

Your Guide to...

MAKE MOVES WITH MO

BUYER'S WORKBOOK

A step-by-step guide for buyers facing challenges — credit hurdles, down payment concerns, and first-time buyer questions — answered with faith, expertise, and heart.

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Serving Montgomery & Surrounding Areas

WELCOME

A LETTER FROM MO

"A man's heart plans his way, but the Lord directs his steps."

— Proverbs 16:9

Dear Future Homeowner,

First, I want to say — **I see you.** I see your dream of owning a home. I see the effort you're putting in, even when the path feels uncertain. And I want you to know that where you are right now is not where you have to stay.

My name is **Chanterrica Monik McGuire Scott** — most people call me Mo. I'm a REALTOR® with the HomeChaser Team, powered by eXp Realty, and I serve buyers and sellers across Montgomery, Pike Road, Prattville, Millbrook, Wetumpka, and all surrounding areas.

I created this workbook specifically for buyers who feel like the door to homeownership is closed — because of credit challenges, limited savings, or simply not knowing where to start. I've been there. I understand the frustration. And I believe that with the right guidance, the right tools, and the right agent in your corner, **you can make this happen.**

My background in psychology and leadership means I don't just help you find a house — I help you understand the process, make confident decisions, and walk away feeling empowered. Real estate, for me, is a calling. Every client I serve is an opportunity to be a blessing.

Work through this workbook at your own pace. Take notes. Ask questions. And when you're ready to take the next step, I'm just one call or text away.

Your steps are ordered. Let's make moves together.

— Mo

Chanterrica Monik McGuire Scott, REALTOR®

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SECTION 1

ARE YOU READY?

Before diving into the details, take a moment to honestly assess where you are today. There are no wrong answers — this is just a starting point to help Mo understand how to best serve you.

 **SELF-ASSESSMENT CHECKLIST**

Check every item that currently applies to you:

Financial Readiness

- I know my current credit score
- I have reviewed my credit report in the last 6 months
- I have a steady source of income (employment, self-employment, benefits)
- I have been at my current job for at least 2 years (or can document income history)
- I have some savings set aside for a down payment or closing costs
- I do not have any unpaid collections or judgments (or I am working to resolve them)
- My monthly debt payments are manageable relative to my income

Personal Readiness

- I plan to stay in the Montgomery area for at least 3-5 years
- I am ready to take on the responsibilities of homeownership (maintenance, taxes, insurance)
- I have a clear idea of what I need in a home (size, location, school district)
- I am pre-approved or ready to begin the pre-approval process
- I have a trusted real estate agent (Mo!) guiding me through the process

If you checked fewer than half of these items — that's okay! This workbook is designed to help you get there. Every journey starts somewhere, and your starting point does not determine your destination.

SECTION 2

UNDERSTANDING YOUR CREDIT

Your credit score is one of the most important numbers in the home buying process. It tells lenders how reliably you've managed debt in the past — and it directly affects whether you qualify for a loan and what interest rate you'll receive.

SCORE RANGE	RATING	WHAT IT MEANS FOR BUYERS
300 – 579	Poor	Most lenders will decline; focus on rebuilding first
580 – 619	Fair	FHA loans may be possible; higher rates apply
620 – 659	Fair+	FHA and some conventional options available
660 – 699	Good	More loan options; better rates available
700 – 739	Very Good	Strong approval odds; competitive rates
740+	Excellent	Best rates and terms available

How to Pull Your Free Credit Report

You are entitled to one free credit report per year from each of the three major bureaus — Equifax, Experian, and TransUnion. Visit AnnualCreditReport.com (the only federally authorized site) to pull all three at no cost.

WHAT TO LOOK FOR

Check for: late payments, collections, charge-offs, incorrect personal information, accounts you don't recognize (possible fraud), and high credit utilization (balance close to your credit limit).

Disputing Errors

If you find an error on your report, you have the legal right to dispute it. Write a dispute letter to the bureau reporting the error, include supporting documents, and send it via certified mail. Bureaus must investigate within 30 days. Removing even one incorrect negative item can raise your score significantly.

