

FIRST-TIME HOMEBUYER GUIDE

Making the decision to buy a home is an exciting step. When you're a first-time homebuyer, there's a lot to learn along the way. We hope this guide will help you feel more informed so you can buy with confidence.



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WHAT'S INSIDE THIS GUIDE?

Monthly budget worksheet | Financing basics | Home shopping tips | Moving checklist



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IS IT YOUR TIME TO BUY?

There are many factors that go into the decision to buy a home. Your lifestyle, current living situation, finances and plans for the future can all impact your choice and your buying timeline.



BUYING VS. RENTING

It's common for first-time homebuyers to weigh the pros and cons of buying against continuing to rent. If you've been renting, you've probably been somewhat free from maintenance responsibilities. However, you're also losing the chance to build equity, take advantage of potential tax benefits¹ and protect yourself from monthly rent increases. Buying a home is an investment in your future and can offer many long-term benefits. Plus, when you look into it, you may be surprised—owning your dream home may be less expensive than renting!

ARE YOU READY?

Questions to ask yourself...

- Do you have a reliable source of income that can be documented?
- Do you have a two-year employment history?
- Do you have a record for paying bills on time?
- Can you afford to make payments on outstanding debts, such as school or car loans?
- Do you have money saved or can you get a gift for your down payment and closing costs?
- Can these funds be verified in a bank account?
- Do you have the ability to pay a mortgage payment every month, plus additional expenses?

If you can answer “yes” to these questions, you may be ready to buy your dream home!

BENEFITS OF HOMEOWNERSHIP

Buying your own home is a central part of the American Dream. The benefits of homeownership are both practical and emotional. We've summarized some of the main advantages below, but not every benefit can be put into words. Nothing compares to the pride you feel when you're handed the keys to the place where you'll build memories with family and friends.

STABLE HOUSING COSTS

While renters' monthly payments go to a landlord, mortgage payments made by homeowners can build equity. For those who choose a fixed-rate mortgage, the principal and interest payments are fixed for the life of the loan, a clear advantage over rental market fluctuations.

YOU CAN MAKE IT YOURS

If you're like many first-time homebuyers, you've been inspired by home design shows on television, but up until this point you have been limited in your ability to make many changes to your current living space. Even if your landlord lets you paint and make other alterations, it's hard to justify spending the cash to update a house or apartment that isn't yours.

Homeownership will change all that. You will have more opportunities to decorate your home to reflect your personality with paint, window coverings, landscaping and more. Later on, you can also change the fixtures and finishes to further put your stamp on your new place. When you choose to buy a brand-new home, you can be the one to make the design choices from the beginning. You may even be able to roll the cost of your new home selections into your monthly payment.

FURNITURE SHOPPING SIMPLIFIED

Have you ever bought a sofa, only to find that a year later you can't fit it through the hallway of your new apartment? Buying lasting pieces of furniture is a big investment and one that's hard to make when you're a renter. As a homebuyer, you won't have to worry about spending money on something that may not work with the floor plan in your next place. Instead, if you plan to stay in your new home for a while, you can buy furniture knowing that the pieces you select will work with your home's layout for years to come.

MOVE ON YOUR OWN TIMELINE

If you rent a house or a condo, you always run the risk that your landlord will want to sell the property and you may be forced to move at the end of your lease. As a homeowner, the power is in your hands. You don't have to move until you're ready to sell.

GETTING STARTED

So you've made the decision to buy a new home, but now what? Where do you start? Here are some preliminary steps you can take before you even apply for a mortgage.

