



THE HOME BUYING PROCESS:
Your guide from contract to close.



CONGRATULATIONS!

You have made an important decision to purchase a home and we are ready to ensure that the home buying process is as smooth as possible for you and your loved ones. Here at RVA Home Team we believe in one simple, but often overlooked detail: **YOU**. *Your Wants. Your Needs. Your Goals.*

The next few pages will outline the steps of your home buying journey so that you always know what is happening next. Don't worry, we will guide you through each step and are here to answer any questions you may have.

At the end of your journey we want you singing our praises, as referrals are the backbone to our business. If at any time there is something we can improve on, please let us know! We are in this together as partners and communication is key to any winning relationship.

THANK YOU for your trust...we are thrilled to have you as part of our team!



STEP 1: SELECT A REALTOR

Why is it so important to partner with a knowledgeable real estate agent? Buying a home is one of the largest financial investments you will make in your lifetime and having a guide to navigate you through the process is priceless! Buying a home is fun, but also emotional so it is critical to have a skilled Realtor by your side from start to finish, and beyond!



Shannon Milligan, RVA Home Team Realtor

What Does My Realtor Do?

- *Helps identify my real estate goals*
- *Works closely with mortgage lenders for my pre-qualification*
- *Researches neighborhoods, builders, school information, etc.*
- *Schedules and accompanies showings of properties*
- *Contract writing for offers, including proper required disclosures*
- *Submits offers*
- *Negotiates offers: understands motivation and desires*
- *Coordinates closing attorney, home warranties, etc.*
- *Schedules home inspections: physical, radon, etc.*
- *Meets contractors on my behalf for estimates*
- *Attends home inspection & completes request for repair addenda*
- *Follows up on seller required contingencies: termite & septic/well inspections*
- *Audits receipts of agreed upon repairs*
- *Schedules final walk through and re-inspections of the property*
- *Attends closing with me*
- *Ongoing follow up, contractor recommendations, etc.*

STEP 2: OBTAIN FINANCIAL PREAPPROVAL

You dream of homeownership and our job is to make that happen! Obtaining a mortgage pre-qualification letter from the very beginning of your journey is a crucial part to making your dreams a reality. Don't worry, we here at RVA Home Team have several preferred mortgage lenders we can refer so we all have a clear vision of your homeownership path.

Why a Pre-approval is Important To Achieving My Real Estate Goals

- *Clearly identifies my buying power*
- *Turns me into a "cash" buyer*
- *Gives me leverage in a multiple bid situation*
- *Gives me confidence*



STEP 3: SELECT PROPERTIES TO VIEW

Now we are getting down to the fun stuff! Shopping for a home is much like shopping for jeans: sometimes you have to try a few on before finding the right pair and sometimes the very first pair you slip on fits like a glove. As we analyze your needs, we will customize your property search so we can find the homes with your favorite styles and features right away. In addition, we will network on your behalf to uncover listings that fit your needs but have yet to hit the market. When you work with us, it's almost like having your very own detective agency... almost.

What Should I Think About When It Comes To My Next Home?

- **Location:** *The most important criteria.*
- **Price:** *Know my budget, just because I can doesn't mean I should.*
- **Schools:** *Do I have specific zones I would like to be in?*
- **Square Footage:** *How big or small? What about layout?*
- *How many minimum bedrooms?*
- *How many minimum bathrooms?*
- *What will I compromise on?*
- *What are my deal breakers?*

A photograph of a modern, single-story house with dark blue horizontal siding and white trim. The house features a prominent front porch with white columns and a stone base. A large window with white trim is visible on the right side of the porch. The house is surrounded by green grass and trees.

STEP 4: VIEW PROPERTIES

Excited yet? You should be! This is real life House Hunters and you are the star! During this step, we will schedule time to physically show you homes that seem to fit your needs.

