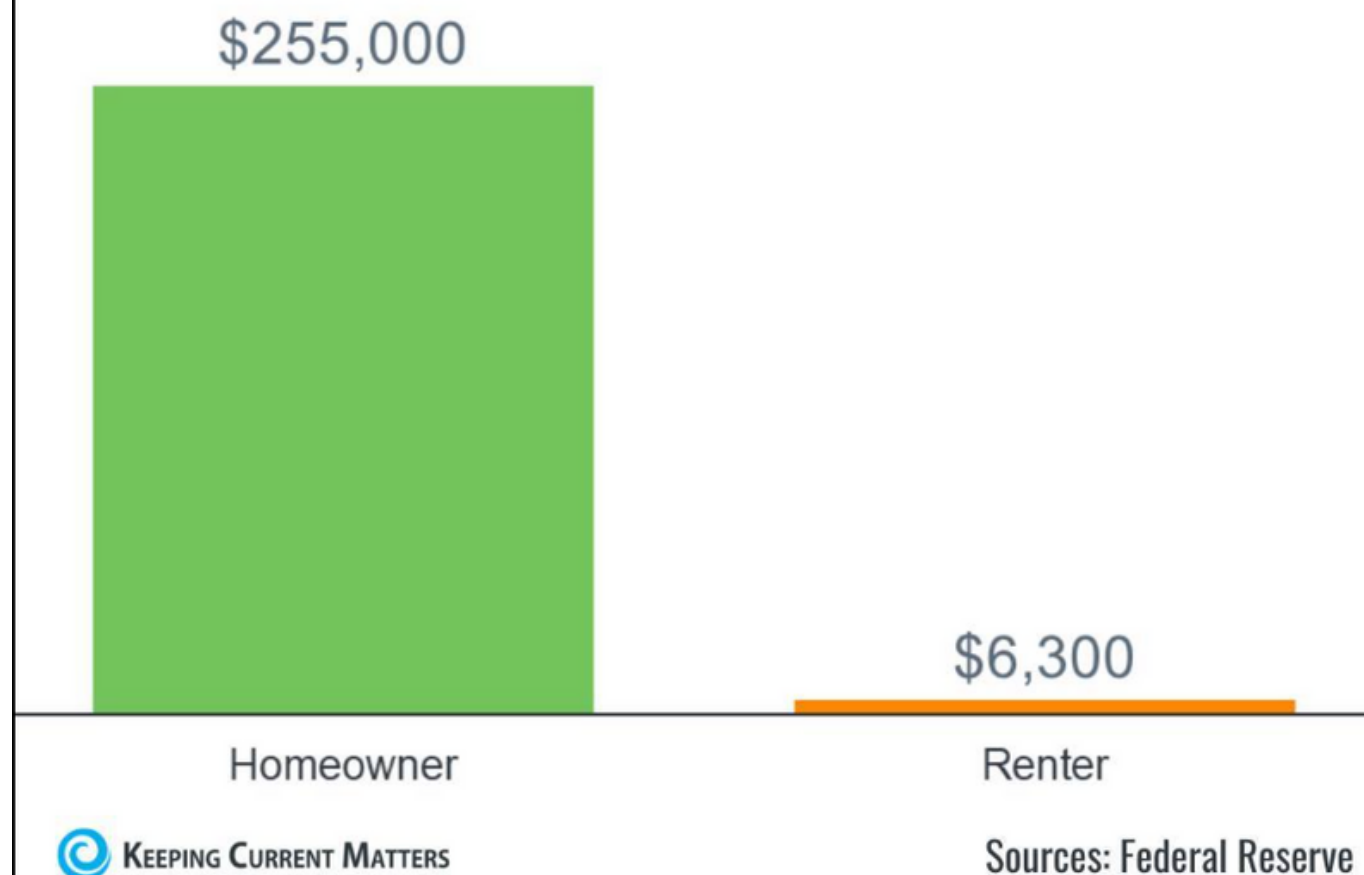


# Why Buy?

## 7 Reasons to Own a Home

1. Tax Benefits
2. Appreciation (~2.5% YOY)
3. Equity - money Paid for rent is money you will never see again
4. Savings - Equity leads to a great savings plan when you sell
5. Predictability - unlike rent, most people will have a fixed-rate mortgage
6. Freedom - the home is yours. Decorating, pets, etc.
7. Stability - Staying in one place for even just a few years can create a sense of community and stability in your life