ESTABLISH A BUDGET

When you're ready to buy a home for the first time, it's important to look at your finances and find out what you can afford. While mortgage programs and lenders vary, a general guideline is to spend no more than 31% of your gross income on housing costs. However, even that amount might be too high depending on your other expenses. If you don't already have a budget, write down all of your regular expenses and determine what kind of payment you can feel comfortable making every month. Once you start house hunting, it will be easy to fall in love with a home that's out of your reach. Having a number in the back of your mind will help you stay on track.

| Where is your money going each month? | | |
|---------------------------------------|--|-----------|
| Income | Take home (after taxes, etc.) | \$ |
| | Tips | |
| | Other forms of income | |
| TOTAL INCOME | | \$ |
| Fixed expenses | Housing costs | \$ |
| | Car payments | |
| | Car insurance | |
| | Utilities (water, electric, gas, etc.) | |
| | Loan payments | |
| | Credit card payments | |
| | Savings account allocation | |
| | Phone/mobile service | |
| | Cable/satellite service | |
| | Other bills | |
| TOTAL FIXED EXPENSES | | \$ |
| Variable expenses | Groceries | \$ |
| | Dining out | |
| | Clothing | |
| | Entertainment | |
| | Gifts | |
| | Miscellaneous | |
| TOTAL VARIABLE EXPENSES | | \$ |
| TOTAL EXPENSES | | \$ |

When you have a detailed picture of both your income and your expenses, you can evaluate your spending, make adjustments and get an accurate look at how much you can afford to spend on a monthly mortgage payment.

CHECK YOUR CREDIT REPORTS

Lenders use your credit score to help determine your credit worthiness, and therefore the interest rate they'll be willing to offer. Even if you think you have great credit, errors on your reports may be lowering your score. Make sure you get a separate report from all three major credit reporting companies because they collect information separately and may report different errors. By law, you're entitled to a free report from each of these companies annually. To request your credit reports, go to www.annualcreditreport.com.

3 CREDIT SCORE TIPS

You know you need to pay your bills on time and avoid bankruptcy to keep your credit score up, but what else can affect your number? Here are three things you may not have considered:

1. Keep old accounts open

Closing old credit card accounts can affect your credit score negatively in two ways. First, it can shorten your average account age, making you look less reliable to lenders. Second, closing accounts reduces the total credit available to you, which makes any balances you do have appear larger in proportion.

2. Hold off on major purchases

Have money saved up for a new TV? You may want to hold off. While increasing debt affects your credit score, keeping money in your savings account is also important. Mortgage lenders may see you as less of a risk if you have a cash reserve to get you through tough times.

3. Don't apply for new credit cards or loans

Although using credit cards responsibly may improve your credit, opening new accounts shortly before or during your mortgage application process can lower your average account age and result in a lower overall credit score. Increasing your debt during this timeframe with new loans for things like cars and furniture can also negatively affect your credit.

DID YOU KNOW?

Richmond American's New Home Specialists are a great resource for first-time homebuyers. They know the communities, the floor plans—even the school systems. They can help you focus your search before you start driving around town. Best of all, a local New Home Specialist is just a phone call away. **Get started today: 888.500.7060.**

SAVE, SAVE, SAVE

In order to buy a house, you will typically need to secure a minimum down payment of 3.5% to 5% of the purchase price, plus the amount of any closing costs. For an estimate, plan on spending between 3% and 5% of the purchase price on closing costs. When you get pre-qualified, your lender will provide you with a Loan Estimate that will give you a more precise breakdown of these fees.

3 WAYS TO BE A HOMEOWNER SOONER

1. Have a portion of your income automatically transferred into your savings account each month and you'll save quickly without even thinking about it.
2. Although lenders do not let you borrow money to come up with a down payment, they will generally let you use gift money from a relative.
3. Check with your homebuilder to see if there are any special offers or financing options that could help you save on upfront costs.

START WINDOW SHOPPING

You owe it to yourself to be an informed buyer. The Internet is a good place to start. You can view homes currently for sale, as well as home values in your area. You can also look up tax information and explore market trends by neighborhood or ZIP code.

One mistake first-time homebuyers often make is to assume they can't afford a brand new, never-been-lived-in home. Take a look at our website, RichmondAmerican.com, and you may be surprised how competitive prices are. New homes also tend to be more energy efficient, which may provide savings on utility bills. Plus, Richmond American's new homes come with warranties⁴ and offer you the opportunity to choose your own fixtures and finishes.

WHY BUY NEW?

Reason 1 – A new home means a new community built with convenience and quality of life in mind: enjoy closer proximity to commuter routes, newer schools and the latest in shopping and dining.

