



# BUYER'S GUIDE

Your complete step-by-step guide to purchasing a home.



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Since beginning my real estate career, I have thoughtfully and passionately helped hundreds of families, couples and individuals reach their goals of buying, selling or both! As a licensed Realtor for over 20 years, and a Creative and Marketing professional for over 30 years, I can envision a home's potential, allowing me to help guide Buyers and Sellers throughout the sometimes complicated process with patience, kindness, expertise, and a bit of humor for good measure.

Production numbers are powerful, but the bonds created with my clients, now friends, are unbreakable.

Over 70% of my business is repeat and referred clients. In order to earn and maintain that trust, my laser focus is to provide the best service possible, share honest advice, and timely communication and provide support throughout the process.

In my free time I enjoy spending time on my farmette which includes a menagerie of fainting goats and laying hens, gardening and hanging out with family and friends. I would love to help you find your little bit of heaven here on earth.

"Real estate is more than a career to me, it is my passion and has been my life for the past two decades. Getting to help people with the sale of their home or help them find their dream home is such an honor and a pleasure for me."

*- JoAnn*

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*"I cannot begin to say enough good things about JoAnn. We have been so impressed with her since day one. JoAnn is so knowledgeable with both the real estate market and the local area. We had a few hiccups in our house searching process but JoAnn was there every step of the way and was able to help us navigate through these bumps without hesitation. She is also very kind and always so friendly with our kids. If the opportunity arose in the future I would absolutely use her again and would recommend her to anyone. Thanks for everything JoAnn!"*

-THE MATHENIAS

*"JoAnn has been wonderful during the home buying process. I am a first time home buyer and the entire process was a little daunting at first. There was a lot I didn't know or understand and they went above and beyond helping to educate me and give me solid advice before and after the offer process. JoAnn and her team were extremely responsive and detailed and never left a stone unturned! I had complete trust and faith in them as I navigated the market and they made the home buying process fun! I would 10000% recommend JoAnn and Kelsey if you are in the market for a new home, whether you are a first time buyer or already an owner. Wonderful experience!!!"*

-THE SMITHS



STEP 1

## Finances

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- ✓ Gather your documents
- ✓ Obtain pre-approval or proof of funds
- ✓ Locate down payment funds
- ✓ Prepare for any additional costs

STEP 2

## Home Search

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- ✓ Preview potential properties online
- ✓ Schedule showings and view the properties you are most interested in

STEP 3

## Under Contract

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- ✓ Write an offer to purchase on your favorite property
- ✓ Negotiate the terms of the offer and accept the contract
- ✓ Deposit earnest money, complete loan application and homeowners insurance quotes

STEP 4

## Due Diligence

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- ✓ Conduct inspections
- ✓ Resolve/negotiate any issues from inspection
- ✓ Your lender will order the appraisal
- ✓ Obtain homeowners insurance

STEP 5

## Closing Time

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- ✓ Title company will conduct title search and order survey
- ✓ Receive closing statement/clear to close
- ✓ Wire funds to closing company or provide certified check
- ✓ Conduct a final walk-through of property and close
- ✓ Closing day: Get your keys, it's all yours!

## Getting Pre-Approved

When you're ready to start house hunting, it's time to get pre-approved for a mortgage. To get preapproved, you need to apply with your lender. The preapproval process typically involves answering some questions about your income, your assets and the home you want to buy. It will also involve a credit check.

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### **Debt-To-Income Ratio**

Debt-to-income ratio is a financial instrument lenders use to evaluate your loan application. DTI helps your lender see how much of your monthly income is already going to debt so they can evaluate the amount of mortgage debt you can take on.

### **Credit Health**

Your credit score plays a huge role in what loans and interest rates you qualify for. Your credit score tells lenders how risky you are to lend money to.

### **Liquid Assets**

Buying a home with no money down is possible but most homeowners need to have some cash for a down payment. A down payment is the first major payment you make on your loan. The amount of money you'll need to save depends on your loan type and how much money you borrow.

Many home buyers believe that they need a 20% down payment to buy a home. This isn't true – you can buy a home with as little as 3% down (0% if you are a veteran).

If you do put at least 20% down on a conventional loan, you won't need to pay for private mortgage insurance. PMI protects your lender if you default on your loan.

