

Watson Realty Corp

6250 Hwy 40 E | St. Marys, GA 31558 | 912-882-5658



Watson Realty Corp. REALTORS®

I want to buy a home, WHAT SHOULD I DO NEXT?

Check List.

- Meet with your Realtor® and get an action plan
- Get a preapproval from a lender. Each lender is different. To be sure everything will go smoothly the Lender should have asked for pay stubs, bank statements & tax returns to verify everything. If they just pulled your credit and said yes, then you may have a hiccup later.
- Have funds ready.
 - Earnest Money negotiable. Often 1% of the purchase price. Paid at offer and held in escrow.
 - Option Money. If you have a contingency or there are multiple offers the Seller may require option money.
 - Home Inspection \$300-400. Paid directly to the inspector.
 - Appraisal \$500-800 Lender may require you pay this prior to ordering appraisal.
 - Down payment, if needed. Paid at closing but you need proof that you can pay it.
- Find your home
- Make an offer



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Summary of an offer:

- Purchase price.
- Seller paid closing cost. Each market is different. Some markets the Seller may agree to pay some. This lowers the Seller's net and may make the offer less attractive.
- Closing date.
- Closing Attorney.
- Earnest Money. Funds paid by Buyer that are held in escrow. If the Buyer backs out at the last minute the Seller keeps these funds.
- Due Diligence days. This is the number of days that the Buyer may inspect, ask for repairs, back out of the deal and still get their earnest money back.
- Option Money. If there are multiple offers or you have a contingency the Seller may require option money. You pay these funds at binding and they are not refundable regardless if you purchase the house or not..
- Deadline for the Seller to respond to your offer.
- NOTE: Ask your lender if they have any required inspections; septic, well, termite etc. The time and expense of these inspections will have to be factored into the contract.
- Stipulations: this is optional and based on the situation
 - Termite Inspection
 - Copy of survey
 - Septic or well inspection
 - Professionally clean the house
- Exhibits:
 - Financing contingency. This tells the Seller how you are paying for the property and terms with lender. The number of days on the contingency is a time for you to be fully approved by the lender. If the lender provides you a



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denial letter during this period, you may terminate and get your earnest money back.

- Appraisal contingency. During this period if the property does not appraise for the purchase price you may ask the Seller to lower the price to appraisal amount. If they say no, you may terminate and get your earnest money back. If appraisal comes in low after the contingency ends you must pay the difference out of pocket, if you terminate the Seller keeps your earnest money.
- Contingency to Sell your home. There is a date that the contingency ends. The Buyer must sell their home by this date. If the home does not sell by the date the Buyer may terminate and get their earnest money back. This takes some planning.
 - Kick out. It is under contract, but the Seller still markets the home. If the Seller obtains an acceptable offer, they give the Buyer first rights. Buyer has 2 options:
 - A. removed the contingency and purchase the home regardless if their home sells. Buyer must be qualified to purchase the home without their home to selling and paying both mortgages. If Buyer is depending on funds from the sale of their home, they cannot do this.
 - B. Terminate and allow the Seller to accept the other offer. In some cases, the Buyer may offer a non-refundable amount to the Seller to give them more time.
 - Seller may require a non-refundable deposit to not have a kick out.
 - This contingency holds the most risk for the Seller. They may not accept it.



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You just made an offer.....

- Offer** is submitted to the Seller. Everyone must sign the offer to make it a binding contract.
- Counteroffer.** Seller may make a counter to your offer. You may counter their counter. This can go back and forth verbally and in signed counters. During Negotiations the Seller may receive another offer. Nothing is final until all parties have signed.
- Multiple Offer** – Highest and Best. The Seller may call for highest and best with a deadline. This is your one chance to make your best offer.
- Binding.** This is when everyone has signed, and the clock starts. The contract is the original offer plus the last counter that is signed by all parties. Any counters in between do not count.



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You are **UNDER CONTRACT**.

- Binding date** is set and the **Clock is ticking** – time is of an essence. What are the dates for contingencies?
- Pay your **Earnest Money** and/or Option Money. These funds are due at binding and held in escrow.
- Get your inspections during the **Due Diligence**. If the inspections reveal something bad, you may ask the Seller to make repairs or terminate.
- Make sure you are working with lender to get everything done during the **Financing Contingency**.
- Lender will order the **Appraisal**. They may require you to pay for it before ordering. Appraisal needs to be ordered soon enough to get it back within the Appraisal Contingency time.
- Get **Insurance** quotes. Select your homeowners insurance and flood insurance. Provide information to your lender and closing attorney. A years of insurance will be paid at closing.
- Closing Attorney** may ask you questions and/or provide you forms to complete.
- Clear to Close**. Music to your ears. The lender has completed everything and give final approval to close. This may be as late as 3-4 days prior to closing.
- Utilities**. Setup utilities in your name as of closing date. Electric, water, internet etc.
- Lender & Closing Attorney** will be working to get the figures for the closing disclosure and settlement statement. It takes them working together to get this done.
- Closing Disclosure (CD)**. The lender must provide you with a CD 3 days prior to closing. This is Federal Law. It can delay closing if Lender does not have everything to provide this to you 3 days prior to closing.
- Attorney prepping final documents**. The lender must sent the final package to the Attorney to complete the final documents for everyone to sign. The lender often does not send this package until the day prior to closing or the morning of closing.



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- **Settlement Statement** is prepared by the Closing Attorney after they get the final package from the Lender. This is the document that everyone signs at closing with agreement of who pays what and final numbers. I will check it once I receive it. I will have a check list of what to look for to ensure it is correct and you are not paying for anything that is not your responsibility.
- **Wire funds.** You will need to get wiring instructions from the closing attorney and wire the fund to be at the closing attorney by closing day. The Lender should give you an idea of how much money you need to wire to the closing Attorney prior to closing. It should be on the CD. The final Settlement Statement will have the actual figures. If you send too much money the Closing Attorney will refund it. If you send too little it may hold up closing. The closing Attorney may accept a personal check for a small amount.
- **Final Walk Through.** The day prior to closing you should do a final walk through. The Seller should have their belonging out. You are making sure there was no damage during the move and everything is as it should be.
- **Closing day.** We all go to the closing attorney's office to sign the documents. Bring your check book. You do not want closing delayed over \$25.
- **After signing.** You technically do not own the house yet. Money must exchange hands for the transaction to be complete.
 - The closing attorney must scan and send the signed documents to the Lender. All the funds may be in the closing Attorney's escrow account, but they cannot release the funds until the Lender has verified everything is complete and send a funding release number.
 - The Lender will give the Seller their funds for the sale of the property. This could be an hour or the next day.
- **Keys to the house.** Technically the Seller does not have to give you keys until the transaction is fully closed. In some cases, the Seller hands over keys at the signing table. This is great for the Buyer. But remember you legally do not own the house until it funds. Do not make changes. Keep in mind if anything happens during this grey period an Insurance claim may be an issue.



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