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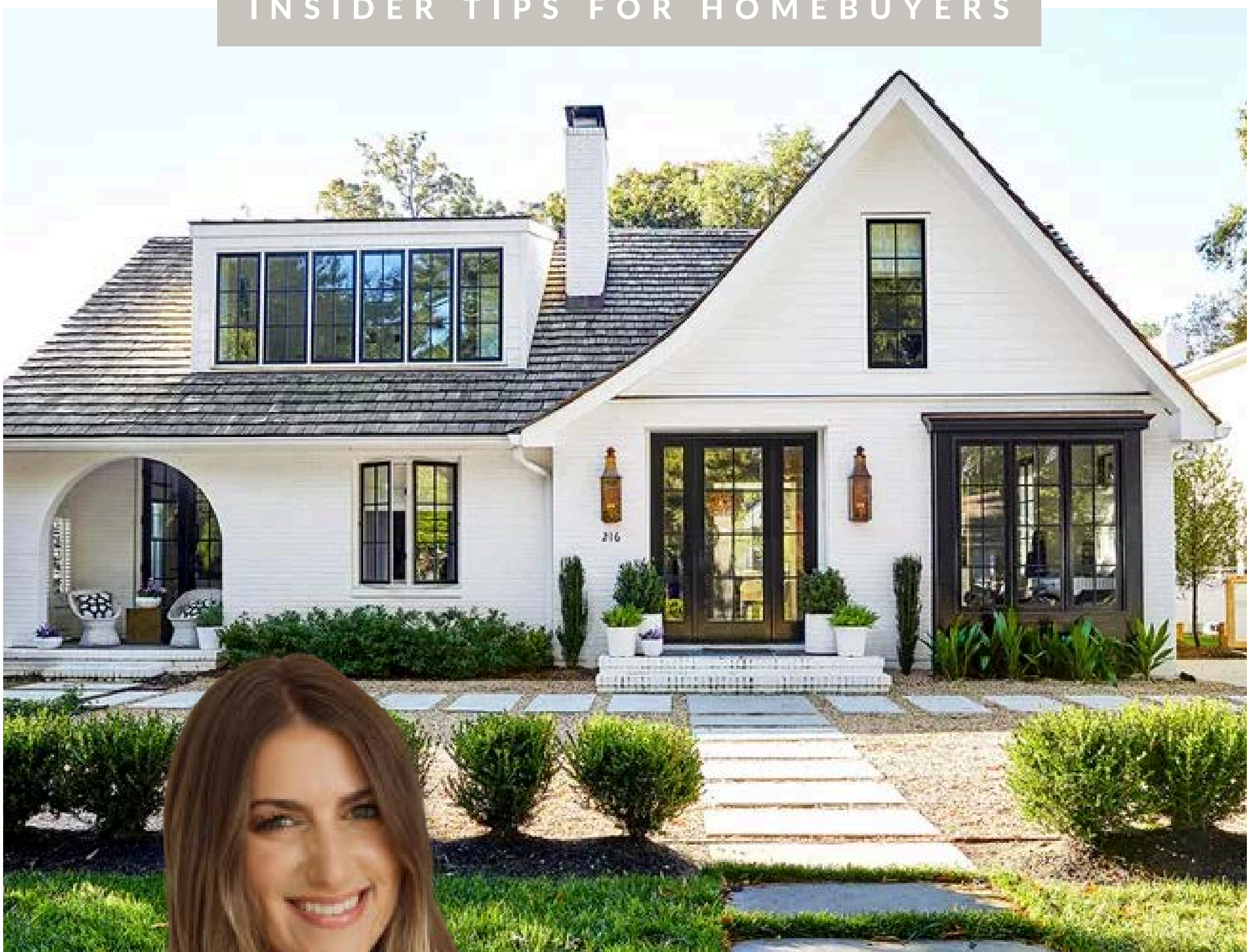
HOMEBUYER HANDBOOK

INSIDER TIPS FOR HOMEBUYERS



Logan Maggio

GORI REALTORS®

Serving the Metro East and the surrounding areas

618.866.2096

lmaggio@gorirealtors.com

@loganmaggiohomes

follow on

hey there,

NICE TO MEET YOU!

SO YOU'RE THINKING OF BUYING A HOME?

Hi, I'm Logan—a full-time Realtor® with a passion for people and an eye for design. I've called the Metro East home for over a decade, and there's nothing I love more than helping others find their place here, too. With a background in interior design, education, and content creation, I bring creativity, strategy, and heart to every part of the buying and selling process.