## A HOMEOWNER'S NET WORTH IS MORE THAN 40X GREATER THAN A RENTER'S

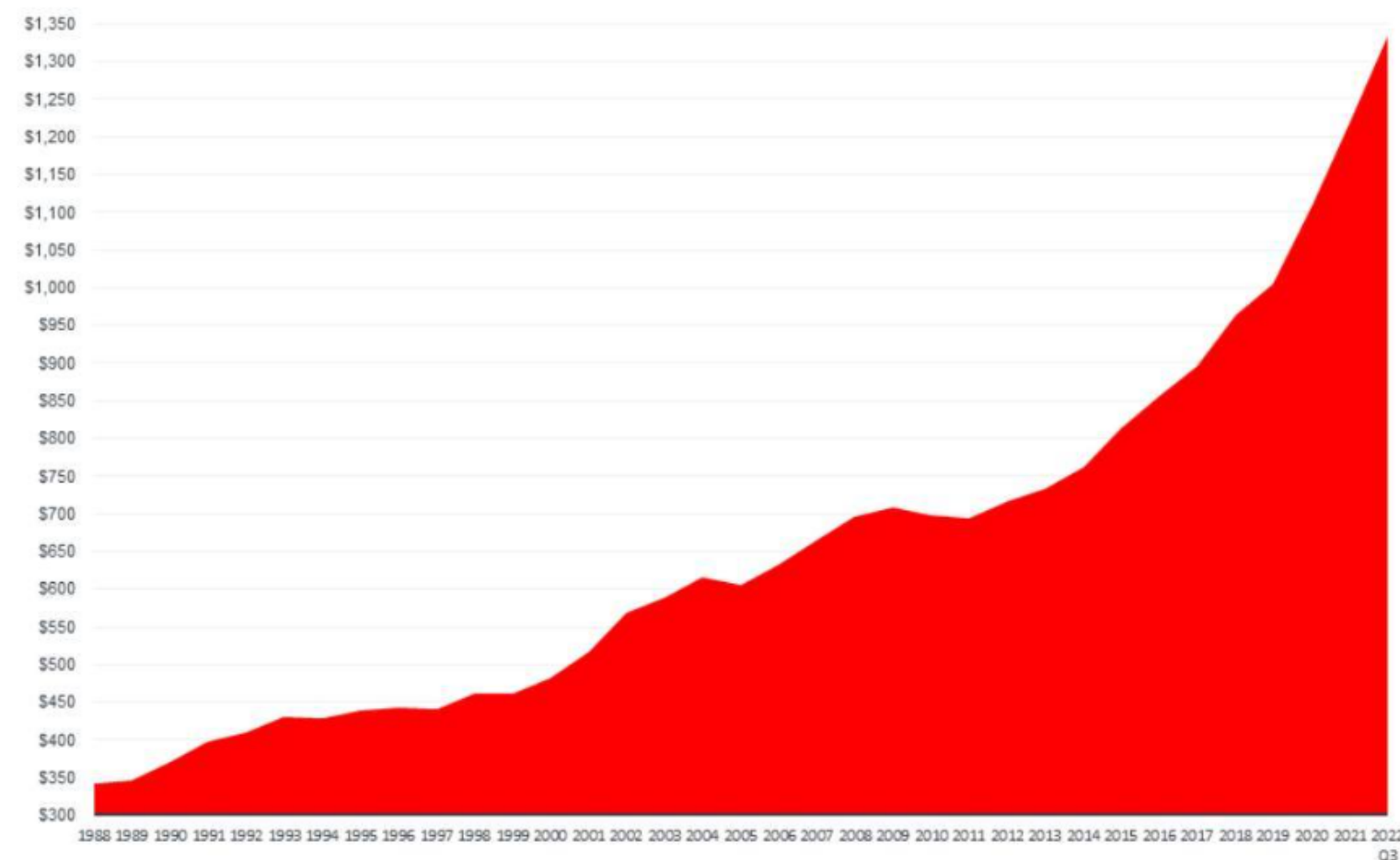


# Quick Fact

There are definitely some scenarios where renting may be a good option for you.

HOWEVER, if you are ready and able to, purchasing a home will allow you to stop paying someone else's mortgage.

