

Buying a home is a big step—especially if it's your first—and we could all use a little help.



Since 2009, MileStone Community Builders has grown to become Austin's largest privately held home builder by putting homeowners first. We're committed to helping you find not just any home but your dream home in Austin, Texas.

We've built thousands of homes in the Austin area, and this home buying guide will give you the resources you need to find the perfect home for you and your family.



A BIT ABOUT MILESTONE COMMUNITY BUILDERS

At MileStone, we have had the opportunity to build quality homes in Austin for many years thanks to the dedication of our passionate employees, incredible partners and, of course, our wonderful customers who consistently demand—and deserve—only the best. It all goes back to our CEO and co-founder, Garrett Martin, who created MileStone with the belief that the people of Austin want uniquely designed homes, built in the most desirable neighborhoods using top materials and craftsmanship. The people of Austin proved that theory to be correct and allowed Garrett's vision to become a reality. Today, we build from a wide variety of plans specifically tailored to fit the unique lifestyle of each customer.

We hold ourselves to high standards, frequently partnering with local charities and nonprofits with a focus on making our community a better place to live. We're proud of our involvement, and our community has rewarded us in return. MileStone has been proud to accept numerous awards and other types of recognition over the years, on both a local and national level:

Residential Builders Award (Austin Business Journal)

MileStone was honored to win the 2017 Residential Builders Award in the production builder category.

Builder 100 (Builder Magazine)

In 2016, MileStone Community Builders was included in *Builder* magazine's Builder 100, which ranks the top 100 building firms across the United States.

The Inc. 5000 (Inc. magazine)

We're proud to have been ranked among Inc. Magazine's 5,000 fastest-growing companies in America every year since 2013.

Fast 50 (Austin Business Journal)

In our beloved home city, the Austin Business Journal has ranked MileStone among the 50 fastest-growing local businesses year after year.

President's Choice Award (HBA of Greater Austin)

The Home Builders Association of Greater Austin, which recognizes the best home builders in Austin every year, awarded MileStone the prestigious President's Choice Volume Builder Award in 2011.



At MileStone Community Builders, we get a tremendous sense of gratification knowing that our daily efforts have a meaningful impact on our amazing city and region. If you're looking for a home in Austin, Texas, we're committed to helping find the right one for you.

WHY YOU SHOULD (OR SHOULDN'T) BUY

As we said, buying a home is a big step. The home buying process can be as intimidating as it is thrilling, and it begins with an honest evaluation of your current situation—financially, personally and professionally. Ask yourself, "Is buying a home the right move for me right now?" The answer isn't always yes, but if it is, then you're in luck. Buying has some tremendous advantages over renting in any city, but this is particularly the case in the Austin area.

Buying a home gives you financial freedom from renting, along with the emotional security that comes with knowing your home is truly yours. The financial benefits are especially evident in rapidly growing cities like Austin, where recent population surges have led to a scarcity of housing and significant price increases for home rentals.

But while rent hikes may be bad news for some, homeowners aren't worried. In fact, with the cost of renting on the rise, owning a home in Austin is increasingly becoming the wiser financial choice. If you're wondering whether it's better to rent or buy, ask yourself a few questions:

Are your career and income stable?

Austin is a great place to start a career, and the availability of quality jobs is one of the major factors behind the city's recent growth. If, like many people, you're coming to Austin for your career, homeownership is likely the best option (provided you have a job that allows you to be financially stable).

Do you take pride in ownership?

Some folks don't mind renting, but consider the perks that come with being the owner of a home. The pride of homeownership, the emotional freedom from renting, the creative license to personalize your home, and the ability to become part of a community. If you value these things, buying has clear advantages over renting.



USING THIS HOME BUYING GUIDE

Buying the right home for your needs is a great accomplishment, but buying the wrong home may make your life difficult for years to come. At MileStone Community Builders, we want to do everything we can to help you make the right choice—not for us, but for you. When you have questions or concerns about the process of finding and purchasing your new home, this guide is a great resource to find the answers you need. Here you'll find information on crucial concepts and decisions faced by new homeowners, including:

- Understanding your credit score and how it impacts the choices you make during your home search
- Knowing what you can afford and finding the best home for your budget
- Evaluating your needs and learning what to look for in your new home and the surrounding area
- Gathering all the paperwork and documents you need to purchase your home
- Signing a contract (and everything you need to know about the period between signing and closing)
- Closing on your new home

Above all, understand that the choice to buy a new home is yours, your family's and no one else's. Never let yourself be pressured into purchasing a home that isn't right for you, and don't feel forced to rush this important decision. The process of finding your home should be an adventure, not a chore, and the end result should be a home that you are happy to call yours for many years to come.



