PITTSBURGH PROPERTY DIVA

COLDWELL BANKER REALTY

BUYER OVERVIEW

& PROCESS

The buying process can be very exciting & very overwhelming! The best buyer is the prepared buyer. I've created this "cliff notes" version of purchasing a new home so you'll be in the know at all times:

IN THIS PACKET:

- What to expect when you have a buyer agent
- Buyer Process Outline
- What to expect when you're **under agreement**
- Prepare for home inspections
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- Delay's happen, don't panic



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What to expect when you have a **buyer agent:**

You have made a very important and exciting decision in the home buying process! Your “Buyer Agent” is your most valuable advocate and I am honored and privileged to have the opportunity to assist in what will most likely be your biggest asset.

Going forward, please contact only me with any questions or showing requests regarding any properties you are interested in. Please do not contact the listing agents, this will create a “procuring cause” situation that is uncomfortable for everyone.

If you see any properties on Zillow, Trulia, Realtor.com or any other home buying website and need additional information or a status confirmation (i.e., whether it is active, contingent, under agreement or already sold), please just text or call me. I can show you any listing in the Multi-List and my recommendation is to stay on the portal I set up for you as this will have the most accurate listing information.

I have lots of flexibility in my schedule to tour homes with you. I recommend scheduling a few homes to see for our first time out and thereafter any new listings that pop up on the market that you like. Please never hesitate to reach out for an appointment, that’s what I’m here for!

Before we hit the road, please make sure you have provided me with an up to date **Pre-Approval.** You do not need to commit to any specific lender until we are officially under agreement. We can talk about rate shopping, services, etc. at any time. I will also be able to run estimated cost sheets for you on any property. The main thing to remember when we’re talking about mortgages is that the interest rates change on a daily basis & you will not “lock” a rate until you’ve made mortgage application. Every lender has different origination fees, processing fees, etc. When you are shopping rates, you will want to inquire about those fees with your loan originator. Servicing and customer service are very important as well and should be taken into consideration when deciding on a lender.

Be prepared to select a home inspector and pay the inspector at the time of the inspection. The fees will range from $350-$700 or higher depending on the inspections you choose and the size of the home.
Your other immediate expense will be the appraisal. Most lenders require your completed application and a credit card number to order the appraisal. Others roll the appraisal fee into the mortgage/closing costs. The fees typically range from $450-$550.
I am so excited to take this journey with you. If you need anything, have questions or concerns about the process, etc. please call, text or email!

Keep it simple:

PROCESS OUTLINE

HOUSE HUNTING – This is the fun part! We will tour as many homes as we need to find you the perfect home that meets your budget, most of your wants & in the area that suits your needs.

ONCE WE FIND THE PERFECT HOME – We will review seller disclosures & any auxiliary information relating to the property & I will write a contract & any addendum for that property. I will review the offer process with you in detail including the following items:

- Market overview & a market analysis so we can make an assertive offer
- Hand money – a good marker is 1-2% of the offer price, but this can fluctuate depending on whether we are competing with other offers
- Inclusions – these are the items we want to stay with the property i.e. stove, refrigerator, etc.
- Contingencies – Home Inspections/Pest Inspections, radon, property insurance, etc.
- Mortgage Information – how much will you be putting down on your new home (depending on your loan type)
- Projected closing date
- Home warranty inclusions
- Appraisal contingency

TIME TO NEGOTIATE – this is a period of time (usually 24-48 hours specified in the contract) to negotiate the terms of the contract including the price, inclusions, inspection contingencies and the like. You will hear from me as soon as I have any information for you!



- ONCE WE HAVE REACHED AN AGREEMENT – Hopefully negotiations are completed without too much back & forth. You will receive any changes to the contract to initial & once we have a fully executed contract by all parties we will be officially “Under Agreement”. You will receive a fully executed copy of all of the documents you sign.

- HERE IS WHERE THE WORK STARTS! You will receive a detailed, step by step “Buyer Timeline” from me with instructions in order of importance & I have attached a sample one for you have on hand so you’ll know what it looks like when it arrives.

- DURING THE MORTGAGE APPLICATION PROCESS – It is very important to provide requested documents to your lender pronto. Everything is time sensitive and the quicker you provide the requested documents the smoother the process will be.

- WE WILL BE IN COMMUNICATION – for the duration of the transaction & we have a super organized system that will keep you moving in the right direction.

- WHEN WE GET 10 DAYS AWAY FROM OUR SCHEDULED CLOSING – you will receive a “Ready to Close” document from me with all of the closing information, what to bring with you to closing & your utility company information so you can turn on the utilities in advance of closing.

