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**Lunch & Learn**

***Script for – Top 20 Questions You Need Answers To Before Buying a Home!***

**Approximate Length: 45-60 Minutes with Questions**

**Reference:** Use our ***NEW*** Checklist about ***“How to Throw a Great Homebuyer Seminar”***. This is for your reference only.

**Bonus tip:** Each slide and accompanying script make an engaging quick-tip video on your social media platform. This is a great way to educate your network and get them interested in attending your seminar!

***Handout*** – A copy of this presentation along with your contact information is a great take-away for your attendees. We have also developed a ***“Homebuyer Decision Worksheet”*** to help your attendees determine their Must Haves and Needs.

***Audience:*** The target audience for this Lunch & Learn are those interested in what it takes to buy a home. This is meant to be an introduction to the home-buying process and get the attendees interested in buying a home. This seminar presents a lot of answers to questions that many new home buyers have in common, and some tips that they should consider.

***Script Tip:*** Scripts are meant to be used as a guide for talking points and not to read to your audience. Make sure that you understand the talking points and put this script into your own words. Be sure to add your Information, logos, NMLS # and Other Company Required Disclaimers to your presentation.

***Embellish and make this presentation your own.*** Your audience will love hearing your “real life” stories and how you solved those problems using the information you are presenting. Those stories in addition to the presentation will help position you as the “go to” mortgage person in your community.

**Slide 1:**

Hello everyone, my name is [your name] with [your company] and I thank you for attending today’s session on The Top 20 Questions You Need Answers To Before Buying a Home! I’ve had the distinct pleasure of helping hundreds [fill in the #’s you have helped] of first-time buyers make their dream of buying their first home come true. Some people think the first step is exploring homes or talking with their lender about financing options. Yet, I have found that many people thinking about homeownership vs. renting have a lot of things to think through first, before they embark on that adventure.

**Slide 2:**

So how do you begin the home-buying process? The most important thing you can do is to get yourself organized and get a solid education about the process of buying a home. After all, this is going to be a big investment and the place you come home to each day, so you want to get it right without regret. We’re going to help you get there today by reviewing what you should think about before you decide to start shopping for a new home.

**Slide 3:**

By now some of you are likely aware of the benefits and also pitfalls of renting. One of the advantages of renting is that you can leave when you want to, but of course the opposite is true in that you may need to leave before you are ready to. So, while there is some freedom in no commitment, most people find that security is important to them, especially when it comes to the place you sleep in each night! Let’s take a look at a few disadvantages to renting.

When you rent you build your landlord’s equity, not your own. Owning real estate is consistently quoted as being the number one way for Americans to build wealth. Each payment you make on your own home pays down what you owe as the value of your home increases.

Renting does not give you the tax benefits of owning a home. While you should always consult with your tax consultant first, homeownership can offer tax advantages such as deductions for property taxes, and loan interest.

When you rent, you are never quite sure what your housing will cost you from year to year. An increase in your rental payment can devastate your budget or force you to move elsewhere that is more within your budget. With your own home, you know what house payment to expect from year to year.

And let’s face it, you can’t conduct your dream DIY projects that you watch on HGTV when you rent, nor can you own pets without a big hassle or big deposit.

**Slide 4:**

Even though all of that sounds really great, there are some things you need to think about to make sure that homeownership is good for you and your lifestyle. Here are some points to ponder:

Do you have a source of income and is it reliable?

Do you have ideas about where you would like to live?

Another consideration is whether or not you want to live in that area for a reasonable period of time.

Have you demonstrated the ability to pay your monthly obligations on time? Now I don’t want you to obsess over this. Demonstrating that you can make important payments on time each month is important, but I have found that some people believe they aren’t ready to own when they really are just fine. Talk with me about your credit if you have any questions or concerns. There are a lot of myths out there, and I don’t want you to be discouraged.

The next point you need to ponder is whether or not you are ready to maintain a home. When you own a home and something breaks, you either need to fix it or hire someone that can. If you are renting, you just call the landlord.

