

THE COMPLETE

NJ Homebuyer Handbook

Your Step-by-Step Guide to Buying a Home in New Jersey — From Your First Dollar to Your Final Key

6 Chapters · 50 Worksheets · NJ-Specific Guidance · 2025 Edition

NJHomeBuyerGuide.com · realestatelpl.com

WELCOME TO YOUR HANDBOOK

Congratulations on taking the first step toward homeownership in New Jersey. Whether you are just starting to think about buying, actively searching, or somewhere in between, this handbook was built to be your complete companion for every stage of the journey.

Buying a home is the largest financial decision most people will ever make. In New Jersey — where the market moves fast, competition is fierce and the process has state-specific rules that differ from most of the country — having the right information at the right time makes all the difference.

How to Use This Handbook

Read each chapter in order — or jump to where you are in your journey. Every section ends with the worksheet that directly applies what you just read. Fill them in as you go. By closing day, you will have a complete record of every decision you made and why.

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A Note About New Jersey

New Jersey is an attorney state — a real estate attorney must review your contract and be present at closing. This adds important legal protection and is covered throughout this handbook. Your attorney is one of your most important team members alongside your agent and lender.

CHAPTER 1

Are You Ready?

Financial Readiness, Credit, Savings and the Decision to Buy a Home in New Jersey

Before you look at a single house, you need to know your numbers. This chapter gives you the financial foundation to buy with confidence.

1.1 THE FOUR NUMBERS THAT DETERMINE IF YOU CAN BUY

Most buyers ask the wrong question first. They open Zillow, fall in love with a home and ask: 'Can I afford that?' The right question is: **What can I actually afford, and how close am I to being ready?**

NUMBER	WHAT IT IS	WHY IT MATTERS IN NJ
Gross Monthly Income	Total income before taxes	Sets your borrowing ceiling
Monthly Debts	All minimum monthly payments	Affects your DTI and approval
Down Payment	Cash available at closing	Determines loan type, rate and PMI
Credit Score	3-bureau middle score	Sets your interest rate and terms

TIP: NJ median home price in 2024: ~\$480,000. A \$480K home at 3.5% down requires ~\$16,800 down plus \$10,000–\$18,000 in closing costs. Most NJ buyers need \$25,000–\$35,000 total cash to close.

1.2 DEBT-TO-INCOME RATIO (DTI) — YOUR MOST IMPORTANT NUMBER

Your debt-to-income ratio tells a lender what percentage of your gross monthly income is already committed to debt — and how much room remains for a mortgage payment.

The Two DTI Numbers Lenders Check

Front-End DTI: Your housing payment (PITI) divided by gross monthly income. Most lenders want under 28%.
 Back-End DTI: ALL debts (housing + car + student loans + credit cards) divided by gross income. Most lenders want under 36–43%.

LOAN TYPE	FRONT-END MAX	BACK-END MAX	MIN CREDIT
Conventional	28%	36-43%	620
FHA	31%	43-50%	580
VA	No limit	41%	No min
USDA	29%	41%	640

WORKSHEET #04

Debt-to-Income Ratio Calculator

Calculate both your front-end and back-end DTI before applying for a mortgage

[Apply what you just learned →](#)

1.3 CREDIT SCORE — HOW MUCH IT COSTS YOU IN REAL DOLLARS

Your credit score does not just determine approval. It determines your **interest rate** — and over a 30-year loan, even a 0.5% difference costs or saves you tens of thousands of dollars.

CREDIT SCORE	APPROX RATE	MONTHLY PMT (\$400K LOAN)	30-YR EXTRA COST
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760-850	Best rate	\$2,540 at 6.5%	—
720-759	Slightly higher	\$2,609 at 6.75%	\$24,840 more
680-719	Moderate	\$2,681 at 7.0%	\$50,760 more
640-679	Higher	\$2,827 at 7.5%	\$103,320 more
600-639	Highest / denied	\$2,980+ at 8%+	\$158,400+ more

NJ Credit Action Plan

1. Pull all 3 reports free at AnnualCreditReport.com 2. Dispute any errors 3. Pay cards to under 30% utilization (under 10% = maximum boost) 4. Do not open new credit before applying 5. Do not close old accounts 6. Set autopay on everything — one late payment = 50+ point drop

WORKSHEET #09

Credit Score Improvement Tracker

Track all 3 bureaus monthly and stay on your 12-month improvement plan

[Apply what you just learned →](#)

1.4 HOW MUCH DO YOU ACTUALLY NEED SAVED?

CASH NEED	TYPICAL RANGE	NJ \$480K HOME EXAMPLE
Down Payment (3%)	3% of purchase	\$14,400
Down Payment (5%)	5% of purchase	\$24,000
Down Payment (20%)	Avoids PMI	\$96,000
Closing Costs	2–5% of loan	\$10,000–\$22,000
Emergency Reserve	3–6 months expenses	\$10,000–\$20,000
Moving Costs	Local vs. long distance	\$1,500–\$8,000
Immediate Repairs	Varies	\$0–\$15,000+

TIP: NJHMFA's \$10,000 DPA loan is interest-free with no monthly payments — forgiven entirely after 5 years. For eligible NJ first-time buyers, this dramatically reduces cash needed to close. Full details in Chapter 2.

WORKSHEET #02

Down Payment Savings Tracker

Set your goal and track monthly progress with a 12-month savings log

[Apply what you just learned →](#)

WORKSHEET #05

Closing Costs Estimator

Estimate every line item so there are no surprises at the closing table

Apply what you just learned →

WORKSHEET #10

12-Month Home Buying Savings Plan

Build a realistic week-by-week roadmap to your down payment goal

Apply what you just learned →

1.5 RENT VS. BUY IN NEW JERSEY

The NJ Renter's Reality

The average NJ renter pays \$1,800–\$2,800/month for a 2-bedroom depending on county. At \$2,200/month that is \$26,400/year — with zero equity built. A \$400K NJ home at 5% down and 7% interest has a PITI payment of roughly \$2,850/month — but builds \$6,000+ in equity in year one through principal paydown alone.

WORKSHEET #06

Rent vs. Buy Comparison Worksheet

Run your real numbers side by side — monthly costs, 5-year wealth and lifestyle factors

Apply what you just learned →

1.6 BUILDING YOUR TRUE BUDGET

NJ Property Tax Reality

On a \$480,000 NJ home, expect: Mortgage P+I ~\$2,850/month | Property Tax ~\$900/month | Insurance ~\$130/month | Total PITI ~\$3,880/month. Always calculate based on the actual property tax for the specific address — NJ taxes vary dramatically by town.

WORKSHEET #01

Home Buying Budget Calculator

Calculate your true affordability based on income, debts and all housing costs

Apply what you just learned →

WORKSHEET #03

True Cost of Homeownership

See every dollar you'll spend buying and owning — one-time and ongoing

Apply what you just learned →

WORKSHEET #07

Emergency Fund Planner

Calculate how much cash to keep after closing before you spend it

[Apply what you just learned →](#)

WORKSHEET #08

Monthly Homeowner Budget Planner

Build your complete post-purchase monthly financial picture

[Apply what you just learned →](#)

BEFORE YOU MOVE ON

- Pull credit reports from all 3 bureaus at AnnualCreditReport.com
- Calculate your DTI ratio (Worksheet #4) — know your number before any lender conversation
- Set your down payment savings goal and open a dedicated high-yield savings account
- Start your 12-month savings plan (Worksheet #10)
- Run your rent vs. buy comparison with real local numbers (Worksheet #6)
- Build your home buying budget and know your true affordability (Worksheet #1)
- Check NJHMFA eligibility at njhousing.gov — this could save you \$10,000+

YOUR INFORMATION

Full Name	Date
Target Purchase Date	Target Purchase Price

MONTHLY INCOME

INCOME SOURCE	MONTHLY AMOUNT
Primary Job (Gross)	\$
Secondary / Side Income	\$
Other Income	\$
TOTAL GROSS INCOME	\$

MONTHLY DEBTS (MINIMUM PAYMENTS)

DEBT	BALANCE OWED	MIN. MONTHLY PAYMENT
Car Loan	\$	\$
Student Loans	\$	\$
Credit Card 1	\$	\$
Credit Card 2	\$	\$
Personal Loan	\$	\$
Other	\$	\$
TOTAL MONTHLY DEBTS		\$

ESTIMATED HOUSING BUDGET

ITEM	ESTIMATED MONTHLY COST
Mortgage P+I	\$
Property Taxes (÷12)	\$
Homeowner's Insurance (÷12)	\$
HOA Fees	\$
PMI (if applicable)	\$
TOTAL ESTIMATED PITI PAYMENT	\$

TIP: Lenders want housing payment under 28% of gross income, and total debts under 36-43%.

BUDGET SNAPSHOT

CALCULATION	YOUR NUMBER
Gross Monthly Income	\$
x 28% = Max Housing Payment	\$
x 36% = Max All Debts Combined	\$
Current Monthly Debts	\$
Room Left for Housing	\$

Additional Notes

YOUR DOWN PAYMENT GOAL

Target Home Price	Down Payment % Goal
Down Payment Needed	Current Savings
Amount Still Needed	Target Date

TIP: 3% on \$350K = \$10,500 · 5% = \$17,500 · 10% = \$35,000 · 20% = \$70,000

MONTHLY SAVINGS TRACKER

MONTH	SAVINGS GOAL	ACTUAL SAVED	RUNNING TOTAL	ON TRACK?
January	\$	\$	\$	■ Yes ■ No
February	\$	\$	\$	■ Yes ■ No
March	\$	\$	\$	■ Yes ■ No
April	\$	\$	\$	■ Yes ■ No
May	\$	\$	\$	■ Yes ■ No
June	\$	\$	\$	■ Yes ■ No
July	\$	\$	\$	■ Yes ■ No
August	\$	\$	\$	■ Yes ■ No
September	\$	\$	\$	■ Yes ■ No
October	\$	\$	\$	■ Yes ■ No
November	\$	\$	\$	■ Yes ■ No
December	\$	\$	\$	■ Yes ■ No

WHERE ARE YOU SAVING?

Bank / Account Name	Account Type
Current Balance	Interest Rate
Savings Strategy Notes	

PROPERTY DETAILS

Purchase Price	Location / Neighborhood
Estimated Close Date	Loan Type

ONE-TIME PURCHASE COSTS

COST ITEM	ESTIMATED AMOUNT	NOTES
Down Payment	\$	
Home Inspection	\$	Typically \$300-\$600
Appraisal Fee	\$	Typically \$400-\$700
Closing Costs (2-5%)	\$	
Moving Expenses	\$	
Immediate Repairs / Updates	\$	
New Furniture / Appliances	\$	
TOTAL ONE-TIME COSTS	\$	

MONTHLY ONGOING COSTS

COST ITEM	MONTHLY ESTIMATE	ANNUAL ESTIMATE
Mortgage (P+I)	\$	\$
Property Taxes	\$	\$
Homeowner's Insurance	\$	\$
HOA Fees	\$	\$
PMI (if applicable)	\$	\$
Utilities	\$	\$
Lawn / Maintenance Service	\$	\$
Annual Maintenance Reserve (1%)	\$	\$
TOTAL MONTHLY COST	\$	\$

TIP: Budget 1% of home value per year for maintenance. On \$350K that's \$292/month.