Remember

Your credit score is not a measure of your worth — it's just a number that can be changed. Mo has helped buyers go from "not ready" to "keys in hand" by working through these exact steps. You can too.

SECTION 3

IMPROVING YOUR CREDIT SCORE

The good news: credit scores can improve — sometimes dramatically — in as little as 3 to 6 months with consistent effort. Here are the most effective strategies:

1 Pay Every Bill On Time — Every Time

Payment history accounts for 35% of your score. Set up autopay for minimum payments on all accounts so you never miss a due date. Even one 30-day late payment can drop your score by 50–100 points.

2 Reduce Your Credit Utilization Below 30%

Utilization (balance ÷ limit) makes up 30% of your score. If your card limit is \$1,000, keep your balance below \$300. Paying down balances is one of the fastest ways to raise your score.

3 Do Not Close Old Accounts

Older accounts increase your average credit age, which helps your score. Even if you don't use an old card, keep it open and make a small purchase every few months to keep it active.

4 Avoid Opening New Credit Accounts

Each new application triggers a "hard inquiry" that can temporarily lower your score by 5–10 points. During the 6–12 months before buying, avoid applying for new credit cards, car loans, or store cards.

5 Negotiate and Pay Off Collections

Contact collection agencies to negotiate a "pay for delete" agreement — they remove the collection from your report in exchange for payment. Get any agreement in writing before paying.

6 Become an Authorized User

Ask a trusted family member with good credit to add you as an authorized user on their credit card. Their positive payment history can boost your score — even if you never use the card.

7 Use a Secured Credit Card

If you have limited or damaged credit, a secured card (where you deposit money as collateral) is a great way to build positive payment history. Use it for small purchases and pay it off monthly.



REALISTIC TIMELINES

3 months: Reduce utilization, dispute errors — potential 20–50 point gain.

6 months: Consistent on-time payments — potential 40–80 point gain.

12 months: Collections resolved, new positive history — potential 80–150 point gain.

SECTION 4

DOWN PAYMENT STRATEGIES

One of the biggest myths in real estate is that you need 20% down to buy a home. **You don't.** Many buyers in Alabama are purchasing homes with 3.5%, 3%, or even 0% down. Here's how:

AHFA STEP UP

ALABAMA PROGRAM

Down payment assistance of up to 3% of the purchase price for moderate-income buyers in Alabama. Offered as a 10-year second mortgage at a low fixed rate. Income and purchase price limits apply.

AHFA AFFORDABLE INCOME SUBSIDY GRANT

ALABAMA PROGRAM

Forgivable grant for very low-income buyers. Does not need to be repaid if you remain in the home. Combined with AHFA Step Up for maximum assistance.

FHA LOAN

FEDERAL PROGRAM

Only 3.5% down required with a credit score of 580+. Down payment can come from a gift from family. Most flexible loan for buyers with credit challenges.

USDA RURAL DEVELOPMENT

0% DOWN

Zero down payment for eligible rural and suburban areas. Many communities around Montgomery qualify. Income limits apply. Great for buyers in Pike Road, Millbrook, and surrounding areas.

VA LOAN

0% DOWN · VETERANS

Zero down payment for eligible veterans, active-duty service members, and surviving spouses. No PMI required. One of the best loan programs available — especially near Maxwell AFB.

CONVENTIONAL 97

3% DOWN

Fannie Mae and Freddie Mac programs allow as little as 3% down for first-time buyers with good credit (620+). Lower PMI than FHA in many cases.



GIFT FUNDS

Most loan programs allow your down payment to come from a gift from a family member. Your lender will require a "gift letter" stating the funds are not a loan. Ask Mo for a sample gift letter template.



DON'T FORGET CLOSING COSTS

Closing costs typically run 2–5% of the purchase price. Mo can negotiate seller concessions (where the seller pays your closing costs) to reduce your out-of-pocket expenses at closing.

SECTION 5

THE PRE-APPROVAL PROCESS

Getting pre-approved is one of the most important steps in your home buying journey. It tells you exactly how much home you can afford, shows sellers you're a serious buyer, and speeds up the closing process once you find your home.