At MileStone, we've built thousands of homes in the Austin area, and we're confident that we can help you find yours. Use this home buying guide as a useful tool to steer you along the way, and contact us with any questions you may have about your Austin home search!





Owning a home continues to be the American dream, but since most of us don't have the cash to purchase a house upfront, that usually means getting a home mortgage. However, many buyers are worried about their credit scores when it comes to home mortgages. Our advice? Don't be. Credit scores aren't permanent, and we have all resources you need to buy the home of your dreams.

To start off on the right track, we recommend you reach out to the specialists at Milestone right away.

CHECKING YOUR CREDIT

That being said, it is important that you check your credit. The earlier you do this the better, so if there's a problem with your credit score—whether it's an error in your credit report, or your score simply isn't as high as you'd like—we can work with you to help fix it before you get too far along

in your home search.



When you're ready to start this process, just contact us and we will help you review your credit history and score to determine your buying power. This information has a huge impact on the rate and conditions you will receive. A high credit score indicates to a lender that you're a low-risk investment, so you should be able to get a loan with a low interest rate and reasonable conditions.

A perfect credit score is 850, but that's nearly unattainable, so don't fixate on that number too much. Only about 10% of applicants have a score above 800, and anything above 700 is considered excellent.¹

If your score is lower than you'd like, don't panic! That's exactly why we're determined to be a resource to you during this process. Since we check your score early, we can answer all your questions and help you find solutions to help you improve your credit score. Also, while you shouldn't count on them, credit report errors are fairly common, and you can get them fixed by contacting the credit bureau that is showing the erroneous information.

USE A PREFERRED LENDER

With your credit report in hand, you're ready to find an institution willing to offer you a loan. It's important to choose a lender you can trust that offers rates and conditions that work for you. Finding a lender can be one of the most important and stressful parts of finding a new home, but great news! Milestone has 3 excellent preferred lenders that can give you great competitive rates and a smooth process from contact to closing. These lenders have helped many of our customers attain a loan to purchase a new home:

AmeriPro Home Loans

Based in Austin and serving areas across the state of Texas, AmeriPro is a mortgage bank dedicated to customer service and client satisfaction.

CMG Financial

This nationwide mortgage-banking firm is widely known for responsible lending practices, offering excellent speed, price and service with a wide range of loan choices.

Graystone Title Agency

Austin-based Graystone Title Agency is home to an accomplished staff with more than 200 years of collective experience in the title and escrow industries.

UNDERSTAND YOUR BUYING POWER

Pre-approval will give you a solid idea of how much you'll be able to get for a home mortgage loan. While pre-approval should not be taken as a guarantee that you will receive a loan, it typically indicates that you should be able to rely on receiving a mortgage if nothing changes with your situation, and if the home you choose meets the bank's standards. You will need to provide several important documents to get pre-approved for a home mortgage loan:

Pay stubs

The last two years' W-2s



Your last two federal tax returns

Two months' worth of bank statements

Your credit report

¹ https://www.credit.com/loans/mortgage-questions/check-your-credit-score-report-before-buying-home/

It is also important to remember that pre-approval is not the same thing as pre-qualification. There are several differences, so be sure to understand which is which:

Pre-qualification

This is a more casual, less reliable form of loan qualification. It essentially involves the mortgage lender asking about your income and expenses, and then providing a letter that says you qualify for a certain amount. Pre-qualification is easy to obtain and can give you a general idea of how much you will qualify for, but this estimate is far from set in stone.



Pre-approval

The crucial difference between pre-qualification and pre-approval is that you must actually provide documents to verify your income, expenses and credit in order to be pre-approved for a home loan. Pre-approval essentially means the lender is confident that you will be able to make a necessary down payment, and that your income is sufficient to cover future mortgage payments. Once you find a home, it will still have to be appraised to determine whether its value offers sufficient collateral in relation to the loan amount. You will have to get the home appraised before you can get a mortgage, but pre-approval will provide a fairly reliable guideline as to how much you can afford.

Pre-approval generally comes in the form of a written statement from the lender that provides the lender's preliminary determination that you would qualify for a certain loan amount, based on the documents you provided. This statement also includes the interest rate, terms and guidelines for the loan. Most pre-approval letters are good for 60 to 90 days, and once you get your letter, it's time to start looking for your home!

