



GAIL HANLON | REALTOR®



In this Guide:

Finding an Agent

Finding the Right House

Applying for a Loan

Home Inspections

...and much more

Home Buying Service

Our step-by-step guide to making the home purchase process easier and faster for you!

I Help Families Make The Right Move!

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Thank You

Thank you for your interest in our home buying service. My goal as a Broker Associate with **Pirate Homes** is to help you enjoy this process just as much as you will enjoy your new home.

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

You will 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.



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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 are 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 agents must pass and minimum continuing education requirements; competency comes through advanced training combined with extensive experience and a work ethic driven by the motivation to serve your real estate needs.

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

Not All The Same

Most people think all real estate agents are pretty much the same, but that is simply not true. There is a distinction among agents.



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Step 1: Finding the Right Agent

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 are about to enter, be willing to listen to your needs/wants, and answer any questions you may have prior to, during, and after the process. You want a responsive REALTOR®, but not a “yes” person- an honest agent may not always tell you what you want to hear!

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

Agency Disclosure

You will also need to decide the type of agency relationship you will have with your agent. The agent will explain your options and outline the services included in each one. This is called “agency disclosure” and is regulated by the State real estate commission.



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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 will know upfront how much cash you will need for the down payment and closing expenses associated with the type loan you will secure, and you will know what your monthly mortgage payment will be.

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

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

Now you can shop for your new home with confidence!

The Details Count

It may matter more through whom you buy your home than the home you ultimately select.



Step 3: Assess Needs and Wants

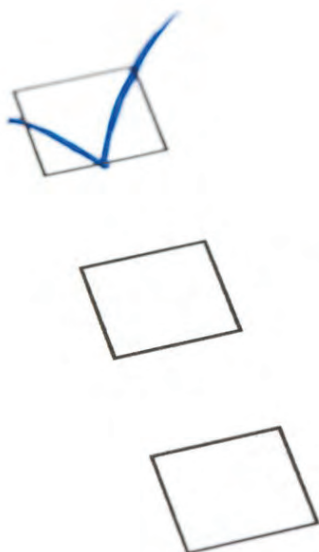
The most important consideration in the buying process is you- your wants, needs, goals and expectations. Clearly defining these concerns in writing will make your search simpler, swifter, and more successful.

Be specific, but 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.

Priorities

When you meet with an agent at **Gail Hanlon, REALTOR®** with **Pirate Homes**, the agent will help you with this step. Together you will complete a Home Buyer's Priority Profile to serve as a guide in selecting homes for you to view.



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Step 4: Finding the Right House

Whether it is 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 which neighborhoods you can afford 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 is 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 that 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 received a signed copy does it become a binding contract.

Making a Wise Purchase

The deal you get will depend mostly on the one person with whom you deal.



Step 6: Loan Application/Approval

At this stage, if you followed Step 2, you will 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 will have to provide documentation for the loan package and you may sign authorizations for the lender to obtain other information.

Your **REALTOR® with Pirate Homes** 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 are working and the loan type, but they generally total about \$400. 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, the lender will send closing instructions to your attorney.



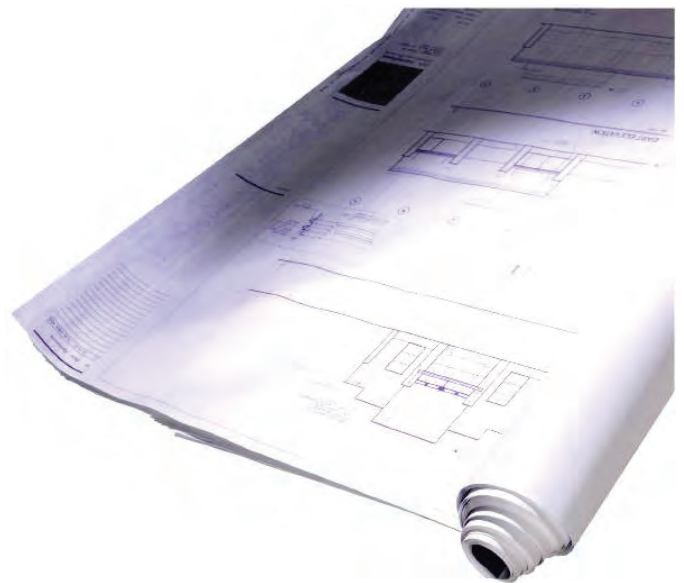
Step 7: Home Inspection

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

A Wood Destroying Insect Information Report (WDIR), commonly referred to as a termite inspection, and a survey of the property if you desire (or your lender requires), may 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 will 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 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 proof of coverage 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.

Small Stuff

Be advised there are a number of last minute details to attend to between loan approval and closing.



Step 8: The Closing Process

You and the real estate agent will visit the house once more to ensure the house is in substantially the same or better 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.

Just prior to settlement- usually the day before- the settlement statement, or HUD-1, will be completed by the attorney. The HUD-1 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's trust account

Personal checks will not 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 do not hesitate to ask any questions you may have. At this meeting, the attorney will have the seller sign the deed transferring 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 visits the County Courthouse, performs a title update to insure no liens have been recorded against the property since the original title search, and has your deed recorded. The attorney then calls his office to report, "We are on Record"

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 **Gail Hanlon, REALTOR® with Pirate Homes** 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 it might takes weeks for you to gather on your own or 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.



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Farewell

Thank you for **letting Gail Hanlon, REALTOR® with Pirate Homes** help you achieve your home ownership goal.

We sincerely hope that our assistance proved invaluable to you. We constantly strive to improve our service, so if there is 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 would appreciate the opportunity to serve you again whether you are buying, selling or refinancing.

Thank you again



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