



## Things to Expect When Buying a Home

**Get pre-qualified with a lender** - This takes about 30 minutes and the lender will take the application over the phone or online. If you would like recommendations, I can provide you with some that my clients think are excellent. Your lender can tell you how much you qualify for, help you decide whether an FHA or Conventional Loan would be the best route for you (or if you're eligible for VA) and determine if there are any Down Payment assistance programs that you qualify for. We need to know which type of loan you will be seeking since we have to attach a Financing Exhibit to the contract.

**Writing an offer** - We can ask for the seller to pay for all or a portion of the Closing Costs (CC). Closing Costs can run ~3% of the loan amount. In a seller's market or if there are competing offers, expect to pay all or a good portion of the CC.

**Due Diligence period** - Once you have a contract on a house, you'll want to have it inspected. This has to be done during your Due Diligence (DD) period. We usually ask for 10 days (in competitive situations we have to go in with 7). You can select your own inspector or I can recommend some I've used. Expect it to cost around \$350-\$400 (it's based on the s/f of the house). You don't have to be there for the inspection since you'll get a report and can discuss it with the inspector afterwards but if you would like to be there, that is perfectly acceptable. Remember, you're paying the inspector to ensure there isn't a big problem with the house that would prevent you from moving forward with your contract. He can walk you through the house and explain what he has found and will be including in the report. He also tells you about the deferred maintenance things you'll want to plan for and household systems like where the main water turnoff is.

- Depending on what the inspection report comes up with, we'll discuss what issues you would like the seller to address. We put this in an Amendment to Address Concerns. The seller can elect to take care of everything you list or just a few things. Sometimes they offer financial compensation rather than doing a few things. If there is something in the Amendment that you consider to be a deal breaker and they won't take care of it, you can walk away from the contract and get your EM back. Also, if for any reason you change your mind during the DD period, you can terminate the agreement and get your EM back. All of this has to take place prior to the expiration of your DD period.

**Earnest Money** - You'll need to provide Earnest Money once your contract has been accepted. The date it is accepted is called your Binding date and all milestones in your contract start counting with the day after Binding. Earnest Money is approximately 1% of the purchase price and goes towards your down payment so you will see it credited on your Closing Document. The Broker holds the EM. It will be stipulated in your contract how many days we have to turn the check in to my Broker.





**Attorney/Lender** - While you're in the Due Diligence period, I also start connecting your lender and the attorney. The first thing my team does is to send the contract to them and get them linked. The Lender will send you a loan package to fill out and once they receive it back, it will trigger them to order the appraisal. You will pay for the appraisal up front but it will be credited back to you on your Closing Document. The appraisal is usually \$400-500.

**Contingency Exhibits** - You'll have two contingencies in your Finance Exhibit part of the contract. One is the number of days you have to get your financing set up and approved by the lender. The next one is the Appraisal Contingency. The house must appraise for what you've agreed to pay or we'll need to go back to the seller and renegotiate the price to match the appraisal. For Conventional loans, there will be a date in the Exhibit with a deadline of when the appraisal must be done. For FHA loans, the Appraisal contingency runs for the entire duration of the contract and it states the minimum the house must appraise for (which is the agreed to purchase price).

**Home Owners Insurance** - After Due Diligence, you'll need to contact your insurance agent and get a quote for insurance. You'll then provide their contact information to the Lender along with the cost of insurance so this can be factored into your payment.

**Cash to Close(CTC)** (Amount needed to go to closing) - Your lender will lay all of this out for you but you'll need your portion of the Closing Costs(CC) plus pre-pays. Prepays are prorated mortgage interest, insurance and taxes plus portions of this go to building your escrow account for taxes and insurance. Your lender has to send out the Closing Document(CD) to you a minimum of 72 hours prior to closing(TRID law). You will use the number on the CD to know how much money to wire to the attorney for closing. The attorney will provide you with wiring instructions. Anything over \$5K has to be wired and it needs to arrive the day before closing to ensure you close on time. I'll keep you on target on when to do this.

Example of when your first payment will be: if you close in the middle of November, your first payment will be January 1.

**Utilities** - As we get closer to closing, I will send you a list of the utilities companies so you can arrange to have the utilities moved into your name.

**Final Walk-through** - We will have a final walk through about 3 days prior to closing to ensure anything the seller agreed to fix has been done to your satisfaction. This is also to check out the condition of the property one last time prior to closing.





I'm sure other questions will come up along the way but I just wanted to outline some key things about the process for you to expect. Once you have a binding contract, I provide you with an email with all the milestone dates contained in your contract and my assistants and I keep up with them so that we don't miss them. We don't miss these dates because they protect you as a buyer.

*Beth Nix*

Realtor

404-375-2631

[bdnix6@gmail.com](mailto:bdnix6@gmail.com)

[www.YourNixtHome.com](http://www.YourNixtHome.com)



Multi-Million Dollar Producer

Best of Zillow rating – Top 10% of agents – 90+ customer experience score

Zillow Premiere Agent

Business Marketing Degree

*Find me on:*

[FaceBook](#) [Zillow](#) [LinkedIn](#)

Atlanta's Premier Local Real Estate Brand