Things To Keep In Mind When I Am Touring Homes For Sale

- *Wear comfortable clothing and shoes*
- *Bring along some snacks and drinks*
- *Do take notes of what I like and what I don't like*
- *Be prepared to act quickly when I find **The One!***
- *Bring my checkbook in anticipation of an offer*
- *Have fun!*

STEP 5: WRITE AN OFFER TO PURCHASE

Job well done! You have found a house that you are ready to call home and it is time to write an offer. This is where we will review the contract and determine specifics that are of the utmost importance in achieving your desired outcome.

What Do I Need To Consider To Write An Offer?

- *Do I need/want to ask for the appliances?*
- *How much do I offer?*
- *Do I need/want to ask for seller paid closing costs?*
- *How much EMD (Earnest Money Deposit) do I put down?*
- *What closing date do I want?*
- *What closing attorney/title company should represent me?*
- *How long of an inspection time do I need?*
- *Do I want to ask for a seller paid home warranty?*
- *What deadline should I give the seller to respond?*



STEP 6: NEGOTIATE TERMS

We have successfully submitted your offer and now we negotiate the terms to create a win-win between you and the seller. Don't fret, we will guide you through this process!

What Can I Compromise On To Create a Win-Win?

- *Can I, and do I, want to offer more in price?*
- *Do I NEED closings costs?*
- *Am I flexible on the closing date?*
- *Should I purchase my own home warranty?*

STEP 7: ACCEPT THE CONTRACT

We have a “meeting of the minds” and...

CONGRATULATIONS!

You are now under contract! The next two weeks will feel like a bit of a whirlwind, but we are here to make this process as stress-free as possible.



STEP 8: REMOVE CONTINGENCIES

In this step of the home buying process, we will help you clear any contingencies that were made part of the contract. These are items that must be completed to proceed to a successful closing.

What Are Possible Contingencies?

- *Physical home inspection*
- *Septic and well inspections*
- *Removing a 1st Right of Refusal*
- *Appraisal*
- *Obtaining clear title*
- *Obtaining final loan approval*



STEP 9: OBTAIN FUNDS FOR CLOSING

Whew, we are in the home stretch! We have successfully navigated the home buying process and you simply need to obtain your cashier's check, or have your funds wired, for closing to your title company.

STEP 10: CLOSE ON THE PROPERTY



The only thing now standing between you and your home is a mountain of paperwork, so get your pen ready! On the day of closing, we will accompany you to the office of your closing attorney/ title company and you will sign the deed to your new home. Once all signatures have been obtained, you will be the proud owner of your new home. **CONGRATS!**

What Do I Need To Bring To Closing?

- *Two forms of I.D. (At least one photo I.D.: license, passport, Costco card, water bill.)*
- *Your closing funds, including down payment*

CONGRATULATIONS ON YOUR NEW HOME AND THANK YOU FOR ALLOWING US TO BE A SMALL PART OF YOUR NEXT CHAPTER.



DO AND DON'T

TIPS FOR A SUCCESSFUL REAL ESTATE TRANSACTION

DO

- Continue to make all of your current rent/mortgage payments on time
- Stay current on all existing accounts
- Work your normal job schedule, with no unplanned time off
- Continue to use your credit as normal
- When in doubt, DO ask your loan officer for guidance.

DON'T

- DO NOT make major purchases (car, boat, jewelry, furniture, appliances)
- DO NOT apply for any new credit, even if something says you are pre-approved
- DO NOT pay off charge/collections, unless directed to do so by your loan officer
- DO NOT close any credit card accounts or change banks
- DO NOT max out credit cards
- DO NOT make unusual cash deposits into your bank account (Remember, all non-payroll deposits must be explained and sourced)
- DO NOT move money around from one account to another

Types of Home Sales

As you begin your home search you will be surprised by the many types of homes you will encounter. Just like purchasing a car, there are many “makes and models” and we are sure to find something that fits your needs! Take a look at each category below to learn more about your options.