5-YEAR COST PROJECTION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Housing Costs	\$	\$	\$	\$	\$

Est. Equity Gained	\$	\$	\$	\$	\$
Net Cost of Ownership	\$	\$	\$	\$	\$

YOUR FINANCIAL SNAPSHOT

Full Name	Date
Lender / Loan Officer	Loan Type Being Considered

FRONT-END DTI (HOUSING RATIO)

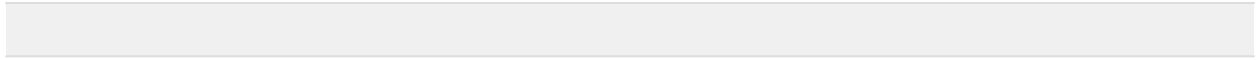
ITEM	YOUR NUMBER
Gross Monthly Income	\$
Estimated Monthly Mortgage (P+I)	\$
Monthly Property Taxes	\$
Monthly Insurance	\$
Monthly HOA	\$
Total Housing Payment	\$
Front-End DTI (Housing ÷ Income)	%
Lender Max Front-End DTI	28%

BACK-END DTI (TOTAL DEBT RATIO)

DEBT ITEM	MONTHLY PAYMENT
Housing Payment (from above)	\$
Car Loan(s)	\$
Student Loans	\$
Credit Card Minimums	\$
Personal Loans	\$
Other Debt	\$
Total Monthly Debts	\$
Back-End DTI (Total Debts ÷ Income)	%
Lender Max Back-End DTI	36-43%

TIP: Lower DTI: pay down credit cards, eliminate smaller debts, or increase income.

DTI Improvement Plan



PURCHASE INFORMATION

Target Purchase Price

State / County

Loan Type

Down Payment %

LENDER FEES (SECTION A)

FEE ITEM	ESTIMATED COST	SHOP AROUND?
Origination Fee	\$	No
Underwriting Fee	\$	No
Application Fee	\$	No
Points / Rate Buydown	\$	Yes
Other Lender Fees	\$	No

THIRD-PARTY FEES (SECTIONS B & C)

FEE ITEM	ESTIMATED COST	SHOP AROUND?
Appraisal Fee	\$	No
Credit Report	\$	No
Title Search	\$	Yes
Title Insurance (Lender)	\$	Yes
Title Insurance (Owner)	\$	Yes
Settlement / Closing Fee	\$	Yes
Attorney Fee	\$	Yes
Survey	\$	Yes

PREPAID ITEMS & ESCROW

ITEM	ESTIMATED COST
Homeowner's Insurance Premium (1 year)	\$
Prepaid Interest	\$
Property Tax Escrow (2-3 months)	\$
Insurance Escrow (2-3 months)	\$

CLOSING COST SUMMARY

SUMMARY ITEM	AMOUNT
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Total Lender Fees	\$
Total Third-Party Fees	\$
Total Prepays & Escrow	\$
Down Payment	\$
TOTAL CASH TO CLOSE	\$

TIP: Ask your lender about seller concessions — in some NJ markets you can negotiate for the seller to cover some closing costs.

YOUR SITUATION

Current Monthly Rent

Lease End Date

Target Purchase Price

Down Payment Available

MONTHLY COST COMPARISON

COST ITEM	RENTING	BUYING
Monthly Payment	\$	\$
Renter's / Owner's Insurance	\$	\$
Property Taxes	N/A	\$
HOA Fees	N/A	\$
Maintenance Reserve	N/A	\$
PMI	N/A	\$
Utilities	\$	\$
TOTAL MONTHLY COST	\$	\$

5-YEAR WEALTH COMPARISON

ITEM	RENTING (5 YRS)	BUYING (5 YRS)
Total Payments Made	\$	\$
Equity / Wealth Gained	\$0	\$
Tax Benefits	\$0	\$
Appreciation (est. 3%/yr)	N/A	\$
NET FINANCIAL POSITION	\$	\$

TIP: NJ home prices have historically appreciated 3-5% annually. On a \$350K home, 3% = \$10,500 in equity in year one alone.

LIFESTYLE FACTORS

- I plan to stay in this area for at least 3-5 years
- I value control over my living space
- I want to build long-term wealth through real estate
- I am ready for the responsibility of home maintenance
- My income and employment are stable
- I have savings beyond just my down payment

Decision Notes

YOUR PURCHASE INFORMATION

Purchase Price	Closing Costs Paid
Down Payment	Loan Amount

EMERGENCY FUND TARGETS

FUND TYPE	RECOMMENDED AMOUNT	YOUR TARGET	CURRENT SAVINGS
Home Repair Emergency Fund (1% home value)	\$	\$	\$
3-Month Living Expense Reserve	\$	\$	\$
Job Loss Buffer (3-6 months)	\$	\$	\$
Appliance Replacement Fund	\$1,000–\$3,000	\$	\$
TOTAL RECOMMENDED RESERVE		\$	\$

TIP: Aim to have 3-6 months of expenses saved AFTER closing. Running out of cash after closing is one of the top causes of new homeowner stress.

MONTHLY LIVING EXPENSES (FOR RESERVE CALCULATION)

EXPENSE	MONTHLY AMOUNT
Housing (PITI)	\$
Utilities	\$
Groceries	\$
Transportation	\$
Insurance	\$
Other Essentials	\$
TOTAL MONTHLY EXPENSES	\$
3-Month Reserve Target	\$
6-Month Reserve Target	\$

Reserve Building Plan

PROPERTY INFORMATION

Address / Property	Purchase Price
Loan Amount	Loan Type & Rate

COMPLETE MONTHLY BUDGET

CATEGORY	MONTHLY
HOUSING	
Mortgage (P+I)	\$
Property Taxes (÷12)	\$
Homeowner's Insurance (÷12)	\$
HOA Fees	\$
PMI	\$
Maintenance Reserve (1% ÷12)	\$
Housing Subtotal	\$
UTILITIES	
Electric	\$
Gas / Heat	\$
Water	\$
Internet	\$
Utilities Subtotal	\$
LIVING EXPENSES	
Groceries	\$
Transportation	\$
Health Insurance	\$
Subscriptions	\$
Entertainment	\$
Living Subtotal	\$
SAVINGS & DEBT	
Emergency Fund	\$
Retirement	\$
Other Savings	\$
Debt Payments	\$
Savings & Debt Subtotal	\$
TOTAL MONTHLY EXPENSES	\$
TOTAL MONTHLY INCOME	\$
MONTHLY SURPLUS / DEFICIT	\$

YOUR STARTING POINT

Today's Date

Equifax Score

Experian Score

TransUnion Score

3-Bureau Average

Target Score

TIP: Mortgage lenders typically use your MIDDLE of three scores. Get all three — they often differ significantly.

MONTHLY SCORE TRACKER

MONTH	DATE	EQUIFAX	EXPERIAN	TRANSUNION	ACTION THIS MONTH
Month 1					
Month 2					
Month 3					
Month 4					
Month 5					
Month 6					
Month 7					
Month 8					
Month 9					
Month 10					
Month 11					
Month 12					

CREDIT IMPROVEMENT ACTION ITEMS

- Dispute any inaccurate items on all three reports
- Pay all bills on time — set autopay immediately
- Get credit utilization below 30% on every card
- Get utilization below 10% for maximum score boost
- Do not close old credit card accounts
- Do not open new credit accounts before applying for mortgage
- Ask for credit limit increases (without hard inquiry)
- Become authorized user on a responsible person's card

Notes on Disputes / Issues to Resolve

YOUR GOAL

Target Home Price

Down Payment Needed

Closing Cost Estimate

Total Cash Needed

Current Savings

Gap to Close

Target Purchase Month

12-MONTH SAVINGS BREAKDOWN

MONTH	WEEKLY SAVINGS TARGET	4-WEEK TOTAL	RUNNING TOTAL
Month 1	\$	\$	\$
Month 2	\$	\$	\$
Month 3	\$	\$	\$
Month 4	\$	\$	\$
Month 5	\$	\$	\$
Month 6	\$	\$	\$
Month 7	\$	\$	\$
Month 8	\$	\$	\$
Month 9	\$	\$	\$
Month 10	\$	\$	\$
Month 11	\$	\$	\$
Month 12	\$	\$	\$

WAYS TO ACCELERATE YOUR SAVINGS

- Open a dedicated high-yield savings account for down payment only
- Set up automatic transfer on payday before you can spend it
- Redirect any bonuses, tax refunds or gifts directly to the fund
- Cut one subscription or dining expense per month
- Research down payment assistance programs in your area
- Consider a side income stream specifically for this goal
- Ask family about gift funds (many loan programs allow this)
- Sell unused items — furniture, electronics, clothing

TIP: \$400/month over 12 months = \$4,800. Add a \$2,000 tax refund and you're at \$6,800.

My Savings Commitment Plan

CHAPTER 2

Getting Your Money Right

Mortgages, Lenders, Loan Types and NJ Financing Programs

Understanding mortgages before you apply puts you in control. This chapter turns lender jargon into plain English.

2.1 HOW MORTGAGES ACTUALLY WORK

A mortgage is a loan secured by real property. When you borrow to buy a home, the lender places a lien — meaning if you stop making payments, they can foreclose. Understanding the mechanics helps you make smarter decisions about term, type and rate.

The Amortization Reality

In the early years of a 30-year mortgage, most of your payment goes to INTEREST — not principal. On a \$400K loan at 7%: Month 1: \$2,329 interest / \$200 principal Year 10: ~\$2,100 interest / ~\$430 principal Year 25: ~\$1,100 interest / ~\$1,430 principal Paying \$200 extra/month from the start saves over \$80,000 in interest and cuts 7 years off the loan.

WORKSHEET #14

Mortgage Payment Breakdown Worksheet

Break down your complete PITI payment and see the full 30-year amortization picture
Apply what you just learned →

2.2 CHOOSING THE RIGHT LOAN TYPE FOR NJ BUYERS

LOAN TYPE	MIN DOWN	MORTGAGE INSURANCE	BEST FOR NJ BUYERS WHO...
Conventional	3%	PMI if <20% (removable)	Have good credit and stable income
FHA	3.5%	MIP always (hard to remove)	Have credit 580-619 or limited savings
VA	0%	Funding fee (one-time)	Are active military or veterans
USDA	0%	Annual guarantee fee	Buy in rural or some suburban NJ
NJHMFA	Varies	Wrapped in program rate	First-time NJ buyers — best option

TIP: FHA loans charge MIP for the life of the loan if you put less than 10% down. On a \$400K loan that is \$225+/month that never goes away — even as equity grows. Many NJ buyers are better served by conventional because PMI can be removed at 20% equity.

WORKSHEET #12

Loan Type Decision Worksheet

Compare FHA vs. Conventional vs. VA vs. USDA for your specific financial profile
Apply what you just learned →

2.3 NJHMFA — NEW JERSEY'S BEST-KEPT HOMEBUYER SECRET

What NJHMFA Offers First-Time NJ Buyers

1. First-Time Homebuyer Mortgage: 30-year fixed at below-market rates for buyers who have not owned in 3 years.
2. \$10,000 Down Payment Assistance: Interest-free, no monthly payment second mortgage. Forgiven after 5 years.
3. Smart Start: Enhanced assistance for buyers in NJ Smart Growth areas.
4. Police & Firemen's Program: Special rates for NJ law enforcement and firefighters.