Reason 2 – With a resale home, structural and decorating choices have already been made. With a new home, you can make these personal decisions. At Richmond American, you can explore your options for everything from flooring to cabinetry at the Home Gallery™. Go to RichmondAmerican.com/design-a-home to learn more about the design process.

Reason 3 – New homes generally come with a limited warranty,⁴ providing you with peace of mind.

FINANCING BASICS

Securing financing is one of the first steps on your way to owning your dream home. From FHA to PMI, there's a lot of lingo for a first-time homebuyer to learn. This section of our guide is dedicated to helping you sort through the basics of home financing so you know what to expect during the buying process.

WHAT IS A MORTGAGE?

So what is a mortgage? It's a basic question, but even seasoned homebuyers don't always know the answer. Technically, a mortgage is a pledge of your property as security for payment of your home loan. Typically paid in monthly increments, your monthly loan payment will be made up of four parts, commonly referred to as PITI:

P = Principal

The amount left on your loan apart from the interest

I = Interest

The interest paid in monthly increments for the life of your loan

T = Taxes

Your monthly property tax payment (approximately $1/12$ of the total property tax for the year)

I = Insurance

Referred to as hazard insurance or homeowner's insurance, this coverage protects your home and certain possessions, and can help protect you from liability claims or lawsuits for accidents on your property

ADDITIONAL EXPENSES

The components of PITI will typically make up your main home expenses each month. When estimating your monthly budget, you will also need to factor in these possible monthly costs:

Private Mortgage Insurance

Private Mortgage Insurance (PMI) is a form of insurance typically required for homebuyers who take out a conventional mortgage loan for more than 80% of the total value of the home. This added insurance protects the lender against loss if the borrower defaults on the loan. As a first-time homebuyer, PMI may allow you to buy a home with a down payment as low as 3.5%. If you have a down payment of 20% or more, you may not be required to carry PMI.

Monthly Mortgage Insurance

Homeowners with a Federal Housing Administration (FHA) insured loan, which only calls for a 3.5% minimum down payment, are required to pay monthly mortgage insurance, even if they make a larger down payment.

Homeowner Association (HOA) fees

A homeowners association is an organization that enforces covenants and rules for the community and maintains shared property such as open spaces, parks and community pools. If you buy a home in a community with a homeowners association, you will become a member of that HOA, and will become responsible for any HOA fees. Be sure to investigate the cost of membership ahead of time to make sure the added expense fits within your budget.

Additional taxes

Check to see if the home you want to buy is located in a special district, sometimes called a Community Facilities District (CFD) or Community Development District (CDD). Property owners in these districts pay additional taxes to fund public improvements such as schools, parks and roads.

Maintenance costs

Remember that one of the main differences between renting and buying is that you become responsible for any maintenance costs on your home. If you set aside an amount each month in a home maintenance account, you will have funds on hand when a need does arise.

GETTING PRE-QUALIFIED

Pre-qualifying can be an easy way to determine how much you may be able to borrow. Whether you submit information online or by phone, you will need to have the following items handy:

- Most current 30-day pay stub
- All asset information (recent two-month checking/savings account info, retirement funds, stocks, bonds, etc.)
- Creditor information (credit card statements, auto loan statements, etc.)
- Dates of employment; address and phone number of current and previous employers
- Two years' W-2s
- Rental information for the last two years (if applicable)

Once this information is received, a loan officer can give you a ballpark figure on the amount you may be qualified to borrow for a home loan. You may end up qualifying for more than you want to spend. Make sure your budget is ultimately determined by the monthly payments you are comfortable with and can afford.

FIND YOUR LOAN OFFICER

When you're ready to start the process, HomeAmerican Mortgage Corporation³ can assign you a personal loan officer to walk you through the financing process. Call **866.400.7126**.

TYPES OF LOANS

With so many types of mortgage loans out there, it can take time to sift through the fine points and find the one that's right for you. Why so many choices? There's no one loan type that works for everyone. Each type of mortgage has its pros and cons and it's up to you to decide which one is best for your situation.