New Construction

There are two types of homes with new construction: 1) **To-Be-Built**, where the home is constructed to your specifications, or 2) **Immediate Delivery Homes**, where the builder has a brand new “in-stock” home for you to purchase. In the case of To-Be-Built homes, you are likely looking at a 4-9 months settlement period, depending on the builder you select. When time is not on your side to wait for a To-Be-Built home to be completed, an immediate delivery is a wonderful option with settlement typically taking 30-60 days.

Resale Homes

A resale home is a house that has previously been lived in prior to your purchase. One great benefit to a resale property is the “upcharge” of new construction has more than likely been absorbed by the past owner. For example: when you purchase a brand new vehicle, there is a premium on the price because it is new BUT, the moment you drive it off the lot, the value has depreciated. The same holds true for a resale home, the owner prior to you has “eaten” the upcharge.

For Sale By Owner (FSBO) Properties

These are homes for sale where the owners/sellers have chosen to represent themselves in the sale of their house. In the unlikely event that you find yourself drawn to a FSBO property, please call us with the phone number and the address of the property you are interested in and we will call the seller on your behalf.

****IMPORTANT INFORMATION ABOUT NEW CONSTRUCTION HOMES****

While visiting a new sales center on your own is fun and exciting, it can also be very risky! Why? Because many builders will not allow you to have the benefit of a real estate agent representing your interests if you do not register your agent the moment you walk into the sales model. Yes, the sales agent on site is there to assist you, however you must remember they represent the builder and their duty is to look out for the best interest of the builder. It is imperative that you have your very own representation!

So, what do you do? The best thing you can do is to take us with you when visiting a new home sales site. However, we often know these visits are spur of the moment so we simply request that you give us a call prior to entering the sales model so that we may call the site agent and register you. That's it, that's all you need to do to protect your best interests! If, by chance, you forgot to call us before going, please remember to ask the sales representative to register us as your Realtor the moment you arrive.



The following is a list of the team of professionals who will assist you in your journey to home ownership!

REALTOR: *Think of us as your head coach. We will help you coordinate with all of the other professionals in your real estate team.*

MORTGAGE LENDER: *You will work closely with your mortgage lender, sharing your financial history so it is important you trust this individual. We have a list of preferred mortgage lenders that we know, like, and trust. We will supply you with this list, however you are free to select anyone you wish.*

CLOSING ATTORNEY/TITLE COMPANY: *You may choose to use an attorney OR a title company for your settlement company. No matter whom you elect, the job is the same: order title work and prepare the property for closing. As the real estate process is a complex one, we strongly encourage you to consider a real estate attorney to work on your behalf as they can also answer legal questions should the need arise.*

HOME INSPECTOR: *Much like selecting a doctor, you want to ensure that you select a knowledgeable home inspector to diagnose the health of your new home. We have a list of preferred inspectors to share with you, however you are free to use one of your own.*

APPRAISER: *While your lender will order the appraisal, it will be done at what is called an “arms length” transaction. This means a third party will actually select the appraiser on your behalf, ensuring there is no bias for the value of the home.*

INSURANCE AGENT: *Before closing, the lender will require you to select your home insurance company. We have a list of preferred vendors to share with you, however you are free to use an agent of your choice.*



TYPES OF HOME INSPECTIONS

When it comes to purchasing a home, the inspection process is an important part of the transaction as it acts as a “check-up” of sorts, giving a glimpse into the health of the home. In Virginia, which is a “caveat emptor” state (buyer beware), the burden is placed on the purchaser to perform due diligence to discover everything you would want to know about that house so you can feel equipped, empowered, and well educated on the home you’re about to purchase.

Below are a few examples of the types of inspections you may elect to perform, at your own expense. Keep in mind this list is not exhaustive and broadly outlines some of the inspections at your disposal. However, only you can determine your comfort level and you should take all necessary measures to feel confident about your purchase.

