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# LET'S FIND HOME

MARGARET  JOHNSON

REALTOR®

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REALTOR®



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- Schedule showings and view the properties you are most interested in

## OFFERS & NEGOTIATIONS



- Write an offer to purchase on your favorite property
- Negotiate the terms of the offer and accept the contract
- Deposit Escrow, Complete Loan Application and Homeowners Insurance quotes.

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- Conduct Inspections
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- Your lender will order the appraisal
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## PREPARING TO CLOSE



- Title company will conduct search and order survey
- Receive closing statement/clear to close
- Wire funds to closing company
- Conduct a final walk-through of property and close
- Closing day: Get your keys, it's all yours!



# FINANCES



The very first step in home buying process is to obtain a financial pre-approval (proof of funds for cash purchase). We will need this document to accompany any offer we make on a property.

## FINANCING

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A mortgage lender will be able to take your financial information and determine what amount you will be able to borrow. Having your pre-approval letter in hand before we start searching will save us time and make sure we don't miss out on the perfect home opportunity. The pre-approval letter will accompany an offer.

## CASH

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If you've got the money in the bank and you are ready to purchase your home in cash, that's great. I will inform you as to your closing cost and we will need a proof of funds to supplement any offers. You can acquire a proof of funds from your financial advisor or your banker to show that you have a balance that meets the purchase price.

### MY RECOMMENDED LENDERS

SHELLEY DUNN  
901.870.1107  
SUPREME LENDING

Susan Lee  
901.334.6372  
FAIRWAY MORTGAGE

Tammy Kennedy  
901.649.3793  
NATIONS LENDING

### QUESTIONS TO ASK THEM

- WHAT INTREST RATE CAN YOU OFFER?
- DOES THE RATE COME WITH POINTS?
- IS IT FIXED OR ADJUSTABLE?
- WHEN CAN YOU LOCK MY RATE?
- WHAT FEES CAN I EXPECT FROM YOU?
- WHAT TYPE OF LOAN IS RIGHT FOR ME?
- DO I QUALIFY FOR ANY DOWN PAYMENT/ ASSISTANCE PROGRAMS?



# SEARCH

Once you've got your finances in order, the fun of looking for the perfect home begins! I will set you up on an automatic search through Multiple Listing Service (MLS), which is the database the Realtors use to list and search for homes. The moment a home that fits your search criteria is listed for sale; it will be sent to your email inbox. If we ever need to adjust the search criteria, just let me know and I can make any change you need. Make sure to let me know which homes pique your interest and we will set up some showings.

## CONSIDER WHAT'S A MUST-HAVE AND WHAT'S NEGOTIABLE

### MUST-HAVES

### WOULD BE NICE TO HAVE



# OFFERS & NEGOTIATIONS

**IN ORDER TO WRITE AN OFFER, WE WILL NEED THE FOLLOWING INFORMATION:**



## **PRE-QUALIFICATION LETTER OR PROOF OF FUNDS**

### **OFFER PRICE**

I will help you determine the property's fair market value.

### **ESCROW DEPOSIT**

Usually 1-2% of the purchase price.

### **FINANCING AMOUNT**

What percentage of the loan are you financing, and how much you are putting down.

### **CLOSING DATE**

If getting a mortgage, this is typically 30-45 days from acceptance of offer. This will be the day the keys are handed from seller to buyer.

### **INSPECTION PERIOD**

Typically, the buyer shall have 15 days, unless otherwise stated on the contract, to perform inspections on the home and terminate or renegotiate the contract if inspection comes back unacceptable.

## **WHAT IS THE ESCROW DEPOSIT?**

The escrow deposit is also known as "The Good Faith Deposit". It is typically 1-2% of the purchase price that you put down upfront to show the seller you are serious about the purchase. The higher the escrow, the more attractive the offer is to the seller.

Where does it go? As soon as we have an executed contract, you have approximately 1 day/ 24 hours to get the Escrow Deposit to the title company. The title company holds it up until closing, then it will be counted towards your balance due at closing. You can submit your escrow deposit by cashier's check or wire transfer.



