

# Buyer

## RESOURCE GUIDE



## BUYER CONSULTATION:

Do you need to sell a home first? Maybe work on saving a bit for your down payment? Ready to get into real estate investment? Not sure where to start? Let's meet! I would love to grab some coffee and discuss what your goals are and try to make a plan.



## GET PREQUALIFIED AND PREAPPROVED:

Most sellers will not accept an offer without a pre-approval letter, so it is best to start with this step. By doing so, you know exactly how much you can afford and what you are comfortable spending. If you are not sure where to start, I do include a list of lenders in this packet. All of which I have had great experiences with.



## SETTING UP YOUR SEARCH:

It is important to figure out what your top priorities are for a home, and which of them you are willing to compromise on. I will set up a search in the Northwest Multiple Listing Service so you can see homes as they become active & get the most accurate information.



## STEP 2



## PREVIEWING HOMES

See a home you like? You could do a drive by if possible. Most of the time you can tell just by driving by a home, if it is even worth looking at in person. In a seller's market, time can be of the essence, so we can also schedule an appointment and take a look in person asap.

## WRITING AN OFFER

Before writing an offer, I reach out to the listing agent & figure out what is most important to the seller.

A few other things I do when preparing an offer:

- A comparative property search for recently sold homes
- Create a cover letter with highlights of offer
- Meet in person (if possible) to discuss paperwork, my fiduciary responsibility, & answer questions!
- Verify your financing type will work.

## MUTUAL ACCEPTANCE

After we submit your offer, there are 3 options that can occur:

- Seller does nothing & offer is rejected
- Seller accepts & we have reached mutual acceptance!
- Seller counters the original offer & the initial offer is now invalid, awaiting your response

As soon as we reach mutual, I will send you a Calendar of Events and send your contract to all parties involved.

I also keep you informed with weekly updates throughout the entire transaction.

## **TITLE SEARCH & REVIEWING TITLE COMMITMENT**

Title is the right to own, possess, use, control and dispose of property. When purchasing a home, you are actually buying the seller's title to the home.

Before closing, a title search will be conducted for any problems that might prevent you from a clear title to the home.

The title commitment policy protects the buyer from many potential losses arising from disputes over ownership of a property. This is another document I will look through with you to make sure it is acceptable.

The sellers generally pay for the buyer's title insurance policy at closing. Buyer pays for lender's.

## **EARNEST MONEY**

Earnest Money is an upfront cost that is usually held by the escrow company. The amount is decided when writing your offer & usually due within 2 days of mutual acceptance.

I suggest offering 1% of the purchase price to let sellers know you are serious about purchasing.

This money is used as a credit at closing.

## **HOME INSPECTION & BUYER DUE DILIGENCE**

A home inspection is the most common contingency in a purchase & sale. Inspections are usually completed in the first 5-10 days after mutual acceptance. You will pay upfront for your inspection.

This is also the time for a buyer to do their due diligence on the home. Drive by at different times of the day, look over home owner association (HOA) information, CC&R's, well information, utilities including internet & cable companies, etc. In Washington, the seller has to pay for the septic to be inspected & pumped if needed.

## STEP 4



### HOME APPRAISAL

An appraisal is an estimate of the value of a property. Although the primary goal is to justify the lender's investment, the appraisal can also protect you from overpaying. This is usually a lender requirement (sometimes they do get waived). If you are purchasing with cash, this is optional.

Your lender will typically hire the appraiser and charge you a fee up front (some may at closing).

### HOMEOWNER'S INSURANCE

It is important to start shopping for home insurance or talking with your current insurance agent as soon as we reach mutual acceptance. Lenders require proof of insurance on a home before issuing a mortgage. Payments toward a homeowner's insurance policy are usually included in the monthly payments of the mortgage.

### SIGNING CLOSING DISCLOSURE

Your lender will send you your Closing Disclosure (CD) which will have your final numbers on it including what your new monthly payment will be, interest rate & all of your loan terms. After signing this document we have to wait until the 3rd business day to sign final closing paperwork with escrow.

## STEP 5

# What is in your settlement statement?

### Common fees include:

- Escrow fees
- Recording and notary fees, if applicable
- Title search and title insurance
- Origination, application and underwriting fees from lender
- Appraisal fees
- Homeowner's Insurance
- Home Owner's Association fees, if applicable
- Pro-rated property taxes for the home



## TRANSFERRING UTILITIES

It is important to set up utility transfers ahead of time so it will be done by the day of closing. Some companies either require notice to get it changed, or they charge if there is a lapse in ownership.

I will send a reminder a week before closing with links to the utility companies required for your home.

## FINAL WALK-THROUGH

I offer a final walk-through the last week before closing.

Sellers typically need to have all inspection repairs completed 3 days prior to closing, so this is a great time to check in on those projects and make sure the home is ready for closing. It is also a good time to measure rooms, windows, etc. & refresh your memory since you probably haven't seen the home in a month or so.

## CLOSING & GETTING YOUR KEYS

The escrow company will call you to schedule a time to sign all closing documents, usually the day before the actual closing date.

After signing with escrow, they will have to get funded by your lender and released to record with the local county courthouse. Once the sale is recorded (this should be the date of closing on your contract), you are officially the home owner!

After we have recorded, I get to call you with the exciting news & meet you with the keys to your home. On closing day, sellers have until 9:00 pm to move out unless other agreements were made for possession.

## AFTER CLOSING

Make sure to keep copies of all closing documents for tax purposes. Call me with questions, I'm more than happy to help-even after closing!