Pre-Approval vs. Pre-Qualification

A **pre-qualification** is a quick estimate based on self-reported information. A **pre-approval** is a verified commitment from a lender based on your actual documents — it carries much more weight with sellers.

Documents You'll Need

- Government-issued photo ID (driver's license or passport)
- Social Security number (for credit check)
- Last 2 years of W-2s or 1099s (tax forms)
- Last 2 years of federal tax returns
- Last 30 days of pay stubs (or profit/loss statement if self-employed)
- Last 2–3 months of bank statements (all accounts)
- Documentation for any other income (rental income, child support, disability, etc.)
- List of all current debts (car loans, student loans, credit cards)

1 Choose a Lender

Mo works with trusted local lenders who specialize in helping buyers with credit challenges. Ask Mo for a referral — the right lender makes all the difference.

2 Submit Your Application

Complete the lender's application and submit all required documents. The lender will pull your credit and review your financial picture.

3 Receive Your Pre-Approval Letter

If approved, you'll receive a letter stating the loan amount you qualify for. This letter is valid for 60–90 days and is required to make an offer on most homes.

4

Start Your Home Search with Mo

Now the fun begins! With your pre-approval in hand, Mo will set up a customized home search and schedule showings for homes that match your criteria and budget.

IMPORTANT: DON'T MAKE THESE MOVES DURING PRE-APPROVAL

Do NOT open new credit accounts, make large deposits without documentation, change jobs, or make large purchases (car, furniture) until after closing. These actions can change your financial profile and jeopardize your loan.

SECTION 6

COMMON MISTAKES TO AVOID

Mo has guided many buyers through the process — and she's seen the same avoidable mistakes derail deals at the last minute. Learn from others so your journey goes smoothly.

1 Shopping for Homes Before Getting Pre-Approved

Falling in love with a home you can't qualify for leads to heartbreak. Always get pre-approved first so you shop within your real budget.

2 Making Large Purchases Before Closing

Buying a car, furniture, or appliances on credit before closing can change your debt-to-income ratio and cause your loan to be denied — even after you've been approved.

3 Changing Jobs During the Process

Lenders want to see stable employment. Changing jobs — even for a higher salary — can delay or derail your loan. Wait until after closing if possible.

4 Skipping the Home Inspection

Never waive a home inspection to make your offer more competitive. An inspection protects you from buying a home with hidden problems that could cost thousands to repair.

5 Draining Your Savings for the Down Payment

Lenders want to see that you'll have reserves after closing. Keep at least 1–3 months of mortgage payments in savings. Use down payment assistance programs to preserve your savings.

6 Not Reading the Contract

Your purchase contract is a legal document. Mo will walk you through every line, but you should read it carefully and ask questions about anything you don't understand.

7 Going Through the Process Without an Agent

As a buyer, Mo's services cost you nothing — the seller pays the commission. You get expert guidance, negotiation skills, and legal protection at no out-of-pocket cost.

SECTION 7

YOUR HOME SEARCH CHECKLIST

Before Mo sets up your home search, think through what matters most. Use this worksheet to clarify your priorities.

Must-Haves (Non-Negotiable)

- Minimum number of bedrooms: ____
- Minimum number of bathrooms: ____
- Preferred city/zip code(s): _____
- Maximum monthly payment: \$_____
- Garage or carport required
- Single story (no stairs)
- Specific school district: _____
- Pet-friendly yard/fencing

Nice-to-Haves (Preferred)

- Open floor plan
- Updated kitchen
- Large backyard
- Home office space
- Master suite on main floor
- Move-in ready (no major repairs)
- Close to highway/commute route
- Neighborhood amenities (pool, park)

SECTION 8

MAKING AN OFFER

When you find the right home, Mo will guide you through crafting a competitive offer. Here's what goes into it:

1 Purchase Price
Mo will research comparable sales ("comps") to help you offer a fair price — not too high, not too low. In a competitive market, she'll advise on how to make your offer stand out.

