

buyer's
GUIDE.



the home buying process

AN OVERVIEW & WHAT TO EXPECT.



1. TALK TO A LENDER AND SECURE FINANCING

Before you can begin the home buying process, you will need to speak with a lender who will help to determine how much house you can afford and what type of loan you will be using (Conventional, FHA, VA, USDA, etc). The lender will provide you with a pre-approval letter for the loan amount you require. This letter will play an important role when submitting your offer.



2. CHOOSING A REALTOR*

Next, you will want to choose a HomeCity REALTOR* to assist you through the entire home buying process. They will work as your trusted advisor and will help guide your search. A Buyer Representation Agreement will be used to solidify your working relationship.



3. HOME SEARCH

Once you have determined your purchasing power and selected your HomeCity REALTOR*, it is time to begin the home buying search. Start by deciding which neighborhoods you want to live in, and whether you want a new or existing home. We will use homecity.com to create a customized search of upcoming and active listings. Then we will begin viewing homes on your final list.



4. MAKE AN OFFER

Once you find the right home, we will review market conditions and decide whether to present an aggressive or competitive offer. I will write up and explain all paperwork necessary for the offer. The negotiation may go back and forth a few times between parties.



5. UNDER CONTRACT

After acceptance of the terms by both parties, we go “under contract.” At this time you’ll provide an “Earnest Money” check to the title company to open escrow and provide an “Option Check” to the seller for an option/inspection period. You have 2 business days to deliver Earnest Money and 3 calendar days to deliver Option Money. Deliver any documents requested by the lender within 24-48 hours.



6. OPTION + INSPECTION

Now begins the negotiated option period, usually about 7 days on average, but can range from 5-10 days. Inspections are performed to get an accurate picture of the material aspects of the property, including any minor and/or major defects that could affect your decision to purchase the property. It is important to note that negotiations will also take place during the option period.



7. APPRAISAL

After the inspection is complete, and any changes/negotiations made to the contract have been agreed on by both parties, your lender will order an appraisal be done on the property. Please keep in mind that it is imperative that you provide documents to the lender as soon as possible, when requested.

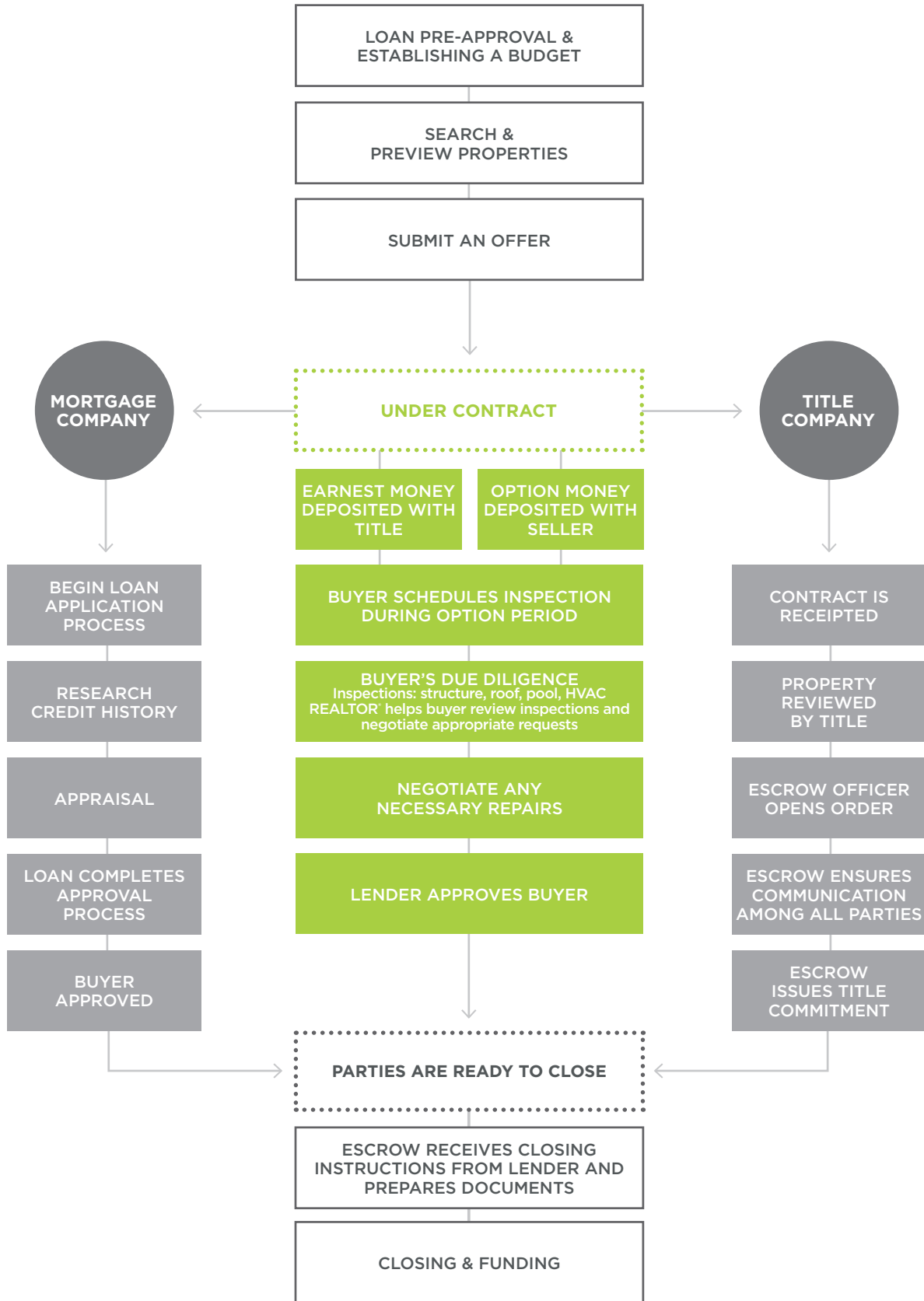


8. CLOSING

On the day of closing you will need to bring a certified check and picture ID to closing at the title company. Possession of your home will occur when your lender releases funds to the seller. Once this is complete, the home is yours.



the flow of a
REAL ESTATE
TRANSACTION.



