

# Buyer's Handbook

**YOUR GUIDE TO PURCHASING  
YOUR FIRST OR NEXT HOME**



# THE INNER WORKINGS OF Home Buying



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# Preparation

## **MORTGAGE PRE-APPROVAL**

Determine what you can afford and work with a lender to get pre-approved for a mortgage. A downpayment of 20% is ideal to avoid paying mortgage insurance, but the amount of your downpayment varies depending on the type of loan. Being pre-approved will indicate to sellers that you're serious about home buying, and it will allow you to make legitimate offers on homes.

## **HOUSE HUNTING**

Work with The Connie Colla Group to find homes that fit your budget and possess your ideal features. We will arrange convenient showings to help find the right home for you.

## **BIDS & NEGOTIATIONS**

When you find the right home, we will present an offer on your behalf. Be prepared to negotiate the price and terms that work best for you and the seller. Sometimes buyers and sellers cannot agree on terms. That is a normal part of the home buying process. We are here to help you make the right decision and to find the best home for you.



Home

is where  
love resides,  
memories are  
created, friends  
always belong,  
and laughter  
never ends.



# Under Contract



## HOME INSPECTION

A home inspection is the next step in the process after an offer is accepted by the seller. This inspection process will help you gain valuable insight into the condition of the property. If the sale is dependent on the results of the home inspection, you have a limited window of time to complete it, usually 10 days from the contract date.

## POST-INSPECTION AGREEMENTS

Depending on the results of the inspection, you will have the opportunity to request repairs of faulty items discovered, or you may be able to negotiate a seller concession to reduce the price you pay at closing.

## HOME WARRANTY

A home warranty may be negotiated to cover repairs on appliances and systems in the first year after you purchase the home. This type of warranty may include coverage for the HVAC, plumbing, appliances, and electrical systems of the home.



HOMIE  
*Sweet*  
HOMIE



# Legal Steps

## TITLE SEARCH

Before your purchase is finalized, you will choose a title company to perform a Title Search. This examination covers all records of the property's title history, including deeds, court records, indexes, and other documents. The purpose of this search is to confirm that the seller has the legal right to sell the property in question and that there are no encumbrances to the title that may prevent the buyer from acquiring full title to the property.



## APPRAISAL

If you are financing the purchase, an appraisal is required by the lender to determine the value of the property in order to secure the loan. Although this is in the lender's best interest, it also confirms you won't be over-paying for your new home. Typically, the lender contracts with the appraiser and incorporates the appraised fee into the closing costs for the loan.



## FINAL COMMITMENT FROM THE LENDER

Once these steps are completed, your lender will issue a Final Commitment Letter. This letter covers all loan terms and agreements for the loan. It will also outline all mortgage fees and any stipulations prior to closing.

# Other Requirements

## **TERMITE INSPECTION**

Termite damage can be costly, so it's only natural that your lender or insurance company may require termite inspection. If termites are discovered during an inspection, your lender will require the home to be treated and repaired prior to closing.

## **PROOF OF INSURANCE**

An additional stipulation of the mortgage agreement is providing proof of homeowner's insurance. You can incorporate the insurance premium into your monthly mortgage payments or you may pay the premium separately depending on your lender's requirements.





# Financing

Before closing on your new home, be sure to avoid doing anything that may jeopardize your ability to obtain financing for your home purchase.

## **MAINTAIN YOUR CREDIT**

Don't miss any monthly bill payments! This is the easiest way to maintain your credit during the closing process. One missed payment may jeopardize your loan approval or the interest rate you pay.



## **AVOID ADDING LINES OF CREDIT**

One might think "pre-approval" means you're approved for your loan, but that is not the case. You should avoid making any major purchases that require opening a new line of credit. This includes things like student loans, car purchases, credit cards, or large furniture purchases which can alter your original income and debt ratios that your loan approval is dependent on.

## **LARGE TRANSFERS**

Your lender may flag your account as suspicious if you transfer large sums of money between accounts or make any large undocumented deposits. Try to avoid doing so because such transfers could risk your loan approval.

# Final Pieces

## UTILITIES

At least several weeks prior to closing, you should schedule all utilities to be changed to your name effective the date you take possession of your new home. This will help ensure a seamless move-in process.

## FINAL WALK THROUGH

Review any outstanding items that need repairs per the purchase agreement. The walkthrough should be performed very diligently to avoid any surprises after closing. Outstanding items must be addressed prior to closing.

## CLOSE OF SALE

This is the process that finalizes your purchase! Once the purchase money has been paid, the deed to the property will be recorded in your name, and you will officially become the owner of the property.

***Congratulations  
on your new purchase!***



# Closing

## THE FINAL CLOSING PROCESS

Prior to closing, you will have an opportunity to review your purchase contract. The escrow officer will indicate what fees are owed by whom and prepare your final closing documents as well. The closing process will also involve ensuring that all fees are paid, that the Seller receives the money owed, and that the deed is recorded in the Buyer's name, thereby officially transferring title to the home.

## THE COSTS OF CLOSING

Both the Buyer and Seller will incur various fees and costs over the course of the sale. For the Buyer, these typically include:

- Mortgage application fees
- Underwriting fees
- Title search
- Title insurance
- Appraisal fees
- Land transfer taxes
- Homeowner's insurance
- Escrow fees
- Notary or recording fees
- Homeowner's Association or condo fees, if applicable

## POST-CLOSE REMINDERS

Keep all your closing documents. They come in handy eventually.





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GLOBAL PROPERTIES

## ***HOME BUYING IS A MAJOR MILESTONE!***

AS YOUR REALTOR, YOUR BEST INTEREST IS AT THE HEART OF WHAT WE DO. YOU CAN TRUST US TO REPRESENT YOU AND GUIDE YOU THROUGH THIS PROCESS SO YOU CAN HAVE THE BEST POSSIBLE EXPERIENCE.

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