

The Homebuying Process

Preparatory Phase

(1) Get Educated - Learn about:

- The process
- The players
- Your market
- Mortgages
- Attend seminars
- Internet research
- Read

(2) Determine Your Personal Statistics

- Credit
- Income
- Assets
- Monthly Spending Plan

(3) "Hire" Your Realtor

- Get referrals
- Meet Realtors® at seminars
- Find Realtors® at www.REThinkRealEstate.com

Phase One

(1) Initial Consultation with Your Realtor

- Discuss Agency relationship.
- Educate Realtor on your wants & needs.
- Get educated about your market and local homebuying practices.
- Review blank contract.
- Discuss your financial resources & limitations.

(2) Mortgage Pre-Approval

- Contact mortgage professional referred by Realtor.
- Submit information regarding credit, assets & income.
- Discuss & select loan type(s).
- Learn your max purchase price & corresponding payments.

(3) The House Hunt

- Arrange to receive automatic e-mail notification of new listings.
- Tour properties meeting your search criteria while learning about current market values.

(4) Find "Your" Home & Write an Offer

- Realtor researches seller's needs and fair market value.
- Discuss appropriate price and terms to offer with Realtor.
- Realtor prepares offer – you sign.
- Prepare earnest money deposit of 1-3%.

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Phase Two

(1) Present Offer & Negotiate Contract

- Let your Realtor present your offer, including your earnest money deposit.
- If Seller accepts, move to next step.
- If Seller issues a counteroffer, you accept new terms, reject, or issue counteroffer. Counteroffers can go back and forth until one side accepts without changing terms.

(2) Open Escrow

- Escrow Officer/Agent orders Preliminary Title Report or conducts Title Search.

(3) Title Review

- Earnest money is deposited into Escrow Account or held in trust by Realtor or attorney.

(4) Inspections & Disclosures

- Review and sign Seller's disclosures & Preliminary Title Report.
- Attend Property, Pest & Roof inspections.
- Review inspectors' reports.
- Follow up w/ any additional inspections recommended, and obtain estimates for work you plan to do after closing.

(5) Resolve Condition Issues

- Depending on whether or not you made an as-is offer, renegotiate price, request repairs or credits, or make post-closing repair plans.

(6) Submit Home Information to Lender

- Mortgage professional submits property particulars to lender, including address, title information and contract details.

(7) Underwriting and Appraisal

- Mortgage professional orders appraisal.
- Appraiser reports opinion as to fair market value of property.
- Lender's underwriter reviews information regarding you and the property, and may request additional information to complete the loan process.

(8) Remove Contingencies/Option or Objection Period Expires

- After title search is clear, property appraises at purchase price, you are satisfied with condition of property and underwriter grants final loan approval, remove contingencies or allow objection/option period to expire. Increase earnest money deposit (in some areas).
- Deposit becomes subject to forfeiture if you back out after this point.

Phase Three

(1) Homeowners' Insurance & Home Warranty

- Select Homeowner's Insurance company and coverage.
- Give insurance agent escrow information so agent can submit proof of insurance coverage to escrow.
- Realtor or escrow agent orders home protection plan

(2) Sign Documents

- Lender sends loan documents to escrow holder.
- Sign loan, title and closing documents.

(3) Down Payment & Funding

- Obtain a cashier's check or send a wire transfer of down payment and/or closing funds to escrow holder, if not covered by deposit.
- Lender sends mortgage loan funds to escrow holder.

(4) Record Transfer of Title and Close Escrow

- Escrow holder records transfer and deed with County Clerk/Recorder.