Whether you're just getting started or ready for your next big move, I'm here to make it simple, stress-free, and tailored to you.

Outside of real estate, I stay busy with my husband, our two daughters, and our two dogs. We love playing pickleball, riding bikes, trying new coffee shops—and when I get a quiet moment, I'm probably curled up with a book. I even started my own local book club, which has become one of my favorite ways to connect with others in the community.

If you're looking for a Realtor® who listens, cares, and knows how to make a house feel like home—I'd love to work with you.

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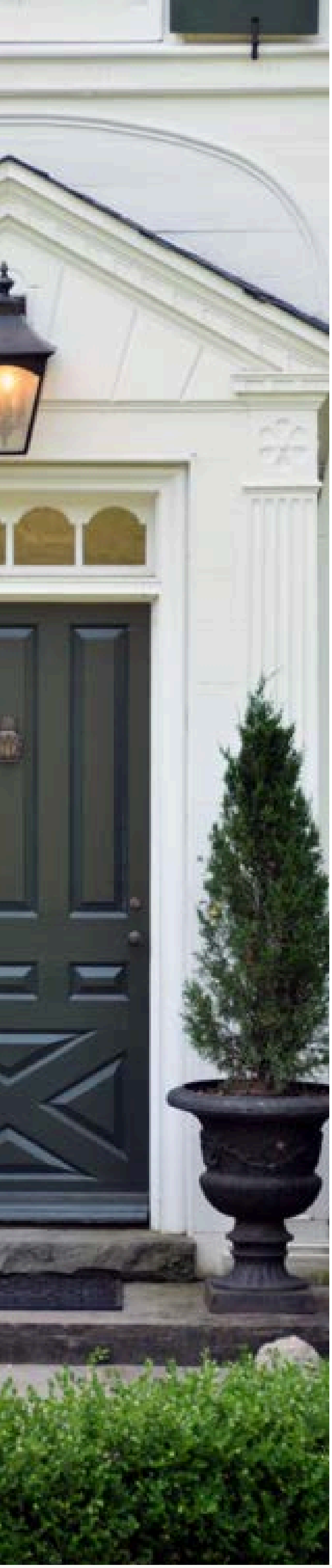


Why Work With Me?

With my background as a teacher, I bring patience and clarity to the process. Real estate can feel overwhelming, and I'm committed to guiding you through every step with clear explanations and honest communication.

My experience in interior design gives me a unique perspective on homes — I'm skilled at seeing both the current features and the potential of a space. Whether you're imagining your future home or preparing to sell, I can offer practical insights that make a real difference.
In addition, my work in marketing and content creation means I have proven strategies to effectively showcase your home. I know how to highlight what makes your property stand out and reach the right audience to get the best results — all tailored to today's market.

Ultimately, my goal is to help you find a home that fits your lifestyle or sell your property with confidence and ease. If you want an agent who combines professionalism with a genuine, personalized approach, I'd love to connect and support your real estate journey.

What I Offer My Clients

01.

ADVICE, ACCESSIBILITY, AND AVAILABILITY

- Call, text, or email—whatever works for you.
- Honest, expert guidance every step of the way.
- Evenings, weekends, last-minute showings—I'm there.

02.

