HOME BUYING SERVICE

OUR STEP-BY-STEP GUIDE TO MAKING THE HOME PURCHASE PROCESS EASIER AND FASTER FOR YOU!

IN THIS GUIDE:

FINDING AN AGENT
FINDING THE RIGHT HOUSE
APPLYING FOR A LOAN
HOME INSPECTIONS
AND MUCH MORE

First Carolina, REALTORS®

Thank You

Thank you for your interest in our home buying service. Our goal at First Carolina, REALTORS® is to help you enjoy this process just as much as you'll enjoy your new home.

Buying a home can be fun and exciting, but it's a major commitment and investment as well. Following the steps outlined here will help you make informed decisions throughout the process.

You'll have a better purchase experience knowing what to expect and how to prepare. As eager as you are to look at homes, do your homework first by taking the process step-by-step.

Real estate purchases and sales are complicated legal transactions and each has differences unique to the property and the parties involved.

This booklet is designed to outline steps common to almost all purchase transactions. Your real estate professional will offer guidance on specifics relative to your home purchase.

STEP 1
FINDING THE RIGHT AGENT

All real estate licensees are NOT the same, only real estate agents who are members of the National Association of REALTORS® can call themselves REALTORS®.

REALTORS® adhere to a strict Code of Ethics based on professionalism and the protection of the public. So, whether you're buying or selling a home, it pays to work with a REALTOR®.

Another distinction among agents is one of competence. States have strict licensing exams that agents must pass and minimal continuing education requirements, but competency comes through advanced training combined with extensive experience and a work ethic driven by the motivation to serve your real estate needs.

You'll benefit by working with a company having a reputable history in the area where you'll be purchasing your home and whose agents have designations (e.g., ABR, CRS, GRI) that reflect a commitment to a higher level of education.

Real estate, more than most businesses, is highly personalized. The National Association of REALTORS® publishes an Annual Profile of Home Buyers and Sellers which consistently reports that a large percentage of buyers believe reputation is the most important factor in choosing an agent. Ask friends, relatives, co-workers and neighbors to recommend an agent to help you.

Finally, interview the REALTOR® to decide whether he/she is right for YOU! The agent should provide essential basic education about the real estate transaction you're about to enter and be willing to listen to your needs/wants and answer any questions you may have prior to and during the process. You want a responsive REALTOR®, but not a "yes" person - a truly professional agent may not always tell you what you want to hear, but what you need to hear.

A competent, reputable REALTOR® you like and trust can make all the difference in your home buying experience.

STEP 2

FINDING THE RIGHT FINANCING

Before you start looking at homes, obtain pre-qualification - including verification of your credit history through a home mortgage lender. Your real estate agent can assist you in identifying local lenders offering various mortgage programs to optimize your purchasing power.

Pre-qualification is an important step in the home buying process. It gives you an accurate starting point by letting you know what price home you can purchase. You'll know upfront how much cash you'll need for the down payment and closing expenses associated with the type loan you'll secure, and you'll know what your monthly mortgage payment will be.

Pre-qualification gives you peace of mind because you'll know that financing will not be an obstacle when you find the right house.

You'll save time, energy and money because a pre-qualification letter from a mortgage lender gives you a competitive edge when it's time to negotiate a contract.

Now you can shop for your new home with confidence!

STEP 3

ASSESS NEEDS AND WANTS

The most important consideration in the buying process is you – your wants, needs, goals and expectations. Clearly defining these concerns in writing will make your search simpler, swifter, and more successful.

Be specific about separate needs and wants so you can prioritize. Minimum requirements for a home would include the number of bedrooms needed to accommodate family members, or space for specific household furnishings/possessions you are unwilling to part with or replace. If you are married and have one child, you need two bedrooms; but you may want to purchase a three-bedroom home to plan for a growing family or for resale.

Separating needs and wants will give you the flexibility to adapt your search to market availability of homes that meet your personal and financial expectations.

STEP 4

FINDING THE RIGHT HOUSE

Whether it's your first home, a vacation place, or the home in which you retire, buying a house is a major investment and, quite naturally, you want to find the home that suits you best. The agent will give you advice, "tips" on how to keep the details of the homes you see fresh in your mind so you are better able to make an informed purchasing decision.

In your search, you will learn neighborhoods' price ranges and what they look like, what schools serve those neighborhoods, and other important information such as community lifestyles and convenience to work and recreation. As you learn what is on the market, your priorities may change. That's OK, just be sure to tell the agent.

When you view a home, share your impressions, both positive and negative, with your real estate agent. The agent needs this feedback to help you find the perfect home for you and your family.

When you find the right home, be prepared to act quickly to avoid losing it. If it meets all your needs and wants and "feels" right for you, if you can "see" yourself living in that home, in that community, if it is all that you could ask for and more, even if it's the first home you see, go for it!

STEP 5

THE OFFER AND CONTRACT

A standard Offer to Purchase and Contract is used in North Carolina. The agent will explain the pre-printed provisions and conditions and assist in filling in the blanks with the price and terms you wish to offer to the seller. The degree to which the agent can advise on negotiation of the price and terms is dictated by the agency relationship you have with the agent.

Be sure you have included everything you want in the offer, but be as serious about your offer as you are about wanting a home. With the offer you will make an “earnest money deposit”, so have your checkbook ready.