## MEDIAN ASKING RENT SINCE 1998



# Personal Experience

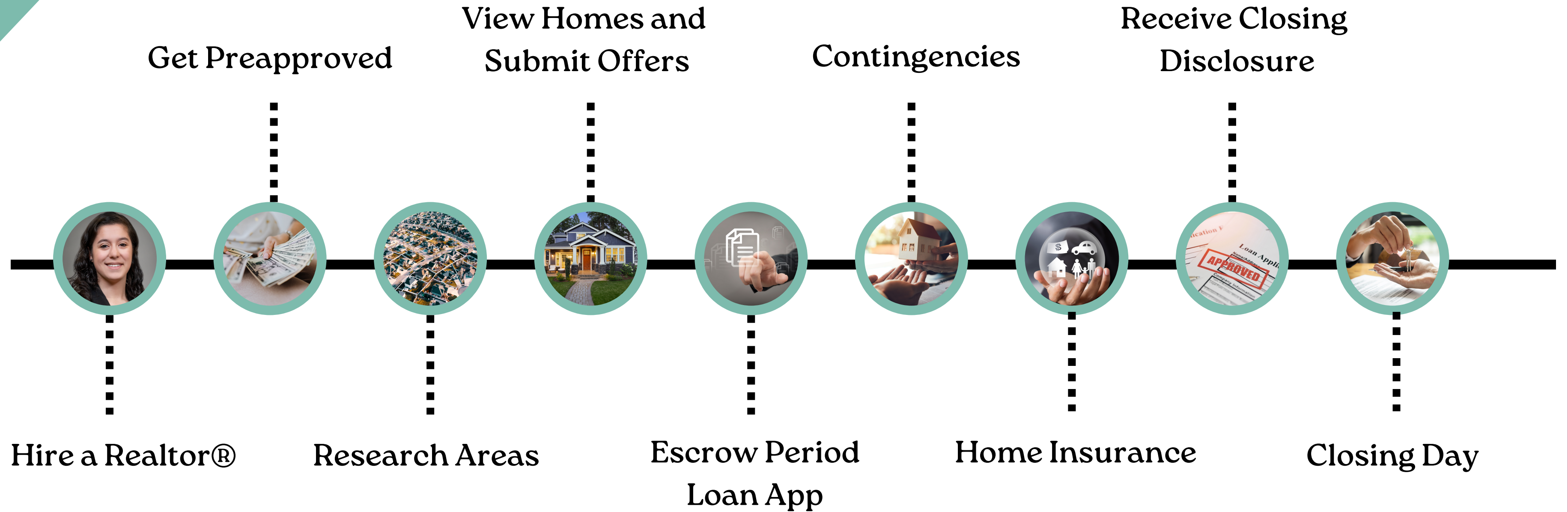
I truly believe that real estate can help so many people across America.

I believe its more attainable than some may think as long as you have a plan and prioritize it.

A starter home is just a stepping stone.



# Road Map



# 1. Hire a Realtor®

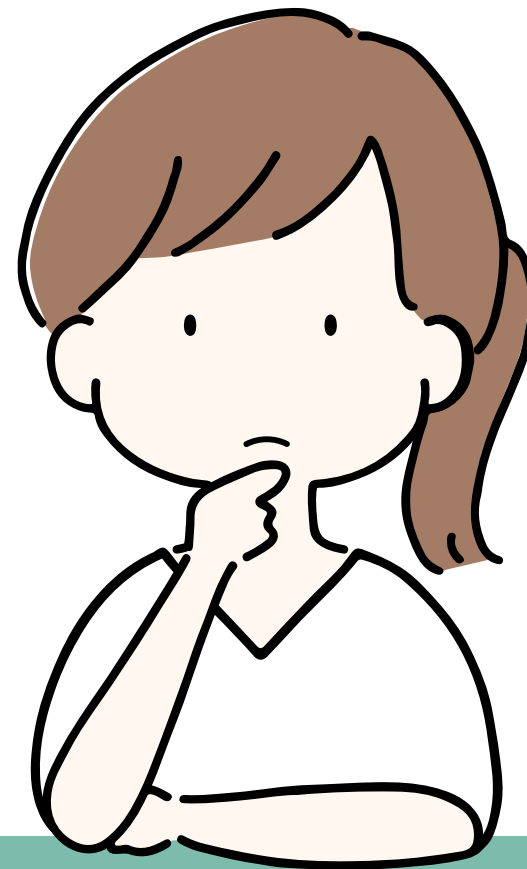
Why do you need a Realtor®?

