

Buyer Frequently Asked Questions

□ **Once we find a home, how long does the buying process take?**

Once you have found a house and have an accepted contract, it usually takes 30-45 days to close depending on whether you are buying with a mortgage or cash, and what type of loan you are getting. If the home you are buying is vacant, the seller will usually prefer a 30-day closing. If the house is occupied, the closing date depends in part on what the seller's timeline is for vacating the property.

□ **Can you show me a house that is For Sale by Owner?**

You may encounter a home that is for sale by owner online and YES; with the seller's permission I can show you the home and help you negotiate the sale. Most owners who are selling their own home welcome the opportunity to work with a broker since they will receive valuable help with the contract, appraisal, inspections, and other components of the transaction.

□ **What things are negotiable?**

Many things are negotiable in a sales contract including sales price, closing date, earnest money, home warranty, what will stay and what will go, and who pays the buyer's closing costs.

□ **What is earnest money?**

Earnest money is also known as a good faith deposit and demonstrates your seriousness in buying the house. The practice of earnest money decreases the likelihood of buyers just walking away after the seller takes their home off the market. Earnest money is negotiable but is often about 1% of the sales price. The more earnest money you put down, the more competitive your offer will be.

□ **If the contract falls through, will I get my earnest money back?**

Yes, if you are terminating the contract for a valid reason and if you and the sellers mutually agree, in writing, to return the earnest money to you. Reasons to terminate the contract include the inability to get financing or a structural or safety problem discovered during an inspection.

□ **Can I have the home inspected?**

Yes, you can hire an independent professional to check the homes' structure, systems, and physical components, such as the roof, plumbing, electrical, heating/cooling systems, appliances and more.

□ **What does a home inspection cost?**

A home inspector will give you a quote based on the size and age of the home. A home inspection can cost between \$400-750. In addition to a whole house inspection, many buyers choose to have a radon inspection (approximately \$150), termite (approximately \$50), and sewer/septic inspection (approximately \$200-\$300). Some buyers also elect to test for mold.

□ **When do I have my inspections?**

The inspection timeframe is 20 days after the contract is accepted, but most buyers have inspections within the first 10 days.

❑ **What happens if defects are found during the home inspection?**

While there are no legal requirements for a seller to make changes to their home after a home inspection, you can request that a seller make repairs or give you a credit to cover the cost of repairs. If safety issues or defects are found and an agreement cannot be reached, the contract can be terminated, and the earnest money released back to you.

❑ **How much money do I need out of pocket to buy a home?**

You will need to pay for any inspections you choose to have, your earnest money, and your appraisal prior to closing.

❑ **What is an appraisal?**

An appraisal is a written document that shows an independent assessment of a home's value. It describes what makes the home valuable and compares it to homes with similar features that are close by. Appraisals help ensure you're paying a fair price for the home and help prevent you from owing more on your loan than the home is worth.

❑ **What if the appraisal comes in low?**

Lenders will only provide a mortgage loan for the appraised value, so if the appraisal comes in lower than the purchase price, also known as an appraisal gap, the seller will have to accept less for their home, or the buyer will have to come up with additional funds to cover the difference between the appraised value and the sales price.

❑ **Is it common for there to be multiple offers?**

Because the number of buyers exceeds the number of available homes, there are usually multiple offers made on competitively priced homes. Depending on the number of offers, I can help you structure your offer so that it is competitive.

❑ **What happens at closing?**

Closing is the day you officially take ownership of the property and receive the keys to the property. You will sign all the paperwork on this day to finalize the transaction including the mortgage and deed.

❑ **Is there anything I shouldn't do during the homebuying process?**

Since the mortgage approval is based on the current state of your finances and because your finances will be monitored up until your loan closes, you should be careful to not make changes that affect your loan approval such as missing a payment, changing jobs, moving money around, or buying things on credit like a new car or household goods.