Fixed-rate Mortgages (FRM)

One of the most common types of mortgage loans in the US is a fixed-rate mortgage. As the name implies, on a fixed-rate mortgage, the interest rate for the regular monthly payment stays fixed for the life of the loan, and the regular monthly principal and interest payments usually do not change. Typical terms for these mortgages span 15 or 30 years.

ADVANTAGES:

- Your mortgage payment is not affected by interest rate increases
- Consistent monthly payments mean it's easier to budget your finances

DISADVANTAGES:

- At the time of financing, fixed-rate mortgages tend to have higher interest rates than adjustable-rate mortgages
- Your mortgage payment will not go down if interest rates decrease

Adjustable-rate Mortgages (ARM)

Another option is the adjustable-rate mortgage.

Instead of a fixed rate, ARM loans have interest rates that periodically adjust based on the type of ARM loan. Two common ARM loan types are:

Traditional ARM – A traditional ARM rate adjusts at set increments for the life of the loan. For example, a 1-year ARM rate is fixed for the first 12 months and adjusts every 12 months afterwards. A traditional ARM generally offers a lower interest rate than a hybrid ARM, though it adjusts more frequently.

Hybrid ARM – A hybrid ARM has an initial "fixed" rate period, such as 3, 5, 7 or even 10 years, during which the interest rate does not change. After this initial period is over, the interest rate will adjust periodically with market conditions. The adjustment period is often 6 months or 1 year. For example, a 5/1 hybrid ARM has a fixed rate for 5 years; after that the rate adjusts every year.

ADVANTAGES:

- The initial interest rate tends to be lower than that of a fixed-rate mortgage
- If you know you'll be in your home for less than the term of the mortgage, you may end up paying less than with a fixed-rate loan
- Because the initial interest rate and payment amount may be lower than a fixed-rate loan, it may be easier to qualify for this type of loan
- The interest rate you pay will generally drop if prevailing interest rates decrease

DISADVANTAGES:

- If interest rates increase, then your payment will also increase
- Future interest rate increases could make your monthly house payment more expensive

Q & A

When should I lock in an interest rate?

When a loan program and loan terms are agreed to by the borrower and lender, the loan is considered "locked." Until the program and terms are "locked," the loan is considered a "float." Keep an eye on interest rate movements. Have the rates been rising or falling? Consult with your loan officer on rate and lock options available for your loan. The decision to lock in your rate is ultimately a personal one.

AVAILABLE LOAN OPTIONS

Federal Housing Administration insured mortgages (FHA)

The Federal Housing Administration (FHA) is a part of the United States Department of Housing and Urban Development (HUD). FHA insured loans allow you to buy a home with a down payment as low as 3.5% of the purchase price. This smaller down payment makes it easier for first-time homebuyers to save money for their down payment. A monetary gift from a family member is allowed. FHA insured loans are typically fixed-rate mortgages.

Conventional mortgages

Conventional mortgages are mortgages that are not obtained under a government insured or guaranteed program, such as programs operated by the Federal Housing Administration (FHA) or the Department of Veterans Affairs (VA). Conventional loans typically require a minimum down payment of 5%.

Bond loans and rural housing loans

Bond loans and rural housing loans may be available in your area. Your loan officer will be able to tell you if you can qualify.

Department of Veterans Affairs guaranteed mortgages (VA)

If you are currently in the United States military, or if you have ever served in US armed forces, you may be eligible to get a loan guaranteed by the Department of Veterans Affairs (VA). If you qualify, this special government benefit might be a good option for you, as it may allow you to purchase a home with little or no down payment.

THE LOAN APPROVAL PROCESS

Step 1 – Speak with a loan officer

Your loan officer is someone you will be working with throughout the homebuying process. He or she will ask you about your budget and basic financial information, then explain the different loan options available so you can choose the best one for your situation. Call **866.400.7126** to find a loan officer with HomeAmerican Mortgage Corporation.

Step 2 – Get pre-qualified

You can usually submit your information online or by phone to get prequalified. Have your most recent pay stubs and bank statements on hand and visit **HomeAmericanMortgage.com/Prequalify**. Soon after you submit your information, you will receive a loan estimate of the anticipated closing costs.