My goal is to make this as enjoyable & exciting as possible while keeping you organized & relaxed. I will negotiate fiercely, timely & without hesitation on your behalf.

Let’s Get Moving!

What to expect when you're **under agreement**

- You will receive a detailed buyer timeline packet to help keep you organized. The Timeline will detail all of the dates of the contract.

- The hand money is due within 5 days of a signed contract. Your buyer timeline will have specific details on how the check will be made payable and the address where the check should be delivered. This check will be deposited within one day of receipt and held in escrow until closing.

- You will be instructed to schedule the home inspections you elected in the contract. You have a specific number of days per the agreement of sale to have the inspections completed and to submit a report with any repair requests to the seller's agent. We then have 5 days for negotiation and 2 additional days for renegotiation. Only named parties on the sales agreement may attend the inspection. This is another phase of negotiations.

- You will be insturcted to reach out to your lender to make formal application. **This must be done within 7 days of a signed contract.**

- Closing company is selected. I handle all of the coordinating with the closing company. The closing company will reach out during the transaction to gather more information from you for your closing documents.

- Ten days from closing, you will receive a Ready To Close letter with the instructions on setting up utilities and what to expect in the days leading to closing.

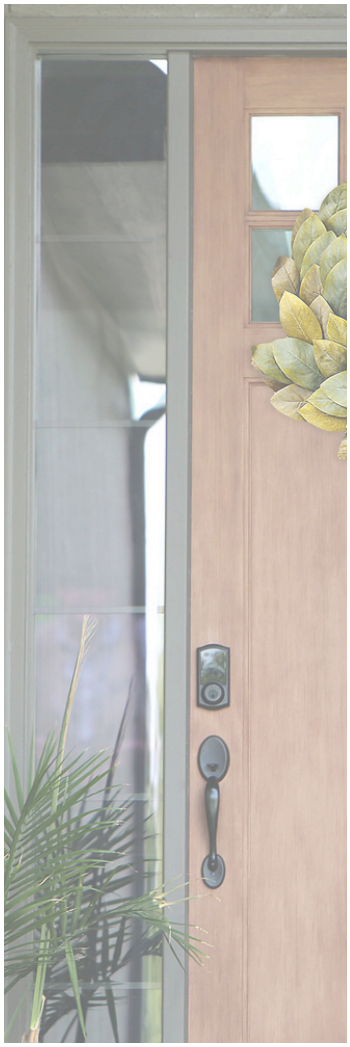
What to expect when you're **under agreement**

almost there...

- Three to five days prior to closing, your lender will issue the official clear to close for financing sales (not for cash sales)
- I will receive a settlement statement from the closing company a couple days before closing, which will have your cash to close amount. You will be instructed to wire funds or get a cashier's check payable to the closing company. The settlement statement will detail all of the expenses related to the purchase as well as any credits.
- There will be a final walk-thru, typically the morning or evening before the closing, to make sure the house is in the same condition, or better, than it was when the contract was signed.
- All extra keys, garage door openers, manuals for appliances/equipment will be left in the kitchen for you.
- Any receipts for work done after inspections are negotiated will be provided prior to closing.
- Important paperwork, such as occupancy permit, home warranty information, and any other warranties that may come with the house, will be provided to you in your closing binder at closing.
- You will need a valid drivers license o closing day.

PREPARE FOR INSPECTIONS

During a home inspection, you'll have a knowledgeable professional along with you pointing out details and potential problems you might not notice otherwise. A thorough home inspection can save you thousands of dollars in unexpected repairs, or from unwittingly buying a money pit. I encourage you to attend the home inspection as this is a great time to learn about the house, how mechanicals function, and to get maintenance tips from the inspector.



WHAT A HOME INSPECTOR **DOES:**

- A home inspector will take two-to-four hours to complete a detailed walk-through of the home. It is a top-to-bottom review of the physical structure as well as its mechanical and electrical systems. This includes the roof, ceilings, walls, floors, windows and doors. The inspector will check to make sure that major appliances are functional. The mechanicals of the home will also be examined. The inspector will also evaluate the plumbing and electrical systems and crawl into the attic.

- The inspector will be making notes and taking pictures during the entire process. **Most importantly, the inspector will provide an objective, unemotional opinion on the home's condition.**

- If elected, a radon test will be set either 2 days before the home inspection and collected at the inspection, or set at the time of inspection and collected 2 days later. Results will be immediately available.