PROGRAM REQUIREMENT	DETAILS
First-time buyer	No ownership in previous 3 years
Income limits	~\$100K–\$140K depending on NJ county
Purchase price limits	~\$500K–\$700K depending on NJ county
Credit minimum	620 for most programs
Required education	8-hour homebuyer course (available online)
How to apply	Through an NJHMFA-approved lender only

WORKSHEET #44

First-Time Homebuyer Grant Research Worksheet

Track every NJ and federal program you're eligible for with amounts and deadlines

[Apply what you just learned →](#)

2.4 SHOPPING FOR A NJ MORTGAGE LENDER

Research consistently shows that getting just one additional mortgage quote saves the average buyer over \$1,500. Getting three quotes saves significantly more. Never compare lenders on rate alone — the APR is a more complete picture because it factors in fees.

What to Compare Across Every Lender

Rate AND APR (not just rate) | Origination and underwriting fees | Points required | Rate lock options and cost | Days to close | Online portal quality | Pre-approval type | NJHMFA-approved status if relevant

WORKSHEET #11

Mortgage Lender Comparison Worksheet

Compare up to 4 NJ lenders side by side — rate, APR, fees, terms and more

[Apply what you just learned →](#)

WORKSHEET #16

Loan Estimate Comparison Worksheet

Decode and compare your Loan Estimates line by line before committing

[Apply what you just learned →](#)

2.5 GETTING PRE-APPROVED — NJ MARKET REALITY

PRE-APPROVAL TYPE	WHAT IT INVOLVES	STRENGTH IN NJ MARKET
Pre-qualification	Self-reported info only	Very weak — sellers may ignore
Pre-approval	Credit pull + income docs	Standard — acceptable in most cases
Full underwrite	All docs verified, appraisal pending	Strongest — near-cash equivalent
NJHMFA pre-approval	Program-specific full approval	Strong + shows DPA eligibility

WORKSHEET #13

Pre-Approval Document Checklist

Gather every income, asset and identity document before your first lender appointment

Apply what you just learned →

2.6 RATE STRATEGY — LOCKING, FLOATING AND BUYDOWNS

Lock vs. Float — Decision Framework

Lock if: Rates are trending upward | Closing is more than 30 days away | A rate increase would push payment to uncomfortable levels
 Float if: Rates are clearly trending downward | Fed cut expected before closing | Closing is within 2 weeks | Can absorb 0.25–0.50% increase without stress

Also consider the **2-1 buydown** — a seller-paid option that temporarily reduces your rate by 2% in year one and 1% in year two. In a motivated-seller NJ market, this can save \$300–\$500/month in your first two years.

WORKSHEET #15

Rate Lock Decision Worksheet

Analyze your rate lock options and market factors before making your decision

Apply what you just learned →

WORKSHEET #17

Points and Rate Buydown Calculator

Determine if buying down your rate or a 2-1 buydown makes financial sense

Apply what you just learned →

WORKSHEET #18

Mortgage Stress Test Worksheet

Test your affordability against income drops, rate changes and life events

Apply what you just learned →

BEFORE YOU MOVE ON

- Check NJHMFA eligibility at njhousing.gov — this should be your first call
- Gather all pre-approval documents (Worksheet #13)
- Get pre-approved by at least 2-3 lenders and compare side by side (Worksheet #11)
- Decide on your loan type based on your specific financial profile (Worksheet #12)
- Understand your full PITI payment including NJ property taxes (Worksheet #14)
- Build your rate lock strategy before going under contract (Worksheet #15)
- Run your mortgage stress test to know your financial limits (Worksheet #18)

ITEM	LENDER 1	LENDER 2	LENDER 3	LENDER 4
Lender Name				
Loan Officer				
Phone / Email				
Interest Rate				
APR				
Loan Type				
Loan Term				
Monthly Payment (P+I)				
Origination Fee				
Points				
Underwriting Fee				
Other Fees				
Total Closing Costs				
Rate Lock Period				
Days to Close				
Overall Rating				

TIP: Always compare APR — not just rate. APR includes fees and gives a true apples-to-apples comparison.

My Lender Decision

YOUR FINANCIAL PROFILE

Credit Score	Down Payment Available
Military Status	Monthly Income
Monthly Debts	DTI Ratio

FEATURE	CONVENTIONAL	FHA	VA	USDA
Min. Down Payment	3%	3.5%	0%	0%
Min. Credit Score	620	580	No min	640
Mortgage Insurance	PMI if <20%	MIP always	Funding fee	Guarantee fee
Loan Limits	County limits	County limits	No limit	Income limits
Best For	Good credit	Lower credit	Veterans	Rural buyers
YOUR FIT (1-5)				

- VA eligible — strongly consider (zero down, no PMI)
- Credit below 680 — FHA may be better than conventional
- Can put 20% down — conventional avoids all mortgage insurance
- Buying in rural NJ — USDA may be best
- Check NJHMFA eligibility first

My Loan Type Decision

YOUR LENDER INFORMATION

Lender Name	Loan Officer
Phone	Appointment Date

INCOME DOCUMENTS

- Last 2 years W-2s (all jobs)
- Last 2 years federal tax returns (all pages)
- Last 30 days pay stubs
- Self-employed: 2 years business tax returns
- Self-employed: year-to-date profit and loss statement
- Proof of additional income (rental, alimony, Social Security)

ASSET DOCUMENTS

- Last 2-3 months bank statements (all accounts, all pages)
- Last 2-3 months investment / retirement account statements
- Documentation for any large recent deposits
- Gift letter from donor if using gift funds

IDENTITY & SPECIAL DOCUMENTS

- Government-issued photo ID
- Social Security number (all borrowers)
- Green card or visa if not a US citizen
- Bankruptcy discharge papers if applicable
- Divorce decree and settlement if applicable
- VA Certificate of Eligibility if using VA loan

TIP: Organize all documents digitally before your appointment. PDF uploads to online portals speed up the process.

Additional Documents Requested by Lender

YOUR LOAN DETAILS

Purchase Price	Loan Amount
Interest Rate	Loan Term
Loan Type	Down Payment

MONTHLY PAYMENT BREAKDOWN (PITI)

PAYMENT COMPONENT	MONTHLY AMOUNT	ANNUAL AMOUNT	% OF PAYMENT
Principal	\$	\$	
Interest	\$	\$	
Property Taxes (÷12)	\$	\$	
Homeowner's Insurance (÷12)	\$	\$	
HOA Fees	\$	\$	
PMI	\$	\$	
TOTAL PITI PAYMENT	\$	\$	100%

AMORTIZATION HIGHLIGHTS

YEAR	TOTAL PAID	TO PRINCIPAL	TO INTEREST	BALANCE
Year 1	\$	\$	\$	\$
Year 5	\$	\$	\$	\$
Year 10	\$	\$	\$	\$
Year 15	\$	\$	\$	\$
Year 20	\$	\$	\$	\$
Year 30	\$	\$	\$	\$0

TIP: Paying \$200 extra/month from the start saves over \$80,000 in interest and cuts 7 years off a 30-year loan.

YOUR LOAN & TIMELINE

Current Rate Quote	APR
Loan Amount	Closing Date
Days Until Closing	Lock Options

RATE LOCK OPTIONS

LOCK PERIOD	RATE OFFERED	COST	EXPIRATION DATE	COVERS CLOSING?
15 days		None		
30 days				
45 days				
60 days				
90 days				

RATE CHANGE IMPACT

RATE SCENARIO	MONTHLY PMT	vs. TODAY	10-YEAR DIFF
Current Rate	\$	—	—
+0.125%	\$	\$	\$
+0.25%	\$	\$	\$
+0.50%	\$	\$	\$
-0.125%	\$	\$	\$
-0.25%	\$	\$	\$

TIP: A 0.25% rate increase on a \$350K loan = \$55/month more and \$20,000+ more in total interest over 30 years.

My Rate Lock Decision

LOAN DETAILS

Loan Amount	Purchase Price
Loan Type	Comparison Date

ITEM	LENDER A	LENDER B	DIFFERENCE
Interest Rate			
APR			
Monthly P+I	\$	\$	
Est. Total Monthly Payment	\$	\$	
Loan Term			
Prepayment Penalty?			
Origination Charges (A)	\$	\$	
Services Cannot Shop (B)	\$	\$	
Services Can Shop (C)	\$	\$	
Taxes & Gov Fees	\$	\$	
Prepays	\$	\$	
Initial Escrow	\$	\$	
Total Closing Costs	\$	\$	
Cash to Close	\$	\$	
Rate Lock Period			

TIP: Focus on APR and Total Closing Costs — not just the rate. Lower rate + higher fees can cost more overall.

Negotiation Notes

YOUR LOAN DETAILS

Loan Amount

Base Rate (no points)

Monthly Payment at Base Rate

How Long Do You Plan to Stay?

POINTS BUYDOWN ANALYSIS

POINTS PAID	COST OF POINTS	NEW RATE	NEW MONTHLY PMT	MONTHLY SAVINGS	BREAK-EVEN
0.5 point	\$		\$	\$	
1 point	\$		\$	\$	
1.5 points	\$		\$	\$	
2 points	\$		\$	\$	

TIP: Break-even = Cost of Points ÷ Monthly Savings. If staying past break-even, points save you money.

2-1 BUYDOWN ANALYSIS (SELLER-PAID)

YEAR	RATE	MONTHLY PMT	SAVINGS vs FULL RATE	SELLER COST
Year 1 (rate -2%)		\$	\$	\$
Year 2 (rate -1%)		\$	\$	
Year 3+ (full rate)		\$	—	—
Total 2-1 Buydown Cost				\$

My Decision

CURRENT FINANCIAL SNAPSHOT

Monthly Gross Income

Monthly Debts

Target Home Price

Expected PITI Payment

DTI at Purchase

Emergency Reserve

INCOME STRESS TEST

SCENARIO	MONTHLY INCOME	HOUSING PMT	DTI %	AFFORDABLE?
Full income	\$	\$		<input type="checkbox"/> Yes <input type="checkbox"/> No
Income drops 10%	\$	\$		<input type="checkbox"/> Yes <input type="checkbox"/> No
Income drops 20%	\$	\$		<input type="checkbox"/> Yes <input type="checkbox"/> No
One partner stops	\$	\$		<input type="checkbox"/> Yes <input type="checkbox"/> No

RATE & LIFE EVENT STRESS TEST

SCENARIO	ADDED MONTHLY COST	BUDGET ABSORBS?	ADJUSTMENT NEEDED
Rate +1% (ARM)	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Rate +2% (ARM)	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Major home repair	\$833 (12-mo plan)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
New car payment	\$400 est.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Baby / childcare	\$1,200+ est.	<input type="checkbox"/> Yes <input type="checkbox"/> No	

TIP: If stress tests reveal vulnerability, consider buying a less expensive home or building a larger cash reserve first.

