EPIQUE
REALTY

BUYER'S GUIDE

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THE COMPREHENSIVE

1) Buyer Consult

This is where we meet to discuss your options, walk through the entire process, and put together your list of wants/needs and time frame.

Time Frame: 30 minutes-1 hour

2) Pre-Approval

A pre-approval is a letter from a mortgage company that states they reviewed your preliminary documents and have approved you for a loan up to a specific amount.

Once you are under contract, you will fully apply.

Time Frame: 1-2 days

3) Home Search

Once you have a pre-approval letter, we can start the fun part - looking for homes!

Before we can tour any homes, we must have an agreement in place for how our relationship can be most successful and compensation.

Time Frame: Varies

4) Showings

As soon as a home hits the market that matches your criteria, we'll schedule a time to meet at the home and walk through it.

Time Frame: a showing typically lasts about 20 minutes but could be up to an hour.

5) Submit Offer

If we are showing, and you feel like it's "the one", we'll want to put together a Purchase & Sale Agreement and submit the offer as soon as possible!

Time Frame: it only takes about 15 minutes to go over the offer, I will prepare it and you will e-sign. We want to submit the offer ASAP.

6) Negotiations

We typically give the seller 24 hours to respond to our offer. The seller may send a counter offer.

Counter offers can be sent back and forth until both parties are satisfied.

Time Frame: Varies

BUYER'S GUIDE

7) Accepted Offer

Once both parties are satisfied, and a signed accepted offer or counter offer is in our possession, we can move forward with the loan application, inspections, and the appraisal.

Deadlines to get all of the above done will be outlined in the contract.

8) Financing

Now that you have an accepted offer, you'll need to officially apply for the loan.

The underwriting will begin, and you may be asked to submit more documents, until the lender is satisfied and they give final approval.

9) Inspections

In the meantime, we'll order any inspections you'd like to have done at the house.

We'll review the reports together, and decide if there are any items you'd like to request the seller to address prior to closing.

Requests are typically for health and safety concerns.

10) Appraisal

The lender will order the appraisal on the home.

They will require payment from you prior to ordering this.

The appraisal report can take 10-14 days to come back once it is ordered.

11) Final Pieces

As we get closer to closing, we'll remind you to get utilities scheduled at your new house and home insurance set up.

We will do a Final Walkthrough 1-2 days prior to closing to ensure everything is as it should be.

The title company will have you wire your funds.

12) Closing

We will have a scheduled day and time to meet at the title company and sign closing documents.

The other party is not present at closing and they can close at any time that day.

You usually are able to leave closing with the keys unless there are other circumstances within the contract.

THE MORTGAGE PROCESS

The initial phase in purchasing a home involves obtaining a pre-approval letter from a lender, indicating the amount for which you qualify.

If you encounter any confusion regarding your lender‘s explanations, don‘t hesitate to pause and request clarification. This journey of purchasing your home is yours, and you deserve comprehension at every stage.

Remember, a pre-approval typically remains valid for 30 to 90 days.

QUESTIONS TO ASK LENDERS

1) Which loan type do you suggest for me, and what are the reasons behind your recommendation?

It‘s essential to understand the rationale behind the choice of mortgage loan and how it functions since there isn‘t a universally superior option.

2) Will my down payment amount vary depending on the loan I select?

If you have budget constraints or prefer not to deplete your cash reserves, it‘s important to communicate that to your lender, as down payment requirements differ among loans.

3) What are the current interest rate and annual percentage rate (APR)?

While interest rate is commonly discussed, APR holds equal significance as it encompasses both the interest rate and the fees associated with loan origination.

4) Is it possible to lock in an interest rate, and if yes, for what duration?

If there are expectations of interest rate increases, it‘s prudent to inquire about the possibility of securing a rate for a specific period.

5) What are the anticipated closing costs? Will they be included in the loan or paid in cash during closing?

Given that closing costs typically range from 3% to 6% of the loan amount, understanding how they will be addressed is crucial.

LOAN DOCUMENTS CHECKLIST

To determine loan eligibility, lenders typically require the following types of documents.
These may have some variation from lender to lender but a great list to get you ahead of the curve!

Income Documents

- [ ] Federal tax returns: last 2 years
- [ ] W2's: last 2 years
- [ ] Pay stubs: last 2 months
- [ ] Any additional income documentation:
  pension, retirement, child support, social security/disability income award letters, etc.