Step 3 – Processing your loan

You will need to provide bank statements, pay stubs and other documentation to verify the information you provided on your initial application.

Step 4 – The commitment letter

If your loan is conditionally approved, you will receive a commitment letter, which sets out many of the key terms of the loan, the length of time for which those terms are offered, and any other items necessary to finalize the loan.

Step 5 – Final approval

Once all items necessary to finalize the loan are received—your loan officer will let you know that you are ready for closing.

Step 6 – Closing

Prior to your closing date, you will receive a closing disclosure which summarizes the costs and fees associated with the transaction and the amount of money you need to bring to the closing table.

IN THE MILITARY?

At Richmond American, we've been connecting service members to their dream homes for nearly four decades. Let us share with you what we've learned over the years. Get your FREE Military Homebuyer Guide today at **RichmondAmerican.com/Military**.

BORROWER'S CHECKLIST

The following checklist will give you an idea of what you may need to provide with your loan application. Your loan officer can let you know which items are required for your individual situation.

Income:

- W-2s or 1099s for the previous two years for each borrower
- Paycheck stubs covering the most recent 30 days for each borrower
- Investment/retirement statements covering the most recent two months for all accounts
- Federal tax returns or 1040s for the most recent two years
- Disability, Social Security, or retirement pensions: copy of the awards letter or other documentation of income received from these sources, including evidence of continuance

Self-employed income:

- Schedule C of your tax returns for the previous two years if you are involved with a sole proprietorship
- K-1 Schedule of your tax returns for the previous two years if you have an interest in a limited partnership
- Partnership tax returns (IRS Form 1065) of your tax returns for the previous two years if you have a 25% or greater interest in a partnership
- Corporate tax returns (IRS Form 1130 or 1120) for the previous two years if you have a 25% or greater interest in a corporation, including S corporations
- Signed year-to-date profit and loss statements for your business

Account information:

- Bank account statements for the previous two months on all accounts listed on the application
- Gift letter if gift funds will be used for the down payment or closing costs
- Retirement account statements for the previous two months
- Bank account statements evidencing clearance of earnest money deposits

Miscellaneous:

- Divorce decree: copy of complete, final decree and any other applicable documents
- Child support or alimony: documentation showing 12 months of income received and evidence of 3 years' continuance
- Bankruptcy/discharge of debtors: copies of documents, including all schedules
- Relocation papers showing start date, pay and company buyout, if any
- Letters of explanation for recent credit inquiries or any negative credit entry
- Rental information from the last two years, including property address, dates of residence, landlord's name, address and phone number

SMOOTH SAILING

The best way to help the loan process go smoothly is to come to your loan appointment fully prepared with all the items you need. A loan processor will process your application. Responding quickly to your loan processor's requests for additional documentation will also help keep everything on schedule.

FINDING YOUR DREAM HOME

After you've figured out how much home you can afford, the fun part can begin! Start a dialog with anyone you plan to live with in your new home. Do you need a guest room for when friends and family come in from out of town? Do you want a kitchen that overlooks the family room? Now's the time to pin down your wants and needs.

MAKE A WISH LIST

You may think you know exactly what you're looking for, but it helps to type a list or get it down on paper, especially if you won't be the only decision maker in the home selection process. Everyone needs to be on the same page and the following checklist is a good starting point. You can carry it with you as you tour model homes. It's an easy way to make sure you get what you're looking for.

House Hunting Wish List

- Ideal number of bedrooms 2+ 3+ 4+ 5+ ___ Notes: _____
- Ideal number of bathrooms 1½ 2+ 3+ ___ Notes: _____
- Garage capacity 1-car+ 2-car+ 3-car+ Notes: _____
- Type of house Ranch home (detached) Two-story (detached) Townhome

What do you want in a floor plan?

Examples:

- Kitchen open to family room
- Laundry close to bedrooms
- Spacious garage
- Deck or patio
- Study/den

What special features are you seeking?