PREPARE FOR INSPECTIONS



WHAT A HOME INSPECTOR **DOESN'T DO:**

- A home inspection is a general checkup, not an X-ray exam. Although inspectors should have a keen eye for detail, they won't be able to detect the unseen. That means hidden pests, asbestos, and mold or other potentially hazardous substances might go unnoticed. These issues may require specialized evaluations, perhaps even a geologist or structural engineer. The home inspector will let you know if these are a possibility.

- An inspector might have a thought or two on child safety issues found in the home, but again, that depends on the inspector's experience and competencies. The home inspection does not determine whether your home is compliant with local building codes. An occupancy inspection, if required by the local municipality, will determine those potential issues.

- The goal of the inspection is to uncover issues with the home itself. Inspectors should not tell you if you are getting a good deal on the home or offer an opinion on the sale price.

- An inspection is not a pass/fail exam. You will learn much about the home and gain confidence in the decision to move forward with the transaction. Sometimes a home inspection will point out enough deficiencies for you to terminate the purchase.

PREPARE FOR INSPECTIONS

THE HOME INSPECTION REPORT

- A home inspection is not pass or fail, just information to consider!
- A good home inspection report is extensive, contains checklists, summaries, photographs and notes.
- The report will estimate the remaining useful life of major systems, equipment and the roof. The critical information you will gain will include recommended repairs and replacements. They sometimes provide you with a checklist of recommended monthly, quarterly and annual maintenance for the home.
- When looking for a home inspector, ask for samples of prior reports and note whether they are simply completed checklists or extensive reviews. Home inspections are not cheap. They can cost $300 to $500 or more, so you want to be sure that you are getting what you pay for.
- I'm happy to provide my recommendations for a reliable Home Inspector, just let me know!



BE A PART OF THE PROCESS:

- It's a good idea to join the inspector on the home tour. You don't have to climb into the attic or crawl under the porch but follow along where you can and take notes. The inspector may make some great home improvement suggestions along the way, as well as point out peculiarities and unique features.
- Although inspections can turn up serious defects, every house will have some imperfections. You might choose to think of many of these as simply endearing beauty marks.

BUYER DO NOTs

Buying a house is a big investment and requires many moving parts to line up just right. Here are things to avoid while we are under agreement so you can get your keys!

- **Do not** change jobs or become self-employed unless you have discussed in great detail with your lender!
- **Do not** buy a new vehicle unless you plan to live in it
- **Do not** buy furniture before you buy your house
- **Do not** co-sign on anything for anyone
- **Do not** spend what you saved for your down payment
- **Do not** initiate any new inquiries on your credit report
- **Do not** make any large deposits into your accounts, this includes gift money
- **Do not** change bank accounts
- **Do not** use your credit cards or let your payments fall behind
- **Do not** make any large purchases until after the closing
- **Do not** deposit any gift money until you have spoken to your lender

DELAYS HAPPEN

don’t panic!

Once you are “under agreement”, whether you are the buyer or the seller, the process can be intense. Timing is everything. The agents, lender, closing company, appraiser and underwriters all work in tandem to close your transaction by the “closing date” on your sales agreement. All parties to the transaction have many jobs to accomplish, but the lender has the final say.

The lending process consists of document collection and review by underwriters. The file is closely monitored by me with all parties in the transaction throughout the entire process. Prompt communication with all parties is key to a smooth transaction. The official “clear to close” will come from the lender 3-5 days prior to closing, sometimes the day before closing in tricky lending situations. The Federal lending guidelines require that the lender provide a Closing Disclosure to the buyer at least 3 business days in advance of a closing. If the closing disclosure is not provided within that time frame, the closing will be delayed.

- Below are a few issues that may delay a closing:
  - Incomplete repairs or failure to provide invoices per inspection repair negotiations
  - FHA conditions that need re-inspected
  - Buyers’ failure to promptly provide requested documentation to the lender
  - Seller mortgage payoff statements
  - Title defects
  - Slow underwriting or condo document review
  - Slow return of appraisal to the lending underwriters
  - Final Closing Disclosure not sent out a minimum of 3 days prior to closing
  - Last minute issues with the property, i.e. roof leaks, mechanical failure, etc.

If any of these delays happen, try not to panic. All problems have solutions and problem solving is a specialty of mine! While there are many moving parts in a transaction, please know that everyone has the same goal – getting to the closing table!

It is important to have some flexibility for your moving plans, utility turn ons/final readings, etc. Please don’t wait until the last minute to pack and make moving and/or transitional housing plans.