

Buying a Home

Home Buying Guide Index

Choosing a Realtor®

Of all the decisions you'll face when buying a home, there's none more important than the person you choose to represent you.

The job of your Sales Associate is to support you in finding the right home with the best possible terms, and to aid you through the entire process. Your Sales Associate will explain the process of buying a home, and familiarize you with the various activities, documents and procedures that you will experience throughout the transaction.

Tips For Selecting A Realtor

Your Real Estate Professional should be:

- Knowledgeable about the communities of interest to you.
- Aware of the complicated local and state requirements affecting your transaction.
- Effective in multi-party, face-to-face negotiations.
- Highly-trained, with access to programs for continued learning and additional certifications.
- Technology-focused.
- Supported by professional legal counsel.

Financing

Most real estate professionals and mortgage lenders recommend pre-qualifying for a loan before selecting a home to purchase. This process will help you:

- Determine the price range you can afford.
- Understand the types of loans you qualify for.
- Determine what your monthly payment will be.
- Estimate the down payment and closing costs.

The Loan Process

Your Sales Associate will help you to select a mortgage lender. Once you have made your decision, these are the steps of the process:

Application - All pertinent documentation is obtained. Fees and down payments are discussed, and the borrower will receive a Good Faith Estimate (GFE) and a Truth-in-lending statement (TIL), itemizing the rates and associated costs for the loan.

You will be asked to provide certain documents to your lender in order that your loan can be processed in a timely manner.

Loan Submission - Once all the necessary documentation is in, your completed file is submitted to a lender for approval.

Loan Approval (Underwriting) - Loan approval, or underwriting, generally takes 24 to 72 hours. All parties are notified of the approval and any loan conditions that must be received before the loan can close.

Closing - Once all parties have signed the loan documents, they are returned to the lender. If all the forms have been properly executed, the lender sends the loan funds by wire transfer. At this point, the borrower finishes the loan process and actually buys the house.

Finding and Choosing the Right Home

Based on criteria that you and your Sales Associate establish together, your Associate will help you find the perfect home. There are many factors to consider in selecting a property, including location, bedroom and bath count, schools and amenities.

Your Sales Associate will apply their extensive community knowledge and professional resources to research available properties, and show you the homes that best meet your needs. If you find a property that interests you through the Internet or your own research, let your Sales Associate know so that a showing can be arranged.

As you view different properties, your criteria may change. Open and direct communication with your Sales Associate is a key element of a successful property search.

Making an Offer

Once you have found the home that you wish to purchase, your Sales Associate will apply their professional training and do all the necessary research to help you structure an effective offer.

This is where your Sales Associate's negotiation skills come into play. When an offer is made, the seller will have the option of accepting, rejecting or counter-offering. Your Sales Associate will negotiate the best possible terms for you.

Your Sales Associate will draft the purchase agreement, advising you of protective contingencies, customary practices, and local regulations. Home warranty, title and escrow arrangements will be detailed in the offer. Although your Sales Associate will give you advice and information, it is your decision as to the exact price and terms that you wish to offer.

Managing the Escrow

When the purchase agreement is accepted and signed by all parties, your Sales Associate will open escrow for you and your earnest money will be deposited. The escrow is a neutral third party that will receive, hold, and distribute all funds associated with your transaction.

Removing Contingencies

Prior to closing escrow, all of the contingencies of the Purchase Agreement must be met. Your Sales Associate will coordinate this process. Typical contingencies include:

- Approval of the Seller's Property Disclosure Statement.
- Approval of the preliminary title report.
- Loan approval, including an appraisal of the property.
- Physical inspections of the property.
- Pest inspection and certification.
- Acquisition of homeowner's insurance.

Closing Escrow and Moving In!

When all of the conditions of the purchase agreement have been met, you will sign your loan documents and closing papers. You will deposit the balance of your down payment and closing costs to escrow, and your lender will deposit the balance of the purchase price. The deed will then be recorded at the County Recorder's office and you will take ownership of your home.

Your Sales Associate is a valuable source of helpful tips for planning and coordinating your move.