And remember that owning a home is a commitment, so make sure you are mentally prepared for that commitment. It’s been my experience that the benefits of owning your home far outweigh the reasons not to, but everyone needs to make that decision for themselves.

**Slide 5:**

One of your first priorities is to establish a “must-have list” and a “wish list’! We would all love to have the house of our dreams on the first run! And while this may work for a few people, it is likely you’ll have to come up with a list of what you really need and what you would like to have.

Once you’ve sorted out some possible locations, your next task is to consider how big or small you want it to be, the bedrooms, bathrooms and other types of living spaces that are important to you. For instance, some people will give up a bedroom in exchange for a great kitchen, whereas someone else may prefer an extra garage.

Finally, look at the amenities that are part of your must-have and wish list. These are items such as fireplaces, game rooms, lot size. All can play an important part in your daily life. For instance, a nice big yard seems really beautiful until you have to consider the maintenance to keep it that way. Some people love the thought of this. For others it may seem like a nightmare. Consider your personality and how you want to spend your time.

What you must have and what you wish for deserve some thought before you start looking at home to purchase. It’s also helpful to talk with family and friends who know you and can help you sort out what may be on the must-have list vs. the wish list.

I’ve created a Worksheet to aid in your discussion. Take some time over a cup of coffee or glass of wine and think through the items we have listed on the worksheet. Other homebuyers have found it very helpful. [Pass out a copy of the Homebuyer Decision Worksheet]

**Slide 6:**

Your next consideration is deciding on the community you’d like to live in and the daily lifestyle that you enjoy.

Are schools important to you?

Do you want to be near shopping, libraries, restaurants, gyms or other places that would be important to your daily life?

What about your commute time? Take a couple of test runs during rush hour from the areas you are considering to determine if you can live with that.

Are you looking for city, suburb, the country? Some people like the excitement of the city, others like the peace and quiet of the country, and some split the difference in the suburbs.

What about your family and friends? Is it important that you are near them?

Really, your best bet is to drive around the area you think you may want to live, and check it out to see if it meets the needs on your checklist!

**Slide 7:**

Once you’ve considered a few areas that you might like to live in, it’s time to talk to your lender before you start looking at properties. They will help you figure out what you can afford based on your individual financial circumstances. That not only gives you a great sense of comfort in shopping, it will also help your negotiation with the seller.

Big Warning! Be careful of what you see online and advertised on TV. Someone has to pay for all of the advertising! Your local lender does not have that kind of overhead, has a lot of experience and knows the area well. If you end up in a call center or corresponding with someone online, you are likely dealing with a novice, and that has been very problematic for some folks [Note to Presenter: Add a story here about someone that worked with an online lender and what happened.]

Once you have talked with your lender, it’s time to find a real estate agent to help you find your dream home. Finding the right real estate agent is an important decision. I’m happy to suggest some agents that I think may work well with you in the areas you are searching.

Or perhaps your family and friends have someone they felt was wonderful.

Make a list and then talk with the agents you’re thinking about working with. Most people get a great feeling for the one that will work best for them.

What some new buyers are unfamiliar with are the terms “buyer’s agent” and “seller’s agent”. A buyer’s agent works for the buyer but is paid for their services by the commission they earn on the property they sell. This commission is most often paid by the seller. A seller’s agent works for the seller. So even though the seller compensates both of the agents, one agent, the buyer’s agent, has your best interests in mind vs. the seller’s agent who has the seller’s best interest in mind. This is an important distinction when choosing someone to assist you in the homebuying process.

**Slide 8:**

Once you have worked with your lender to figure out a monthly payment and approximate sales price, and you’ve started the process of finding a great agent, it’s time to take a look what properties might be available in the areas you are interested in.

Your real estate agent is your best source for information on properties, but you can also explore some online sources on your own to narrow down the scope for the real estate agent. There are plenty of online sources that list homes for sale.

For instance, you can go to: [NOTE to Presenter: There is a lot of controversy surrounding online real estate sites, so you should recommend what you believe are the best sites for your potential clients to explore]

**Slide 9:**

While you are looking at properties, you might be wondering whether existing homes or new construction are better options for you. There are distinct differences that you should consider.

