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Overview of the Buying & Selling Process

<p>The Buyer...</p> <ol style="list-style-type: none"> 1. Considers the purchase of a home. 2. Selects a real estate agent. 3. Determines needs and wants. 4. Discusses financial issues. 5. Views & researches target homes. 6. Makes an offer to buy. 	<p>The Seller...</p> <ol style="list-style-type: none"> 1. Decides to sell property. 2. Selects a real estate agent. 3. Determines needs. 4. Prepares home for marketing. 5. Agent markets the home. 6. Accepts, rejects or counters offer.
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7. Offer Accepted

8. Loan Application
 9. Inspections
 10. Title Search
 11. Appraisal
 12. Loan Approval

13. Closing Papers Signed
 14. Documents Recorded
 15. Funds Available To Seller

<p>17. Buyer Moves In</p>	<p>16. Seller Moves Out</p>
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Benefits of Home Ownership

Credit:

Owning a home helps you establish financial credibility.

Independence:

Owning your own home provides you with independence and more privacy than renting. You are free to paint walls, plant flowers, keep pets and anything else within legal bounds.

Investment:

As you make more payments and own more of your home, you add to its investment value. Most improvements you make will also add to its value.

Pride:

A home reflects its owner's values and lifestyle. Owning a home can provide you with a source of pride, enjoyment and satisfaction.

Security:

A home can provide security against inflation because the value of your home increases as prices go up.

Stability:

Being established in a community provides a sense of belonging, stability and security.

Tax Advantages:

Interest on your mortgage loan is deductible on your yearly personal income tax return. Many of the closing costs associated with purchasing your home are deductible, as are your property taxes.

Finding the Right Home...

Real Estate Agents

You can sit down with a real estate agent and discuss your needs, type of area, style of home, amenities and everything you really want in your next home. Real estate agents can help you by accessing a Listing Service which covers all properties listed for sale within a specific area. Together, you can select the homes you would like to see, set appointments and preview homes in a short period of time. An agent can guide you through the entire process.

Newspaper Ads/Internet

Many people go through the real estate classified section or browse the Internet to find a home that appeals to them. However, your real estate agent will have many listings available that may not appear in the newspaper or Internet on a continuous basis. New listings come on the market daily.

Multiple Listing Service

Your real estate agent should have access to the multiple listing service if it is available in your area. It usually includes the following details about homes and properties for sale:

- Location
- Price
- Photograph
- Utilities
- Amenities
- Annual property tax
- Current financing (when assumable)
- Listing company

When Previewing A Home...

- Write notes when previewing a home so you will be able to discuss the details later with your real estate agent.
- Ask questions about the home and discuss any objections or concerns you may have.
- Ask about the community - schools, shopping and transportation.
- Ask specific questions about the construction of the home; electrical, plumbing, heating, cooling systems, etc.

Have Fun

Relax. Finding your new home can be a rewarding experience. Have a good time and enjoy the process.

Home Shopping Tips...

Check For Properly Working Appliances/Fixtures:

Bathroom

- Sinks
- Showers/tubs
- Toilets
- Vent fan
- Heating fan

Appliances

- Dishwasher
- Stove
- Oven
- Ice maker
- Garbage disposal
- Range hood
- Refrigerator
- Freezer
- Microwave
- Trash compactor

Kitchen

- Kitchen cabinet doors
- Drawers
- Sinks

General

- Lights (interior & exterior)
- Windows
- Heating system
- Ceiling fans
- Hot water system
- Air conditioning system
- Electrical outlets
- Door bells
- Doors
- Water purifier
- Fireplace damper
- Garage door

Ensure House Is Well-Built & Systems Are In Working Condition:

Exterior

- Brick bulging or cracking
- Shingles missing or broken
- Siding rotted or missing
- Gutters damaged or need to be cleaned
- Concrete cracked in sidewalks/driveway

Basement

- Water seepage in basement
- Cracks in foundation
- Poor ventilation

Interior

- Sub-flooring damaged or loose
- Cracked walls or ceiling
- Cracked tiles
- Loose plaster
- Flooring damaged
- Soft, springy floors
- Water stains near windows
- Water stains on ceiling below bathroom
- Water stains in attic
- Pipe insulation missing

Home Inspections...

What is an inspection?

There are numerous types of inspections. An inspection is meant to evaluate, at minimum, the structural and mechanical condition of a property. It is not the same as an appraisal which evaluates the market value of a property. Persons involved in real estate transactions need unbiased information about the physical condition of property they plan to buy or sell and your contract should include a contingency that you obtain a satisfactory inspection report. Talk with your agent about the types of inspections available.

Home Inspectors vs. Engineers

Home Inspector: A person who examines any component of a building, through visual means and through normal user controls, without the use of mathematical sciences.

Engineering: Analysis or design work requiring extensive preparation and experience in the use of mathematics, physics, chemistry and the engineering sciences.

Finding a qualified Inspector

- Referrals from satisfied customers
- Referral from a local real estate agent or mortgage company
- Local consumer affairs office
- Yellow Pages under “Building Inspection Services”

Ask if she/he is a member of the American Society of Home Inspectors (ASHI). The ASHI has established standards of practice which include the specific services, limitations and exclusions that can be expected from private home inspectors.

What the inspection, at minimum, includes

Every inspection should include, but not be limited to, an evaluation of at least the following:

- Foundations
- Plumbing and electrical systems
- Doors
- Ceiling, walls and floors
- Roof
- Hazardous materials concerns
- Heating and air conditioning systems
- Common areas (in condominiums)
- Insulation
- Ventilation

Evaluating Properties...

[Property Evaluation Form](#) - Print this form and use it to rate different features of each property you view.

Answers to frequently asked questions...

What is the difference between “pre-qualified” and “pre-approved”?

If you are “pre-qualified” you have determined, with a loan officer, what price you can afford based on the down payment, your debts and the amount the mortgage company will approve for your mortgage. Being “pre-qualified” is only a determination of your probable credit. If you are “pre-approved”, your credit, employment and funds have been approved by the lender.

What are closing costs?

Closing costs are an accumulation of charges paid to different entities associated with the buying and selling of real estate. For buyers, they are usually about 4-6% of the total sales price of a property. Some of the closing costs you might encounter are: application fees, appraisal fee, county taxes, credit report, discount points, documentation fee, escrow fees, homeowners’ association fees, loan fees, mortgage insurance, origination fees, tax registration and title insurance premium.

What is a point?

One point is equal to 1% of the new loan amount. Whenever government regulation, state usury laws and/or competitive practices prohibit the lender from charging a rate of interest that would make the real estate loan competitive with other fields of investments, the lender must seek some method of increasing the yield for the investors. By charging “points”, the lender can bring the real estate loan up to those other investments.

What is earnest money?

When you make an offer, you will need to put up an earnest money deposit as a sign of good faith that you are seriously interested in buying a home. That deposit becomes a part of the purchase price and is held in a trust account until there is full acceptance of the offer. Typically, an earnest money is 3-5% of the offer amount.

What is title insurance?

Title insurance protects the named insured against loss because of defects, liens, encumbrances, adverse claims or other matters not shown or disclosed to the new owner that attach before date of policy.

Is VA or FHA financing unfair to sellers?

FHA and VA loans provide purchasers the opportunity to buy homes with minimal cash investment and at lower interest rates. The result is a larger market for sellers, who also benefit by receiving all cash for their equity.