Examples:

- Hardwood floors
- Air conditioning
- Pantry
- Low-maintenance landscaping
- Technology package
- Energy-efficient construction

Neighborhood details:

- Ideal commute time
- Cities/communities you're considering

Under _____ mins./hrs.
1 _____ 2 _____ 3 _____

Location needs to be close to:

- Shopping Work Freeway access _____

Other things you're looking for:

Examples:

- Quality schools
- Community pool
- Parks/playground nearby

CHOOSING A HOMEBUILDER

Buying a new home offers distinct advantages that you'll want to keep in mind when you start house hunting. These can include lower maintenance costs, greater energy efficiency, a homeowner's warranty and proximity to shopping and newer schools.

If you decide to buy a new home, choosing a homebuilder will be an important decision. No matter what the economic conditions are, you will want to make sure the company is financially stable and will be able to finish construction and service any warranty requests after you settle in. When you buy a new home, you'll probably also want to select the fixtures and finishes yourself. Make sure the builder gives you the options you're looking for. Here are some questions to ask:

| QUESTIONS | RICHMOND AMERICAN | BUILDER 2 | BUILDER 3 |
|---|-------------------|-----------|-----------|
| How long has the builder been in business? | Over 40 years | | |
| Does the builder have a strong financial position? | Yes | | |
| Do they have competitive financing available through an affiliated mortgage company? | Yes ³ | | |
| Do they have an affiliate insurance agency that can help you compare quotes from multiple insurance carriers? | Yes ³ | | |
| Do they offer complimentary design consulting? | Yes | | |
| Are the neighborhoods developed to give each home a distinct look? | Yes | | |
| Do they build energy-efficient homes? | Yes | | |
| Do they offer hundreds of ways to personalize your home? | Yes | | |

HOME SHOPPING TIPS

TIP 1 – THINK ABOUT LIVABILITY

Every homeowner can tell you all the questions they forgot to ask themselves when they bought their first home. Is there enough cabinet space? Is the laundry room conveniently located near the bedrooms? These are the “livability” topics that occupy Richmond American architects and designers every day as they create new floor plans. Here’s a list of things to look for when touring any home:

Kitchen

- Is the path from the garage to the refrigerator convenient for bringing in groceries?
- Is there ample cabinet/pantry space?
- Can you get between the refrigerator and the kitchen island with ease?
- Is the pantry location convenient?
- Are the sink and dishwasher in close proximity to each other?
- Is there enough space to pull the chairs out from the table without blocking a door?
- Are there multiple eating spaces, such as a nook and a kitchen island?
- Is the kitchen nook sized to accommodate a table large enough for your needs?

Master bedroom

- Is there enough room to comfortably fit your bed, two nightstands and a dresser?
- Do the electrical outlets line up where your nightstands will sit?

Family room/great room

- Can you place your television where you can see it from the sofa?
- Will you have enough room to walk around your sofa?
- Is the space versatile enough to allow your entire family to enjoy the room at the same time?
- Are the outlets ideally situated for your cable/home theater components?

Bathrooms

- Is the bathtub faucet conveniently located?
- Is the towel rack in a logical spot?

Whole house

- Are the light switches located in the most convenient places?
- Will you have to buy custom furniture to fit into small spaces?
- Is there a lot of wasted space at the end of hallways or other areas of the house?
- Is there ample closet/storage space?
- Is there enough room in the garage for more than just cars?
- Does the window placement maximize lighting and energy efficiency?

TIP 2 – CONSIDER YOUR DESIGN CHOICES

If you buy a resale home, you will already know what your cabinetry and flooring look like. But if you're having a home built from the ground up, you will likely be able to make the design decisions yourself. What first-time homebuyers often don't realize is that not every homebuilder lets you choose your fixtures and finishes in the same way. If selecting your home finishes is important for you, you need to ask about this process up front.

Questions to ask about design selection:

- Will you have a wide variety of cabinet and flooring choices?
- Can you review your design options before you buy?
- Is there any design assistance available or will you be left to make decisions on your own?
- How long will you have to make your design decisions?
- Can you include the cost of your selections in your monthly payment?