For instance, a new home is nice because it’s brand new and you shouldn’t have too many issues with the systems in your house like mechanical equipment, or plumbing. But there are downsides as well. If you are one of the first buyers or the builder has other sections planned, and you want to sell your home in a few years, that could be difficult if they are still building in your subdivision. And even though the home is new, so is the landscaping, which may take some effort or money to get to where you want it.

On the other hand, it could be more energy efficient, but perhaps more cheaply made than an existing home. An existing home may need some fixing up, repainting or new carpets. Some may even require more renovation. But the property may have mature landscaping, and you’re in the neighborhood that you want to be in.

It can be very confusing, so your best option is to think through the pros and cons for your situation as to which one you favor over the other.

As a lender who finances all types of homes, I can help you with any situation you choose. We even have renovation options if you find the perfect fixer upper!

**Slide 10:**

Now that you’ve narrowed down the areas you may want to live and secured your financing, it’s time to start looking for your dream home!

Here are some questions you may want to consider.

[Note to Presenter: Quickly go through each question on the slide]

The Homebuyer Decision Worksheet I gave you has a lot more to think about, so that as you walk through the property, you are visualizing living there.

**Slide 11:**

Another thought is how long you think you may be living in your new home. If you just graduated from college and have no spouse or children, you may want something different than someone starting a family or even downsizing their home. How long you plan on living in the property or keeping the property will help you consider your options as well.

**Slide 12:**

Unless you find the perfect home right away, chances are good you will start to get the details confused as you visit different homes and different communities.

Your camera or cell phone is a great tool for this task. Take pictures and label them on your phone so that you can go back and look for details you may have missed. There is no doubt that after you visit a few homes, you’re going to try to recall a detail and not remember. This is where keeping your home shopping organized can save you from the things you forget.

Or, if you’re old school, that’s okay too! Just put the listing sheets in a binder with any pictures, and this will assist you just as well.

**Slide 13:**

Many people ask me how many homes they need to view before making a decision. The truth is this can be anything from your first one to a lot of properties. To save yourself time and aggravation, really think through what you want so that you are not spending a lot of time at properties that you wouldn’t even consider.

And the most important tip I can give you is to take the time that you need! It’s a big decision!

**Slide 14:**

Now comes the exciting part! You found a home and you’re ready to make it your own. So, let’s talk about some of the inspections that are optional and mandatory.

I always recommend a home inspection even though it is optional, and I’ll talk about this next.

If you are satisfied with the home inspection and decide to proceed, the lender will order an appraisal as part of your loan process. The main reason for the appraisal is to determine the value of the property. They do this by looking at other homes that are similar in the area. From this the appraiser determines the value. Of course, the goal is always to get a value of at least the contract sales price or more.

**Slide 15:**

A private home inspector will inspect all of the details of the home such as safety, structure, construction, mechanical and repairs that may be needed. The cost is going to be about [fill in the normal rates in your area], but it is well worth it as they offer you experienced opinions about the home condition and potential issues.

Before you sign a real estate contract to purchase your new home, make sure that you have the right to a home inspection. You want to make sure you are purchasing the house of your dreams and not the house of your nightmares!

If the inspector finds something, then having a home inspection requirement in the contract gives you the right to go back and negotiate with the seller to fix the problems. The key with a home inspection is to pick your battles. No home is perfect, so asking for every little defect to be corrected is sometimes unrealistic. However, asking for major items to be fixed is normal.

**Slide 16:**

The inspection will take a few hours, so allot the time to walk through the property with the inspector. They will explain the systems in the house, maintenance items, and point out anything that may have a short life or be problematic. You will learn so much during the inspection, so take the time to be there.

**Slide 17:**

Home warranties can be a good investment if you understand the fine print.

If you are in a market that is more buyer friendly, ask the seller to include a home warranty in the contract. The average price is [fill in average price] and it may give you:

-Protection for Possible Costly Repairs

-Peace of Mind and Protection from Unexpected Problems

The key thing to remember with home warranties is that they can be great if you understand how they work. So, check the program out carefully, and if you have questions feel free to ask me.