NEGOTIATE with  
your best interests  
always in mind

GUIDES  
you through all  
forms and processes

Offer objective  
INFORMATION  
and opinions

Provides Up-to-date  
KNOWLEDGE  
on the market



Provide FAIR and  
ETHICAL Treatment



# 2. Get Preapproved

## What is a Preapproval?

A loan pre-approval consists of a lender reviewing your income, assets, and credit to determine your buying power

## How to find a Lender?

**Trust** your Realtor's recommendation but don't be afraid to shop around for other rates if needed.

## A good lender will....

- Look over all loan types and options
- Look into programs and grants you may be eligible for
- Will explain and answer any questions you may have about documents you need or the process
- Have good communication
- **Local** is always best



# Quick Fact

Don't be scared of how much you need for a down payment.

There are so many loan programs and grants out there. Saying "you can't afford buy a home" before speaking to a lender is holding yourself back before you even start



You May Not Need as Much as You Think for Your  
**DOWN PAYMENT**



First-Time Homebuyers



All Homebuyers



Repeat Homebuyers

And, depending on the type of loan, some buyers are able to put down as little as

**0-3.5%**

Sources: NAR, FHA Loans, U.S. Department of Veteran Affairs, U.S. Department of Agriculture

View the full infographic and more at [KeepingCurrentMatters.com/blog](https://KeepingCurrentMatters.com/blog)

KEEPING CURRENT MATTERS

# Quick Fact

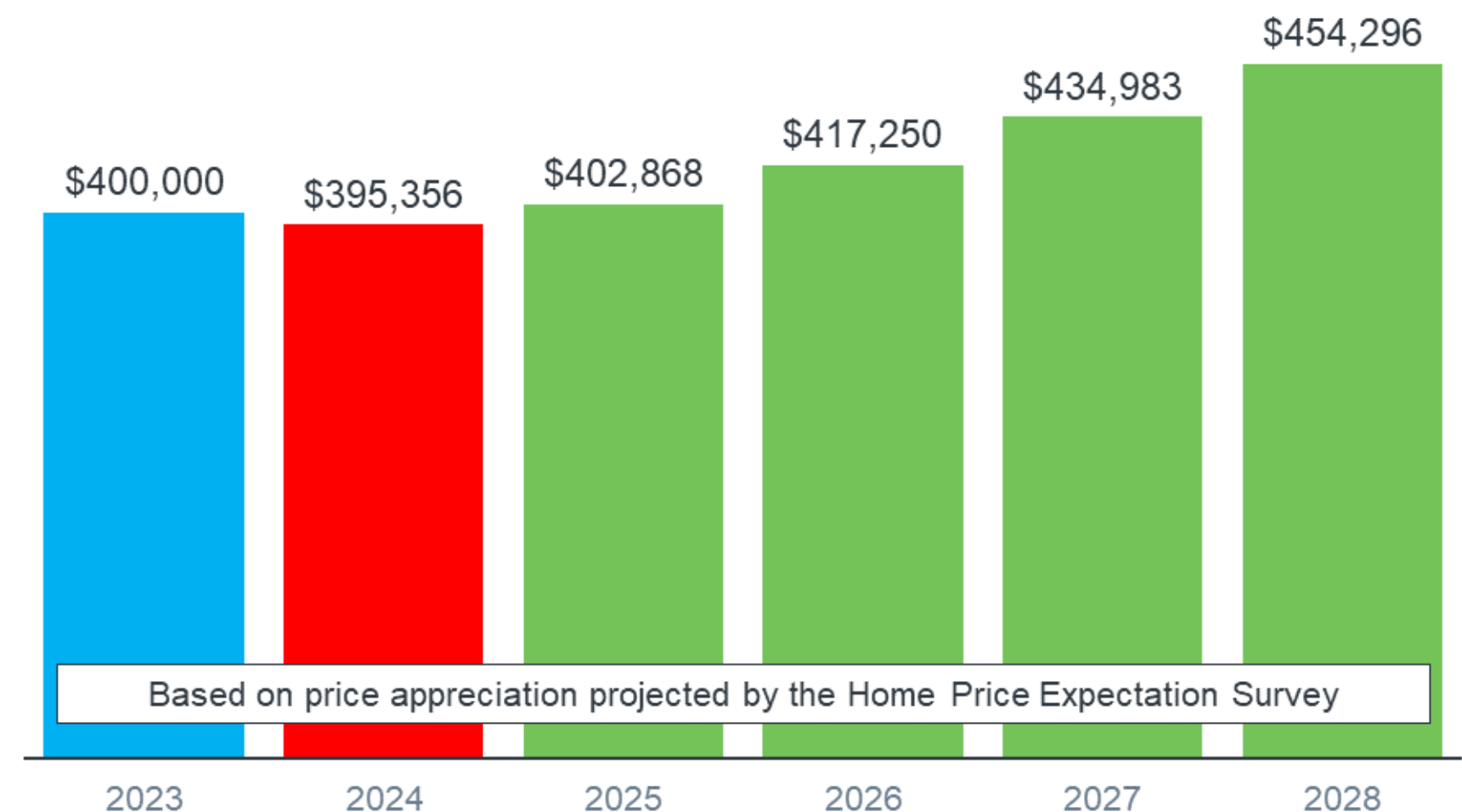
Many people wait and "save up" for a bigger down payment...