***Note: the costs outlined below are estimates and approximations only.*

POPULAR HOME INSPECTIONS

PHYSICAL HOME INSPECTION

A third-party home inspection will provide you with an objective, non-biased evaluation of the overall condition of the property. The inspection will assist in identifying potential problems, or safety items, with recommendations for repairs or replacements.

Cost: \$350-\$700+

RADON INSPECTION

Radon is an odorless, colorless, toxic gas that seeps into homes through the foundations and is the second leading cause of lung cancer, just behind smoking. With a simple, non-invasive test a radon inspection will determine the presence of radon and if the amount is at what we call an “actionable level”. For a real estate transaction - what we can ask a seller to correct- an “actionable level” is 4.0 and above. However, the EPA strongly suggests remediation of a home that has a level over 2.0.

Cost: \$150-\$250

STRUCTURAL ENGINEER INSPECTION

This professional will evaluate the stability of the structure and may make recommendations on potential repairs.

***Note: many buyers elect this upon discovering a possible defect revealed from the physical inspection or in conjunction with the physical inspection if obvious cracks are observed or evidence of past repairs is noted.*

Cost \$300+

SEWER SCOPE INSPECTION

This is when a video is attached to a snake-like wire to examine the home’s sewer line to look for any damage to the pipes or reveal any blockages.

***Note: speak with your Insurance agent in regards to possible sewer riders for your property as replacing a sewer line can be a costly endeavor.*

Cost \$225+

OTHER HOME INSPECTIONS

AIR QUALITY SCREENING

This test will help determine the presence of fungi, possible mold, and other allergens.

Cost: \$200+

ROOF INSPECTION

A roofing contractor will check the current condition and may help determine the age of the roof.

Cost: \$200+

HVAC INSPECTION

An HVAC professional will examine the units, diagnose potential defects, and may give an estimate on the age of the units.

Cost: \$125 for the first unit, \$100 per unit after

TERMITE INSPECTION

This professional will inspect visible, accessible locations for signs of termite/wood-destroying insect infestations and damage.

***Note: in most instances the ratified purchase agreement will state that the Seller is responsible for this inspection and must provide a receipt of said inspection within 30 days or less of closing.*

Cost \$40-\$100

SEPTIC AND WELL INSPECTIONS

A septic inspection will help determine the health of the system with rod probing, evaluation of the distribution box, and pumping of the contents. A well test will certify the water is free of certain bacteria, in addition, it may include examining the well pump.

***Note: in most instances, the ratified purchase agreement will state the Seller is responsible for these inspections and must provide a receipt to said inspections within 30 days or less of closing.*

Cost: \$500+

FIREPLACE INSPECTION

A chimney specialist will examine the fireplace and possibly perform a chimney sweep.

***Note: it is not unusual to find a home's fireplace(s), flue(s), and chimney(s) being sold in "as-is" condition. If this language was agreed upon in your ratified purchase agreement, you will not be able to ask the seller to make any repairs to those items and, in many cases, finding a defect in these items will not be a reason to terminate the contract unless otherwise agreed upon. That said, some buyers may still elect to have a fireplace evaluated during their inspection timeframe or may opt to wait until after closing to have it swept and evaluated.*

Cost: \$75+

LEAD BASED PAINT INSPECTION

Homes built before 1978 are likely to have lead-based paint and this test will conclude the presence of lead.

***Note: Real estate agents/Realtors are required to provide you with a brochure on lead based paint for homes older than 1978.*

Cost: \$200+

As a home buyer, you are more than welcome to select as many inspections as you would like, at your expense, as long as the inspections are performed within the negotiated window of time per the ratified purchase agreement. In addition, you are entitled to hire any company you may wish to perform your inspections. If you do not have a company, we are happy to provide you with recommendations to trusted professionals.