You'll also need to pay for closing costs before you move into your new home. The specific amount you'll pay in closing costs will depend on where you live and your loan type. It's a good idea to save 3% – 6% of your home's value for closing costs.

## Types of Mortgages

Choosing a mortgage isn't as simple as it sounds. That's because there are many types of mortgages available and they're made up of different components—from the interest rate to the length of the loan to the lender.

Let's take a look at the pros and cons of the options out there, so you can make an informed decision when it comes to your mortgage.

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### **Conventional Loans**

*Pros:* When you calculate interest and fees, your total cost is lower than an unconventional loan.

*Cons:* Conventional loans aren't backed by the government, so lenders can charge a higher interest rate or require a higher down payment compared to unconventional loans. This type of loan also requires you to pay private mortgage insurance (PMI) if your down payment is less than 20% of the home's value.

### **FHA Loans**

*Pros:* With Federal Housing Administration (FHA) loans, you can get a mortgage with as little as a 3.5% down payment and low interest rates.

*Cons:* You're required to pay a mortgage insurance premium (MIP). This is a fee similar to PMI, except that you have to pay it for the life of the loan, or until equity reaches 20% (or refinance later).

### **VA Loans**

*Pros:* With Department of Veterans Affairs (VA) loans, military veterans can buy a home with virtually no down payment or mortgage insurance.

*Cons:* VA loans also come with a funding fee. This fee can range anywhere from 1.25% to 3.3% of your loan, depending on your military status, down payment amount, and whether it's your first time financing a home with a VA loan.

### **USDA/RHS Loans**

*Pros:* The United States Department of Agriculture (USDA) offers a loan program, managed by the Rural Housing Service (RHS), to people who live in rural areas and show a financial need based on a low or modest income. With this loan, you can purchase a house with little down payment at below-market interest rates.

*Cons:* You can't refinance your loan to improve your interest rate and there are many loan stipulations.

## The Mortgage Process

The very first step of the home buying process is to get a pre-approval letter from a lender stating how much you are qualified for. It's important to ask your potential lenders some questions to make sure they are a good fit for you.

Don't understand something your lender says? Stop and ask for clarification. This is your home buying journey, and you deserve to understand the process every step of the way.

A pre-approval is only valid for 30-90 days, so while you can start talking to lenders, you'll want to wait on getting that pre-approval letter closer to when you're ready to buy.



### Questions to Ask Potential Lenders

1. What type of loan do you recommend for me? Why? There's no one type of mortgage loan that's superior to another—but whichever you choose, you need to know why it's best and how it works.
2. Will my down payment vary based on the loan I choose? If you're tight on cash or don't want to be cash poor, let your lender know. Loans vary in their down payment requirements.
3. What is the interest rate and the annual percentage rate (APR)? Everyone talks about the interest rate, but the APR is just as important. It combines the interest rate with the fees a lender charges to originate your loan.
4. Can I lock-in an interest rate? If so, for how long? If you think rates will be moving up, ask if you can lock it in for a set period of time.
5. What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing? Remember, closing costs usually run 3-6% of your loan value so you need to know how they'll be covered.



Use this questionnaire as you talk with and interview different lenders

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email: \_\_\_\_\_

What type of loan do you recommend for me and why?

\_\_\_\_\_

Will my down payment vary based on the loan I choose?

\_\_\_\_\_

What is the interest rate and the annual percentage rate (APR)?

\_\_\_\_\_

Can I lock-in an interest rate? If so, for how long?

\_\_\_\_\_

What will my closing costs be? Are they a part of my loan, or will I pay them in cash at closing?

\_\_\_\_\_

Notes: \_\_\_\_\_

\_\_\_\_\_

## Searching Strategically

Before we hop into the home search, I like to advise my clients to create a "Needs" list and a "Wants" list. This will help us to really focus on the things that are most important in your future home.

Needs are the non-negotiable features; the features you simply must have in your next home. Wants are the feature you'd like to have, but you can add or change down the road.

Don't feel like your first draft has to be your final draft! Above all else, remember you can't change the lot, the location, or the price you paid so spend a good amount of time thinking through those three before moving on.