Stress Test Conclusions and Action Plan

YOUR INFORMATION

Name	State
County / City	Household Income
First-Time Buyer? (3-yr rule)	Credit Score

FEDERAL PROGRAMS — CHECK THESE FIRST

PROGRAM	ELIGIBILITY	BENEFIT	APPLY THROUGH	AVAILABLE?
FHA Loan	Credit 580+, 3.5% down	Low down payment	FHA-approved lender	<input type="checkbox"/> Yes <input type="checkbox"/> No
USDA Rural Loan	Rural area, income limits	0% down	USDA-approved lender	<input type="checkbox"/> Yes <input type="checkbox"/> No
VA Loan	Military / veteran	0% down, no PMI	VA-approved lender	<input type="checkbox"/> Yes <input type="checkbox"/> No
NJHMFA First-Time Buyer	NJ residents, income limits	Below-market rate	NJHMFA lender	<input type="checkbox"/> Yes <input type="checkbox"/> No
Good Neighbor Next Door	Teacher/police/fire	± \$10K DPA 50% off HUD properties	HUD.gov	<input type="checkbox"/> Yes <input type="checkbox"/> No

STATE & LOCAL PROGRAMS — RESEARCH TRACKER

PROGRAM NAME	SOURCE	BENEFIT AMOUNT	INCOME LIMIT	REQUIREMENT	APPLY BY

- State Housing Finance Agency website — '[State] HFA first-time buyer'
- HUD.gov local homebuying programs directory
- NJHMFA at njhousing.gov
- City or county housing authority website
- Employer-assisted housing programs through your workplace
- National Homebuyers Fund (NHF) — nationwide DPA grants

TIP: DPA programs are first-come, first-served and funds run out. Apply early — even before finding a specific home.

Programs I'm Eligible For and Next Steps

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CHAPTER 3

Finding Your Home

Home Search Strategy, NJ Neighborhoods and Evaluating Properties Like a
Pro

Knowing what you want — and how to evaluate what you find — saves months of wasted time in
New Jersey's competitive market.

3.1 DEFINING WHAT YOU ACTUALLY WANT

The Priority Framework

Must-Haves: Non-negotiables. If the home doesn't have these, you will not buy it. **Nice-to-Haves:** Would love them but would sacrifice for the right home. **Deal-Breakers:** Things you will never accept regardless of price. Share your priorities worksheet with your agent before the first showing.

WORKSHEET #19

Must-Have vs. Nice-to-Have Home Features Worksheet

Define your priorities in writing before looking at a single property

[Apply what you just learned →](#)

3.2 CHOOSING THE RIGHT NJ NEIGHBORHOOD

In New Jersey, you are not just choosing a home — you are choosing a town. NJ property taxes, school districts and municipal services are all administered at the town level, meaning two homes 5 miles apart can have dramatically different monthly costs.

NEIGHBORHOOD FACTOR	WHY IT MATTERS IN NJ	HOW TO RESEARCH
Property Tax Rate	Varies by town — can differ \$5K+/year	NJ Tax Records, town assessor
School District	Funding is property-tax based — huge variation	GreatSchools.org, NJDOE
Commute to NYC/Philly	Major factor — drives price premiums	Google Maps at rush hour
Home Price Appreciation	NJ towns appreciate at different rates	Zillow, Redfin historical data
Walkability	Suburban NJ Walk Scores vary widely	Walk Score website

TIP: Towns with the most desirable school districts — Millburn, Summit, Ridgewood, Princeton — command significant price premiums. Always verify the specific attendance boundary for each address — boundaries change and your street may feed into a different school.

WORKSHEET #20

Neighborhood Comparison Worksheet

Score up to 3 NJ towns across 15 criteria — commute, taxes, schools and lifestyle

[Apply what you just learned →](#)

WORKSHEET #23

School District Research Worksheet

Compare districts, verify boundaries and research programs before you commit to a town

[Apply what you just learned →](#)

WORKSHEET #24

Commute and Lifestyle Scoring Worksheet

Quantify your daily life in each neighborhood — not just the home itself

Apply what you just learned →

3.3 YOUR HOME SEARCH STRATEGY**The Proactive NJ Buyer's Strategy**

1. Get fully pre-approved BEFORE starting your search — not during it 2. Work with a buyer's agent with MLS access and instant alerts 3. Be ready to tour within 24 hours of a new listing that matches your criteria 4. Know your offer strategy in advance — to decide same-day if needed 5. Tour 5–8 homes before making your first offer — build market calibration 6. Take your home tour checklist to every showing

WORKSHEET #21

Home Tour Checklist

Room-by-room structured notes for every NJ property — so details don't blur together

Apply what you just learned →

WORKSHEET #22

Home Comparison Worksheet

Compare up to 4 properties side by side across price, location, condition and financials

Apply what you just learned →

3.4 NEW CONSTRUCTION VS. RESALE IN NJ

FACTOR	NEW CONSTRUCTION	NJ RESALE
Price	Higher per sq ft	Generally lower
Timeline	90–180+ days	30–60 days
Negotiation	Limited	Full negotiation available
Customization	Choose finishes	As-is
Location	New subdivisions, outer NJ	All areas including prime towns
Competition	Less competition	Often multiple offers in NJ

New Construction Warning

Builder contracts in NJ are NOT the standard NJAR contract. They are written by the builder's attorney and heavily favor the builder. Always have YOUR attorney review any new construction contract before signing — and always bring your own buyer's agent, not just the builder's sales agent.

WORKSHEET #25

New Construction vs. Resale Decision Worksheet

Compare every factor — costs, timelines, risks and benefits — for your NJ search

[Apply what you just learned →](#)

WORKSHEET #26

Fixer-Upper Evaluation Worksheet

Calculate renovation costs, ARV and equity position on any NJ fixer-upper

[Apply what you just learned →](#)

BEFORE YOU MOVE ON

- Complete your must-have/nice-to-have priorities before your first showing (Worksheet #19)
- Research and score your target NJ towns including property tax rates (Worksheet #20)
- Research specific school attendance boundaries for any address you're serious about
- Set up instant MLS alerts with your buyer's agent for matching properties
- Take your home tour checklist to every showing (Worksheet #21)
- Run the new construction vs. resale comparison if both are in play (Worksheet #25)
- Never skip getting your own attorney review on a new construction contract

YOUR HOUSEHOLD

Names of Buyers	Household Size
Number of Pets	Budget Range
Target Area	Target Move-In Date

LOCATION PRIORITIES

LOCATION FACTOR	MUST-HAVE	NICE TO HAVE	NOT IMPORTANT	NOTES
Max Commute Time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
School District Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Walkability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Near Public Transit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Low Crime Rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Near Family / Friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Near Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

HOME FEATURE PRIORITIES

HOME FEATURE	MUST-HAVE	NICE TO HAVE	NOT IMPORTANT	NOTES
Minimum Bedrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Minimum Bathrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Garage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Backyard / Outdoor Space	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Single Story	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Open Floor Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Updated Kitchen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Home Office / Flex Space	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Basement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Move-In Ready	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
No HOA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Deal Breakers — I Will NOT Buy a Home That Has:

NEIGHBORHOODS BEING COMPARED

Neighborhood 1	Neighborhood 2	Neighborhood 3
Price Range 1	Price Range 2	Price Range 3

CRITERIA (Rate 1-10)	NBHD 1	NBHD 2	NBHD 3	NOTES
Commute Time to Work				
School District Rating				
Safety / Crime Rating				
Walkability Score				
Proximity to Shopping				
Proximity to Healthcare				
Parks / Green Space				
Restaurant / Entertainment				
Community Feel				
Home Price Appreciation (5yr)				
HOA Presence / Fees				
Property Tax Rate				
Traffic / Noise Level				
Future Development Risk				
Overall Vibe / Fit				
TOTAL SCORE				

TIP: Visit each neighborhood at different times of day — a quiet street at 10am can be very different at 5pm.

My Neighborhood Decision

PROPERTY INFORMATION

Address	List Price
Beds/Baths	Sq Footage
Year Built	Showing Date

EXTERIOR & CURB APPEAL

ITEM	CONDITION	NOTES
Roof Condition	■ Good ■ Fair ■ Poor	
Gutters & Downspouts	■ Good ■ Fair ■ Poor	
Siding / Exterior Walls	■ Good ■ Fair ■ Poor	
Foundation (cracks?)	■ Good ■ Fair ■ Poor	
Driveway & Walkways	■ Good ■ Fair ■ Poor	
Landscaping / Yard	■ Good ■ Fair ■ Poor	

INTERIOR & MECHANICALS

ITEM	CONDITION	NOTES
Flooring Throughout	■ Good ■ Fair ■ Poor	
Walls & Ceilings	■ Good ■ Fair ■ Poor	
Natural Light	■ Excellent ■ Good ■ Poor	
Kitchen (appliances/counters)	■ Updated ■ Dated ■ Replace	
Bathrooms	■ Updated ■ Dated ■ Replace	
HVAC (age: ___)	■ Good ■ Fair ■ Old	
Electrical Panel	■ Updated ■ Outdated	
Plumbing	■ Good ■ Fair ■ Issue	
Basement / Crawlspace	■ Dry ■ Moisture ■ N/A	
Water Heater (age: ___)	■ Recent ■ Old	

OVERALL IMPRESSIONS

First Impression (1-10)	Layout / Flow (1-10)	Price Fit (1-10)	Overall Rating (1-10)

Additional Notes / Concerns

CRITERIA	HOME 1	HOME 2	HOME 3	HOME 4
ADDRESS / LISTING				
List Price	\$	\$	\$	\$
Price Per Sq Ft	\$	\$	\$	\$
Beds / Baths				
Square Footage				
Year Built				
School District				
Commute to Work				
Neighborhood Feel (1-10)				
Overall Condition (1-10)				
Kitchen Quality (1-10)				
Bathroom Quality (1-10)				
Garage				
Yard / Outdoor				
HOA Fees	\$	\$	\$	\$
Taxes (annual)	\$	\$	\$	\$
Monthly Payment (est.)	\$	\$	\$	\$
Gut Feeling (1-10)				
Total Score				

Final Decision Notes

YOUR RESEARCH CRITERIA

Neighborhood / Area	Children's Ages / Grades
Key Priorities	Research Date

DISTRICT OVERVIEW COMPARISON

DISTRICT INFO	DISTRICT A	DISTRICT B	DISTRICT C
District Name			
Overall Rating (GreatSchools)			
Enrollment Size			
Student-Teacher Ratio			
% Meeting State Standards			
Graduation Rate (HS)			
AP / Honors Programs			
Special Education Services			
After-School Programs			

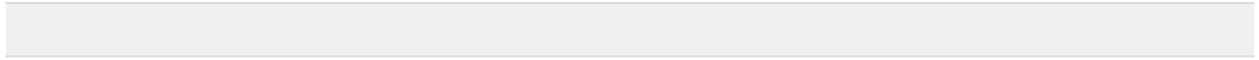
SPECIFIC SCHOOL RESEARCH

SCHOOL LEVEL	SCHOOL NAME	RATING	DISTANCE	NOTES
Elementary				
Middle School				
High School				
Alternative Options				

- Verify EXACT attendance boundary for target address — boundaries change!
- Check if magnet / charter school options available
- Research redistricting risk — any planned boundary changes?
- Visit the school in person or attend an open house
- Ask neighbors with kids for honest feedback
- Check for school choice / open enrollment options

TIP: Always verify attendance boundaries using the district's own address lookup tool — not just a general district map.