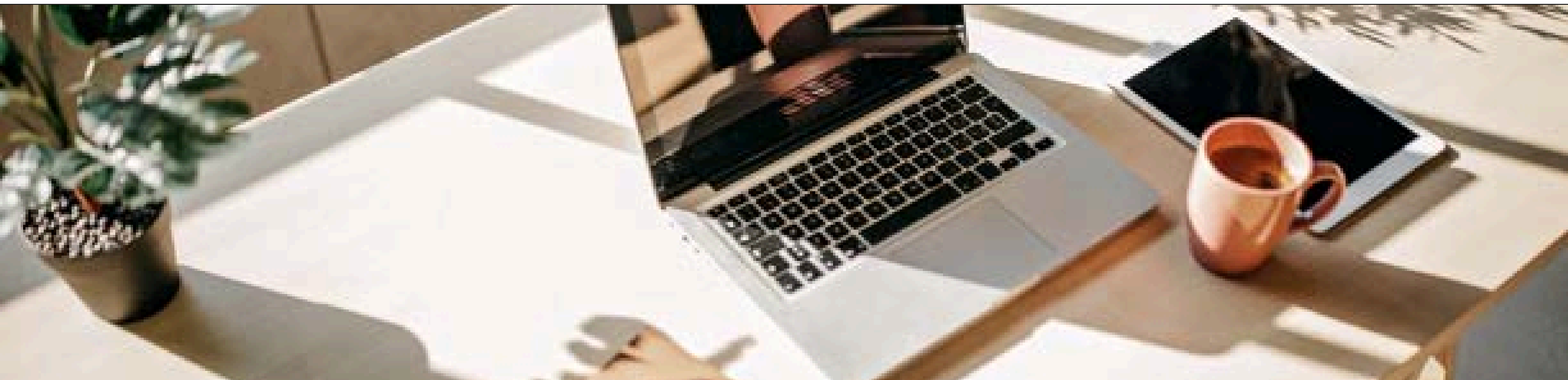
STRATEGY

- Marketing: Customized plans to make your offer stand out.
- Negotiation: I fight for the best deal, every time.
- Timing: Smart moves, made at the right moment.

03.

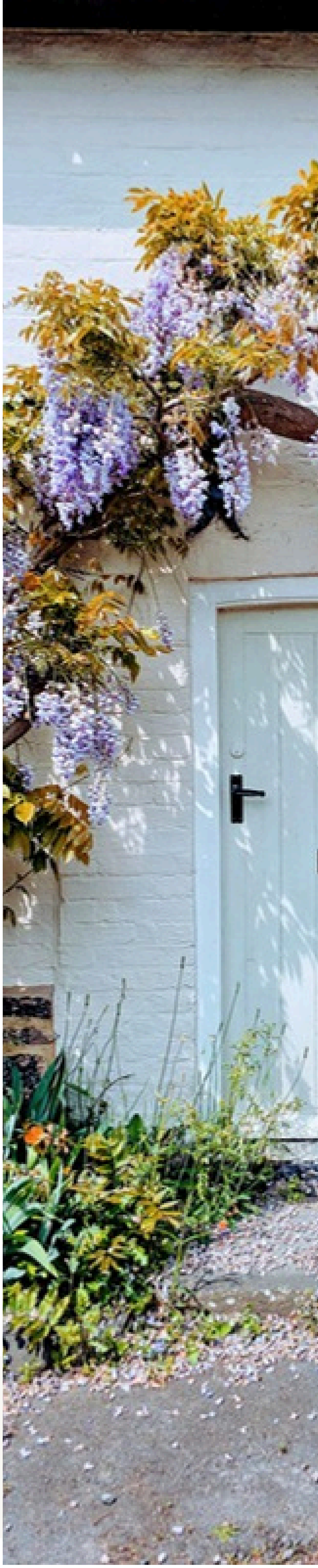
MANAGING THE TRANSACTION

- Paperwork: I handle the details so nothing gets missed.
- Deadlines: I keep everything on track and on time.
- Coordination: I work with lenders, inspectors, and attorneys so you don't have to.



About Commissions

UNDERSTANDING HOW BUYER AGENT COMPENSATION WORKS CAN MAKE THE PROCESS FEEL MORE TRANSPARENT AND STRESS-FREE.



WHO PAYS THE AGENT?

Typically, buyer agent compensation comes from the seller's proceeds, but this is no longer automatic. Buyers and their agents now agree upfront how compensation will be handled.

NO DIRECT PAYMENT FROM YOU?

In many cases, as the buyer, you won't pay your agent directly because the seller covers it through the home sale. But in some situations, you may need to pay your agent directly—this will always be agreed upon in writing.

REPRESENTATION YOU DESERVE

Even though the seller often pays, your agent works exclusively for you and is committed to your best interests.

WHY IT MATTERS

Knowing how compensation works ensures you're informed and protected every step of the way. I'm here to help you navigate it.

I'm here to guide you through how agent compensation works, so you feel informed and confident throughout your home-buying journey.

Buyer Agreement

WHAT IS A BUYER REPRESENTATION AGREEMENT CONTRACT?

Services I Provide:

- Property Search: I'll help you find homes that match your needs, wants, and budget.
- Market Analysis: You'll receive clear, detailed market insights to guide confident decisions.
- Property Showings: I'll schedule and walk through showings with you, answering questions along the way.
- Negotiation: From offer to inspection, I'll advocate for the best terms, pricing, and repairs.
- Transaction Coordination: I'll manage every step from contract to closing—on time and stress-free.

Buyer's Responsibilities:

- Exclusivity: We'll work together exclusively, creating a focused and committed partnership throughout your home search.
- Communication: I'll stay in the loop with your needs, and you'll share any updates—so we're always on the same page.
- Documentation: We'll both keep things moving by handling paperwork quickly and efficiently when it comes up.

The Home Buying Timeline

I promise to guide you through every step of the home buying journey with unwavering dedication, ensuring that your experience is not just a transaction, but a seamless transition to the home where your dreams will thrive.