Now that you're pre-approved for a home loan, you've come to the most fun part of the home buying process—finding your new home. The process of searching for your dream home can be thrilling, if occasionally anxiety-inducing. As you search for that perfect place with everything you need and nothing you don't, having a solid game plan right out of the gate will allow you to stay focused, narrow the search, have fun and avoid some potential stumbling blocks along the way.





EVALUATING YOUR NEEDS

There are several key questions to ask yourself before buying a home, because a home is a huge investment that will affect your life for years to come. It's important to consider everything from house size and amenities to neighborhood characteristics and proximity to schools and businesses.

MileStone provides a variety of resources to help you learn more about each of our masterplanned communities and their surrounding areas, but there's no substitute for putting boots on the ground and seeing for yourself.

A good way to evaluate your needs is to envision your dream home—where it's located, what it looks like inside and out, what kind of amenities it has—and work backwards. Start with the idea of a house that has everything in your wildest dreams and then consider your budget.

Since you've already been pre-approved for a loan, you should have a pretty good idea of what you can afford. Next, decide what features you absolutely cannot live without. For example, you might want a certain number of bedrooms, but how many do you really need? Also, pinpoint which ones you might be able to be flexible about if you can't find them within your price range. This will also help you avoid the common pitfall of falling in love with a home that doesn't actually give you what you need.

YOUR HOME SEARCH CHECKLIST

Returning to the idea of evaluating your needs vs. wants, we recommend making a home search checklist. Based on your own specific criteria, your checklist should include all of your "must-haves," "want-to-haves" and "dream features." Printing and using this checklist to evaluate every home you visit will make decisions easier and help you keep your priorities straight as you hop from house to house. A few things to consider for your list include:



Home features

What do you need in your new home, and what do you want? This depends on everything from your budget to whether or not you plan on starting or expanding your family. Consider factors including (but by no means limited to):

- Exterior appearance
- Square footage
- Layout and size of rooms
- Number of bedrooms and bathrooms
- Available storage space
- · Type of flooring
- Types and quality of appliances

- Kitchen and bathroom amenities
- · Windows and doors
- Light fixtures
- Cable and internet hookups
- Outdoor landscaping
- Entertaining space
- Natural light

Common space

If your home is a part of a master-planned community, think about the features of the common space. Do they include everything you're looking for? How important are these features to you? Specifically, look at:

- · Landscaping and gardening
- Playgrounds
- Laundry facilities

Neighborhood

You're not just investing in a new home, you're investing in a whole new neighborhood. Research the area and do a little exploring to find out if it has what you're looking for, paying particular attention to:

- Safety
- Types and proximity of schools
- Public transportation
- Nearby parks and recreational offerings
- Proximity to hospitals, police stations and fire departments
- Supermarkets, shops and restaurants
- Commute time and distance from work
- Noise levels

This list is meant to reflect what's most important to you, so add any additional considerations that you feel are significant. Your checklist will help you make tough decisions like saying goodbye to homes that don't include enough of your "must-haves," even if they feature a lot of your "want-to-haves."





When you've selected your home, you will be required to make a deposit. This deposit will be returned to you if any of the contingencies in the contract are not met (for example, if you are unable to obtain a mortgage, or if a home inspection reveals problems that the seller is unwilling to fix), but it lets the seller know that you are serious. Once this process is completed, a contract will be drawn up for you to sign. Here's how you get from receiving that contact to officially calling that new house your home.

FROM CONTRACT TO CLOSE

During the time between signing the contract and closing the deal, you and the seller both have a few things to take care of:

Loan application

As you may recall, the loan preapproval you got before you began your home search does not guarantee that you'll receive a mortgage. Once you've signed a contract, you must apply for a mortgage—and don't put this off, as you will be required to submit your loan application within a certain amount of time after signing the contract.

The sooner you take care of this step, the better. Once the lender has approved you for a mortgage, he or she will issue a mortgage commitment letter, which is essentially a contract between you and the lender. Make sure you understand this document fully before you sign it!

Appraisal

Your lender will order an appraisal, which is a standard part of the loan approval process that ensures the value of the property is adequate to justify the loan. Typically, the appraiser will meet with the seller or the listing agent to assess the value of the house and/or property. If the appraised value is less than the amount agreed upon in the contract, you have the option of renegotiating the price, although the seller is not required to lower it.