School Research Conclusions



YOUR WORK & LIFESTYLE PROFILE

Work Address 1	Work Address 2
Work-From-Home Days/Week	Transportation Mode
Target Neighborhoods	Max Acceptable Commute

COMMUTE ANALYSIS

COMMUTE FACTOR	NEIGHBORHOOD A	NEIGHBORHOOD B	NEIGHBORHOOD C
Distance to Work (miles)			
Drive Time (peak hours)			
Drive Time (off-peak)			
Public Transit Option?			
Monthly Gas Cost (est.)	\$	\$	\$
Walk Score			
Bike Score			
Transit Score			

LIFESTYLE AMENITIES SCORING (RATE 1-5)

AMENITY	NEIGHBORHOOD A	NEIGHBORHOOD B	NEIGHBORHOOD C
Grocery Stores			
Restaurants / Dining			
Parks & Recreation			
Gyms / Fitness			
Healthcare / Medical			
Entertainment / Culture			
Shopping			
Schools (if applicable)			
Overall Lifestyle Score			

TIP: Test your actual commute at rush hour before making an offer. A 12-mile drive can range from 20 to 75 minutes.

Commute & Lifestyle Decision Notes

YOUR SITUATION

Budget Range

Target Area

Timeline to Move In

Builder / Development

COST COMPARISON

COST FACTOR	NEW CONSTRUCTION	RESALE	NOTES
Purchase Price	\$	\$	
Closing Costs (est.)	\$	\$	
Immediate Repair Needed	\$0	\$	
Upgrades / Customization	\$	\$0	
Landscaping / Fencing	\$	Included	
ESTIMATED TOTAL COST	\$	\$	

PROS & CONS

FACTOR	NEW CONSTRUCTION	RESALE
Builder Warranty	✓ 1-10 years	No warranty
Customization	✓ Choose finishes	As-is
Energy Efficiency	✓ Latest standards	Varies
Community	New neighbors	Established
Move-In Timeline	90-180+ days	30-60 days
Negotiation Power	Limited	Good
Character / Charm	Minimal	Often high
Risk of Delays	Higher	Lower

- Researched the builder's reputation and reviews
- Know NJ new construction contract differs from standard contract
- My rate lock covers the full construction timeline
- I have my own buyer's agent (not just the builder's agent)
- I will get an independent home inspection on new construction

My Decision and Reasoning

PROPERTY INFORMATION

Address	List Price
Year Built	Sq Footage
After Repair Value (ARV est.)	Loan Type

RENOVATION COST ESTIMATOR

RENOVATION CATEGORY	NEEDED?	EST. LOW COST	EST. HIGH COST	PRIORITY
Roof Replacement	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
HVAC Replacement	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Electrical Update	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Plumbing Update	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Foundation Repair	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Kitchen Renovation	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Bathroom(s) Update	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Flooring	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Windows	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Paint (int/ext)	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	\$	
TOTAL RENOVATION EST.		\$	\$	

DEAL ANALYSIS

CALCULATION	AMOUNT
After Repair Value (ARV)	\$
Purchase Price	\$
Total Renovation (use high estimate)	\$
Carrying Costs (est.)	\$
Closing Costs	\$
ALL-IN COST	\$
EQUITY AT COMPLETION (ARV minus All-In)	\$
GOOD DEAL? (Equity > 20% of ARV?)	<input type="checkbox"/> Yes <input type="checkbox"/> No

TIP: Add a 20% contingency buffer to all renovation estimates. Fixer-uppers almost always cost more than initial estimates.

CHAPTER 4

Making Your Move

Offers, Negotiations and Winning in New Jersey's Competitive Market

The difference between getting the home and losing it comes down to strategy. This chapter gives you the offer playbook for NJ buyers.

4.1 UNDERSTANDING THE NJ REAL ESTATE CONTRACT

NJ's Unique 3-Day Attorney Review Period

Unlike most states, New Jersey requires a mandatory attorney review period of at least 3 business days after both parties sign. During this period, either party's attorney can modify or cancel the contract for any reason. This protects you — but the deal is not truly locked until attorney review is complete.

CONTRACT ELEMENT	WHAT IT MEANS	NJ SPECIFICS
Purchase Price	Agreed sale price	Subject to attorney review changes
Earnest Money	Good faith deposit	Typically 1–2% in NJ
Contingencies	Conditions that must be met	Inspection, financing, appraisal
Attorney Review	Mandatory 3-business-day review	Unique to NJ — protects both parties
Closing Date	Target transfer date	Typically 30–60 days in NJ

4.2 BUILDING A COMPETITIVE NJ OFFER

The Anatomy of a Strong NJ Offer

Price: Based on comparable sales data — not just list price
 Earnest Money: 2–3% signals seriousness in NJ
 Contingencies: Strategically chosen — not reflexively included
 Inspection Period: 5–7 days is competitive (standard is 10–14)
 Financing Period: 21–30 days; shorter is better for seller confidence
 Closing Date: Flexible and seller-preferred if possible

WORKSHEET #27

Offer Strategy Worksheet

Research comps, set your price and structure every element of your NJ offer

[Apply what you just learned →](#)

WORKSHEET #29

Comparable Sales Analysis Worksheet

Track up to 6 recent sold properties and calculate your own estimated market value

[Apply what you just learned →](#)

4.3 ESCALATION CLAUSES IN NJ'S COMPETITIVE MARKET

How Escalation Clauses Work

Example: 'I offer \$480,000, escalating \$2,500 above any bona fide competing offer, up to a maximum of \$510,000.' If the only other offer is \$490,000, your escalated offer becomes \$492,500. If a competing offer comes in at \$512,000 — above your max — you lose. Key rules: Always require the seller to provide the competing offer in writing. Never set your maximum at a number you are not truly comfortable paying.

WORKSHEET #28

Escalation Clause Calculator

Model every scenario — opening offer, increment and maximum — before a bidding war

Apply what you just learned →

WORKSHEET #31

Multiple Offer Situation Worksheet

Rate your offer's competitiveness across 13 factors before going up against other buyers

Apply what you just learned →

4.4 CONTINGENCIES — PROTECTION VS. COMPETITIVENESS

CONTINGENCY	WHAT IT PROTECTS	RISK IF WAIVED	NJ MARKET GUIDANCE
Financing	Exit if loan falls through	Lose earnest money if denied	Keep — always, unless cash
Inspection	Right to inspect and negotiate Protection if home	Buy unknown defects as-is Must cover gap or lose deposit	Modify, don't waive
Appraisal	appraises low Exit if your home doesn't sell	Can lose deal if home stalls	Can limit with cash reserves
Home Sale			Avoid in competitive NJ

TIP: NJ alternative to waiving inspection: Conduct a pre-offer inspection before submitting. Many NJ sellers allow this. You inspect before going under contract, then submit with no inspection contingency — protection of knowledge, strength of no contingency.

WORKSHEET #30

Offer Contingency Decision Guide

Decide which contingencies to include, modify or waive — strategically

Apply what you just learned →

BEFORE YOU MOVE ON

- Understand NJ's 3-day attorney review period — hire your attorney before going under contract
- Research comparable sold properties before setting your offer price (Worksheet #29)
- Build your offer strategy in advance so you can move same-day (Worksheet #27)
- Decide your escalation strategy before entering a competitive situation (Worksheet #28)
- Know which contingencies to keep and which to modify for the NJ market (Worksheet #30)

- Have your offer competitiveness rated before submitting in a multiple-offer situation (Worksheet #31)
- Never waive the financing contingency unless you are paying cash or have a full underwrite

PROPERTY DETAILS

Address	List Price
Days on Market	# of Offers Expected
Offer Deadline	Seller Motivation

COMPARABLE SALES RESEARCH

COMPARABLE ADDRESS	SOLD PRICE	BEDS/BATHS	SQ FT	SOLD DATE	\$/SQFT
	\$				\$
	\$				\$
	\$				\$
	\$				\$
SUBJECT PROPERTY	\$				\$

OFFER STRUCTURE

OFFER COMPONENT	YOUR CHOICE	NOTES
Offer Price	\$	
Earnest Money Deposit	\$	
Down Payment	\$	
Loan Type		
Inspection Contingency	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Financing Contingency	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Appraisal Contingency	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Inspection Period	days	
Closing Date		
Escalation Clause?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Seller Concessions	\$	
Home Warranty?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

TIP: Research what the seller values most — flexible closing date or short inspection period can win over highest price.

Offer Strategy Notes

PROPERTY INFORMATION	
Address	List Price
Your Opening Offer	Your Maximum Budget
Escalation Increment	Offer Deadline

An escalation clause automatically increases your offer by a set increment above any competing offer up to your stated maximum.

ESCALATION SCENARIO MODELING			
IF COMPETING OFFER IS	YOUR ESCALATED OFFER	STILL WITHIN MAX?	WIN PROBABILITY
\$305,000	\$		
\$310,000	\$		
\$315,000	\$		
\$320,000	\$		
\$325,000	\$		
\$330,000	\$		
Above your max	YOUR MAX: \$	NO	
No competing offers	YOUR OPENING: \$	N/A	High

- Set true maximum I'm comfortable paying regardless of competition
- Required seller to provide copy of competing offer
- My escalation increment is meaningful (1%+ of list price)
- My lender must approve the final escalated price
- My appraisal contingency protects me if price exceeds value

TIP: Never set your maximum at a number you aren't fully comfortable paying. It gets revealed to the seller once accepted.

Escalation Strategy Notes

SUBJECT PROPERTY

Address	List Price
Beds/Baths	Square Footage
Year Built	Lot Size

COMPARABLE SALES (LAST 6 MONTHS, WITHIN 1 MILE)

COMP #	ADDRESS	SOLD DATE	SOLD PRICE	SQ FT	PRICE/SQ FT	BED/BA TH	ADJUSTMENTS
Comp 1			\$		\$		\$
Comp 2			\$		\$		\$
Comp 3			\$		\$		\$
Comp 4			\$		\$		\$
Comp 5			\$		\$		\$
Comp 6			\$		\$		\$

VALUE RANGE SUMMARY

CALCULATION	AMOUNT
Lowest Comparable (adjusted)	\$
Highest Comparable (adjusted)	\$
Average of All Comps	\$
Your Estimated Market Value	\$
List Price	\$
List Price vs. Market Value	Over / Under by \$

TIP: Ask your agent to pull MLS data. Focus on homes SOLD (not listed) in last 90 days within a half-mile radius.

Pricing Analysis Notes

YOUR PURCHASE SCENARIO

Property Address

List Price

Market Type (buyer/seller)

of Competing Offers

Loan Type

Down Payment %

CONTINGENCY DECISION MATRIX

CONTINGENCY	INCLUDE?	PERIOD	WHAT IT PROTECTS	RISK IF WAIVED
Inspection Contingency	■ Yes ■ No	days	Right to inspect & negotiate	Buy unknown defects as-is
Financing Contingency	■ Yes ■ No	days	Exit if loan falls through	Lose earnest money if denied
Appraisal Contingency	■ Yes ■ No	days	Protection if home appraises low	Must pay gap or lose deposit
Home Sale Contingency	■ Yes ■ No	days	Need to sell your home first	Sellers may reject offer
Title Contingency	■ Yes ■ No	days	Protection against title defects	Rare but costly

INSPECTION ALTERNATIVES IN COMPETITIVE MARKETS

- Pre-offer inspection — inspect before submitting to waive contingency confidently
- Informational-only inspection — inspect but don't negotiate repairs
- Shortened inspection period (5-7 days) instead of standard 10-14
- Limit repair requests to major items over a defined dollar threshold

TIP: Never waive the financing contingency unless paying cash or have a fully underwritten approval. It is your most important financial protection.

