



When searching for your new home, it's helpful to be clear on what criteria is most important. Based on the information you provide, your Premier Agent will create an automated search that will send homes to your email that best meet your needs.

Most homes won't meet all of your preferences, so it's important to note which criteria are of the highest priority for you.

PRIORITY 1 _____

PRIORITY 2 _____

PRIORITY 3 _____

PROPERTY STYLE

- House
- Condo
- Townhouse
- Villa
- Manufactured
- Farm or Ranch

LOCATION

- COUNTY _____
- MUNICIPALITY _____
- SCHOOL DISTRICT _____

AMENITIES

- NUMBER OF BEDROOMS _____
- NUMBER OF BATHROOMS _____
- BASEMENT
 - Finished Unfinished
- PARKING
 - Garage Covered
 - Off-Street
- POOL
 - Yes No

PRICE RANGE

- MINIMUM \$ _____
- MAXIMUM \$ _____

A key step to purchasing a new home is initiating the pre-approval process for the loan. Here are a few important things to know about financing a home.



LOAN PRE-APPROVAL

The pre-approval process is an examination of your finances to ensure that you will repay your mortgage. During this process, lenders will look at your credit, employment history, income, assets and liabilities. You should have an idea of the monthly mortgage you can handle, but the pre-approval process will formalize the amount with your chosen lender.

LENDERS

There are different types of lenders, but the types most widely used for home loans can be found in a bank or credit union, online, or at a mortgage brokerage office. The main differences between these lender types include where the money comes from, who underwrites the loan, and what happens to the loan after closing. To see how these factors can impact the cost to you, it's best to do your homework and shop around.

Here are a few questions you can ask when evaluating your lender options.

- What types of loans can you offer?
- At what interest rates?
- What are the loan terms?
- What are your settlement costs or closing fees?
- Who underwrites the loans you offer?
- After closing, will you be selling the loan?

It's also smart to evaluate a lender's character and to determine what to expect when working with a particular lender during the home purchasing process.

- How should I contact you if I have questions or concerns?
- What is your availability?
- Can I meet with you in person?
- Will you attend the closing?
- Do you have references I can speak with?



PRE-QUALIFICATION VS PRE-APPROVAL

People tend to use the terms “pre-qualification” and “pre-approval” interchangeably but they are very different. For pre-qualification, you may be asked for an overview of your finances, describing your income and debts. From this information, the lender estimates an appropriate loan amount. While this information is helpful to you when determining a suitable home price during your search, a pre-qualification carries no weight when making an offer.

Pre-approval, however, demonstrates a buyer’s ability to obtain a loan based on criteria needed by the lender to later secure the loan and is necessary during the lending process. During the steps to pre-approval, you will be asked to complete a mortgage application and provide your social security number. The lender will do a hard credit check to obtain a credit report and credit score. You will be asked to provide bank account information, to list assets and debts, to provide proof of income and employment history, and to list past addresses. With this information, the lender will calculate your debt-to-income ratio and will be able to determine your ideal loan type and interest rate. Once the application process is complete, the lender will provide you with a Pre-Approval Letter, which is typically valid for 60-90 days since your creditworthiness can change over time. Your agent will present this letter to the sellers when you make an offer on a property to show that you are a qualified buyer.

MAINTAIN YOUR PRE-APPROVAL STATUS

Once you have been pre-approved it’s important to avoid doing something to negatively affect that status. Your pre-approval is based on many things and your debt-to-income ratio is the most easily altered. If you were to enter into a credit-reporting debt before purchasing your home, this could negatively affect your pre-approval status and ultimately result in you being denied for the loan. So, avoid making financed purchases such as a car or furniture, and refrain from increasing the debt on your credit cards until after you have closed on your home.



Once you have spotted a few homes you like and your chosen lender has pre-approved you for a loan, you are ready to tour some homes.

TIMING OF THE MARKET

In a fast-paced real estate market, homes can go under contract within days of being listed. Many homes can sell over asking price, and in some situations buyers may be left wondering how they missed out. With this in mind, it's important to communicate with your agent.

- Let him/her know how much of a priority a particular home is to you and they will guide you appropriately when it comes to touring the property and making an offer.
- Your Premier Agent will also keep you informed about the status of the market in your desired area.

DISCLOSURE STATEMENTS

Sellers will communicate information about their property through disclosure statements. A Seller's Disclosure and a Lead-Based Paint Disclosure are the most common, but depending on the amenities of the house, disclosure statements may include septic, well, pool/spa, pond/lake, or vacant land.

- When they are available, your agent may provide these statements to you so you can consider this information when determining whether you will make an offer.

AVAILABILITY

It is important to speak with your agent about a suitable schedule to meet and to view houses. Which days and times are you available?