**Slide 18:**

Property taxes are another key consideration. Every property has property taxes, but some communities have lower taxes than others. Taxes are disclosed in the property listing. You can use this information to compare the taxes from one community to another. You might be surprised by how much they vary!

Now this is an important thing to remember! Taxes can and usually do go up each year. When this happens, guess what, your house payment can go up too! This is usually a big shock to first-time buyers, so I always try to prepare them for this. The lender will collect 1/12th of your property tax bill and your homeowner’s insurance each month along with your normal house payment for your mortgage. If you have a fixed-rate loan, your note payment will not change, but the additional increase in taxes or homeowner’s insurance may cause your house payment to increase. Why? The lender will need to collect more each month so that when the property tax bill and insurance bill come due, they have enough to pay them.

One other item to consider regarding property taxes is that the new tax laws limit the amount of property taxes that is deductible.

**Slide 19:**

In the last slide I mentioned Homeowner’s Insurance, and some buyers ask me if that is mandatory. The answer is Yes, it is!

I recommend shopping around for rates but also paying attention to the details of the policy. Some first-time buyers are surprised to learn that their deductible is high. So just like car insurance, if you have a home issue, you want to make sure that you can afford the deductible. Ask friends, family, me or others for companies that others have found helpful.

If your property is located in a flood zone, you are federally mandated to get flood insurance. It’s not *my* requirement, it is the law. So, verify this before you make an offer on a property to prevent any surprises!

Something else you may want to consider is bundling your insurance. Many insurance companies offer discounts if you have your auto, home or even life insurance coverage with them so be sure to check that out.

**Slide 20:**

A popular question is “how do I know what to offer?” There is no right or wrong answer to this question, and your real estate agent should be able to guide you based on comparable properties that have been sold in that area. Where this becomes a bit tricky are areas where there is a high demand for property and a low inventory. We call this a “seller’s market” and the price may have to be equal to or more than what the property is listed for. On the other hand, the area may have a low demand for property and a high inventory, which makes it a buyer’s market. In that case you may be able to offer quite a bit less than the list price.

Your offer should include:

The price you are willing to pay. Be ready to negotiate as the first offer is not always accepted.

How much of an “earnest money deposit” you want to give the seller’s agent to secure the property while you fulfill the conditions of the contract like attorney review, home inspection and financing. This deposit will be credited back to you at closing and protects the seller if you decide to walk away from the property for no reason. You do however get the deposit back if the home inspection fails or you cannot get financing.

The contract will also require your financing details. This is another reason why talking to your lender before you start shopping is a smart move. If you haven’t done that, then you don’t know what to put in this area of the contract or you run the risk of putting in the incorrect information.

Let the seller know when you want to move in and when you want to close. Most times this is the same date, but there are times when this can vary based on the buyer’s or seller’s needs.

Put in the length of time the offer is valid so that both parties keep moving in the right direction.

Finally, list any contingencies that are a requirement of the sale, such as an attorney review, home inspection or financing.

Negotiation is part of real estate – but can really twist up your insides, especially if you found a property you love! But each side can also get a little stubborn. Your best bet is to take as much emotion out of the negotiation as possible. Sometimes people bicker over a few thousand dollars when in the long run it doesn’t mean very much, and they end up losing the property they really wanted. Stay cool!

**Slide 21:**

[Note to Presenter: Each state varies as far as required vs. optional use of attorneys. Use the bullet points to guide you based on what is or is not normal in your area.]

**Slide 22:**

I hope that you enjoyed our time together today, and that we answered some of your questions or gave you some things to think about. I strongly recommend that you sign up for our second first-time homebuyer program called “The 20 Questions Homebuyers Wished They Would Have Asked”. In this seminar we talk about all the questions you may have regarding financing your home. It’s a great way to prepare yourself for what will likely be the biggest investment of your life. Thanks again for your time today!

*[Note to presenter: After you answer questions, have available the sign-up sheet for your next seminar. Take advantage of the moment by getting the attendees to commit to the home-financing seminar]*