Buyer construction orientation

If you are working with a realtor or real estate agent, he or she will schedule an inspection of your new home. Otherwise, you are responsible for scheduling this yourself. If you are purchasing a newly constructed home, an inspection is unlikely to reveal any defects, but it is still an important step. If problems are found, the seller can either make repairs, discount the price of the home or—in rare cases—simply say no to addressing the issues. In this last case, you will have the option of backing out of the sale. In addition to the inspection arranged by you or your real estate agent, the seller must complete several inspections of their own before closing, including a termite inspection.



Designing your home

Our professional design team is excited and ready to help make your dream home a reality.

Unless you are buying an inventory home, you have plenty of design options to upgrade your new home! Within two weeks of contract completion, you'll make an appointment with our fantastic team of interior designers. Next, a visit to our design center, where you can pick out counter-tops, finishes, tile and backsplashes that meet your impeccable taste. From unique textures, finishes and colors, let's customize your new home to be as amazing as you are.

CLOSING ON YOUR NEW HOME

Ready for the big day? Be sure to keep these things in mind:

The closing date

The contract you signed should include the closing date, or at least an "on or about" date (in the latter case, the specific closing date will be worked out between you, your attorney, the lender, the seller and seller's attorney).

The paperwork

The day before your closing date, gather all the paperwork you accumulated throughout the home buying process—everything from the loan estimate to the inspection report.



The walk-through

You are generally entitled to a final walk-through of your soon-to-be-home before closing, and it's a good idea to take this opportunity. After all, it's your last chance to look for any damage or issues that were missed previously.

Who will be there

Expect a diverse cast of characters at your closing, including the home seller, the seller's real estate agent, a title company representative, attorneys representing you and/or the lender, and often a representative from the bank or lender providing your loan. There will also be a closing agent, who conducts the meeting and makes sure all documents are signed by the required parties.

What you need to bring

On closing day, you will need all that paperwork you gathered the day before, along with a government-issued photo ID and a check for your down payment (your lender will tell you in advance what you owe at closing).

What you need to sign

Be prepared to give your signature quite a few times on closing day. Documents you will sign include a Closing Disclosure that details the mortgage loan, a Mortgage Note that confirms your promise to pay back the loan, and a Mortgage or Deed of Trust that secures the mortgage note. The last thing you'll sign will be a Certificate of Occupancy.

Once you've signed all the necessary documents, you will be handed the keys to your new home, which is now finally and officially yours!

OUR HOME BUYER RESOURCES FOR YOU

At MileStone Community Builders, we understand that, for all its excitement, the home buying process can be difficult and stressful. To make the whole thing easier for you, we've prepared a list of helpful resources that will provide valuable insight every step of the way, from securing a loan to locating your home:

The MileStone blog

Our <u>blog</u> is a great place to find the latest updates on everything from new home features to upcoming events in Austin.



MileStone on social media

Follow us on <u>Facebook</u>, <u>Twitter</u> and <u>Pinterest</u> to get to know your local Austin home builders a little better!

New Home Specialists

Our New Home Specialists can help you research our communities, narrow down floor plan options, and provide up-to-date pricing and lot availability. They can be reached at 512-215-5200. builders



Finding your home is a thrilling, challenging and, at times, stress-inducing adventure. We're committed to helping you through every step of the way. We hope that you can find your dream home at one of our MileStone communities, but even if you don't, this information will help you secure the perfect place for you and your family, wherever it may be. To sum it all up, here's the simple step-by-step process you'll take to buy a home:







- · Check your credit and understand how your credit score affects your buying power.
- Find a lender you trust who offers terms and rates that work for you. Be sure to look into the trusted lenders we've recommended!
- Get pre-approved for a home loan. This does not guarantee a mortgage, but will help you understand what you can afford to pay for a new home.

FINDING YOUR HOME

- Evaluate your needs. What kind of home do you need based on where you are and where you hope to be? Consider not just the home itself, but its location, the neighborhood and the proximity to jobs, schools and other resources.
- Weigh the pros and cons of working with a real estate agent vs. buying directly from the seller.
- Make a home search checklist that includes all of your "must-haves," "want-to-haves" and "dream features." Use this checklist to evaluate every home you visit.



- Once you've found your home and signed the contract, it's time to take the necessary steps to get from contract to close, including applying for a mortgage and having the home appraised and inspected.
- Close on your home. Keep in mind all the paperwork you need to bring and who has to be present on closing day.
- Get the keys to your home—it's yours now!

Buying a new home is a huge accomplishment, and at MileStone, we're dedicated to doing everything we can to ensure that you find your perfect home. Contact us any time for more information on your house search, the home buying process, and life in Austin, Texas. We look forward to hearing from you!