TIP 3 – RESEARCH THE SCHOOL DISTRICT (YES, EVEN IF YOU'RE NOT A PARENT)

If you have school-age children, you'll already have schools on your mind when you're looking at prospective neighborhoods. It's always good to do your homework to make sure your child will receive the best education you can afford to provide. But what if you don't have kids or don't plan to in the future? It still pays to look at this information. When you decide to trade in your home for a new one down the road, selling your house will be much easier if you're in a great school district.

There are many websites dedicated to providing information about schools and their programs. You can go to **GreatSchools.org** to research test scores, read parent reviews and compare area schools.

QUICK HOME DESIGN TIPS:

1. Invest in timeless, quality furniture in neutral colors. Freshen things up and keep up with the trends by switching out the color of the walls, pillows and accessories for a whole new look at a more attractive price.
2. A group of family photos can create a dramatic and meaningful focal point in any room. Unify your display by choosing a consistent frame or mat color, or by hanging a collection of black & white or sepia toned photos in various shapes and sizes.
3. Cut the clutter! Too much stuff can make a room feel stressful and chaotic. Luckily, some careful editing can turn things around. Think about each item in the room and keep only what you truly love. If you're a collector, consider displaying a selection of pieces at a time.
4. Lacking ideas? Think back to your travels. Your favorite vacation spot might be the perfect place to find inspiration. If you love the beach, you might like a color palette of blues and rich earth tones. The things that give meaning to your life are the same things that can make your home design meaningful.
5. Take advantage of the inspiration right under your nose! Model homes are designed and decorated by professionals. Touring these homes is a great way to find inspiration. Go to **RichmondAmerican.com** to find a community near you.

EVALUATING CURRENT MARKET TRENDS

Economic conditions affect supply and demand in the housing market, which in turn impact prices. How does this affect you as a homebuyer? The way the market is trending may contribute to how much you pay for your home, as well as your monthly payment. The good news is there are benefits to every type of market.

SELLER'S MARKET

Economic booms and job growth generally lead to a more active housing market, often resulting in higher prices and a rise in interest rates. This is called a seller's market because homeowners looking to sell their homes have the advantage. There are usually more buyers willing to pay higher prices. Under these conditions, it's not uncommon to see bidding wars and financing options with high monthly payments.

BUYER'S MARKET

A downturn in the economy tends to trigger a buyer's market. In this type of market, there is usually a large supply of homes and less demand, meaning buyers can get more for their money. Market downturns generally bring interest rates down as well, making monthly mortgage payments more affordable.

A LESSON FROM HISTORY

The real estate business is cyclical, similar to other industries, meaning it has its ups and downs. Fortunately, there are usually advantages associated with the different stages in the cycle, even in down times. Make sure you know the state of the market so you can leverage any advantages available to you. Is it currently a seller's market? It may be the perfect time to sell your current home and find a new home that better meets your needs. Is it a buyer's market? You may be able to get more for your money and enjoy lower interest rates. If history is any judge, it's only a matter of time before the current cycle shifts, so act now if you want to take advantage of current conditions.

YOUR MOVING CHECKLIST

2 months before

- Get estimates from moving companies and/or storage units.
- Sketch or print your floor plan and start thinking about furniture placement.
- Make a list of people you want to give your new address to when you move.
- Go through each room of your home and designate items for donation or yard sale.
- Take an inventory of your valuable belongings for insurance purposes.

6 weeks before

- If you're packing yourself, collect boxes and other necessary supplies.
- Start packing the items you don't access often.
- Set an official moving date.
- Settle on a moving company and make your reservations once you've checked with your loan officer on scheduling.
- Make any necessary travel arrangements (don't forget your pets).
- If you have children, have their records transferred to their new school or daycare.
- Obtain your medical records to give to future medical providers.
- Organize and host a yard sale.
- Contact your insurance consultant to research insurance carriers and tailor a policy for your new home.

1 month before

- Check with your loan officer to make sure you've submitted everything needed for your loan application.
- File with the post office to have your mail forwarded to your new address.
- Call utility companies to cancel services at your current home and activate your services at your new place on the appropriate dates.
- Return all library books.
- Pick up all items out for dry cleaning.
- Pick up any prescriptions and have your prescriptions transferred to a pharmacy near your new home.
- Properly dispose of cleaning solutions, flammable liquids and other items that can't be moved.