Asset Documents

- [ ] Bank statements: 2 most recent checking and savings statements
- [ ] 401(k) or retirement account statement and summary
- [ ] Other assets: statements and summaries of IRA's, trust, stocks, bonds, etc

Other Documents

- [ ] Copy of driver's license or ID and social security card
- [ ] Addresses for the past 2-5 years and landlords contact information if applicable
- [ ] Student loan statements: showing current and future payment accounts
- [ ] Documents relating to any of the following if applicable:
  divorce, bankruptcy, collections, judgements or pending lawsuits

THE STRATEGIC HOME SEARCH

With your list of wants versus needs ready, the exciting part begins! It's time to discuss refining those listings and determining which ones to visit in person.

Utilize the search filters/.
Avoid excessive narrowing.
Restricting your search too tightly may limit your options significantly. Keeping your list of wants versus needs in mind, consider broadening your geographical scope and adjusting your maximum price by adding an extra $25,000 to $50,000, as homes often sell below their asking price.

Take advantage of Google Street View.
Drive around at different times of the day.
Online images can sometimes be misleading, so virtually exploring the neighborhood will provide you with a more accurate impression of the property and its surroundings.

Don't dismiss a property simply because it's labeled as "pending" or "under contract."
Pending contracts can fall through, so if a property meets all your criteria, keep it on your radar.

SCHEDULING SHOWINGS

Once you've identified several appealing homes, make a note of the addresses.

Send the list to me, and I'll reach out to the listing agents to gather relevant details and the seller's motivation.

Now, it's time to consult your calendar and schedule a block of time to tour the properties on your shortlist.

If there is a long list, we'll schedule up to 5 properties per day within the same area. Any more than 5 gets confusing.

Allocate more time than you anticipate to avoid feeling rushed, especially if you find a potential dream home.

THE NEGOTIATION

TIPS TO MAKE THE OFFER STAND OUT:

- With your agent's assistance, review comps and trends as a guide for an offer price the seller will find favorable.
- Propose a quick close but remain flexible.
- Keep the seller's needs in mind as it can help seal the deal.
- Include only required contingencies.

SUBMITTING AN OFFER?

- There are time limits within the offers so make sure to always act with a sense of urgency.
- If it is a "Multiple Offer" situation, the seller may give a timeline on when they will review all offers at once. The seller will choose the "highest and best" offer.

THEN, THE SELLER HAS 3 OPTIONS

REJECT

If the seller is not satisfied with the terms in your offer, or think you are too far apart in price, they may simply reject the offer.

COUNTER

They can choose to send a Counter Offer, asking to change the price, or any other terms from the original offer.

ACCEPT

If the seller is satisfied with the offer as it is written, they may accept the offer and we'd all move on with the next steps!

HOW COUNTER OFFERS WORK:

If the seller sends us a Counter Offer, they will ONLY counter the items they want changed from the original Purchase & Sale Agreement. If an item is not mentioned in the Counter Offer, that means they are okay with it, and it carries over legally in the agreement.

You can than either signed and accept their Counter Offer, OR send a Counter Offer back to them. This can go back and forth until both parties are satisfied.

PLEASE NOTE: Nothing is officially "accepted" or "countered" until the signed document has been delivered from agent to agent via email. An offer or Counter Offer may be rescinded at any time prior to the delivery of the signed, accepted document.

CONGRATULATIONS!
YOU'RE UNDER CONTRACT

This is going to be a very exciting and emotional experience. Every day leading up to closing, you will feel like there is something you are supposed to be doing and some days there will be and some days there won't be. It is important to understand that behind the scenes, there is a well oiled machine working to get you to the closing table.

WHAT TO EXPECT NEXT

TIMELINES & DEADLINES

There are several important timelines and deadlines to adhere to throughout the contract. It is important that you personally read the contract and review it with your agent.

EARNEST MONEY

Once the contract is accepted, you will have a certain amount of days to submit your earnest money stated by the contract. It is important to communicate with your agent early about this to avoid any possible hiccups in submitting funds.

FINANCING & APPRAISAL

There are several timelines within the financing section of the contract. You will need to submit your loan application within 3 days of the contract. Next, you will pay for the appraisal and the lender will order it. During this time, you will obtain homeowner's insurance for your new home.

INSPECTIONS

If you are having a home inspection completed, you want to be sure you are having it completed within the inspection window. When it comes back, you will be able to review the report and possibly negotiate any health and safety repairs that are needed.