# OFFERS & NEGOTIATIONS

## TRICKS FOR HANDLING A MULTIPLE OFFER SITUATION:

Nothing is more frustrating than finding a perfect home for you, and then finding out that someone else thinks it's the perfect home for them too! However, this situation does happen in our market. There are many different techniques we can use to make our offer as attractive to the sellers as possible.

- **Have your pre-approval letter or proof of funds in hand.** You may have a great offer to submit, but if you can't back it up with proof you are qualified to purchase the home the seller may just move on.
- **Make a cash offer if you are able.** If not, make as large a down payment as possible, and use a lender that communicates effectively with all parties.
- **Offer more than the asking price.** Your agent should do a comparative market analysis to give you a good idea on the home value as soon as you decide to make an offer. If it's not too out of line with the CMA or your budget, offer more than the asking price.
- **Keep your offer simple and clean.** Don't ask for contingencies that aren't necessary to closing transaction.
- **Shorten the inspection period.** Asking for a 5-to-7-day inspection period instead of the traditional 15 lets the seller know that you aren't going to waste anyone's time. Find a home inspector who has availability to schedule your inspection as soon as your offer is accepted.
- **Have your escrow deposit ready.** Offer an escrow deposit that sends the message that you are serious about your offer and have the funds ready to turn in as soon as you offer is accepted. You may want to include a copy of your escrow check with your offer.
- **Offer flexibility with your closing date.** Convey through your agent that you are willing to adjust the closing date to suit the seller's needs.
- **Include a personal letter with a family photo.** Let the seller know who you are, what you like about the home, and that you are serious about the house and not just trying to get it off the market while you make up your mind or look further.
- **Consider an escalation clause.** Let the seller know if your offer isn't the highest you will go by including a clause stating that you will increase your offer, up to a set price, if the seller shows you a higher offer from another buyer.
- **Be diplomatic with negotiations after your contract is signed.** Remember that the seller has other interested parties to fall back on. If you turn ugly after the contract is signed, making additional demands or not following through with your promises, the seller may hand you back your deposit and work with someone else.

**once we get the home under contract, fill out the information on the following page**

# WE'RE UNDER CONTRACT- NOW WHAT?

PROPERTY ADDRESS:

PURCHASE PRICE:

TITLE COMPANY:

ESCROW DEPOSIT:

EXECUTED CONTRACT DATE:

INSPECTION PERIOD BEGINS:

LOAN APPLICATION DUE:

END OF INSPECTION PERIOD:

ESTIMATED CLOSING DATE:

NOTES:

## EXECUTED CONTRACT

CONGRATULATIONS! We are officially under contract. Please mark these deadlines in your calendar and read the next steps to ensure a smooth closing.

## SCHEDULE INSPECTIONS

The last date to renegotiate or cancel; contract due to anything that comes up in inspection is \_\_\_\_\_ so I recommend scheduling any inspections immediately.

## OBTAIN INSURANCE

Start contacting Insurance companies for quotes immediately, we will need to make sure the home is insurable before the of the inspection period (\_\_\_\_\_)

## ESCROW DEPOSIT DUE

You must send escrow deposit of \_\_\_\_\_ via cashier's check or wire to \_\_\_\_\_. **IMPORTANT:** Be very careful when wiring any funds. Never trust wiring instructions sent via email.

## LOAN APPLICATION

Your loan application needs to be started within 5 days from the executed contract date. During your loan processing it is **VERY IMPORTANT** not to make any major job changes, major purchases, or open new credit cards or lines of credit, as any of these activities could alter your qualifications.

IMPORTANT DATES



# INSPECTION PERIOD

**TIP: SCHEDULE ALL INSPECTIONS IMMEDIATELY, SO IF WE NEED TO NEGOTIATE ANY REPAIRS WE CAN BEFORE THE INSPECTION PERIOD ENDS.**

During the inspection period, the buyer has the right to hire a professional to inspect the condition of the home. The inspection will uncover any issues in the home that would have otherwise been unknown.