### Needs might be things like:

- Enough square footage for you and your family
- Sufficient bedrooms and bathrooms
- First floor master bedroom
- Close proximity to work and school
- Attached two-car garage
- Grassy yard for children's or pet's play area

### Wants will look more like:

- Specific paint or exterior color
- Pool, jacuzzi, or other exterior water feature
- Fenced-in backyard
- Specific carpet, hardwood floors, or tile
- Kitchen amenities like countertops and appliances
- Walk-in shower or double bathroom vanity in master

## Wants vs. Needs

Write down your *needs* and your *wants* in your future home.

NEEDS

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WANTS

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This questionnaire is for you to think about what you're looking for in your home. This will help both of us to be on the same page in terms of what you're looking for.

What area are you looking to buy in?

What do you like about this/those area(s)?

How many bedrooms, bathrooms, and preferred square footage? 1 or 2 story?

Do you have children? Pets?

What's your favorite style of home?

What is the top 5 most important things in your future home?

Anything else we should keep in mind during our search?

## Searching Strategically Online

Now that you've got your wants vs. needs list in hand, the fun really begins! It's time to talk about narrowing down those listings and deciding which ones to see in person. First up, let's talk about best practices for searching online. No doubt you know the sites (Realtor.com, Zillow, Redfin, Trulia), but how can you get the results you want? Try some of these tips.



### 1. Use the search filters but not too much.

You don't want to restrict your search so tightly that you only have a handful of homes to view. Keeping your wants vs. needs list in mind, expand your geographic search, and add 10-15K to your max price since homes may sell under asking.

### 2. If you find something that catches your eye, check out the Google street view.

Online pictures can be deceiving so a virtual 'walk down the street' will give you a better sense of the house and surrounding area.

### 3. Don't shy away from a home because it is "pending" or "under contract."

Pending contracts do fall through, so keep it on your list especially if it checks all your boxes.

After you've found a few homes you like, jot down the MLS number and address. **Shoot the list to me** and I will call the listing agents to gather pertinent info and gauge the seller's motivation. At this point, it's time to look at the calendar and find a chunk of time to tour the homes on your shortlist. Carve out more time than you think you'll need since you don't want to be rushed if you find a home that may be "the one."

## Making the most of your showings

You're SO READY to get inside those homes on your shortlist and see for yourself if one of them is soon-to-be your new address. I know you're excited, but you gotta go into those showing calm, cool, and with your thinking cap on. Here's a quick list of how to do just that:



### **Before a showing, read over your wants vs. needs list and revisit your budget.**

Having this fresh on your mind will help you stay objective and focused. Take pictures and videos to jog your memory later and to help you process with friends and family.

### **Remember, you can't change the lot or the location so make sure you love both.**

You also don't want to be the priciest home on the block. I will help you assess whether or not that's the case.

### **Don't let yourself get distracted by decor or staging.**

These things will be gone by the time you move in, so try to stay focused on the things that cannot be changed as easily.

### **Take your time.**

If a home makes a good first impression, let me know you're interested and that you'd like to spend a bit more time looking around. This is one of the largest purchases you'll ever make so it's worth it to learn as much as you can while you're there.

Address:

First impression rating  
(1-10) of exterior:

First impression rating  
(1-10) of interior:

List 3 pros of the home:

List 3 cons of the home:

Took video tour of home

Circle one:

No way | Maybe | Very interested | It's the one!

Address:

First impression rating  
(1-10) of exterior:

First impression rating  
(1-10) of interior:

List 3 pros of the home:

List 3 cons of the home:

Took video tour of home

Circle one:

No way | Maybe | Very interested | It's the one!

Address:

First impression rating  
(1-10) of exterior:

First impression rating  
(1-10) of interior:

List 3 pros of the home:

List 3 cons of the home:

Took video tour of home

Circle one:

No way | Maybe | Very interested | It's the one!

Address:

First impression rating  
(1-10) of exterior:

First impression rating  
(1-10) of interior:

List 3 pros of the home:

List 3 cons of the home:

Took video tour of home

Circle one:

No way | Maybe | Very interested | It's the one!

## Tips for Making an Offer Stand Out

So you think you've found "the one" and you're ready to put in an offer—one that will be simply irresistible to sellers.



