

WE'RE UNDER CONTRACT. NOW WHAT?

The buyer's side of a real estate transaction.

Earnest Money

If you did not submit EMD with your initial offer, you'll need to get your check to the listing agency by the deadline you agreed to with the seller. If not, the seller has the right to terminate the contract.

Inspection Period

The inspection period is your opportunity to conduct a variety of investigations of the property. The time you have to do this is agreed upon in the contract. You should hire a trusted professional to inspect the property. I'll help you find one. Do not share your home inspection report with your lender. This is for your information only.

Title & Closing Initiation

I'll help you find a title and closing company. We'll want to reach out as soon as possible so they can begin to research the property's title. This allows time enough to find and fix any clouds on the title. Most companies will not charge you for a title search until the transaction gets to the closing table.

Clear to Close

Once the appraisal has been conducted, all contingencies in the contract are completed, and conditions of financing are met, your lender will announce that the loan is "clear to close." A closing date will be set that works for both you and the seller and you'll be on your way to the closing table!

Closing Table

At the closing table, your EMD will be brought from the trust and applied to your closing costs. You will bring a check for the amount due from you and sign your mortgage paperwork and other legal documents. Finally, you'll get the keys to your new home. Congratulations, homeowner!

Offer Accepted!

You did it! You found a home you love and you've reached an agreement with the seller. Once the Purchase and Sale contract (P&S) is signed and dated by both parties *and both parties are made aware of this*, the contract gets an effective date. This date starts the clock on your earnest money deposit (EMD) and inspection period deadlines.

Submit P&S to Lender

If you're obtaining a mortgage, it's time to get to work on your loan. I will submit the completed contract to your lender and you'll start checking off the conditions of your financing.

Inspection Addenda

If you find an issue with the home during your inspection period and negotiate a solution with the seller, an addendum will be added to the contract. Repairs should be completed before the appraiser comes so that they see the home in its best condition. If they have to come back to verify a repair has been made, it will cost you money.

Appraisal

An appraiser examines the home and compares it to recent sales in the area to verify its value for the bank. There will be additional criteria depending on your loan type. Your lender will order the appraisal and the report will come directly to them. The appraiser will either find that there is sufficient value in the property to support the loan amount, or the price or structure of the financing will need to be renegotiated.

Settlement Statement

Before closing, you'll get a settlement statement with the final total for taxes, prorations, your down payment and loan origination fees, seller concessions, and title search costs. Review this carefully and make sure you ask your agent or title company if you question anything.



Courtesy of
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