CENTURY 21 Scheetz

DASILVA PROPERTY GROUP

Buying Your First Home Without Guessing at Any of It

There is a reason buying your first home feels like a big deal. It is the largest purchase most people ever make, and it is one of the most reliable ways families in this country build long-term wealth.

What it should not feel like is a guessing game. Most of what makes this stressful is not the money. It is not knowing what comes next, what a word means, or whose job something is. That is what this guide is for.

I am not going to tell you the market is great or that it is terrible. I am going to tell you what things cost here, how long they take, and what trips people up in this county specifically. You make the call from there.

The seven steps, start to finish

START HERE

1. **Talk to a lender.** Find out what you can actually borrow. This costs you nothing.
2. **Sit down with me.** We agree on what you are looking for and put our working relationship in writing.
3. **Look at homes.** Online first, then in person. Expect to see more than you think.
4. **Make an offer.** Price is only one of the terms that decide whether you win.
5. **Inspect and appraise.** You find out what you are really buying, and what it is worth.
6. **Finish the loan.** Your lender verifies everything one more time. Send documents fast.
7. **Close.** You sign, your money is wired, the deed is recorded, you get keys.

How long does all of this take? Plan on two to eight weeks of looking, though it can be much longer, and then **30 to 45 days** from an accepted offer to keys in your hand. Cash purchases close faster. Anything unusual about the property or the loan adds time.

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How you and I work together

BEFORE WE TOUR

Read this part. It is the thing first-time buyers get surprised by most.

Before we walk into a single home, you and I sign a written buyer agreement. That is not me being pushy. The rules changed nationwide in August 2024, and now any agent who shows you a home has to have a signed agreement with you first.

What I do for you. Search, schedule and show, advise you on what a home is actually worth, write and negotiate your offer, ride the deadlines, and get you to the closing table.

How long it lasts. You pick. It can cover one house, one afternoon, or several months.

What I get paid. The agreement puts my fee in writing before you owe me anything. It is usually a percentage of the purchase price or a flat dollar amount.

Who pays it. Sellers often offer to cover part or all of it, and I ask for that in your offer. If they will not, the difference comes from you. Either way you know the number before you write an offer, not on closing day.

It is negotiable. The fee, the length, and the area it covers are all open for discussion. Commissions are not set by law and they are not set by any association or MLS. If a term does not work for you, say so and we will talk about it.

> Signing a buyer agreement **does not obligate you to buy a house.** It sets the terms of how we work together if you do.

Start with a lender, not a listing

THE MONEY

Get pre-approved before you look at anything. A **pre-approval** means a lender checked your income, your debts, and your credit, then told you in writing what they will lend you. That is different from a **pre-qualification**, which is just an estimate based on what you told them about yourself. Sellers here take pre-approvals seriously and largely ignore pre-qualifications.

I work with lenders I trust and I am glad to introduce you to two or three. You are never required to use them, and it is smart to compare offers from more than one.

The twenty percent down payment is a myth

LOAN TYPES

LOAN TYPE	MINIMUM DOWN	WORTH KNOWING
Conventional	3%	You pay mortgage insurance until you reach about 20% equity, then it comes off
FHA	3.5%	More forgiving on credit score, but mortgage insurance usually stays for the life of the loan
USDA	0%	Much of rural Monroe County qualifies. Income limits apply
VA	0%	For eligible veterans and service members. No monthly mortgage insurance

Minimums shown are program minimums. Your lender sets the terms you actually qualify for.

Indiana also runs down payment assistance programs through IHCDA for buyers who qualify. It is not automatic and it is not advertised well, so ask your lender directly whether you are eligible.

The four numbers you need to know

CASH REQUIRED

Down payment. Your share of the purchase price, paid at closing.

Earnest money. A good faith deposit you send within a few days of your offer being accepted. A third party holds it, not the seller. It is not an extra cost: it gets credited back to you at closing. Around here, $1,000 to $5,000 is typical depending on price.

Closing costs. Lender fees, title work, appraisal, insurance, and taxes paid in advance. Budget 2% to 5% of the purchase price. You can often ask the seller to cover part of it.

Cash to close. Down payment plus closing costs, minus the earnest money you already sent. This is the number that actually leaves your bank account.

