



## Frequently Asked Buyers Questions

- ***Once we find a house, how long does the buying process take?***

Once you have found a house, and the contract is accepted, it usually takes 30-60 days to close (the amount of time depends on your lender and the type of loan you are getting... conventional, VA, FHA, USDA etc.). Most local lenders can complete a loan in 30 days.

- ***Can you show me a home that is For Sale by Owner?***

Yes! With the seller's permission, I can show you their home and still represent only you. Most sellers are willing to pay a commission to a buyer's agent – many welcome this opportunity since they will receive valuable help with the contract and other transaction details.

- ***How much should I offer?***

The best way to come up with a fair offer is to look at recently sold properties and other properties that are for sale, also referred to as "comparable" or "comps". I will help you find and analyze these properties before making an offer.

- ***Should I lowball?***

A seller's willingness to negotiate depends on many things – how long their home has been for sale, how much activity they are getting, how much they owe on their loan, if they have already purchased a home, and how emotionally attached they are to their home. A seller will *very rarely* negotiate more than \$5,000 off their asking price if the home has been on the market less than 30 days. A seller may be offended by a low offer and can choose not to respond to your offer.

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

On a hot property, multiple offers is likely, especially if the house just came on the market or the price was recently reduced. Sometimes buyers are willing to pay more than the asking price. **Sellers are not required to let buyer's agents know if other offers have been made.** If you are making an offer on a home, it's important to know that other buyers may be making an offer at the same time. Especially in the case of multiple offers, a seller will consider things other than just the purchase price – for example, they will look at the closing date, type of financing, amount of earnest money, and the lender you are using (it's well known that some lenders do a better job of meeting deadlines and closing loans).

- ***What things are negotiable when I buy a home?***

You and the sellers will need to reach an agreement on the purchase price, amount of earnest money, closing date, possession date, appliances that will stay, if a home warranty will be purchased, and if the sellers will contribute to your loan closing costs.

- ***How much does a home inspection cost and who pays for a home inspection?***

Since inspections are optional, the buyer pays for them at the time of the inspection. A whole house inspection is approximately \$300 - \$400. A termite inspection is approximately \$50. A radon inspection is approximately \$150. A sewer line inspection is approximately \$165. There are other inspections that are offered including mold tests, septic inspections, well water tests, and more.

- **What is earnest money?**

Earnest money can be viewed as an early down payment on the house. Earnest money is usually held by a title company or real estate office. It will be held in a federally insured account and will be credited to you at closing.

- **How much earnest money do I need?**

It is common to put \$500-\$2000 down as earnest money. The amount of earnest money given is negotiable.

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

Within the first two weeks of going under contract, you will need your earnest money (usually \$500-\$1000) and you will need to pay for your inspections (usually \$600-\$1000). Your lender *may* collect for the cost of the appraisal as well, but this varies from lender to lender. An appraisal costs about \$450. At closing, you will be responsible for the down payment of your home (this could be 0% with a VA or USDA loan, 3.5% with an FHA loan, 5%, 10%, or more with a conventional loan). In addition, you will be responsible for lender's fees and some title company fees at closing.

- **What if the contract falls through?**

If you and the sellers **mutually agree** in writing to terminate that contract, the earnest money will be returned to you. It takes both the buyer and seller's signature to receive money that has been deposited in an escrow account. If you terminate the contract for a valid reason (such as a structural problem that is discovered during an inspection or inability to obtain financing), the seller will most likely sign the mutual release.

- **What happens at the closing?**

The closing is when everything that was agreed to and included in the contract is finalized. At closing you become the owner of the property and borrow the money for the purchase. Closing typically takes about an hour, and takes place at a local title company that has been selected by the seller.

- **Is there anything I should not do during the process?**

Before making any changes to your finances like co-signing on a car, opening or closing a credit card, buying a car, check with your lender to make sure that your loan will not be affected since these things may change your credit score or debt to income ratio. Also, beware of sharing your experiences on Facebook or other social media – your name will be known to the sellers and they might look at things you have posted. Lastly, wire fraud schemes are a very real thing – DO NOT WIRE money without calling someone at the title to make sure you are doing it safely!

*\*\* This is intended to be a helpful guide for buyers. Each real transaction is unique and there are exceptions to these guidelines. A real estate attorney is the best resource for legal questions and a loan officer is the best resource for financing questions. \*\**

