

FOCUS on NoVA Real Estate®

# Homebuyer Guide



**Life is stressful. Buying a home doesn't have to be.**

Our mission at FOCUS on NoVA Real Estate® is to make the homebuying process as pleasant as possible by making sure our clients are educated on all the steps of purchasing a home. This quick reference guide will help you understand what it takes to buy a home and give you a breakdown of the process.

Take a few minutes to read through the following information and let us know if you have any questions. And remember, we are there with you every step of the way.

[FocusOnNoVA.com](http://FocusOnNoVA.com)

## Step 1: Choose your team.

You are not alone. We are all here to help you, and that involves a team that will be there to guide you through the process of buying a home. It is imperative for you to ask the right questions to make sure your team is a good fit for you. To start your team you need a qualified real estate agent and lender.

### QUESTIONS FOR YOUR REAL ESTATE AGENT

- What is your experience?
- Are you a full-time or part-time real estate agent?
- How many clients do you work with at a time?
- What areas do you cover?
- What is your process for searching for homes?
- Do you have trustworthy professionals you can recommend?
- Do you attend inspections?

### QUESTIONS FOR YOUR LENDER

- What type of loan is best?
- What are all of the costs?
- What will the monthly payment be?
- Do you offer loan rate locks?
- Is there a prepayment penalty?
- How much time do you need to fund?
- Are you available on weekends?
- Where is the underwriter located?
- Do you guarantee on-time closings?

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## Step 2: Get pre-approved for a loan

Knowing what you can afford is essential before you start looking at homes. Work with a qualified lender to run your numbers to find out what you can afford and what you are comfortable paying. If you do not have a lender we can recommend reliable lenders.

### LENDER REQUIRED DOCUMENTS (more may be requested)

- Address of residences the past two years
- Social Security Number
- Driver's License or other valid ID
- Employer names/addresses (2 years)
- Two recent pay stubs
- Federal tax returns (2 years)
- W-2s (2 years)
- Bank statements
- Loans/Credit cards (names, addresses, account numbers, payment amount)

## Step 3: Know your needs, wants and desires for a home.

Being able to determine what is required in your next home, what is wanted in your next home and what is desired in your next home will help us find the best home possible. For example, You **need** a certain number of bedrooms, bathrooms and square footage, you may **want** a gas stove in the kitchen and it may **be a bonus** if the property has a fenced yard.

### NEEDS

Style of house: \_\_\_\_\_

# of bedrooms: \_\_\_\_\_

# of bathrooms: \_\_\_\_\_

Square footage: \_\_\_\_\_

Lot size: \_\_\_\_\_

Garage: \_\_\_\_\_

Finished basement: \_\_\_\_\_

Type of neighborhood: \_\_\_\_\_

\_\_\_\_\_

Location: \_\_\_\_\_

Price range: \_\_\_\_\_

Additional rooms: \_\_\_\_\_

\_\_\_\_\_

Other: \_\_\_\_\_

\_\_\_\_\_

### WANTS

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### Step 4: Search for your next home.

Once we know the price range you are comfortable looking in and the needs, wants and desires of your next home and community we will begin our search.

You will be sent a link for a client portal where you can see the homes we have found that are available and you can leave us notes on each property. You can also search on your own through the portal. Also, if you find a home in your own search on whatever site your prefer, let us know the address and we can look up the most up-to-date information since big brand websites have a bit of a lag time than the MLS software we use and we have additional resources to reference and share with you.

When we narrow down the list to the homes that you want to go see, we will schedule a day to head out and tour the properties.

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### Step 5: Write an offer.

When we find THE one, we will sit down and write an offer.

To do this we will use our expert knowledge analyzing other comparable properties that have recently sold in the neighborhood and analyze regional and local market trends to make sure we put in a fair and valid offer.

### Step 6: Ratification.

Once an offer is submitted to a seller they can either accept the offer, counter the offer or deny the offer.

- **If they accept the offer ...** then the contract is ratified and you are on your way to purchasing the house.
- **If they counter the offer ...** a negotiation takes place where eventually the offer will be accepted or denied.
- **If they deny the offer ...** another offer can be submitted if the buyer desires.

## THE TIME SCHEDULE BEGINS

Each of the next steps are all on a strict schedule that is determined in the contract. It is imperative that all deliveries and notices are given by the day they are due.

### Step 7

#### Schedule inspections.

The buyer will order a home inspection (we have home inspectors that we can recommend) with a certified and licensed home inspector. The inspection is a time to evaluate the home and learn how it works as well as note any deficiencies. **This inspection is paid for by the buyer on the day the inspection takes place.**

Once the report is received by the buyer, the buyer goes over the report with us and put forth the items the buyer would like the seller to fix. **This is a negotiation period that is on a schedule.** Depending on the negotiations, the purchase of the home can move forward or the contract can be voided.