Step One

Buyer Consult

This is where we talk through your options, answer questions, and map out your must-haves and deal breakers for the home search.

Time Frame: about an hour

Step Two

Pre-Approval

A pre-approval is a letter from a lender showing they've reviewed your info and approved you for a certain loan amount.

Time Frame: 1-2 days depending on you providing documents.

Step Three

Home Search

Once you've got your pre-approval letter, we can jump into the fun part—house hunting! We'll lock in your criteria and start scheduling showings that match what you're looking for.

Time Frame: varies

Step Four

Showings

Once we find a home that fits your criteria, we'll schedule a showing ASAP so you don't miss out!

Time Frame: 1 showing typically lasts 20 minutes but we have up to an hour.

Step Five

Submit Offer

If we're at a showing and it feels like the one, we'll jump on it and get your offer in ASAP!

Time Frame: We'll prep everything and have you sign electronically so we can get it submitted ASAP!

Step Six

Negotiations

We usually give the seller 24 hours to respond. They might send a counter offer, and from there, we can go back and forth until everyone's happy with the terms.

Time Frame: varies

The Home Buying Timeline

I promise to guide you through every step of the home buying journey with unwavering dedication, ensuring that your experience is not just a transaction, but a seamless transition to the home where your dreams will thrive.

Step Seven

Accepted Offer

Once both sides agree and we have a signed offer, we'll move forward with the loan application, inspections, and appraisal. The deadlines for each step will be laid out in the offer.

Time Frame: varies

Step Eight

Financing

Now that your offer's accepted, it's time to officially apply for the loan. Underwriting starts, and you might need to send in more documents until the lender gives the final approval.

Time Frame: 20-30 days

Step Nine

Inspections

In the meantime, you will order any inspections you want, review the reports together, and decide if there's anything you want the seller to fix before closing.

Time Frame: order inspections asap, we have 20 days.

Step Ten

Appraisal

Your lender will order the home appraisal. This should happen ASAP after your offer is accepted.

Time Frame: this can take up to 10 days or so to receive the appraisal report

Step Eleven

Final Items

As closing gets closer, we'll remind you to set up utilities at your new place. You'll also wire your closing funds to the title company, and we'll do one last walk-through before signing the papers!

Time Frame: usually the day before or the day of closing.

Step Twelve

Closing

We'll schedule a time to meet at the title company to sign all the closing paperwork with the sellers. Once everything's done, you'll get the keys—unless you arranged a different move-in date. Congrats, you're officially a homeowner!

Time Frame: about an hour

01.

How Much Home *can* I Afford?

Determining Your Budget

GENERAL RULE OF THUMB:

Your total monthly home payment (including mortgage, property taxes, homeowner's insurance, etc.) should not exceed **28% of your gross monthly income.**

For example: *if your annual salary is $60,000 before taxes, your monthly gross income is $5,000. Using the 28% guideline, you should spend no more than $1,400 per month on your home payment*

$60,000/12 = $5,000/month

$5,000*0.28 = **$1,400/month**

However, budget is just one factor. Lenders also review your debt-to-income ratio, the percentage of your monthly income that goes toward debts like credit cards and loans. Ideally, **this should be 36% or less**, including your future mortgage payment.

GETTING PRE-APPROVED:

Before you start house hunting, secure a mortgage pre-approval—this is stronger than a pre-qualification and shows sellers you're serious and financially capable. Pre-approval is based on your income, debts, down payment, and credit profile, requiring documents like pay stubs, W2s, and bank statements. For instance, a pre-approval might indicate you can borrow up to $300,000 with monthly payments of $2,000, setting a clear budget limit.

Remember, pre-approval isn't final approval; it's conditional and requires a property appraisal and financial re-verification once you're under contract. Being pre-approved not only boosts your buying confidence but also strengthens your offers in competitive markets, positioning you on par with cash buyers. The home-buying process is exciting but requires careful financial preparation. By realistically calculating your budget, you'll be in a strong position to land your dream first home within your means.

Buyer Expenses

WHAT IS A BUYER TYPICALLY PAYING?

Upfront Expenses:

- **Earnest Money:** This is usually around 1% of the purchase price and you'll need to submit it within about 3 days of your offer being accepted. It shows the seller you're serious about buying.
- **Inspections:** A general home inspection typically costs between $400-$700, though it can vary based on the home's size and location. Additional inspections—like sewer scope, termite, radon, well, septic, or pool—will cost extra. I'd recommend budgeting between $500 and $1,000 total to cover everything.
- **Appraisal:** Usually runs between $400-$700. The lender may ask you to pay for it upfront before ordering the appraisal, which should happen as soon as you have an accepted offer. The appraisal confirms the home's value for the lender.