### Here's how to make sure yours stands out from the rest:

- Include a pre-approval letter that shows that you're serious, qualified, and ready to purchase.
- Put your best foot—and price—forward. **You may only get one shot, so make it count.** Use comps and trends as a guide, but go in with a strong number you know a seller would find favorable.
- If you can pay "all cash," say so. When you don't need financing, your offer is less risky for anxious sellers.
- Propose to close quickly and only include the contingencies that are non-negotiable to you.
- If you really want to make an impression, ask your agent to include a note with your offer. Sometimes it's the smallest gestures that have the most significant impact.

And of course, when you're ready, I will guide you through putting together an offer that gives you every advantage in landing the home of your dreams.



## Let's Make an Offer!

You've done your homework and know your local market. You or your Realtor® have the sales comparables of the house you're interested in, and you're ready to make a smart offer. Here's how the process works:

First, you and your agent will craft a written offer. Here is where your Pre-Approval comes in, as you will need one to submit the offer to the Seller/Seller's agent. Several things can happen here...

### **1. The seller accepts, counters or declines the offer.**

If the offer is accepted, you move on to the next step. If the seller makes a counteroffer, you either accept that counter, or make a new offer.

Do not worry, your Realtor® will do all this work on your behalf! The written offer you craft with your Realtor® is legally binding, and is a Residential Sales Agreement that complies with applicable state and local laws.

Once your offer is accepted.. now the real work begins...

Several things go into play once your offer is accepted, and there is much more work to be done.

Here is an overview of the next steps- again your Realtor® walks with you through all of these steps...

You will make formal mortgage application and be sure to provide your Mortgage Loan Officer with all he or she needs as quickly as possible.

Next, Home Inspections are scheduled to make the house is sound. If repairs are needed, your Realtor® will negotiate those on your behalf.

The Appraisal will be ordered by your bank to make sure the home is worth the amount agreed upon in the sales agreement. At this time, you also choose a home insurance co. to ensure your new home and it's contents.



## We're under contract... now what?

You made an offer, and it has been accepted—go ahead, cue the confetti! And while it'll be a few more days until you can move in, you're well on your way to closing the deal on your new home sweet home.

Today, I'm going to give you a quick rundown on what happens after you make an offer and your new home is "under contract."

- First, I will carefully review important dates and information you will need to know to ensure a successful closing. We will email you a contract date timeline so you always know the important deadlines.
- You'll need to meet with a mortgage lender to firm up financing details and lock in your interest rate.
- Once the home inspection report comes in (and you should definitely request a home inspection if there are not multiple offers on a house), we may need to negotiate any repairs with your seller.
- Towards the closing date, you'll get a call from your closing company's office to schedule your closing.



## All About Home Inspections

### **What is a home inspection?**

The inspection will uncover any issues in the home that would have otherwise been unknown. You will receive an emailed report of the inspection. I recommend that you are present for at least some of the inspection, so that you may ask the inspector any questions.

### **What does "inspection period" mean?**

During the inspection period, the buyer has the right to hire a professional to inspect the condition of the home. If the results on the inspection report comes back with any issues that need to be addressed, the buyer may ask the seller to cover the costs of these repairs, reduce the sales price, or fix the repairs before closing. If an agreement cannot be made, the buyer has the right to back out of the contract and get the earnest money deposit back with no consequences.

#### **TIP:**

**Schedule all inspections immediately, so if we need to negotiate any repairs we can before the inspection period ends.**

### **The home seems fine, do I really need a home inspection?**

You may think the home is in perfect shape, but some of the costliest problems are difficult to spot: leaks, termite damage, foundation issues, poor ventilation, faulty wiring, and drippy appliances. A home inspection gives you the chance (before you sign on the dotted line) to have a professional inspector see if there are any problems that need to be addressed, replaced, or fixed.

## Pre-Closing

We are so close to the closing table! Here's what's going to happen leading up to you receiving the keys:

- ✓ **Under Contract**
- ✓ **Inspections**
- ✓ **Obtain Insurance**

### ■ **Appraisal**

An appraisal is an estimate of the value of the property by a licensed professional appraiser. Once any problems during the inspection are solved, the appraisal will be ordered by the lender and paid for by you. The goal of the appraisal is to verify the value of the property for the lender. The contract is contingent upon whether the appraisal comes in at or above the purchase price. If the appraisal comes back short, we will be back to the negotiating table.

