



Buyer's FAQ

Buying a home is a very exciting journey. Searching for your dream home takes some time but looking at homes is just a portion of the activities needed prior to you moving in. The most common questions are compiled below. Each situation is different and Anita will be happy to answer your questions in more detail.

Q: How much can I afford?

Lenders will evaluate your gross monthly income. The ideal range would be between 25 to 35 percent for all of your housing costs. Your housing costs are called P.I.T.I or the amount you will pay for Principal, Interest, Taxes and Insurance (P.I.T.I). All of your monthly debts including your P.I.T.I. should be below 45 percent. Go to the [Mortgage Options](#) page for more information. The [calculator](#) will assist with ballpark mortgage numbers.

Q: What is the Mortgage Process?

The mortgage process has several steps. The first step is research. Use a [mortgage calculator](#) to determine your estimated loan amount. Be aware that there are so many programs available, that the calculator is a tool, not a bottom line. In addition, you should know the amount of your down payment. The second step is to Prequalify.

Contact mortgage lenders and ask for a Prequalification. Talk to lenders about the type of loan that would work best for your situation and the price range you can afford. Step Three completes a mortgage application. Research the lenders you are considering. Contact the [Better Business Bureau](#) for more information on each company. You will need to sign a release for the lender to run a credit check so be sure you are working with a reputable company. [Contact Anita](#) if you would like a list of her recommended Mortgage Brokers. The final step is Pre-Approval. Once you are Pre-Approved, you will be able to submit a letter to home sellers that you are Pre-Approved. This simple letter will aid you in negotiations and set you apart from other buyers. It is needed with any offer you may submit on a property.

Q: How much are closing costs?

The closing costs may or may not be required in your home purchase. You may be able to negotiate that the seller can contribute to the closing costs or you may include the closing costs into your Mortgage. The situation will vary according to each personal situation and what each lender will allow for the loan program you have selected.

Q: How much do I need for a down payment?

The amount of your down payment will depend on the type of loan you and your lender have decided is best for your financial situation. There are 100% financing options available.

Q: What does an Offer to Purchase contain?

Your offer to buy involves submitting a signed real estate contract that specifically states the terms and conditions upon which you would like to purchase the property. Your offer will generally be accompanied with a good faith deposit check normally ranging from \$500-\$1000 for the seller. Should the seller decline your offer, your good faith deposit is returned to you. If it's accepted, those funds are credited toward the home purchase.

The seller may accept your offer as presented, or employ the option to "counter" your offer with slightly different terms, price, financing, or other conditions. Once both you and the seller have agreed to the terms of purchase, you have both signed the document within the stated time parameters, and you have been notified of the seller's acceptance (usually when you receive an actual copy of the contract) the document becomes a valid sales contract. This is a legal binding document.

Q: Do I need a personal attorney?

Since a home purchase is one of the biggest purchases you will ever make, additional protection by a personal attorney may be in your best interest. Anita can recommend several attorneys who specialize in real estate.

Q: What should I expect for the timelines?

This is another situation that will be dictated by your Purchase contract and agreed upon terms between you and the seller. Expect a minimum of 30 days to complete the closing and transfer of ownership.

Q: What does a Home Inspection include?

Home inspections are scheduled to occur within a 10-day period after an accepted offer. The inspection may include home, pest, radon, lead, septic and mold. If Anita is representing you as a buyer's agent, she is able to recommend to you trusted inspectors, just [contact Anita](#) for a list of inspectors. A full state listing of home inspectors can be provided to you as well. Always be certain that your home inspector is state certified. The [Better Business Bureau](#) can assist you with any background information

Q: What is a Flood Plain?

If it is determined that the home you have selected is in a designated Flood Plain, then your mortgage lender will require that you purchase and maintain a separate flood insurance policy for the property.

Q: Can you explain the purchase and sale contract?

Within 10 days after the acceptance of the offer, a Purchase and Sale Contract is signed outlining the details to purchase the home. Any agreements between the parties including the agreed upon dates to secure the financing needed to purchase the property. This is signed following the completion of all inspections with an additional deposit known as "earnest funds" accompanying the document. Earnest funds can range widely from 1-10% depending on what the Offer to Purchase agreement has outlined. This is a legal binding document.

Q: What is the role of the closing attorney?

The closing attorney or other settlement assistant, will have helped you through the myriad steps of closing, including handling of the many details such as:

- Loan Approval
- Inspection of the Property
- Possible Repairs
- Securing Title
- Pay-off existing loans of the current owner
- Payment of insurance
- Document preparation and recording
- Ultimate transfer of funds, title, keys and paperwork

Q: What is the Final Walk Through?

The day prior to closing, a final walk through is encouraged. The final walk through will allow you to view the property to insure that the property condition is it is outlined in the Purchase and Sale Contract and all requirements have been completed.

Q: When can we move in?

After all final papers have been signed and the title officially transfers into your name and is recorded at the Registry. In most cases, a pre-arranged date will be included in the final Purchase and Sale Contract. Be sure to prepare yourself for the move weeks in advance. Contact the [Moving Coach](#) for assistance in planning your move. You may also want to contact PODS to store any items prior to your move.

PODS will store your items for you in a specific storage container. When you are ready for these items at your new home, they will deliver the storage container right to your door and you can unpack at your own pace.