By the time you wait 5 years to save up, you could have earned \$54,000 in equity.

Lets say you put 5% down (\$20,000 for a 400,000 house). With this appreciation, you could have more than doubled your down payment after 5 years.

## \$54,296

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchase a \$400K home in January 2023



Based on price appreciation projected by the Home Price Expectation Survey

# 3. Research Areas



## Before looking at homes...

**What are you looking for in a home?**

- Difference between a want and need
- What are non-negotiables?
- Is commute an important factor?

**Virginia is a "buyer beware" state which means it is up to YOU to....**

- Research Areas you want to live
- Check crime and sex offender registry

## 4. View Homes and Submit Offers

### Supply and Demand

- **Sellers Market** - Offers are more competitive. buyers are more willing offer more with less contingencies
- **Buyers Market** - Homes are on the market longer. Less competitive. Buyers have more negotiation.
- Your Realtor will guide you in the best way to balance competitiveness and risk taking

How does the market affect my offers?



# Tips During Your Search



**Don't get discouraged**

**FOMO**



# 5. Escrow Period

**Congrats! Your offer was accepted!  
Begin your official loan application**



## Do's and Don'ts

- Do **not** open any new lines of credit
- Do **not** purchase or lease any large amounts of furniture
- Do **not** purchase a car or charge/pay for any large purchases.
- **DO** provide your lender with all documents in a timely manner
- **DO** communicate with the lender about any gift money or other concerns with finances
- **DO** continue to keep your finances stable.

# Questions?





# 6. Contingencies

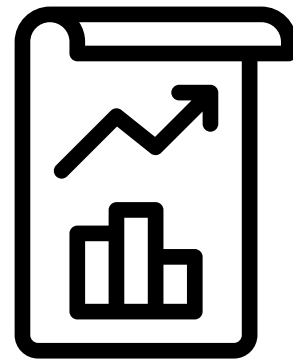
## Different Tests and Contingencies



Home Inspection



Lead Based Paint



Appraisal



WDI Inspection



Septic Tank



Well Inspection



Home Owners/Condo Association

**Home Inspection**  
Examines the safety conditions of a home

**Lead Based Paint** affects housing built before 1978.

An **appraisal** is an assessment of the fair value of a property. Different from market value.

# Condo vs. HOA

## Condo



Monthly fees can typically be higher. Cover more utilities and more common area. Typically covers amenities, gym, etc. (if offered)



Monthly fees can typically be cheaper than condos. Typically doesn't cover utilities except maybe trash. Typically covers playgrounds and other community amenities

## HOA

# 7. Closing Disclosure

## What is a CD?

- a five page form that provides final details about the mortgage loan you have
- includes loan terms, projected monthly payments and more
- includes other costs associated with closing and how much you need to bring to the table, if any.