The standard home inspector's report will cover the condition of the home's heating system; central air conditioning system; interior plumbing and electrical systems; the roof, attic and visible insulations; walls, ceilings, floors, windows and doors; the foundation, basement and structural components. You will receive a written report of the inspection. You may be present for the inspection if you would like to ask the inspector any questions.

## **ADDITIONAL INSPECTIONS YOU MAY NEED:**

Four-Point Inspection may be required by your homeowner's insurance if the home is more than 30 years old

WDO Inspection ask your lender if your loan requires any certain inspections such as a Wood Destroying Organism (WDO) inspection.

Lead-Based Paint Inspection if the home was built prior to 1978, a lead-based paint inspection is recommended







# FINANCING PERIOD

## APPRAISAL:

An appraisal is an estimate of the value of the property by a licensed professional appraiser. Once any problems during the inspection are solved, the appraisal will be ordered by the lender and paid for by you. The goal of the appraisal is to verify the value of the property for the lender and to protect you from overpaying. The contract is contingent upon whether the appraisal comes in at or above the purchase price. If the appraisal comes back short, we will be back to the negotiating table.

## OBTAINING A MORTGAGE:

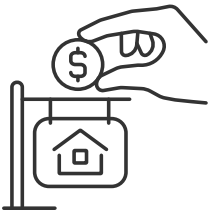
You have 5 days from the date of contract execution to begin the mortgage loan application. During the 30-45 days before closing, the lender will be finalizing your mortgage.

## HOME INSURANCE:

Your lender will require you obtain a homeowner's insurance policy. You will need to get the lender this information before closing. Feel free to call my recommendations below for quotes.

**TIP: IT IS VERY IMPORTANT NOT TO MAKE ANY MAJOR JOB CHANGES, MAJOR PURCHASES, OR OPEN NEW CREDIT CARDS OR LINES OF CREDIT, AS ANY OF THESE ACTIVITIES COULD ALTER YOUR QUALIFICATIONS FOR A LOAN.**





# PREPARING TO CLOSE!

## TITLE:

The title company will conduct a title search to ensure the property is legitimate and find if there are any outstanding mortgage liens, judgements, restrictions, easements, leases, unpaid taxes, or any other restrictions that would impact your ownership associated with the property. Once the title is found to be valid, the title company will issue a title insurance policy which protects lenders or owners against claims or legal fees that may arise over ownership of the property. This will also be apart of your closing costs.

## CLEAR TO CLOSE:

The magic words! It means the mortgage underwriter has officially approved all documentation required to fund the loan. All that remains is the actual closing process.





## SMOOTH CLOSING CHECKLIST

- Make sure you've obtained homeowner's insurance and provide the lender with the information
- Review the closing settlement statement a few days before closing to ensure you have the funds for closing costs
- Final walk-through
- Wire funds to closing company
- Bring your driver's license or passport to closing table
- Take your keys and move in!

## AFTER CLOSING CHECKLIST

- Make copies of all the closing documents and store them in a safe place.
- Update your address on all the following:
  - FRIENDS & FAMILY
  - WORK
  - BANKS/ FINANCIAL INSTITUTIONS
  - ALL BILLS
  - INSURANCE COMPANIES
  - DRIVER'S LICENSE/ IDENTIFICATION CARDS
  - SCHOOLS
  - MEDICAL OFFICES
  - SUBSCRIPTIONS
  - MEET THE NEIGHBORS!
- Update keypads
- Start a home Maintenance list
- Change the locks

# THANK YOU!

**THANK YOU FOR TRUSTING ME WITH THE PURCHASE OF YOUR PROPERTY. I AM HONORED TO REPRESENT YOU AND GUIDE YOU THROUGH THE PROCESS. MY GOAL IS TO ENSURE THAT YOU ARE COMFORTABLE EVERY STEP OF THE WAY. PLEASE DON'T HESITATE TO CALL, TEXT, OR EMAIL WITH ANY QUESTIONS ARE CONCERNS.**



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