Home Buying Process

This is a general overview of the home buying process, from offer to closing. The specifics of your transaction may vary; thus, you may wish to seek advice from a competent attorney.

THE OFFER

Once you've found the perfect home, it's time to make an offer. A buyer and seller must enter into a written contract called a "purchase contract." Typically the process begins with the buyer's written offer to the seller. Your real estate agent or attorney may wish to use a standard form to draft an offer and present it to the seller or the seller's real estate agent. Your real estate agent or attorney can negotiate many of the terms and conditions of the offer, **including, but not limited to:**

- Sales price
- Financing terms
- Earnest money amount
- Who will perform the settlement
- Title policy
- Property condition
- Possession terms
- Contingencies
- Any special provisions
- Any exclusions
- Settlement and other expenses
- Prorations
- Casualty loss
- Default
- Mediation
- Attorney's fees
- Representations and warranties
- Effective date
- Date of closing

LEARN MORE ABOUT
WHAT HAPPENS AFTER
YOUR OFFER IS ACCEPTED

NEXT PAGE

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EVEN IF YOUR OFFER IS ACCEPTED, THERE ARE STILL MANY STEPS TO COMPLETE BEFORE YOU CAN ENJOY YOUR NEW HOME.

THE EXECUTED CONTRACT

Once both parties have agreed to the terms of the offer, and the seller has signed the offer and communicated acceptance, an offer becomes an executed contract. You'll need to address the next steps quickly in order to close on time.

DELIVER THE EARNEST MONEY

Earnest money is a cash deposit the buyer gives the seller via a third party intermediary, usually a real estate agent, attorney or title agent. This deposit proves you are serious about purchasing the property. Typically, the earnest money deposit is credited to the purchase price at closing.

OBTAIN A MORTGAGE LOAN

Notify your mortgage lender as soon as you have an executed contract so they can start the mortgage process. You'll need to submit extensive paperwork and pay for certain services related to your new home in order to secure the loan, even if you've been pre-approved. Your real estate agent or attorney can help serve as an intermediary between you and your lender.

SCHEDULE PROPERTY INSPECTIONS

Property inspections help expose defects in the home that could influence your decision to purchase it at the price outlined in the executed contract. A standard home inspection is most common, but other types of inspections (radon, pest, septic, structural, HVAC, mold and others) are available. If a defect is found, your real estate agent or attorney may advocate that the seller cover the cost of repairs or reduce the home's sale price, or you may wish to cancel the contract.

OBTAIN EVIDENCE OF TITLE

Your contract will usually require the seller to deliver evidence of title. In addition, your mortgage lender will require a title company to review the title history of the seller's home to ensure they will have a valid, enforceable lien on the property after closing. You can also purchase a homeowner's title insurance policy that protects you from covered title defects arising prior to or concurrently with your purchase of the seller's home.

ORDER AN APPRAISAL

An appraisal is also required by mortgage lenders to verify that the value of the property you intend to purchase is worth the sales price. Most lenders require the buyer to pay for an appraisal.

OBTAIN HOMEOWNER'S INSURANCE

Mortgage lenders also require buyers to purchase a homeowner's insurance policy. The policy covers any accidental damage to the home and the owner's possessions due to theft, storms, fires and some natural disasters.

CONSIDER PURCHASING A HOME WARRANTY

You may also want to purchase a home warranty, which is a service contract that provides for the repair or replacement of major systems and appliances in certain circumstances.

SET UP UTILITIES

Make arrangements to turn on your utilities and transfer all accounts to your name.

SCHEDULE A CLOSING TIME

You, your real estate agent or attorney should check in with your title agent and mortgage lender about a week before the closing date to make sure everything is in order for closing. Schedule your closing time accordingly.

CONDUCT THE FINAL WALKTHROUGH

It's recommended that homebuyers perform a final walkthrough of the property a few days before closing to verify that any repairs have been made and the seller's possessions have been removed.

CLOSING

The closing typically occurs at the title company and takes about an hour. A few days before closing, you should check with your title agent to determine what items are needed for closing. At a minimum, you should bring your driver's license and certified funds to closing. Once you've signed all documentation, your lender has funded your loan and the documents have been recorded at the County Recorder's office, you'll get the keys to your new home!