### ■ **Obtain Mortgage**

You have 5 days from the date of contract execution to begin the mortgage loan application. During the 30-45 days before closing, the lender will be finalizing your mortgage.

It is very important not to make any major job changes, major purchases, or open new credit cards or lines of credit, as any of these activities could alter your qualifications for a loan.

### ■ **Survey**

Unless the seller already has a recent & acceptable survey of the property, the buyer may choose to get a survey. The survey is a sketch showing a map of the property lines/boundaries among other things. The survey will show if there are any encroachments on the property. Note: in our area, surveys can take 6 weeks or more to be completed.

### ■ **Title**

The title company will conduct a title search to ensure the property is legitimate and find if there are any outstanding mortgage liens, judgments, restrictions, easements, leases, unpaid taxes, or any other restrictions that would impact your ownership associated with the property. Once the title is found to be valid, the title company will issue a title insurance policy which protects lenders or owners against claims or legal fees that may arise over ownership of the property. This will also be a part of your closing costs.

### ■ **Clear-to-Close!**

The magic words! It means the mortgage underwriter has officially approved all documentation required to fund the loan. All that remains is the actual closing process.

## Closing Time!

You've gotten the "clear-to-close" and we've scheduled our closing date and time - let's answer some questions you may have about closing day:

**Q: When do we do the final walk-through?**

A: The final walk-through is exactly what it sounds like - it allows the buyers to do one last walk through before closing to confirm that the seller made the repairs that were agreed upon and to make sure no issues have come up while under contract. We will typically schedule to do this within 24 hours prior to closing.

**Q: Who will be at closing?**

A: Situations vary, but you can expect some combination of these folks: Buyer (that's you!), seller, real estate agents, closing agent/attorney, mortgage lender, and title company representative.

**Q: What will I do?**

A: Stretch those fingers and get ready to sign, sign, sign. At closing, the seller will sign ownership of the property over to you, and you'll sign to receive possession.

**Q: What should I bring?**

A: Bring a photo ID and a cashier's check to pay any closing costs. Your agent will tell you any other documents specific to your situation. The closing process is relatively simple but be prepared for A LOT of paperwork. (And always, always, always ask if you have a question along the way.) The good news is once you've signed the last page, it's time to get a hold of those keys and celebrate!



## 4-6 WEEKS BEFORE

- |  |  |
|--|--|
| <input type="checkbox"/> Declutter, discard & donate                               | <input type="checkbox"/> Choose a mover and sign contract                                |
| <input type="checkbox"/> Collect quotes from moving companies                      | <input type="checkbox"/> Create a file of moving-related papers and receipts             |
| <input type="checkbox"/> Locate schools, healthcare providers in your new location | <input type="checkbox"/> Contact homeowner's insurance agent about coverage for moving   |
| <input type="checkbox"/> Secure off-site storage if needed                         | <input type="checkbox"/> Contact insurance companies to arrange for coverage in new home |

## 3-4 WEEKS BEFORE

Notify the following about your change of address:

- Banks + Post Office
- Credit Card Companies
- Insurance Companies
- Family + Friends

Notify utility companies of date to discontinue or transfer service

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> Electric | <input type="checkbox"/> Gas      |
| <input type="checkbox"/> Water    | <input type="checkbox"/> Internet |
| <input type="checkbox"/> Trash    | <input type="checkbox"/> TV       |
| <input type="checkbox"/> Sewer    |                                   |

## 2-3 WEEKS BEFORE

- |  |   |
|--|---|
| <input type="checkbox"/> Notify DMV of new address   | <input type="checkbox"/> Close/open bank accounts                               |
| <input type="checkbox"/> Notify end of services for home services (housekeeper, gardener/lawn service) | <input type="checkbox"/> Arrange for child and pet care on moving day           |
| <input type="checkbox"/> Start using up things you can't move, such as perishables                     | <input type="checkbox"/> Notify HOA about upcoming move, reserve elevator usage |

## 1 WEEK BEFORE

- |  |  |
|--|--|
| <input type="checkbox"/> Confirm final arrangements                      | <input type="checkbox"/> Pack an essentials box for quick access at new home |
| <input type="checkbox"/> Arrange transportation for your pets and plants | <input type="checkbox"/> Label moving boxes with the contents inside         |
| <input type="checkbox"/> Review your moving-day plan with moving company |  |

## Frequently Asked Questions - MORTGAGE

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### **How do I know if it's time to buy instead of rent?**

If you know where you want to live, have a steady and secure income, and are ready for the responsibilities of homeownership, then it's a great time to invest in property.