Contingency Strategy Notes

PROPERTY DETAILS

Address	List Price
Offer Deadline	# of Offers Expected
Days on Market	Pre-Inspected?

OFFER STRENGTHENING CHECKLIST

- Completed a pre-offer inspection (removes inspection contingency risk)
- Have a fully underwritten pre-approval (stronger than standard)
- Offer price at or above list (research comps first)
- Large earnest money deposit (2-3% signals serious intent)
- Shorter contingency periods (5-7 day inspection, 14-day financing)
- Flexible / seller-preferred closing date
- Offer to cover appraisal gap (specify amount)
- Limit or waive seller concession requests
- Include escalation clause with a meaningful maximum
- Strong lender letter included with offer
- No home sale contingency

YOUR COMPETITIVE OFFER SUMMARY

ELEMENT	YOUR OFFER	STRENGTH RATING (1-5)
Offer Price	\$	
Earnest Money	\$	
Inspection Contingency		
Financing Contingency		
Appraisal Coverage	\$	
Closing Date Flexibility		
Escalation (if applicable)	Up to: \$	
OVERALL COMPETITIVENESS		

TIP: In a multiple offer situation, think about what the seller values most — flexible close date or fewer contingencies can win over a higher price.

CHAPTER 5

Due Diligence & Closing

Inspections, HOA Evaluation and New Jersey's Closing Process

The period between accepted offer and closing keys is where deals go wrong. This chapter keeps yours on track.

5.1 THE INSPECTION — YOUR MOST IMPORTANT INVESTMENT

A home inspection typically costs \$400–\$700 in New Jersey and takes 2–4 hours. It is the single most important \$500 you will spend in the entire home buying process. Attend your inspection in person. Follow the inspector room to room. Ask questions. Take photos.

Additional Inspections to Consider in NJ

Radon Testing: NJ has high radon levels — this is a must-have, not optional. Oil Tank Scan: Many older NJ homes have underground oil storage tanks. If one is found and has leaked, remediation can cost \$10,000–\$100,000+.

Always test. Sewer Scope: Older homes with clay or cast iron lines should be scoped — root intrusion and cracks are common. Mold Testing: If the inspector flags moisture, get a separate mold test.

WORKSHEET #32

Home Inspection Prep Checklist

What to bring, what questions to ask and how to track every issue found at your inspection

[Apply what you just learned →](#)

5.2 READING YOUR INSPECTION REPORT

The Four-Category Approach

Category 1 — Safety Issues: Health or safety hazards that must be addressed. Always request repairs or credits.

Category 2 — Major Systems: HVAC, roof, plumbing, electrical with significant cost. Negotiate on cost. Category 3 —

Deferred Maintenance: Needs attention but not emergencies. Negotiate selectively. Category 4 — Cosmetic/Minor:

Normal wear and tear. Accept these — asking for cosmetics in NJ's market signals inexperience.

WORKSHEET #33

Inspection Report Review Worksheet

Categorize all findings by severity, estimate costs and plan your response strategy

[Apply what you just learned →](#)

WORKSHEET #34

Repair Request Negotiation Worksheet

Track every request, the seller's response and the final resolution on each item

[Apply what you just learned →](#)

WORKSHEET #35

Red Flags Walk-Away Checklist

Know which issues are deal-breakers before you're too far under contract to back out

Apply what you just learned →

5.3 HOA EVALUATION — NJ COMMUNITY RULES AND FINANCES**HOA Red Flags to Watch For**

Reserve fund under 50% funded: Special assessments are likely coming Pending litigation: Could freeze sales and affect financing Delinquency rate over 15%: Unhealthy community and budget strain Strict rental restrictions: Affects resale value and flexibility Always request and read the last 2 years of HOA meeting minutes before closing. Minutes reveal real issues the seller's disclosure may not capture.

WORKSHEET #37**HOA Evaluation Worksheet**

Assess financial health, reserve funding, CC&R; restrictions and key HOA documents

Apply what you just learned →

5.4 NEW JERSEY'S CLOSING PROCESS

STAGE	TIMEFRAME	WHAT HAPPENS
Attorney Review	3 business days after signing	Attorney can modify or cancel contract
Inspection Period	5–14 days after signing	Inspection, response, negotiation
Mortgage Commitment	21–30 days	Lender issues full approval
Title Search	During mortgage period	Title company clears any liens
Clear to Close	48–72 hrs before closing	All conditions satisfied
Final Walk-Through	Day before or day of closing	Verify condition and repairs
Closing Day	Per contract date	Sign, pay, receive keys

NJ-Specific Closing Costs

Realty Transfer Tax: Paid by seller on most transactions. Mansion Tax: Buyers pay 1% on purchases over \$1,000,000. Mortgage Recording Tax: NJ charges 0.05% of mortgage amount. Attorney Fee: \$1,500–\$2,500 typical for buyer's attorney in NJ. Title Insurance: Required for lender; highly recommended for owner's policy.

WIRE FRAUD WARNING — Read This Carefully

Wire fraud is the #1 real estate scam in the country. Criminals intercept emails and send fraudulent wire instructions. ALWAYS verify wire instructions by calling the title company directly at a number you find independently — NEVER from an email. Confirm the exact wire amount and account number verbally before sending any funds.

WORKSHEET #36**Final Walk-Through Checklist**

Your last chance to catch problems — 16 critical checks before you sign at closing

[Apply what you just learned →](#)

WORKSHEET #38

Closing Day Preparation Checklist

Everything to bring, do and confirm — including wire fraud prevention protocol

[Apply what you just learned →](#)

WORKSHEET #39

Closing Disclosure Review Worksheet

Compare your CD to your Loan Estimate line by line before you sign

[Apply what you just learned →](#)

BEFORE YOU MOVE ON

- Attend your inspection in person — take photos and ask questions throughout
- Order radon, oil tank and sewer scope tests in addition to the standard inspection
- Categorize all inspection findings and build a strategic response (Worksheet #33)
- Request and read 2 years of HOA meeting minutes before closing if applicable
- Verify wire instructions by PHONE at a number you find independently — never email
- Review your Closing Disclosure against your Loan Estimate 3 days before closing (Worksheet #39)
- Complete your final walk-through with the checklist before closing (Worksheet #36)

INSPECTION DETAILS

Property Address	Inspector Name
Inspector License #	Date & Time
Cost	Who Attends

QUESTIONS TO ASK YOUR INSPECTOR

- How old is the roof — signs of wear?
- What type of electrical panel? Any issues?
- Age and condition of the HVAC system?
- Evidence of water intrusion or mold?
- Type of plumbing installed? Any visible leaks?
- Foundation showing any cracking or movement?
- Active pest / termite issues visible?
- Insulation situation — attic and walls?
- Smoke and CO detectors functional?
- Water heater age and condition?

WHAT TO BRING TO THE INSPECTION

- Notebook and pen
- Phone / camera
- Measuring tape
- Flashlight
- Your questions list
- Inspection contingency deadline date

ISSUES FOUND — TRACK DURING INSPECTION

AREA / SYSTEM	ISSUE FOUND	SEVERITY	EST. REPAIR COST
Roof		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$
Foundation		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$
Electrical		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$
Plumbing		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$
HVAC		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$
Water Heater		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$
Basement		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$
Windows / Doors		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$
Other		<input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> FYI	\$

TIP: Attend your inspection in person. A good inspector will walk you through every finding and teach you about the home's systems.

NEGOTIATION CONTEXT

Property Address

Purchase Price

Inspection Date

Inspection Deadline

Market Conditions

Seller Motivation Level

REPAIR REQUEST TRACKER

ITEM REQUESTED	OUR REQUEST	SELLER RESPONSE	COUNTER	FINAL RESOLUTION

CREDIT VS. REPAIR COMPARISON

FACTOR	TAKING CREDIT	REQUESTING REPAIRS
Control over quality	You choose contractor	Seller chooses
Timing	Cash at closing	Must be done before closing
Seller preference	Often preferred	More work for seller
Best for	Major items	Safety / clear scope items

TIP: A credit at closing is often better than a seller repair — you control the contractor, quality and timing after you own the home.

Negotiation Outcome Notes

PROPERTY BEING EVALUATED

Address	List Price
Under Contract Since	Inspection Date

STRUCTURAL RED FLAGS

RED FLAG	PRESENT?	SEVERITY	ACTION
Foundation cracks (horizontal/stair-step)	■ Yes ■ No	CRITICAL	Walk Away / Engineer
Bowing or leaning foundation walls	■ Yes ■ No	CRITICAL	Walk Away
Major roof sagging or damage	■ Yes ■ No	HIGH	Negotiate / Walk
Active water intrusion / flooding evidence	■ Yes ■ No	HIGH	Negotiate / Walk
Extensive mold throughout property	■ Yes ■ No	HIGH	Remediation cost

SYSTEMS & ENVIRONMENTAL RED FLAGS

RED FLAG	PRESENT?	ESTIMATED COST	ACTION
Knob and tube or aluminum wiring	■ Yes ■ No	\$	Negotiate / Update
Non-functioning HVAC system	■ Yes ■ No	\$	Negotiate / Walk
Failed septic system	■ Yes ■ No	\$	Negotiate / Walk
Polybutylene plumbing (recalled)	■ Yes ■ No	\$	Negotiate
Underground oil tank — not decommissioned	■ Yes ■ No	\$	Test required — NJ specific
High radon levels (above 4 pCi/L)	■ Yes ■ No	\$	Remediation
Title issues / liens on property	■ Yes ■ No	Varies	Attorney review
Unpermitted work	■ Yes ■ No	Varies	Negotiate / legalize

My Walk-Away / Proceed Decision

WALK-THROUGH DETAILS

Property Address	Walk-Through Date
Closing Date	Agent Attending

AGREED REPAIRS — VERIFY COMPLETED

REPAIR AGREED UPON	COMPLETED?	NOTES / ISSUES

ROOM-BY-ROOM WALK-THROUGH

ITEM TO CHECK	OK?	ISSUE FOUND
All seller personal property removed	<input type="checkbox"/> Yes <input type="checkbox"/> No	
All included appliances still present	<input type="checkbox"/> Yes <input type="checkbox"/> No	
No new visible damage since inspection	<input type="checkbox"/> Yes <input type="checkbox"/> No	
All lights and switches working	<input type="checkbox"/> Yes <input type="checkbox"/> No	
All outlets working (bring phone charger)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
All appliances operational (run each one)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
HVAC heating and cooling functional	<input type="checkbox"/> Yes <input type="checkbox"/> No	
All plumbing / faucets — no leaks	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Water heater operational	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Garage doors and openers working	<input type="checkbox"/> Yes <input type="checkbox"/> No	
All windows open, close and lock	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Smoke and CO detectors present	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Home is clean / broom swept	<input type="checkbox"/> Yes <input type="checkbox"/> No	
All keys / openers / manuals available	<input type="checkbox"/> Yes <input type="checkbox"/> No	

TIP: Document any issues with photos immediately. Contact your agent before closing — before you sign.