The agent will explain what happens with the earnest money, when it is deposited and how it is applied, and how the amount of your deposit affects the probability of your offer being accepted by the seller.

When you have signed the offer and any required addenda and disclosures, your offer will be submitted to the seller for consideration. Only when you and the seller have reached an agreement on price and terms, the seller has signed the document, and you or your Buyer Agent have been notified of his acceptance, does it become a binding contract.

STEP 6
LOAN APPLICATION/APPROVAL

At this stage, if you followed Step 2, you'll have already decided what type of mortgage you want and selected a lender. The next step is to meet with your lender to complete the loan application.

The lender will require more detailed information from you than was required for the initial pre-qualification process. You'll have to provide documentation for the loan package, and you may sign authorizations for the lender to obtain other information.

Your First Carolina, REALTORS® agent will provide you with a checklist of information to bring with you to the loan appointment. The lender may collect your credit report and appraisal fees at this loan appointment. These fees vary somewhat depending on the lender with whom you're working and the loan type, but they generally total about $450.00 to $550.00. While you pay them at loan application, these fees are part of (not in addition to) your closing expenses.

Most lenders need 3-6 weeks to complete the loan approval process – time to verify or receive requested information and have the property appraised. When final loan commitment is granted to you, the lender will send closing instructions to your attorney.

STEP 7
HOME INSPECTION

The North Carolina Offer to Purchase Contract form contains a pre-printed provision giving the buyer the option to have the home (at the buyer's cost) inspected to evaluate the condition of the property.

A Wood Destroying Insect Information Report (WDIR), commonly referred to as a termite inspection, must be completed; and if you desire (or your lender requires) a survey of the property, this will have to be completed as well. Unless you prefer otherwise, the real estate agent can order these items and the fees will be included in your closing expenses. While these costs are part of your closing expenses, once they are completed you are obligated to pay them, if for any reason you do not close.

The real estate agent will give you the state-published brochure "Questions and Answers on Home Inspections" which provides more detailed information about these inspections. The agent can also furnish you with names of licensed inspectors from whom to choose.

The inspection should be scheduled as soon as possible. If the inspector identifies problems you will want corrected before closing, you'll need to submit a Repair Request and Agreement by the date specified in the contract. Also, adequate time is needed to complete any agreed upon repairs before closing.

STEP 8
THE CLOSING PROCESS

Closing is the transfer of ownership of real property from the seller to the buyer. In North Carolina, signing of the documentation necessary to accomplish this is done in an attorney's office usually with both buyer and seller and their respective real estate agents present.

The lender will require that you obtain a homeowner's (or hazard) insurance policy on your new home to protect their (and your) interest in the property. If the property requires flood insurance, this policy will have to be obtained as well, and flood policies require additional documentation that may take extra time to secure. The policy premium(s) is generally paid at settlement as part of your closing expenses, but the attorney will need a binder from your insurance company.

It is best that you arrange for insurance in advance of closing - while you are waiting for final loan approval. The real estate agent will help you if you desire.

You and the real estate agent will visit the house once more to ensure the house is "in substantially the same condition as when the offer was made" and/or that any repairs you requested have been completed. You will also need to arrange for utilities to be connected or transferred to your name.

Typically, the day before settlement, the settlement statement and closing disclosure will be completed by the attorney. The closing disclosure is an accounting document that itemizes closing expenses and credits for both the buyer and seller. The real estate agent will review this with you and tell you the exact amount of money you will need to bring with you to the settlement meeting. These funds must be cash or cash-equivalent, such as a certified check or money order, payable to the closing attorney.

Personal checks cannot be accepted.

THE FINAL STEP

The final step in the home-buying process is the settlement meeting and closing. This meeting will be approximately an hour long. The attorney will explain the significance of each document before asking you to sign the original, and you will be provided a copy of everything you sign. The attorney represents you and the mortgage lender, so don't hesitate to ask any questions you may have. At this meeting, the attorney will have the seller sign the deed to transfer the property to your name and will collect from you the certified funds for your closing expenses. He will hold both "in trust".

Before you become the legal owner of record, the attorney will go to the county courthouse, do one last check to be sure no liens have been recorded against the property since he researched the title history, and then have the deed recorded. The attorney will then call his office to report, "We are on record." Recently, many closing attorneys now use e-recording to make the process more efficient.

The home buying process is now complete.

You now own the property and can receive the keys to your new home!

Congratulations!

The “American Dream” has come true for you. Home ownership is an important accomplishment that will help build wealth and security for you and your family.

Though the buying process is over, we invite you to consider First Carolina, REALTORS® as your real estate resource now and in the future.

Whenever you have a question concerning home ownership, from remodeling to refinancing, ask your agent. In a single conversation, he/she can provide information that might takes weeks for you to gather on your own, or he/she can put you in contact with “those in the know”. We want to help you protect your investment, and we may be able to help save you money in the process.

Think of your agent’s business card as an important document, and put it with the documents you received from the closing attorney so it will always be handy.

Thank You

Thank you for letting First Carolina, REALTORS® help you achieve your home ownership goal.

We sincerely hope that our assistance proved valuable to you. We constantly strive to improve our service, so if there's anything we might have done differently to make the home-buying process better for you, please share it with us.

If you were satisfied with the service you received, please recommend us to your family, friends and co-workers so they, too, can take Step 1: Finding the Right Agent.

We'd appreciate the opportunity to serve you again when the time comes that you have to part with your home.

Thank you again

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