### **How much do I need to save up for a down payment?**

A conventional loan down payment is anywhere from 3.5% to 20%.

### **How do I know if I qualify for a loan and how much I can afford?**

Contact a mortgage lender to get pre-approval for a loan. The lender will ask you some basic questions about your income and debts and can tell you what amount you can be approved for, and how much your mortgage payments will be. Ask me for my lender recommendations!

### **What does the lender need from me to give me a loan?**

Usually, you are asked to provide your last two tax returns to show proof of income. You should also provide recent bank and credit card statements and proof of your current pay rate. You will also be asked for your social security number so they can run a credit check.

### **What's the difference between pre-approved and pre-qualified?**

While often used interchangeably, these terms don't mean the same thing. Pre-qualification is an estimate of what you may be approved for based only on the verbal information you provide. Pre-approval means the lender has verified your income and debt information and run a credit check.

### **How do I know which mortgage option is right for me?**

Your mortgage lender is the best person to advise you on this question. Their products and qualifications change from time to time, so they would know best what products are available to meet your needs.

# Frequently Asked Questions - THE SEARCH

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## **What should I do when I see a house online that I like?**

Call your buyer's agent: the agent you are working with to find your home. It's best that you work with one real estate agent throughout your search because that person learns what you like and dislike and will invest a lot of time vetting properties for you. **That person also represents your best interests only.** When you call the agent advertising the home, you are dealing with the seller's agent, so, while they can assist you, they are also trying to get the best price for the seller.

## **Can you show me a house if it's not your listing?**

Absolutely. As a buyer's agent, I can show you any house listed in our MLS system, and I will contact FSBO sellers on your behalf. As mentioned above, working with me as your buyer's agent ensures that your interests are protected.

## **How do we write an offer?**

When you find the property you want to make an offer on, I will run a Comparative Market Analysis (CMA) to help you determine a fair offer amount. I will also guide you through the additional terms of the contract, such as the earnest money, closing date, and any additional terms you want to be added to the offer. I will write the offer on a contract form and submit it to the seller's agent.

## **What if I want to back out of a contract?**

You always have the right to back out of the purchase, but you may lose your earnest money deposit. If the contract is contingent on a property inspection, you usually have the right to cancel for any reason during the inspection period. Once the inspection period has passed, you cannot back out and keep your deposit unless the seller agrees, or an additional term has not been met.

## **What happens if there are other offers on the house I love?**

If a seller receives multiple offers on their home, usually their agent will inform the buyer that multiple offers have been received and the buyers have another opportunity to alter their original offer to present their "highest and best" offer. Keep in mind that many factors may influence the seller in addition to the offer price, such as the down payment amount, closing date, and inspection terms. It is the seller's right to accept any offer, at anytime.

## **What happens when my offer gets accepted?**

Once both parties have agreed on all terms and signed the contract, your earnest money deposit must be made and you should schedule the home inspection. Your lender will receive a copy of the contract and will begin processing your mortgage application.



# Frequently Asked Questions - UNDER CONTRACT

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## **What does "under contract" mean?**

Under contract means that all parties have agreed on terms, have signed the contract, and the signed contract has been delivered to both buyer and seller. Payment of the earnest money deposit is expected but is not a requirement to make a binding contract.

## **What is earnest money?**

The earnest money, hand money, or good faith deposit is money that is offered with an offer, or as soon as an offer is accepted, to show the seller that you are serious about moving forward with the purchase of the home. Because you forfeit this deposit if you back out of the purchase for any reason not allowed for in the contract, the larger the earnest money, the more seriously your offer is taken.

## **Do I need an inspection?**

We always recommend that you have a home inspection done. In the scheme of things, paying a few hundred dollars to have peace of mind that there are no hidden dangers or problems is well worth the money.