At Closing Expenses:

- **Down Payment:** The minimum depends on your loan type, but it can be 0%-20% of the purchase price. You can put down more if you want and are able to—this can help you avoid paying private mortgage insurance (PMI).
- **Lender & Title Company Fees:** These fees are part of your "closing costs" and can vary based on which lender and title company you use. Your lender will give you an estimate of what to expect for closing costs.
- **Prepaid Insurance:** At closing, you'll usually need to pay a few months' worth of your homeowner's insurance upfront. Once your offer is accepted, reach out to your insurance agent for a quote and to confirm coverage.

Buyer Expenses

WHAT IS A BUYER TYPICALLY PAYING?

Ongoing Expenses:

- **Property Taxes:** Paid annually or through your mortgage. In Illinois, we pay taxes in arrears—meaning you're paying last year's taxes this year.
- **Homeowners Insurance:** Protects your home and belongings; required by most lenders.
- **HOA Fees:** If applicable, covers community maintenance and amenities.
- **Utilities:** Ongoing costs for water, electricity, gas, trash, internet, etc.
- **Maintenance & Repairs:** Covers routine upkeep and unexpected issues—important to budget for long-term home care.

Budget 1-4% of the home's value annually for these recurring costs.

02.

What Kind of Mortgage Is *right* for Me?

Types of Mortgages

MOST COMMON MORTGAGES & INTEREST RATES

01.

CONVENTIONAL LOANS

- 620+ credit score, 3-20% down payment.
- Up to $806,500 loan maximum
- Fixed or adjustable-rate; PMI if <20% down.

02.

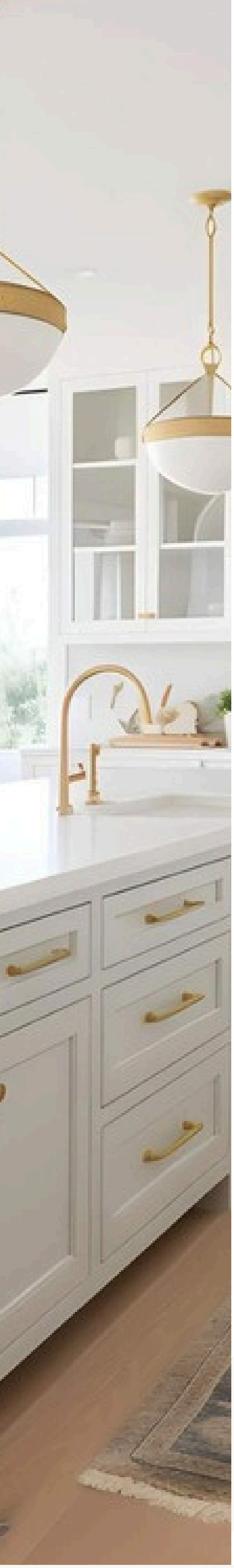
FHA LOANS

- 3.5% down payment, 580+ credit score.
- Lower income/credit eligibility than conv. loans.
- Fixed or adjustable-rate; PMI if <20% down.

03.

VA LOANS

- Zero down payment for military members/veterans
- No PMI; flexible credit requirements
- Funding fees apply, can be rolled into the mortgage



What *NOT* To Do When Buying a Home

Avoid doing **any** of these as they may affect your ability to get your mortgage loan approved.

- [ ] Change jobs
- [ ] Spend excess money
- [ ] Co-sign another loan
- [ ] Open new lines of credit
- [ ] Buy a vehicle
- [ ] Make large deposits/Pay off major debts
- [ ] Change bank accounts
- [ ] Omit debt from loan application

Avoid making any big financial changes while you're in the homebuying process. Even small shifts can pause or derail your closing because your lender might no longer approve your loan.

03.

How *much* Down Payment Do I Need?

Down Payment Strategies

LOW OR NO DOWN PAYMENT OPTIONS

- **FHA LOANS**
  As mentioned, you can qualify with just 3.5% down through this government-backed program.

- **VA LOANS**
  For military members, veterans, and eligible spouses, VA loans provide 100% financing with zero down payment required.