Frequently Asked Questions

1. WHAT ARE MY "UP FRONT, OUT OF POCKET" EXPENSES WHEN PURCHASING A HOME?

Buying a home requires more than just a down payment. Here is a list of common expenses that you incur:

- **EARNEST MONEY DEPOSIT:** this is your "Good Faith" deposit. Essentially, this is the amount of money you agree to forfeit should you not meet your contractual obligations.
- **DOWN PAYMENT:** The amount of your down payment will be dependant on your specific loan program. (Ex: 20% down, 15% down, 10% down, 5% down, 3% down, etc.)
- **HOME INSPECTION PAYMENT:** Home Inspection companies require payment at the time of services rendered. The cost will depend on the size of the home, however we recommend you budget approximately \$400-\$600.
- **APPRAISAL:** Your lender will likely charge you an appraisal fee and many require that fee to be paid at the time the appraisal is ordered. This fee varies, however we recommend that you budget between \$400-\$600.
- **CREDIT REPORT:** Your lender will also charge you a credit report fee. Normally, this will cost approximately \$30, however this is just an estimate as fees will vary from lender to lender.

2. WHAT IS THE DIFFERENCE BETWEEN EARNEST MONEY DEPOSIT (EMD) AND MY DOWN PAYMENT?

EMD is the amount of money you are willing to forfeit should you default on the agreed upon contract terms. Your down payment is the amount of money you are putting down for your loan. EMD will be applied towards your down payment at closing and you will bring a check, or have funds wired, to your closing company for your remaining down payment. While there is no set amount for an EMD offering, a good rule of thumb is 1% of the purchase price.

3. WHAT IF I NEED TO SELL MY HOME BEFORE I CAN PURCHASE?

This is a very common requirement and it just takes a little extra effort on all parties. You will prepare your property for sale while we are identifying possible new homes for you. Then, once you find a place you would like to call home, we will submit an offer with a contingency called a "First Right of Refusal". If the seller accepts this condition, it means you must list your home ASAP and, if the sellers receive another offer, you will have a specified amount of time to decide if you would like to move forward with the purchase or if you must walk away.

4. WHEN DO I CALL TO HAVE UTILITIES PLACED IN MY NAME?

We suggest you call the utility providers one to two weeks prior to closing to have the utilities transferred into your name effective on the closing date. From time to time the closing may get delayed, but we will help you navigate through the process.

Frequently Asked Questions

5. HOW LONG DOES THE REAL ESTATE PROCESS TAKE?

Once you have located your desired home, closing can take anywhere from 30 days to 60 days, with 45 being average.

6. HOW MUCH DO I HAVE TO PAY YOU AS MY REALTOR?

In most cases you pay absolutely **NOTHING** to have representation! How is that possible? Easy, the seller is usually the one who pays commissions.

7. WHAT ARE CLOSING COSTS?

These are the expenses occurred when purchasing a home. This will include your down payment, loan origination fees, etc. Depending on the market, we oftentimes can negotiate the seller to pay a portion of the closing costs on your behalf.

8. WHAT IS TITLE INSURANCE?

This insurance protects you, and your lender, from losses that may arise from liens on property, defects, or encumbrances. We at RVA Home Team always recommend you purchase the Enhanced Title Insurance, however, work with your Title Company to find what best fits your needs.

9. WHAT IS THE DIFFERENCE BETWEEN A LISTING AGENT AND A BUYER AGENT?

A listing agent works with the seller and looks after their best interest. A buyer agent, on the other hand, works for the best interest of the buyer. RVA Home Team does **NOT** participate in what is called "Dual Agency", however we **DO** participate in "Designated Agency." Dual agency is when a real estate agent represents **BOTH** the seller and the buyer, thus having to become neutral. Designated agency is when we work specifically for you, however other independent contractors in the same office may work on behalf of the seller.

10. DO I REALLY NEED TO HAVE A HOME INSPECTION?

While a home inspection is not required, we strongly suggest you have one completed. An ounce of prevention is worth a pound of cure!

Notes

Notes

WELCOME TO THE TEAM!



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Real