Walk-Through Issues and Resolution

HOA INFORMATION

Community / HOA Name	Management Company
Monthly Dues	Special Assessment History
HOA Phone / Email	Reserve Fund Balance

FINANCIAL HEALTH CHECK

FINANCIAL INDICATOR	AMOUNT / STATUS	HEALTHY?
Monthly HOA Dues	\$	
Annual Budget Total	\$	
Reserve Fund Balance	\$	
% Reserve Funded (target: 70%+)	%	
Pending Special Assessments	\$	
Outstanding Litigation		
Delinquency Rate (target: <15%)	%	
Last Dues Increase Amount / Year	\$ /	

CC&R; RESTRICTIONS REVIEW

RESTRICTION	ALLOWED?	NOTES
Renting / leasing the unit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Limits	
Short-term rentals (Airbnb)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Pets (size / breed restrictions)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Limits	
Exterior paint / door color changes	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Approval	
Fencing additions	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Approval	
Parking (guests, RVs, boats)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Limits	
Running a home business	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Landscaping changes	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Approval	

TIP: Always read the last 2 years of HOA meeting minutes before closing. Minutes reveal real issues the seller's disclosure may not capture.

CLOSING DETAILS

Closing Date & Time	Closing Location
Title Company	Your NJ Attorney
Cash to Close (from CD)	Wire Transfer Deadline

WHAT TO BRING TO CLOSING

- Government-issued photo ID
- Second form of ID
- Cashier's check or wire transfer confirmation
- Checkbook (for any small adjustments)
- Copy of homeowner's insurance policy
- Any outstanding documents requested by lender
- Copy of your Closing Disclosure
- Contact numbers: lender, agent, title company, attorney

3 DAYS BEFORE CLOSING — FINAL REVIEW

- Received Closing Disclosure — review all numbers carefully
- Compare CD to Loan Estimate — flag any significant changes
- CALL title company directly to VERIFY wire instructions (not email!)
- Confirm final walk-through is scheduled
- Confirm all agreed repairs are completed
- Confirm moving logistics and key transfer plan
- Set up utility transfers for move-in day
- Confirm homeowner's insurance is active on closing date

DOCUMENT	PURPOSE	SIGNED?
Closing Disclosure	Final loan terms and costs	■
Promissory Note	Your promise to repay the loan	■
Deed of Trust / Mortgage	Lender's security interest	■
Deed	Transfers ownership to you	■
Title Insurance Policies	Confirms your coverage	■

TIP: WIRE FRAUD WARNING: Always verify wire instructions by calling the title company directly at a number you find independently — NEVER from an email. This is the #1 real estate scam.

DOCUMENT DETAILS

Closing Date	Property Address
Loan Amount	Loan Type
Interest Rate	Loan Term

PAGE 1 — LOAN TERMS REVIEW

ITEM ON CD	CD AMOUNT	LOAN ESTIMATE AMOUNT	DIFFERENCE	OK?
Loan Amount	\$	\$	\$	<input type="checkbox"/>
Interest Rate	%	%		<input type="checkbox"/>
Monthly P+I Payment	\$	\$	\$	<input type="checkbox"/>
Prepayment Penalty?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/>
Balloon Payment?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/>

PAGE 2 — CLOSING COST REVIEW

COST CATEGORY	CD AMOUNT	LE AMOUNT	DIFFERENCE	FLAG?
Origination Charges (A)	\$	\$	\$	<input type="checkbox"/>
Services Cannot Shop (B)	\$	\$	\$	<input type="checkbox"/>
Services Can Shop (C)	\$	\$	\$	<input type="checkbox"/>
Taxes & Government Fees	\$	\$	\$	<input type="checkbox"/>
Prepays	\$	\$	\$	<input type="checkbox"/>
Initial Escrow	\$	\$	\$	<input type="checkbox"/>
TOTAL CLOSING COSTS	\$	\$	\$	<input type="checkbox"/>

PAGE 3 — CASH TO CLOSE

ITEM	CD AMOUNT	LE AMOUNT	DIFFERENCE	OK?
Down Payment	\$	\$	\$	<input type="checkbox"/>
Closing Costs	\$	\$	\$	<input type="checkbox"/>
Adjustments / Credits	\$	\$	\$	<input type="checkbox"/>
FINAL CASH TO CLOSE	\$	\$	\$	<input type="checkbox"/>

TIP: You must receive your Closing Disclosure at least 3 business days before closing. Call your lender about any differences from your Loan Estimate.

Questions for Lender / Title Company

CHAPTER 6

You're a Homeowner

Moving In, Your First Year of Ownership and Building Long-Term Wealth in
New Jersey

Closing day is not the finish line — it's the starting line. This chapter sets you up to thrive as a
New Jersey homeowner.

6.1 MOVING DAY — PLANNING FOR A SMOOTH TRANSITION

Move-In Priority Sequence

Day 1: Change all exterior door locks. Locate and label water main, gas and electrical shut-offs. Test all smoke and CO detectors. Week 1: Deep clean before furniture arrives. Set up all utilities. Meet neighbors. Review HOA rules if applicable. Month 1: Schedule HVAC service. Set up home maintenance calendar. Establish your repair reserve fund.

WORKSHEET #40

Moving Day Master Checklist

8-week countdown from booking movers to handing back your old keys

[Apply what you just learned →](#)

WORKSHEET #42

Address Change Master Checklist

Every account, institution and subscription to notify — organized by category

[Apply what you just learned →](#)

6.2 YOUR FIRST MONTH AS A NJ HOMEOWNER

TASK	WHY IT MATTERS	WHEN
Change all locks	Don't know who has old keys	Day 1
Label electrical panel	Know each breaker — emergencies move fast	Week 1
Locate water main shut-off	Burst pipes need immediate action	Day 1
Test smoke/CO detectors	NJ law — must be functional	Week 1
Schedule HVAC service	Know its condition, build a service relationship	Month 1
Review HOA rules if applicable	Know what needs approval before any changes	Week 1
Set up maintenance calendar	Prevention costs far less than emergencies	Month 1

WORKSHEET #41

New Home Priority Projects Worksheet

Organize every first-year project by priority, cost and timeline — safety first

[Apply what you just learned →](#)

6.3 UNDERSTANDING YOUR NJ PROPERTY TAXES

NJ Property Tax Essentials

NJ averages \$9,000+/year statewide; \$15,000–\$20,000+ in top suburban towns. Escrow adjustments: When taxes increase, your lender adjusts your monthly escrow — this surprises many owners in year two. Appeals: You can appeal your assessment to the County Board of Taxation. Programs: Check NJ Senior Freeze and Homestead Benefit at nj.gov/treasury/taxation.

6.4 THE 1% RULE — PROTECTING YOUR INVESTMENT

Budget 1% of your home's value per year for maintenance and repairs. On a \$480,000 NJ home, that is \$4,800/year or \$400/month — set aside before you need it. The cost of prevention is always less than the cost of emergency repair.

MAINTENANCE TASK	FREQUENCY	APPROX COST
HVAC filter replacement	Every 1–3 months	\$15–\$40
HVAC annual service	Annually	\$100–\$200
Gutter cleaning	Spring and fall	\$150–\$300
Dryer vent cleaning	Annually	\$100–\$150
Roof inspection	Every 2–3 years	\$150–\$300
Chimney sweep	Annually if used	\$150–\$300
Driveway sealing	Every 2–3 years	\$200–\$600

WORKSHEET #43

First-Year Homeowner Expense Tracker

Track every dollar in your first 12 months and build your true cost baseline

Apply what you just learned →

6.5 BUILDING LONG-TERM WEALTH THROUGH NJ REAL ESTATE

The Four Wealth Engines of NJ Homeownership

1. Appreciation: NJ homes historically appreciate 3–5% annually. On a \$480K home, 3% = \$14,400 in year one alone. 2. Principal Paydown: Every mortgage payment reduces your balance — building equity you can access later. 3. Forced Savings: Ownership forces wealth accumulation. Renting does not. 4. Tax Benefits: Mortgage interest deduction, SALT deduction (up to \$10K) and capital gains exclusion — \$250K single / \$500K married after 2 years as primary residence.

6.6 SPECIAL SITUATIONS — ADDITIONAL WORKSHEETS

These worksheets address specific situations that may apply to your journey:

WORKSHEET #45

12-Month Credit Repair Workbook

Month-by-month plan for buyers rebuilding credit before their next purchase

Apply what you just learned →

WORKSHEET #46

Self-Employed Buyer Document Organizer

Every document NJ self-employed buyers need for mortgage approval

[Apply what you just learned →](#)

WORKSHEET #47

Relocation Research Workbook

Everything to research before moving to a new NJ county or city

[Apply what you just learned →](#)

WORKSHEET #48

Divorce Home Buying Checklist

Financial and legal steps for buying a home after divorce in NJ

[Apply what you just learned →](#)

WORKSHEET #49

Investment Property Analyzer

Calculate cash flow, cap rate and ROI on any NJ rental property

[Apply what you just learned →](#)

WORKSHEET #50

Downsizing Decision Workbook

Financial and lifestyle checklist for NJ empty nesters making the move

[Apply what you just learned →](#)

CONGRATULATIONS — YOU'RE READY.

You now have everything you need to navigate the New Jersey home buying process with confidence — the knowledge, the tools and the NJ-specific context that most buyers never get.

Fill in the worksheets as you go. Come back to this handbook at each stage of your journey. When you get your keys — welcome home.

Connect With a Trusted NJ Agent

Visit NJHomeBuyerGuide.com to download all 50 worksheets and connect with a NJ buyer's agent who knows these programs inside and out. All resources are free. No catch. Just tools built for NJ buyers.

NJHomeBuyerGuide.com · realestatelpbl.com

The Real Estate Laptop Business Library

MOVING INFORMATION

Closing / Move-In Date	New Address
Moving Company / Help	Truck Reserved
Old Lease End Date	Storage Unit

8 WEEKS BEFORE MOVING DAY

- Research and book moving company or truck rental
- Start decluttering — sell, donate or discard
- Get moving supplies
- Notify current landlord of move-out date

4 WEEKS BEFORE MOVING DAY

- Start packing non-essentials
- Set up utilities at new home
- Set up USPS mail forwarding
- Notify bank, employer and accounts of address change
- Transfer or cancel local memberships

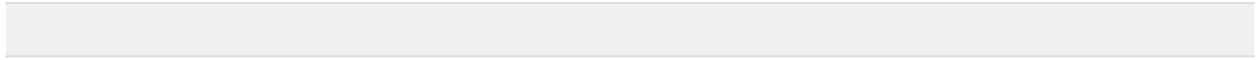
1 WEEK BEFORE MOVING DAY

- Confirm moving company or truck reservation
- Pack everything except daily essentials
- Clean out refrigerator
- Prepare 'first night' box — essentials for day one
- Charge all devices — moving day is long

MOVING DAY

- Take photos of old home before leaving
- Final walk-through of old home
- Return all keys, garage openers and access cards
- Check all closets, cabinets, attic, garage
- Change locks at new home on day one

Moving Day Notes / Vendor Contacts



YOUR NEW HOME

Address

Move-In Date

Year Built

Available Year 1 Budget

IMMEDIATE PRIORITY — MONTH 1 (SAFETY & SECURITY)

PROJECT	COST ESTIMATE	CONTRACTOR?	STATUS
Change all exterior door locks	\$	No — DIY	■ Done
Replace smoke detector batteries	\$	No — DIY	■ Done
Replace CO detector batteries	\$	No — DIY	■ Done
Locate and label water main shut-off	\$0	No — DIY	■ Done
Locate and label electrical panel	\$0	No — DIY	■ Done
Locate gas shut-off	\$0	No — DIY	■ Done
Deep clean entire home	\$	Optional	■ Done
Pest inspection / treatment	\$	Yes	■ Done

SHORT-TERM PROJECTS (MONTHS 2-6)

PROJECT	BUDGET	PRIORITY (H/M/L)	TARGET DATE

YEAR 1 BUDGET SUMMARY

CATEGORY	BUDGETED	ACTUAL SPENT
Immediate safety items	\$	\$
Short-term projects	\$	\$
Unexpected repairs	\$	\$
TOTAL YEAR 1	\$	\$

TIP: Prioritize safety and waterproofing first, then systems (HVAC, electrical, plumbing), then cosmetic upgrades.