- **USDA LOANS**
  In specified rural areas, income-eligible buyers can get a USDA home loan with no money down

- **DOWN PAYMENT ASSISTANCE PROGRAMS**
  Many states, counties and non-profits offer down payment grants or second low-interest mortgages for first-time and low-income buyers

- **FIRST-TIME HOMEBUYER TAX CREDIT**
  The one-time $10,000 federal tax credit provides more funds for a down payment

Even with low/no down options, having some reserves for closing costs, prepaid expenses (taxes, insurance) and emergency funds is still advisable.

04.

How Do I Choose the *right* Home for Me?

Neighborhoods & Location

WHAT TO CONSIDER FOR YOUR LIFESTYLE

- **SCHOOL DISTRICTS**
  Check school boundaries, ratings, and reviews.
- **COMMUTE TIMES**
  Assess distance and traffic patterns to work or public transit.
- **NEIGHBORHOOD VIBE**
  Visit at different times to observe traffic, parking, and upkeep.
- **AMENITIES**
  Identify nearby essentials like grocery stores, parks, and hospitals.
- **HOMEOWNER ASSOCIATIONS**
  Learn about HOA fees and community rules.
- **CRIME RATES**
  Review local crime statistics and safety data online.
- **FUTURE PLANS**
  Research any upcoming local developments or zoning changes

Check out *www.homefacts.com* to learn more about the home you're considering—everything from crime rates to school info and more!

05.

How Can I Craft a *strong* Offer & Negotiate *effectively*?

Making an Offer and Negotiating

WHAT TO CONSIDER FOR YOUR LIFESTYLE

Regardless of whether it's a seller's or buyer's market, submitting a well-crafted offer from the start puts you in the best position to get your contract considered and negotiated.

Offer a reasonable amount based on the home's value and your budget; lowballing only leads to higher counteroffers

Analyze recent comparable sales to understand the home's likely worth, then make an offer at the price you're willing and able to pay.

MAKING A COMPETITIVE OFFER

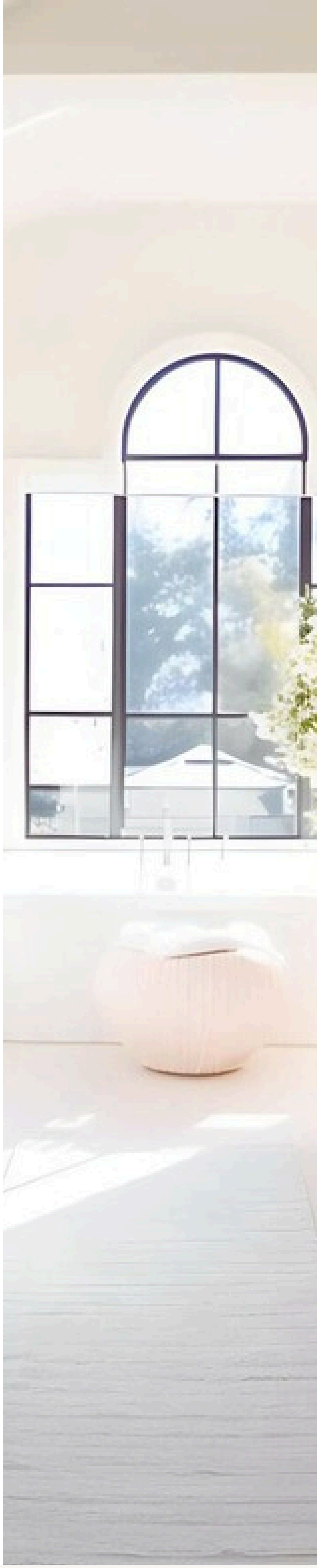
If the sellers don't accept or want to negotiate higher, you have to be willing to walk away if their ask exceeds your capability or comfort level. Don't Overextend.

But don't be afraid to make your best offer upfront - one that makes sense for your situation. If it's meant to be, the sellers will work with you.

If not, at least you'll know you put your best foot forward without overextending.

Making a Competitive Offer

TIPS TO MAKE YOUR OFFER MORE COMPETITIVE



COME IN STRONG

Analyze recent comparable sales and offer a competitive price from the beginning.

INCREASE EARNEST MONEY DEPOSIT

A standard deposit of 1-3% signals commitment; a higher deposit of 5-10% strengthens your offer.

FLEXIBLE / SHORTCLOSE

A fast close can attract sellers, but some may need extra time. We'll tailor your offer accordingly.

LIMIT CONTINGENCIES

Reduce contingencies to minimize deal risks and show commitment.

ESCALATION CLAUSE

This lets you outbid other offers by a set amount up to a max price. If the appraisal comes in lower than your offer, you may need to cover the difference.

BE WILLING TO GO OVER ASKING

In competitive markets, offering over asking price is often necessary. Appraisal gap coverage helps your offer stand out.