**Closing Disclosure** This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345	Loan Term	30 years
Closing Date	4/15/2013	Seller	Steve Cole and Amy Doe 321 Somewhere Drive Anytown, ST 12345	Purpose	Purchase
Disbursement Date	4/15/2013	Lender	Ficus Bank	Product	Fixed Rate
Settlement Agent	Epsilon Title Co. 12-3456			Loan Type	<input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/>
File #	12-3456			Loan ID #	123456789
Property	456 Somewhere Ave Anytown, ST 12345			MIC #	000654321
Sale Price	\$180,000				

Loan Terms		Can this amount increase after closing?	
Loan Amount	\$162,000	NO	
Interest Rate	3.875%	NO	
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$761.78	NO	
		Does the loan have these features?	
Prepayment Penalty		YES	As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment		NO	

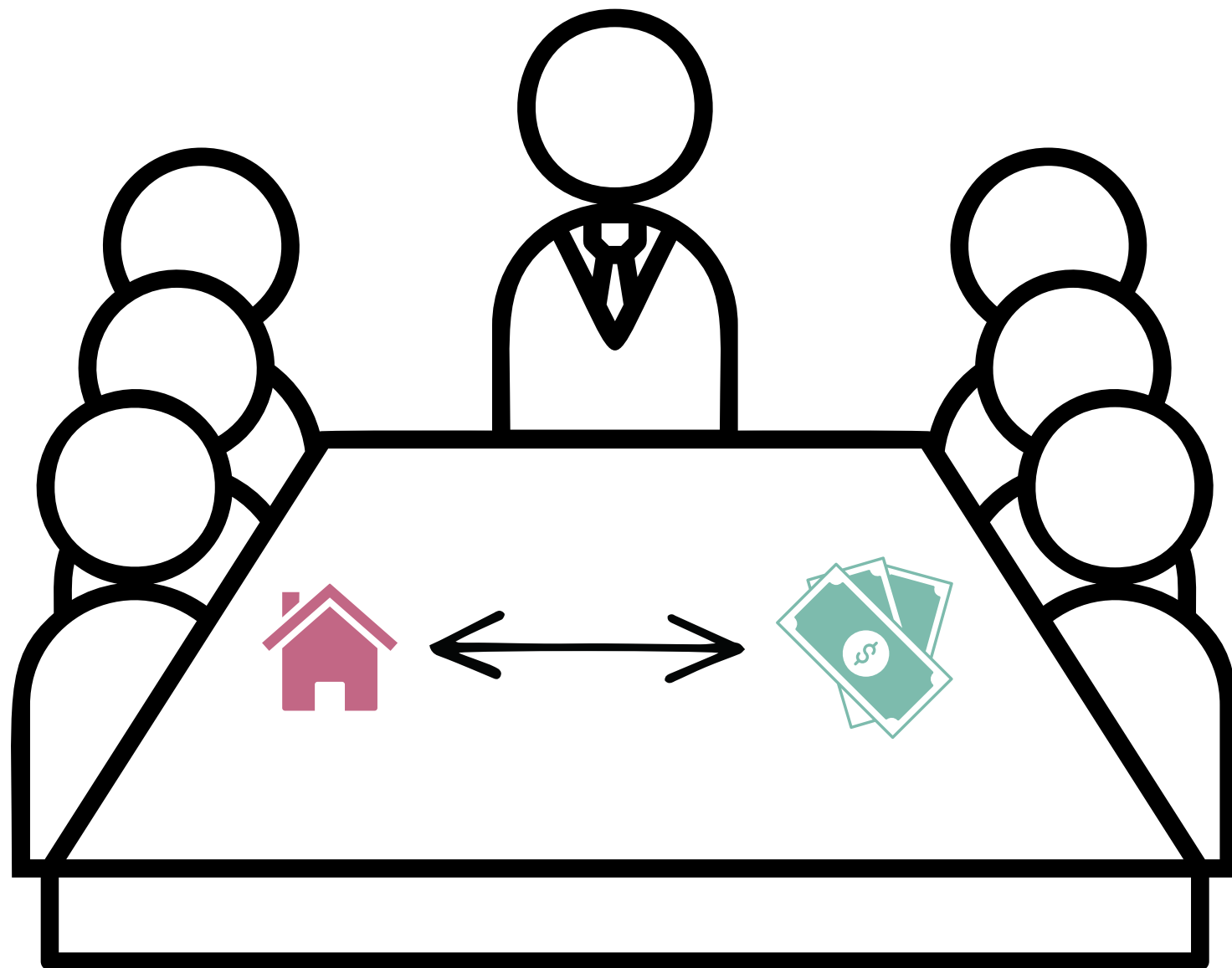
Projected Payments			
Payment Calculation	Years 1-7		Years 8-30
Principal & Interest	\$761.78		\$761.78
Mortgage Insurance	+	82.35	+ —
Estimated Escrow <small>Amount can increase over time</small>	+	206.13	+ 206.13
<b>Estimated Total Monthly Payment</b>	<b>\$1,050.26</b>		<b>\$967.91</b>
Estimated Taxes, Insurance & Assessments <small>Amount can increase over time See page 4 for details</small>	\$356.13 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <small>See Escrow Account on page 4 for details. You must pay for other property costs separately.</small>	
		<b>In escrow?</b> YES YES NO	

