

What Comes After Pre-Approval? Your Homebuying Journey Explained

Congratulations on your pre-approval! This guide walks you through every step from here to closing day—with confidence and clarity.



Upfront Costs to Expect When Buying a Home



💰 Earnest Money Deposit

Earnest money shows the seller you are serious about buying the home.

In competitive markets, a **strong earnest money deposit can help your offer stand out** and improve your chances of winning.

- Typically **1%–3% of the purchase price**
- Due shortly **after the offer is accepted**
- Applied toward your closing costs at closing

🏠 Home Inspection (*Optional but Highly Recommended*)

A home inspection helps identify potential issues before you finalize the purchase.

This protects you and gives you the opportunity to renegotiate or walk away if major concerns are found.

- Average cost: **\$450–\$600**
- Paid upfront by the buyer
- Gives peace of mind before moving forward

📊 Appraisal

The appraisal is ordered by the lender to confirm the home's value matches the purchase price.

This protects **both you and the lender** from overpaying for the property.

- Average cost: **\$550–\$750**
- Paid before final loan approval
- Required for loan approval



STEP 1

Start Your Home Search with Confidence

Your pre-approval letter is your **golden ticket**.

It shows sellers you're a serious buyer and helps you shop with confidence, knowing exactly what price range makes sense for you.

Here's what to expect during your home search:

- The average home search takes **about 10 weeks**
- Most buyers look at **around 9 homes** before finding the right one
- The process takes patience — and that's completely normal

To set yourself up for success:

- Partner with a **trusted real estate agent** (of course me!) who truly knows your market
- Stick within your pre-approved budget to avoid surprises
- Ask questions along the way — you're not doing this alone

"Tierra Pro Tip"

"If the first house doesn't feel like the one, don't stress. Finding the right home is a process — trust it, stay patient, and lean on your team."

STEP 2

Making an Offer & Negotiations



Submit Offer

Include your pre-approval letter to demonstrate financial readiness



Seller Response

Expect a reply within 1-3 days: accept, reject, or counteroffer



Agreement Signed

Once accepted, sign the purchase agreement to move forward

STEP 3

Entering Escrow & Earnest Money Deposit



What is Escrow?

A neutral third party holds your funds and documents, protecting both buyer and seller throughout the transaction.



Earnest Money

Typically **1-3%** of the purchase price. This deposit shows you're committed and serious about buying.



Where It Goes

Your earnest money applies toward your down payment and closing costs at final closing.

STEP 5

Loan Processing & Underwriting

Your lender carefully verifies all your financial information, the appraisal results, and property details before final approval.



📌 Stay responsive to lender requests—quick replies prevent delays!

STEP 6

Understanding Out-of-Pocket Costs

3–20%

Down Payment

Varies by loan type

2–5%

Closing Costs

Fees, taxes, insurance

3 Days

Closing Disclosure

Provided before closing

Your Closing Disclosure details every cost—review it carefully before signing day.

STEP 7

Monthly Mortgage Payments Explained



Principal & Interest

Repays your loan amount plus the cost of borrowing



Taxes & Insurance

Often included in monthly escrow payments



Mortgage Insurance

Required if down payment is under 20%



STEP 8

Final Walkthrough & Closing Day

Final Walkthrough

Verify the home's condition hasn't changed and any agreed repairs are complete.

Closing Day

- Sign all final documents
- Pay remaining closing costs
- Receive your keys!

Be Prepared

Bring valid ID and required funds (cashier's check or wire transfer). Closing typically takes just one day.



Your Path to Homeownership: Stay Informed, Stay Prepared

Stay on Track

Pre-approval is just the beginning—each step has its own timeline and costs to plan for.

Ask Questions Early

Avoid surprises by staying informed and communicating with your team.

You've Got This

With the right knowledge and support, your dream home is within reach!

Let's Stay Connected!



Have questions or need guidance along the way?

I'm here to help you feel confident at every step of the homebuying process.

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Whether you're ready to make an offer or just need clarity, don't hesitate to reach out.