- Mondays Tuesdays Wednesdays Thursdays Fridays
- Saturdays Sundays
- Mornings Afternoons Evenings

MAKING AN OFFER

When you've found a home you'd like to call your own, it's time to make an offer. Your Premier Agent will help guide you to make the right offer and will submit your offer in the form of a contract. Then, a period of negotiations will begin. The seller may respond to the buyer's offer by either accepting the terms of the contract, rejecting the terms, or making a counteroffer with different terms. This process continues until both parties are satisfied with all terms. Once an agreement has been made, the buyer and seller are officially UNDER CONTRACT.

This summary outlines the most important parts of the Residential Sale Contract. If this seems overwhelming, don't worry, your Premier Agent can explain every aspect and will guide you through the entire process.

INCLUSIONS AND EXCLUSIONS

Certain items in the home are required to stay with the home and are outlined in the contract. Other items must be written into the contract if you would like them to stay in the home. These items could include unattached appliances, such as the refrigerator or washer and dryer. Conversely, a buyer may wish to exclude certain attached items within the home or on the property. This could refer to a playground, mounted shelving, or a TV bracket.

EARNEST MONEY

When offering a purchase price for the home, a buyer will offer earnest money. The amount of earnest money typically offered is 1% of the purchase price. It is written in the form of a check and is deposited by the buyer agent's broker or title company within 3 days of contract acceptance, unless otherwise agreed upon. The earnest money is kept in a secured escrow account that is not accessible by the buyer or the seller. Once the contract closes, the earnest money is returned to the buyer as a credit at closing.

CLOSING AND POSSESSION

A buyer must propose a closing date when submitting an offer. There are no definitive rules about when the closing date should be, but you should consider allowing enough time for inspections, title work, loan commitment, and any other contingencies. For this reason, 30 - 45 days is standard.

TITLE AND SURVEY

Survey is an optional service you may consider before purchasing a home. A boundary survey, which is the most common type, will give you information about boundary lines, easements, and encroachments on the property. Title refers to a service provided by a title company where underwriters either insure or take exception to aspects of the house or the land before transferring title and ownership at closing.

HOME WARRANTY

A home warranty may be provided by the seller or purchased by the buyer at closing. A warranty insures items within the home that are not covered by the buyer's hazard insurance policy, which can include appliances or heating and cooling systems. It is important to read and understand the warranty policy as there are several types of coverage.

BUYER INSPECTIONS

Buyers are given a window of time (typically 10 days) to conduct inspections of the property. These inspections are at the buyer's expense and may include a building inspection or a more specific inspection such as roof, gas, termite, asbestos, mold, radon, septic, pool/spa, or sewer-lateral. You will contact inspectors personally to schedule inspections and to understand their services and fees. After all desired inspections have been performed, the buyer may ask the seller to address specific issues. A second window of time (typically 10 days) is allowed to negotiate which inspection items will be addressed. It is also possible for a buyer to terminate the contract based on items found during inspections or by an inability to agree on resolution of the inspection items within the resolution time frame.

SELLER INSPECTIONS

Sellers are required to perform inspections required by some municipalities in order to grant occupancy. Typically these inspections cover safety concerns and are at the seller's expense. Any violations found during these inspections must be made compliant. The seller has 15 days to notify the buyer of any items he/she is unwilling to remedy before closing. A window of 10 days is then issued for the buyer and seller to agree upon who will address the issues and at whose expense. Resolution of these inspections is mandatory to obtain occupancy for the home.

INSURABILITY

A buyer must obtain hazard insurance for the property within a window of time (typically 10 days). If, for some reason, the buyer cannot obtain the appropriate insurance, the contract can be terminated.

FINAL WALK-THROUGH

Within 4 days before closing, the buyer may walk through the house to ensure all agreed upon inspection items have been addressed and that the house is in the same condition as it was on the date of the contract. Buyers have the option to hire an inspector, at a reduced cost, to determine whether repairs have been made correctly.

UTILITY TRANSFER

It is the buyer's responsibility to transfer utilities into their name prior to possession. This can be done within 4 days before closing.

TITLE CLOSING

On the date of closing, your Premier Agent will meet you at the title company office. The title closer will first verify your identity using your photo ID. He or she will then proceed to share several documents with you, explaining each, and asking for your signature. Once all documents have been signed, the title closer will present you with a copy of your closing documents. In the mail a few days later, you will receive a copy of your title insurance policy. This policy protects you from another person laying claim to the property you have just purchased.

LOAN CLOSING

Your lender may also attend your closing. He or she will ask for your signatures on all documents needed to secure your loan. Your lender will also accept the money for your down payment and closing costs in the form of a cashier's check or wire transfer. Once the funds have been delivered to the seller, you will officially own your new home and may begin moving in.



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