## **How much are inspections?**

The cost of the home inspection depends on the size of the house and additional inspections requested, such as swimming pool, septic tank, termites, insurance four-point (HVAC, plumbing, roof, and electrical,) pest, and radon. An average home inspection, without additional inspections, is about \$500.

## **What if my loan doesn't get approved?**

If you have gone through the pre-approval process and have been forthcoming with all the information requested by your lender, it's unlikely you will be turned down, but it does happen. Make sure you do not change jobs, purchase big-ticket items on credit, take out a car or boat loan, or open any other new credit accounts while your mortgage is being processed. If your loan does fall through, talk with your lender about changing to a different loan type.

## **When can I start moving?**

When you have the keys! When you are financing your purchase, it takes four to six weeks for your loan to be processed. Once the lender gives the all-clear, closing is scheduled. You will sign your loan documents and both parties will sign documents transferring ownership to you. Unless other arrangements have been agreed upon by both parties, the sellers should have completely vacated the home when they sign the closing papers. You can have your belongings ready to move, and a moving company scheduled before you go to closing.

# Vocab to Know

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## **Active**

The property is actively for sale and on the market. The sellers may have received offers but have not accepted any yet.

## **Adjustable-rate mortgage (ARM)**

After an introductory period that could be 3, 5, 7 or 10 years, the interest rate on an adjustable-rate mortgage will be adjusted by the lender in accordance with current interest rates.

## **Back on market**

This property was under contract with another buyer and their contract fell through, so it is Active again.

## **CMA**

Comparative market analysis or competitive market analysis. A CMA compares the sales price of similar properties in the area to help determine the price of a property.

## **Closing costs**

The fees that the buyer and seller will owe associated with the home-buying process, such as the real estate brokerage commission and title insurance. Most are paid by the buyer, but the seller pays for some.

## **Contingency**

A provision of the contract that keeps the agreement from being fully legally binding until a certain condition is met. For example, the purchase of a home can be contingent upon the buyer selling their current home first.

## **Down payment**

The sum in cash that you can afford to pay at the time of purchase. Some other types of financing require as little as 3.5% to 15%. A mortgage lender can tell you what types of loans you qualify for.

## **Expired**

A listing has expired and is no longer active, usually because it didn't sell in the amount of time agreed upon by the listing agent and the owner of the home. If you see an Expired listing, the owner may still be interested in selling.

## **Fixed-rate mortgage**

This mortgage's interest rate will never change, even if the term of the loan is 30 years.

## **FSBO**

For Sale by Owner. Often pronounced "fisbo" The owner of the home has it listed without an agent representation. A Buyer's agent can usually still show the home, as many FSBOs will agree to work agents representing a buyer.

## **Interest**

A percentage of the principal that you borrowed from the bank.

## **Listing**

Typically used to refer to the for-sale home itself, although it technically means the agreement between the broker and the owner of the home to market and sell the property.

## Vocab to Know

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### MLS

The Multiple Listing Service. The MLS is the organization real estate brokers use to search for and list properties. They collect, compile and distribute all information about homes listed for sale. Membership isn't open to the general public, although selected MLS data may be sold to real estate listing websites (How Zillow gets listings on their website).

### Pending

The property owner has accepted an offer and is under contract with a buyer. Their agreement may include a variety of contingencies: inspections, appraisal, financing, and more. The home is not sold just yet.

### Principal

After you make a down payment, the rest of the money you owe on your home is called the principal. This is what you will be paying monthly and paying interest on.

### Temporarily off the market (TOM)

The owner has decided to take the listing off the market for an undetermined amount of time. Typically this is because work is being done, or the home is unavailable for showings at the time. It may come back on the market.

### Title insurance

An insurance policy that protects a mortgage lender's or owner's interest in real property from assorted types of fraudulent claims of ownership. This is typically paid for by the buyer.

### Withdrawn

The listing was withdrawn from the market. This could be for various reasons: The owners may have decided they do not want to sell anymore, or maybe they didn't like the offers they received. If you love the listing, we can still reach out and try.

## THE PROCESS AT A GLANCE



I'm always available to help! Shoot me a text or give me a call for the quickest response. Helping my clients feel comfortable & informed while purchasing a home is what I love to do.