9 things a buyer SHOULD NOT DO.

THIS IS A LIST OF A FEW SIMPLE GUIDELINES THAT WILL PREVENT ANY UNNECESSARY DELAYS WHEN BUYING A HOME AND COULD POSSIBLY DISQUALIFY YOU FROM OBTAINING A HOME MORTGAGE LOAN.

- 1 CHANGE JOB OR PROFESSION
- 2 BECOME UNEMPLOYED
- 3 DAMAGE CREDIT BY MISSING PAYMENTS OR STOP PAYING BILLS
- 4 BUY A BRAND NEW CAR, JET SKI, BOAT OR ANY OTHER HIGH DOLLAR ITEM
- 5 APPLY FOR A NEW CREDIT CARD
- 6 BUY NEW FURNITURE
- 7 MAKE A HIGH DOLLAR PURCHASE ON CREDIT CARDS
- 8 MAKE ANY CHANGES TO DECREASE SAVINGS ACCOUNT
- 9 CO-SIGN FOR ANYONE ON ANYTHING





Q&A

the home search +
WHAT TO EXPECT.

Q HOW WILL WE FIND AVAILABLE HOMES?

A After establishing your wants and needs, I will set you up with a custom home search through homecity.com. You will get a notification when a home that matches your criteria goes live and hits the MLS.

Q HOW SHOULD I NOTIFY YOU WHEN I SEE A PROPERTY I WANT TO VIEW?

A Through your custom home search you will be able to “favorite” properties that you are interested in seeing or you can contact me directly with the information and I will set up a date and time to view the property.

Q HOW MANY TOTAL HOMES SHOULD WE EXPECT TO VIEW?

A The average home buyer looks at approximately 10 homes. Expect to make 2-3 viewing trips and view 3-5 homes per trip. This allows us to see several properties in one day without becoming overwhelmed, or losing track of what distinguishes one property from another.

Q WHAT SHOULD I NOTICE WHILE LOOKING AT THE HOME?

A Your big focus should be on lot, location, and layout, as these items are not easily changed. Remember, you will be able to have the home inspected by a professional during the negotiated option period.



making THE OFFER.

WHAT IS A GOOD OFFER?

- That depends on the asking price. As your REALTOR®, I will run comparables to assess the right offer for each home and the value it holds for you, the buyer.

HOW DO YOU WIN IN A MULTIPLE OFFER SITUATION?

- Meeting the terms the seller is looking for.
- It is essential to put your best foot forward. In most multiple offer situations, you only get one chance to present your best offer.
- Staying flexible and understanding the seller's needs can often work in the buyer's favor. This could mean offering a quick close or extending a lease back to help with the seller's transition.

IS IT BENEFICIAL TO INCLUDE PERSONAL PHOTOS, AND A LETTER TO THE SELLER WHEN SUBMITTING THE OFFER?

- In a multiple offer, it's a free way to make your offer stand out.
- By writing a letter and sharing photos with the seller(s), you are humanizing the selling experience and sharing a look at who would be moving into the home.

HOW LONG WILL IT TAKE FOR MY OFFER TO BE ACCEPTED?

- It varies. It could be accepted immediately or it could take a few days.

WHAT IS COUNTER OFFER AND HOW DOES IT WORK?

- This is when a seller comes back with conditions and terms they would like. You can then counter or agree.

WHAT CAN A SELLER DO IN A MULTIPLE OFFER SITUATION?

- Ask everyone to re-submit best and final
- Counter one
- Reject all
- Sign and execute best offer





going under contract & WHAT COSTS TO EXPECT.

- + **EARNEST MONEY** - 1% of the sales price is customary but is negotiable. The earnest money is credited to the buyer at closing as a portion of the down payment or closing costs. Earnest money could be refundable based on provisions in the purchase contract.
- + **OPTION MONEY** - Can vary depending on the price of the home. The option period gives you time to have the property inspected and negotiate any requested repairs. It gives you the right to terminate the contract if necessary, and receive your earnest money back. This money is also credited to you at closing.
- + **INSPECTION** - During the option period, it is recommended that you hire an inspector to look at the property. The price varies depending on the age and size of the home. Most of the time on a home under 3,000 square feet, an inspection will run around \$350 or less. You should also have a pest/termite inspection completed, usually around \$75.
- + **APPRAISAL** - An appraisal of the property typically costs between \$375 and \$450. You will need to pay your lender/appraiser for this prior to the completion of the appraisal.
- + **SURVEY** - The survey is customarily purchased by the buyer, but is a negotiable item. A survey typically costs around \$400 for a standard sized lot. The seller may have an existing survey that we can use, so a new survey may not be necessary.
- + **CLOSING COSTS** - Closing costs can be broken into 2 categories: loan items and prepaid items. Closing costs can vary from 2% to 6% of a purchase amount depending on the time of year and the loan program you are using. You should get a good faith estimate from your lender breaking down all costs involved with your purchase. These costs can be paid at closing or potentially rolled into your financing.

