



## WHAT TO EXPECT WHEN BUYING YOUR HOME

**At Delux Realty, our knowledgeable, highly qualified real estate agents take you and your home purchase seriously.**

For most people, purchasing a home is one of the largest and most emotional decisions they will make. The agents at **Delux Realty** take you and your home purchase seriously. We're here to guide you through every step of the buying process.

**We'll provide you with the expert insight you'll need to work through any issues or complications that may arise.**

Here's what to expect during the home purchase process:

### APPLY FOR A MORTGAGE

This is the first and most important step for the buyer. The amount received within your mortgage loan will determine the budget, purchasing price and monthly payment. Once you're pre-approved for the loan, your lender will submit a pre-approval letter that your agent will need to attach to your offer.

### MAKE AN OFFER TO PURCHASE A HOME

You've found the home of your dreams. Your agent has reviewed comparable sales within your area (called "comps"), and submitted an offer (a suggested purchase price you and your agent have agreed upon) to the seller showing your interest in buying the home. The sellers may accept your first offer, but you can probably expect a "counteroffer." In fact, additional negotiations are common, and your agent will help you through this.

## **THE SELLERS ACCEPT YOUR OFFER**

It's almost yours. Once both parties (you and the seller) have agreed on the purchase price and the terms, you will have reached what is known as "mutual acceptance" and both parties sign the purchase contract. This is the date that the contract is "executed."

## **YOU PUT UP "EARNEST MONEY"**

To solidify your intent to buy, you'll place a deposit, or earnest money, on the property. The amount varies, but is generally at least one percent of the purchase price. You'll write the check to the escrow company, not the seller. Note: This money counts toward your down payment later and, like the name implies, demonstrates your earnestness in wanting the home.

## **"ESCROW" OPENS**

The earnest money deposit goes into an escrow account, where all funds will be held until closing. This is to pay for expenses related to your purchase, like homeowner's insurance and property taxes. These funds are then distributed to the appropriate parties your (lender, mortgage broker, etc.).

## **THE HOME WILL BE INSPECTED**

You will hire an inspector during the "option period" listed on the contract (typically 10 days). At this point, you still have the option of backing out of the deal or negotiating until reaching an agreement on what repairs will or won't be made, or request that the seller contribute a specific dollar amount in lieu of repairs. This inspection is typically called a "general structural and mechanical inspection." Any minor and major issues will be identified.

Generally, your agent will provide you with a list of several inspection companies for you to choose from.

## **YOUR LENDER ARRANGES FOR AN APPRAISAL**

Your lender will send a certified and licensed appraiser to your future home to appraise the

property value. It needs to be equal or higher than the purchase price or (Note: what happens if it isn't equal or higher than the purchase price?)

## **THE TITLE COMPANY "CLEARS TITLE"**

A title company searches for liens or other potential issues, ensuring there is no question as to legal ownership of the home. When they have verified there are no issues, they will transfer a "clear and insured title" to you, the buyer.

## **IT'S FINALLY TIME TO "CLOSE" ON YOUR HOME**

You may have heard of the term "closing." At closing, financing is finalized and approved. The property ownership is transferred to you, and the "deed of trust" or mortgage is given to your lender. This is the final step in the purchasing process. All parties sign numerous documents at the title company, and the transaction "closes." When it does, you are now a homeowner.