### Step 8

#### Get your insurance going.

**Call your insurance company ASAP and ask them to pull the CLUE** (Comprehensive Loss Underwriting Exchange) report for the property. This will let you know if there have been claims in the property in the last two years. This is two-fold: 1) if there are any untoward claims on the property you'll be able to address them under the home inspection contingency and 2) it will set up your insurance binder for your loan.

### Step 9

#### Document review.

If the home you are purchasing is governed by a homeowners association or a condominium association, **the buyer should receive them within 14 days of the documents being ordered by the association.** Once the

documents are received by the buyer, **the buyer has 3 days to review them.** If there is something unsatisfactory in the rules, the buyer can give notice of voiding the contract if it is within the 3 day review period. **If 3 days pass and the buyer does not give notice to void the process moves along as if they buyer accepts the rules of the association.**

### Step 10

#### Have an appraisal done.

Once the contract is ratified, all of the documents will be sent to the lender. **The lender will order an appraisal after you have paid for it as part of your initial application after ratifying your offer on the property.** If the home is valued at or above the purchase price the appraisal contingency can be removed. If the home is valued below the sales contract price, the loan cannot be funded at the contract price and negotiations with the seller open back up. In order for the transaction to move forward, solutions include the seller dropping the price, buyer bringing the differential in cash or a compromise between the seller and buyer.

### Step 11

#### Have financing approved.

One of the last steps to getting to settlement is to **make sure your financing is approved by your lender.** Throughout the process you will be working with your lender to make sure they have all the documents they need to get your loan approved. Make sure to get all of your funds in order so you are set for settlement. This includes certified checks or wired information.

## Step 12: Settlement

1. A week prior to settlement, arrange to transfer utilities into your name on the date of closing.
2. Prior to signing all of the closing documents you should conduct a walk through of the property with us to make sure the property is in the shape you expected and agreed upon with the seller.
3. Make sure you are a little early to the settlement so you are not stressed out and so you do not hold up the process.
4. Make sure to bring the following with you to settlement:
  - a. A valid ID. This could be: driver's license, passport, military ID, or Veteran's health ID card
  - b. Cashier's check, treasurer's check or wire transfer, which should be initiated at least 48-business hours in advance, for closing costs.
5. Once the settlement is finished you will receive the keys to your new home.

### Tips for you to keep in mind during the closing process.

- If your marital status changes during the homebuying process make your lender and title company aware and provide documents with any name changes.
- Changing a job during this time can affect the loan.
- Switching banks and/or transferring funds between accounts will cause issues with your lender verifying your funds. Keep your money where it is until the purchase is complete.
- Only pay off accounts if your lender requires you to do so to get a loan. Leave all other accounts open until escrow closes.
- Do not make any large purchases during the homebuying process; this could affect your loan.

## WHO IS WHO?

**REAL ESTATE AGENT** A real estate agent is licensed by the state to represent parties in the transfer of property.

- **LISTING AGENT** The listing agent represents the seller.
- **BUYER AGENT** The buyer agent represents the buyer.

**LOAN OFFICER** A bank or financial institution representative who helps buyers with their borrowing options and who explains to them the terms of the loan.

**APPRAISER** A neutral party hired by the lender to analyze the market value of the contracted home.

**HOME INSPECTOR** A home inspector is a neutral party who is hired by the buyer to inspect the contracted home and report on any of the home's major systems and structure.

**INSURANCE AGENT** An insurance representative who works with the buyer to determine the type of protection coverage needed for the home and works with the buyer on finding the right policy for them.

**REAL ESTATE ATTORNEY** An attorney who can give advice on all legal aspects of the real estate transaction. They can also draft and review contracts, help decide how to take title and assist with the closing process.

**ESCROW/CLOSING OFFICER** A neutral party who works with all participants of the transaction to facilitate a successful closing. At closing, the closing officer will collect the purchase money funds from the buyer and lender as well as the settlement costs from each party. They disburse the funds in accordance with the closing documents and record the necessary documents to transfer ownership of property.

**CLOSING/SETTLEMENT/TITLE AGENT** A third party who performs the property title search to ensure a clear title on the property.



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Front Row: Sharon Ayers, Tracey Barrett, Ingrid Barrett, Doreen Gagne  
Back Row: Kirstin Hawthorne, Lynn Norusis, Latoria Logan, Maura Stevens

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Century 21 Redwood Realty  
10300 Eaton Place, Suite 150 Fairfax, VA 22030