1 week before

- Call to confirm any travel arrangements.
- Change your address with your creditors, magazine subscriptions, financial institutions and other companies and organizations as necessary.
- Send friends and family your new address.
- Finish packing and pack yourself a suitcase with a few days' worth of clothing, toiletries and any valuable belongings you prefer to keep with you.
- Empty, defrost and clean out your refrigerator.
- Drain your washing machine and hoses.
- Arrange for childcare/pet care for moving day.
- Confirm your reservation and prepare your payment and tip for the moving company.
- Print a map and directions to your new address for the movers.

Moving day

- Supervise any moving company workers as they pack/move your belongings.
- Leave a note to the new residents and include your new address in case the post office doesn't forward your mail right away.
- Scout out every room, cupboard and closet to make sure you don't leave anything behind.
- Turn off lights, lock windows and close and lock doors before you leave.

ABOUT OUR COMPANIES

RICHMOND AMERICAN HOMES

Richmond American Homes Companies have been building new homes for families since 1977. Our calling cards? Quality craftsmanship, timeless value and a personalized homebuying experience from start to finish. We understand your home is one of the most important purchases of your life and we want to get it right. Whether you're deciding on your neighborhood, your floor plan or your bathroom tile, it's the personal touches that make the difference. And that's what Richmond American is all about. With us, it's personal.™

Our New Home Specialists are standing by to help you kick off your home search. They have the information you need to compare communities and floor plans across your area. Want to know what your commute will really be like? Curious if there's shopping nearby? Your dedicated New Home Specialist has the answers a local would know. Call **888.500.7060** or visit **RichmondAmerican.com** to get started today.

HOMEAMERICAN MORTGAGE CORPORATION²

HomeAmerican Mortgage Corporation has been a proud affiliate of Richmond American Homes since 1983. We are dedicated to providing a tailored financing experience for every customer. As a full-service lender, HomeAmerican can help you sort through the lending lingo and uncover your personal buying power. We would be happy to look at your personal finances and present you with mortgage solutions designed to meet your needs.

Our experienced loan officers are available to answer any questions you may have regarding financing your new home, or refinancing your existing home. Call us today at **866.400.7126** or visit **HomeAmericanMortgage.com**.³

AMERICAN HOME INSURANCE AGENCY, INC.²

American Home Insurance has been an affiliate of Richmond American Homes since 1998 with the vision of providing convenient service, competitive rates and comprehensive coverage to customers from coast to coast. Whether you need to insure your new home, your car or your snowmobile, we'll check with multiple insurance carriers, get several quotes and help you find the right policy. You can rest easy knowing we're there to help you. Put an American Home Insurance specialist to work for you. Call **888.325.8108** to discuss your insurance options. Visit us online at **AmericanHomeInsurance.com**.

AMERICAN HOME TITLE AND ESCROW COMPANY²

At American Home Title, we understand what your home means to you and we want to help you protect it. Our staff of dedicated professionals will take the time to guide you through the process to protect against adverse title claims and risks that may not surface until long after your settlement. Call us at **855.248.4853** or visit **AHTECO.com** for more information. Services are available in Colorado, Florida, Maryland, Nevada and Virginia.

NOTES:

1:
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2:
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3:
HomeAmerican Mortgage Corporation's principal offices are located at 4350 S. Monaco Street, Suite 200, Denver, CO 80237. HomeAmerican Mortgage Corporation (NMLS Unique Identifier #130676), 866.400.7126. Arizona Mortgage Banker license #0009265. Licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act. Colorado Mortgage Loan Originator License #LMB100019179. In Nevada, all advertised loans are offered and funded by HomeAmerican Mortgage Corporation, which can be contacted at 7770 S. Dean Martin Drive, Suite 308, Las Vegas, NV 89139, 702.638.4450, License #67. NMLS Consumer Access website: <http://www.nmlsconsumeraccess.org>.

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4:
Warranties are subject to terms, conditions and limitations. Visit a Sales Center for details on the warranty provided in connection with the purchase of a Richmond American home.

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