What that looks like on a $300,000 home

EXAMPLE

	3.5% DOWN, FHA	20% DOWN, CONVENTIONAL
Down payment	$10,500	$60,000
Estimated closing costs	$9,000	$9,000
Less earnest money already paid	($2,000)	($2,000)
Estimated cash to close	**$17,500**	**$67,000**

Illustration only. Your real numbers depend on your loan, your lender, and what the contract says. Ask your lender for a written Loan Estimate, which is a standard form you can compare across lenders line by line.

> **Your monthly payment is four things, not one.** People say “the mortgage,” but the bill is principal, interest, taxes, and insurance. Lenders call it PITI. Your property taxes and homeowner’s insurance usually get collected monthly and held by the lender, who pays them on your behalf. That is why your real payment is higher than a free online calculator tells you.

Writing an offer that actually wins

YOUR TERMS

Price gets all the attention. These terms often matter just as much to a seller, and two of them cost you nothing.

Closing date. A seller who needs three extra weeks will often take less money to get them.

Earnest money. A larger deposit signals you are serious and that you expect to follow through.

Contingencies. These are your exit ramps. More of them is safer for you and less attractive to the seller.

Who pays what. Closing cost help, home warranty, repairs, and who covers which fee.

A **contingency** is a condition that has to be met, or you can walk away and keep your earnest money. The three common ones are inspection, appraisal, and financing. Waiving one is sometimes how you win a competitive house. It is also how you lose your deposit if something goes wrong, so we only do it on purpose and with our eyes open.

From accepted offer to keys

30 TO 45 DAYS

The inspection. You hire a licensed inspector. Two to three hours in the house, then a long report with photos. Expect $350 to $600. It is a snapshot of the home's condition that day, not a guarantee, a code review, or a repair list the seller must complete. Every house has findings. We read the report together and separate the safety and big ticket items from normal wear.

Add-on tests common here: radon, septic, well water, termite, mold, and a sewer scope on older in-town homes.

The appraisal. Your lender hires an appraiser to confirm the home is worth what you agreed to pay. If it comes in low, you can renegotiate, bring the difference in cash, or walk away if you kept an appraisal contingency.

Title and survey. A title company digs through the ownership history to confirm the seller can legally sell and that nothing is attached to the property that should not be. Title insurance protects you if something was missed.

The last two weeks. Send your lender documents the same day they ask. Do not open credit cards, finance a car, change jobs, or make large unexplained deposits. Any of those can kill your loan.

What is different about Monroe County

LOCAL

Bloomington

City water, sewer, and services, with city taxes to match. Highest prices, smallest lots, most competition. IU drives the calendar: spring is crowded, late fall is friendlier to buyers.

Ellettsville and Richland

More house for the money and a short drive in. Town water and sewer through most of Ellettsville, and Richland-Bean Blossom schools. Watch the reorganization talks, which affect boundaries and taxes.

Unincorporated county

Land, quiet, and lower tax rates in many spots. Also well water, septic, gravel roads, and longer drives to everything. Different rules, different inspection list.

Five local things that surprise buyers

WATCH FOR

Septic and wells. Outside town limits the home very likely has both. A septic inspection and a water test are not optional in my book. A failed leach field runs $15,000 or more.

Karst and sinkholes. We sit on limestone, so caves, springs, sinkholes, and odd drainage are all normal here. Worth knowing before you buy, not after.

Radon. Monroe County is EPA Zone 2, moderate risk. Test anyway. Mitigation usually runs $800 to $1,500 and is fair to ask a seller to cover.

Renting out a room. Bloomington limits how many unrelated adults can live in one home in many neighborhoods, and short term rentals have their own rules. Check before you write the offer.

Older housing stock. Near campus and in the historic districts, expect homes built before 1950. Real character, and also knob and tube wiring, galvanized plumbing, and lead paint. None of it is a dealbreaker. All of it is a budget line.

> **Two things to do right after you close.** File your homestead deduction with the Monroe County Auditor. It lowers your tax bill and it does not happen automatically. Indiana is phasing in changes to how it is calculated, so ask me what applies in your year. Then change the locks.

Not sure if you are ready? Let's find out.

The first conversation is free and nothing is attached to it. Tell me your price range and timeline and I will tell you what is realistic here right now, even if the honest answer is to wait.

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