YOUR NEW ADDRESS

New Address (full)

Move-In Date

Old Address

Last Day at Old Address

Complete within 30 days of moving. Start with the most critical first.

GOVERNMENT & OFFICIAL

- USPS mail forwarding (usps.com — forward for 12 months)
- Driver's license and vehicle registration (DMV)
- Voter registration
- IRS (file Form 8822 or update on next tax return)
- Social Security Administration
- Medicare / Medicaid (if applicable)

FINANCIAL INSTITUTIONS

- All bank accounts (checking and savings)
- All credit card accounts
- Investment and brokerage accounts
- Retirement accounts (401k, IRA)
- Student loan servicer
- Mortgage servicer
- Life insurance company
- Health insurance provider

EMPLOYER, SUBSCRIPTIONS & MEDICAL

- HR / Payroll department (W-2 address)
- Amazon and online shopping accounts
- Streaming services (billing address)
- Gym membership
- Primary care physician
- Dentist
- Eye doctor
- Pharmacy
- Veterinarian
- Children's schools

Additional Accounts to Update

PROPERTY INFORMATION

Address

Purchase Price

Move-In Date

Annual Maintenance Budget (1%)

MONTHLY EXPENSE LOG

EXPENSE CATEGORY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ANNUAL TOTAL
Mortgage Payment													
Property Taxes													
Homeowner's Insurance													
HOA Dues													
Electric													
Gas / Heat													
Water & Sewer													
Internet													
Lawn Care													
Snow Removal													
Maintenance Repairs													
Appliance Repairs													
Other													
MONTHLY TOTAL													

TIP: Track every dollar for your first year. You'll discover your true all-in cost and build a reliable budget for year two.

Notes on Unexpected Expenses

STARTING POINT ASSESSMENT

Today's Date	Equifax Score
Experian Score	TransUnion Score
Lowest Score	Target Score

CREDIT REPORT AUDIT — ISSUES FOUND

ISSUE / NEGATIVE ITEM	BUREAU	DATE REPORTED	DISPUTE?	STATUS

Months 1-2	Pull all 3 reports · Dispute all inaccuracies · Set up autopay · Open secured card if no credit
Months 3-4	Follow up on disputes · Pay balances to under 30% utilization · Request credit limit increases
Months 5-6	Check score progress · Get utilization under 10% · Confirm disputes resolved
Months 7-8	Consult with mortgage lender for preliminary review · Address remaining issues
Months 9-10	Full pre-approval preparation · Gather all income and asset documents
Months 11-12	Apply for mortgage pre-approval · Lock in rate when approved · Begin home search

MONTHLY SCORE PROGRESS LOG

MONTH	DATE	EQUIFAX	EXPERIAN	TRANSUNION	KEY ACTION
Month 1					
Month 2					
Month 3					
Month 4					
Month 5					

Month 6					
Month 7					
Month 8					
Month 9					
Month 10					
Month 11					
Month 12					

YOUR BUSINESS INFORMATION

Business Name	Business Type
Years in Business	CPA / Accountant Name
Accountant Phone	Lender Name

INCOME DOCUMENTS

DOCUMENT	YEARS NEEDED	IN HAND?	NOTES
Personal Federal Tax Returns	2 years	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Business Federal Tax Returns	2 years	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Schedule C (sole proprietor)	2 years	<input type="checkbox"/> Yes <input type="checkbox"/> No	
K-1s (partnership or S-Corp)	2 years	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Year-to-Date P&L; Statement	Current year	<input type="checkbox"/> Yes <input type="checkbox"/> No	CPA prepared
Balance Sheet	Current	<input type="checkbox"/> Yes <input type="checkbox"/> No	CPA prepared
12 months business bank statements	Current	<input type="checkbox"/> Yes <input type="checkbox"/> No	
24 months personal bank statements	2 years	<input type="checkbox"/> Yes <input type="checkbox"/> No	

HOW LENDERS CALCULATE SELF-EMPLOYED INCOME

YEAR	GROSS INCOME	ADD BACKS (depreciation etc.)	ADJUSTED QUALIFYING INCOME
Year 1 (most recent)	\$	\$	\$
Year 2	\$	\$	\$
2-Year Average			\$

TIP: Lenders use NET income after deductions — not gross revenue. Aggressive write-offs that lower your tax bill also lower your qualifying income. Discuss with your CPA before applying.

- Income is trending UP year over year (positive for lenders)
- In the same business for 2+ years
- Tax returns are filed and ready
- Discussed mortgage impact with CPA before next return
- Know my adjusted qualifying income number

Notes / Questions for Lender

YOUR RELOCATION DETAILS

Relocating From	Relocating To
Reason for Move	Target Move Date
Budget Range	Family Size

CITY COMPARISON

COMPARISON FACTOR	CURRENT CITY	NEW CITY	WINNER
Median Home Price	\$	\$	
State Income Tax Rate	%	%	
Property Tax Rate	%	%	
Cost of Living Index			
Average Commute Time			
Unemployment Rate	%	%	
Job Market (your field)			
Climate / Weather			
School Rating			
Healthcare Quality			
Distance to Family			
Overall Cost of Living			

INCOME ADJUSTMENT CALCULATOR

CALCULATION	AMOUNT
Current Salary	\$
New City Cost of Living Index / Current Index	÷
Equivalent Salary Needed in New City	\$
Actual Offer / Expected Salary in New City	\$
Net Gain or Loss	\$

NEIGHBORHOOD SHORTLIST IN NEW CITY

NEIGHBORHOOD	PRICE RANGE	COMMUTE	SCHOOLS	PROS	CONS

YOUR SITUATION

Divorce Status	Divorce Finalized Date
Attorney Name	Current Living Situation
Target Purchase Timeline	Budget Range

FINANCIAL STEPS AFTER DIVORCE

- Obtain certified copy of divorce decree — lenders require this
- Open individual bank accounts in your name only
- Close all joint credit accounts or remove yourself as authorized user
- Refinance or sell the marital home to remove your name from joint mortgage
- Update beneficiaries on all accounts and insurance policies
- Review credit report — ensure joint debts aren't still reporting
- Establish credit in your name only if needed
- Obtain new pre-approval based on your individual income

INCOME SOURCES LENDERS MAY COUNT AFTER DIVORCE

INCOME SOURCE	MONTHLY AMOUNT	DOCUMENTATION REQUIRED	APPROVED?
Employment Income	\$	Pay stubs / W-2s	■ Yes ■ Confirm
Alimony Received	\$	Divorce decree + 6-12 months receipts	■ Yes ■ Confirm
Child Support Received	\$	Divorce decree + 6-12 months receipts	■ Yes ■ Confirm
Investment Income	\$	Award letters / statements	■ Yes ■ Confirm

TIP: Most loan programs require alimony/support to have been received for 6-12 months AND expected to continue for 3+ years to count as qualifying income.

- Wait until divorce is finalized before applying (most lenders require)
- Alimony / support payments have history of 6-12 months
- Division of retirement and investment assets is complete
- My name is fully removed from marital property title

Notes on My Post-Divorce Buying Plan

PROPERTY INFORMATION

Address	Purchase Price
Sq Footage / Units	Year Built
Down Payment %	Loan Rate

INCOME ANALYSIS

INCOME	MONTHLY	ANNUAL
Gross Rental Income	\$	\$
Vacancy Allowance (5-10%)	(\$)	(\$)
Other Income (laundry, parking)	\$	\$
EFFECTIVE GROSS INCOME	\$	\$

EXPENSE ANALYSIS

EXPENSE	MONTHLY	ANNUAL
Mortgage Payment (P+I)	\$	\$
Property Taxes	\$	\$
Insurance	\$	\$
HOA (if applicable)	\$	\$
Property Management (8-10%)	\$	\$
Maintenance / Repairs (10%)	\$	\$
CapEx Reserve (5-10%)	\$	\$
Utilities (if owner-paid)	\$	\$
TOTAL EXPENSES	\$	\$

RETURN METRICS

METRIC	FORMULA	YOUR NUMBER
Net Operating Income (NOI)	Gross Income minus Operating Expenses	\$
Cap Rate	NOI ÷ Purchase Price	%
Annual Cash Flow	NOI minus Mortgage Payments	\$
Monthly Cash Flow	Annual Cash Flow ÷ 12	\$
Cash-on-Cash Return	Annual Cash Flow ÷ Cash Invested	%
1% Rule Check	Monthly Rent ÷ Purchase Price	% (target ≥ 1%)

TIP: Cap rate above 5% is generally acceptable. Cash-on-cash return above 8% is strong. 1% rule is a quick first filter.

Deal Decision Notes

YOUR CURRENT SITUATION

Current Home Address	Estimated Current Value
Remaining Mortgage Balance	Estimated Equity
Household Size Now	Household Size After Move

FINANCIAL COMPARISON

FINANCIAL FACTOR	CURRENT HOME	NEW HOME	CHANGE
Home Value / Purchase Price	\$	\$	
Monthly Mortgage Payment	\$	\$	\$ saved
Property Taxes (monthly)	\$	\$	\$ saved
Insurance (monthly)	\$	\$	\$ saved
HOA Fees (monthly)	\$	\$	\$ saved
Maintenance (monthly)	\$	\$	\$ saved
Utilities (monthly)	\$	\$	\$ saved
TOTAL MONTHLY SAVINGS			\$

CAPITAL GAINS TAX ANALYSIS

TAX ITEM	AMOUNT	NOTES
Sale Price	\$	
Original Purchase Price	\$	
Improvements Added	\$	Receipts needed
Adjusted Cost Basis	\$	Purchase + Improvements
Capital Gain	\$	Sale minus Adjusted Basis
IRS Exclusion (single \$250K / married \$500K)	\$	Primary residence 2 of last 5 yrs
TAXABLE GAIN (if any)	\$	Consult your CPA

LIFESTYLE READINESS CHECKLIST

- Walked through what I will keep, donate and sell
- Considered proximity to family, medical care and community
- Evaluated whether a 55+ community fits my lifestyle
- Have a plan for equity proceeds from the sale
- Am emotionally ready to leave the family home
- Had an honest conversation with family about the decision
- Considered whether to stay in same city or relocate

My Downsizing Decision Notes