2 Earnest Money Deposit
Typically 1–2% of the purchase price, paid upfront to show you're serious. This is applied toward your closing costs at settlement. It is refundable if the deal falls through due to contingencies.

3**Contingencies**

Protective clauses that allow you to back out without penalty if certain conditions aren't met — most commonly inspection, financing, and appraisal contingencies. Mo will advise on which to include.

4**Closing Date**

Typically 30–45 days after the offer is accepted. Mo will coordinate with your lender, the title company, and the seller's agent to keep everything on track.

SECTION 9

FROM CONTRACT TO CLOSING

Once your offer is accepted, the clock starts ticking. Here's what happens between contract and closing day — typically 30–45 days.

1 Open Escrow & Deliver Earnest Money (Days 1–3)

The title company opens escrow and you deliver your earnest money deposit. Mo will coordinate all parties and ensure deadlines are met.

2 Home Inspection (Days 3–10)

A licensed inspector examines the home's condition. Mo will attend and help you understand the report. If issues are found, she'll negotiate repairs or credits from the seller.

3 Appraisal (Days 7–21)

Your lender orders an appraisal to confirm the home's value supports the loan amount. If the appraisal comes in low, Mo will negotiate with the seller on your behalf.

4 Loan Processing & Underwriting (Days 10–35)

Your lender reviews all documents and issues a "clear to close." Respond to any lender requests quickly — delays here are the most common cause of closing delays.

5 Final Walkthrough (Day Before Closing)

You walk through the home one last time to confirm it's in the agreed condition and any negotiated repairs have been completed.

6 Closing Day 🎉

You sign the final documents, pay closing costs, and receive your keys. Mo will be there to celebrate with you — because this is what it's all about!

Mo's Promise

From the first showing to the closing table, Mo is with you every step of the way. She answers calls, texts, and emails — because your dream home is worth her full attention and dedication.

SECTION 10

GLOSSARY OF REAL ESTATE TERMS

Real estate has its own language. Here are the key terms you'll encounter on your journey:

Appraisal

An independent assessment of a home's market value, required by lenders to confirm the property is worth the loan amount.

Closing Costs

Fees paid at settlement, typically 2-5% of the purchase price. Includes lender fees, title insurance, attorney fees, and prepaid taxes/insurance.

Contingency

A condition in the purchase contract that must be met for the sale to proceed. Common contingencies include inspection, financing, and appraisal.

Debt-to-Income Ratio (DTI)

Your total monthly debt payments divided by your gross monthly income. Lenders typically want a DTI below 43%.

Earnest Money

A deposit made by the buyer to show serious intent to purchase. Applied toward closing costs at settlement.

Escrow

A neutral third party (title company or attorney) that holds funds and documents during the transaction until all conditions are met.

FHA Loan

A mortgage insured by the Federal Housing Administration, allowing lower down payments (3.5%) and more flexible credit requirements.

Fixed-Rate Mortgage

A loan where the interest rate stays the same for the life of the loan, providing predictable monthly payments.

Home Inspection

A professional examination of the home's condition, covering structure, systems, and safety. Highly recommended for all buyers.

MLS (Multiple Listing Service)

A database of homes for sale, shared among real estate agents. Mo has full access to all MLS listings in the Montgomery area.

PMI (Private Mortgage Insurance)

Insurance required by lenders when your down payment is less than 20%. Added to your monthly payment until you reach 20% equity.

Pre-Approval

A verified commitment from a lender stating how much you qualify to borrow, based on your actual financial documents.

Title Insurance

Protects the buyer and lender from claims against the property's ownership history. Required at closing.

USDA Loan

A zero-down-payment mortgage for eligible rural and suburban areas, backed by the U.S. Department of Agriculture.

VA Loan

A zero-down-payment mortgage for eligible veterans, active-duty service members, and surviving spouses, backed by the Department of Veterans Affairs.

Ready to take the next step?

LET'S MAKE MOVES TOGETHER

You've done the reading. You've done the work. Now it's time to take action. Mo is ready to walk with you from where you are today to the day you hold your keys.

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Information provided for educational purposes. Consult a licensed lender for personalized financial advice.