Costs at Closing	
Closing Costs	\$9,712.10 Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs - \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26 Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

CLOSING DISCLOSURE PAGE 1 OF 5 • LOAN ID # 123456789

# 8. Closing Day



## Wire Fraud

- its real and important
- Do not trust any email or call saying the wiring instructions have changed.
- Most title companies have a secure portal. Only trust items through that
- Concerns? Call title company directly and call agent.

## What to bring?

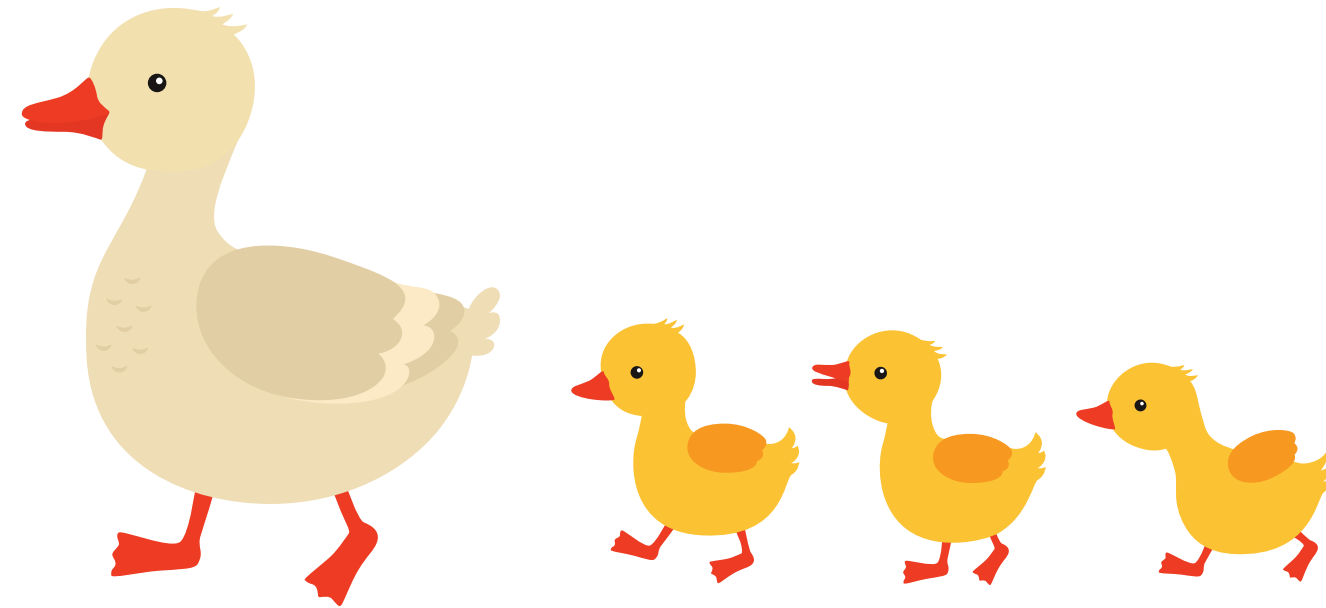
- Money needed to close should have already been wired to title company directly
- Identification/Drivers License
- Voided check for any overages

....So Now What?

Scan to schedule a  
consultation with me and to  
view all my social links.



Lets get started!



Whether you're ready to buy in 1  
month, 1 year, or 3 years, the best  
thing to do is get your  
*ducks in a row!*

# Questions?



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Fredericksburg, VA 22401



PRICING STRATEGY ADVISOR



**SAMSON**  
P R O P E R T I E S