LENDER

Always submit a pre-approval letter and consider having your lender call the listing agent.

Navigating Negotiations

COMMON ITEMS TO FURTHER NEGOTIATE INCLUDE

CLOSING COSTS

Ask sellers to pay a portion of loan costs or splitting certain fees is standard.

REPAIRS

After inspections, request sellers to make necessary repairs or provide repair credits.

INCLUDED ITEMS

Negotiate for appliances, equipment, furnishings, etc. to convey.

OCCUPANCY TERMS

Set rent back or lease back terms if one party needs to remain for a period.

DEADLINES

Missing contract deadlines for inspections and financing can cause a breach of contract, so it's crucial to stay on schedule.

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06.

What can I expect from *Inspections*?

The Home Inspection

WHAT IT IS, WHY IT MATTERS, AND HOW TO PREPARE

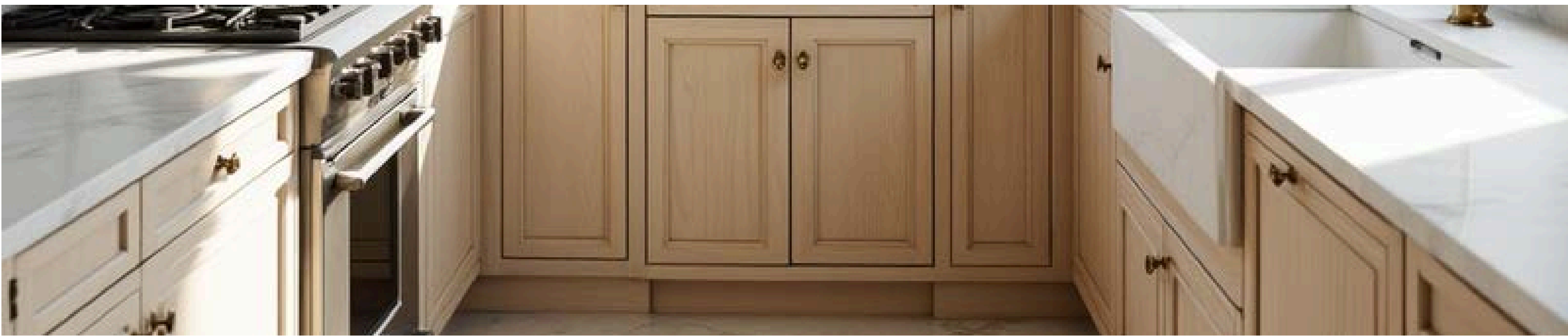
The home inspection is one of the most important parts of the buying process. It gives you peace of mind by providing a professional evaluation of the home's condition before you're fully committed. Your purchase agreement will lay out exactly how many days you have to complete inspections and respond with what's called an "inspection response." You can choose to **waive** or **reserve** the right to do independent inspections, but just keep in mind—*they're always at the buyer's expense.*

Inspection Response is *Required:*

If an inspection reveals a "defect," you'll need to provide the seller with the inspection report (or the relevant parts of it) and give them the chance to fix the issue. Your inspection response will list out the specific defects you're asking the seller to address.

If the seller isn't able or willing to fix them to your reasonable satisfaction, you have two options: walk away from the deal or choose to waive the defects and move forward toward closing. Your deposit may or may not be refundable.

A "defect" is something more serious than just cosmetic wear and tear. It's a condition that could hurt the value of the home, pose a risk to the health or safety of future occupants, or significantly shorten the normal lifespan of the property if it's not repaired, removed, or replaced.



Types of Inspections

DURING THE AGREED UPON INSPECTION RESPONSE PERIOD

- GENERAL INSPECTION
- RADON TESTING
- TERMITE INSPECTION
- SEWER LINE SCOPE
- HVAC/MECHANICAL INSPECTIONS
- ROOF INSPECTIONS
- LEAD BASED PAINT
- MOLD TESTS
- STRUCTURAL/FOUNDATION
- WELL WATER TESTS/INSPECTIONS
- SEPTIC SYSTEM INSPECTIONS
- POOL

I usually recommend getting a whole house, termite, sewer, and radon inspection—but I can give more specific advice based on the home you choose.

07.

What happens if the Appraisal comes in *low*?

What is an Appraisal?

WHAT IT IS, WHY IT MATTERS, AND HOW TO PREPARE

An appraisal is a professional, third-party assessment of a home's value. It's typically ordered by your lender to make sure the amount you're paying for the home—and the amount they're lending—is in line with the home's actual market value. The appraiser will visit the property, compare it to similar homes that have recently sold in the area, and consider things like the home's condition, location, size, and features.
If the home appraises at or above the purchase price, you're good to go! But if it comes in low, we may need to renegotiate the price, bring more money to the table, or explore other options depending on the situation. Either way, I'll guide you through it.

What happens if it comes in *low*?

01. RENEGOTIATE THE PRICE

We can ask the seller to lower the price to match the appraised value. This is often the simplest way to keep the deal moving.

02. MAKE UP THE DIFFERENCE

If you're still set on the home, you can pay the difference between the appraised value and the purchase price out of pocket (in addition to your down payment and closing costs).

03. WALK AWAY

If we have an appraisal contingency in place and the gap is too much, you can back out of the contract and keep your earnest money.

04. CHALLENGE THE APPRAISAL

- If we believe the appraisal missed key features or didn't consider the best comps, we can go through the appeal process. This involves submitting additional data or corrections in hopes of getting the value adjusted.

08.

What Should I Expect *during* the Closing Process?

THE HOME STRETCH:

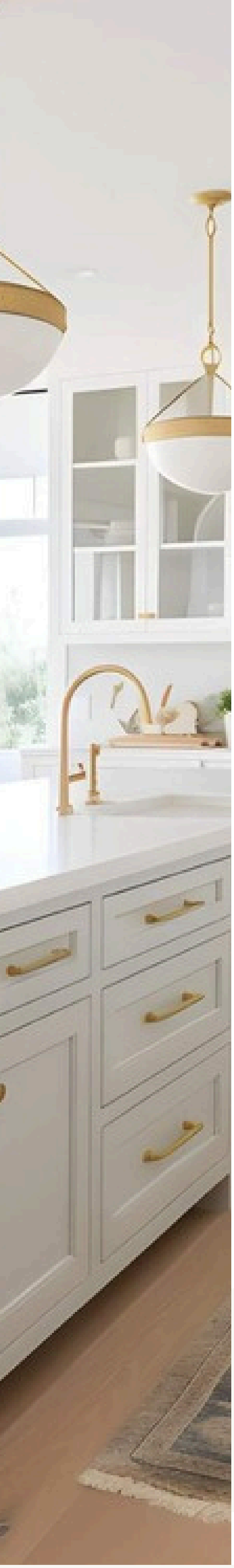
Once any negotiations are wrapped up, the final hurdles are likely the appraisal and final walk-through inspection:

Appraisal - The lender will require an independent appraiser to assess the property's market value. If it appraises lower than the sale price, renegotiations may be needed.

Final Walk-Through Inspection - You or your inspector should thoroughly re-examine the property for any new issues prior to closing. Confirm any agreed-upon repairs were completed.

Stay on top of your lender to ensure you are meeting all deadlines. Sort out homeowner's insurance, change over utilities, and make any required wire transfers for downpayment and closing costs.

Then pat yourself on the back - you made it through the negotiation marathon! The next stop is the closing table



The Final Walkthrough

ENSURING EVERYTHING IS IN ORDER

A few days before closing, you'll get to do one final walkthrough of the property. This is your last chance to ensure:

- [ ] No new damage has occurred since inspections
- [ ] All contracted repairs have been completed
- [ ] All appliances, fixtures and other inclusions are still present
- [ ] Systems and utilities are operational
- [ ] The home is vacated and cleaned out by sellers

This walkthrough also allows you to begin planning your move and taking measurements. Bring a camera to document any issues before closing. If there are any major concerns, you can potentially delay or terminate the deal.

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Closing Day Logistics

WHAT TO CONSIDER FOR YOUR LIFESTYLE

On closing day, you'll attend a meeting to finalize paperwork and actually transfer ownership of the property. The closing agent or attorney will review and have you sign the mortgage, deed, transfer documents, and disclosures.

Plan for the closing to take about 1-2 hours as you thoroughly review and sign all documents. The seller may be there too, or you may just be signing separately.

After signing and securing funds, you'll receive the deed and keys—congratulations on your new home!

You'll need to bring:

- Cashier's check or wire transfer for your downpayment and closing costs
- Photo ID

Confirm possession terms in your contract, arrange utilities and movers, update your addresses, and enjoy owning your new home!

YOUR HOME MATTERS

Thank you for choosing me to help you in the task of buying your home. I look forward to working with you to help you achieve all of your real estate goals.

Logan Maggio

GORI, REALTORS®

let's connect

618.866.2096

lmaggio@gorirealtors.com

212 Saint Louis St. Edwardsville, IL

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