CLOSING DAY:

The closer we get to the estimated closing date, everyone starts to become more active. You will be hearing from the title company and they will get you scheduled for closing. The lender will do a verification of employment which can happen all the way up to the day before closing. It is all normal and part of the process.

UNDER CONTRACT CHECKLIST

Utilize this checklist to monitor crucial deadlines and guarantee a seamless experience.

☐ **Earnest Money:**

You must submit the earnest money deposit of $_______ to ______________________________.

**Always verify wiring instructions via the public phone numbe.*

☐ **Begin Loan Application:**

Your loan application needs to be started within 3 days from the executed contract date.

☐ **Schedule Inspections:**

The last date to renegotiate or cancel contract due to anything that comes up in inspections is __________.

☐ **Obtain Homeowner's Insurance:**

Start contacting Insurance companies for quotes immediately as you will need to submit it to the lender within 14 days of the executed contract.

Dates to Know:

EXECUTED CONTRACT

EARNEST DEPOSIT DUE

LOAN APPLICATION DUE

INSPECTION PERIOD ENDS

EST. CLOSING DATE

WHO IS ON THE *TEAM*?

You will be in communication with a lot of different names and companies throughout the process. Here is what you can expect with our team.

Real Estate:

This is your real estate agent and commonly their transaction coordinator.

Lending:

This is your lender that you have been in communication with. They will sometimes have an assistant you will hear from and they always have a processor that will request documents from you.

Title:

The title company has 1-2 people you will be in communication with.

HOME INSPECTIONS

What is a home inspection?

The inspection will typically covers the home's structure, electrical systems, plumbing, roofing, HVAC systems, and other critical components. No house is perfect and it is common to come across maintenance and preventative findings. The goal is to identify any problematic issues that may need repair or replacement. Following the inspection, you'll receive a written report to help you make an informed decision about the purchase.

What does "inspection period" mean?

The Purchase and Sale Agreement will say exactly how many days to get all inspections done and respond to any findings. We'll get these scheduled immediately incase any additional inspections need to be done.

TYPES OF INSPECTIONS

You may get the following types of inspections done on your home during the agreed upon inspection period. Including but not limited to:

- General Home*
- Radon
- Wood Destroying Insect (termite) *
- Septic
- HVAC
- Roof
- Lead-Based Paint
- Mold
- Structural/Foundation
- Well Water
- Pool
- Other

* notes the most common inspection performed by buyers in Tennessee.

What Are My Options After the Inspection?

Should the inspection report reveal any major concerns, you have a few options to consider:

- Accept the property "As Is"
- Submit a "Repair Proposal" and request the seller to:
  - Fix the repairs before the closing date
  - Cover the repair costs
  - Lower the sales price
- Terminate the contract
- Dependent on the loan type, certain repairs may have to be fixed prior to purchasing.

APPRAISAL, INSURANCE, WARRANTY

What is an appraisal?

An appraisal is the opinion of value of a home at that current time. A licensed appraiser completes this opinion, which is calculated by comparing recent nearby sold homes to the property that is being appraised.

Why do I need an appraisal?

Appraisals are required by mortgage lenders to ensure that the loan amount is appropriate for the home's value. This protects the lender by confirming the buyer isn't overpaying and helps the lender recoup the loan if the buyer stops making payments.

How does an appraisal work?

When financing a home purchase with a mortgage, the lender requires an appraisal, conducted by an appraiser from a third-party appraisal management company. The appraiser evaluates the home and reviews comparable sales to determine its "appraised value," which is reported to the lender. The buyers are responsible for paying for the appraisal.

How long does it take?

Appraisals can take a few minutes to a few hours to complete, depending on the details of the home and the appraiser's methods. It usually takes a week to 10 days to complete and send the appraisal report to the lender. You can always ask for the estimated return date but note that the appraiser has until 11:59pm that night to submit it.

What is homeowner's insurance?

- Homeowner's insurance protects homeowners financially if their property or belongings are damaged due to covered events like fire, theft, or natural disasters.
- Coverage often includes the home's structure, personal belongings, liability for injuries, and living expenses if the home is uninhabitable.
- Policies vary in coverage, deductibles, and premiums and are typically required by mortgage lenders.

What is a home warranty?

- A home warranty is a service contract covering repairs or replacements of major home systems and appliances that fail due to normal wear and tear.
- Typically purchased for one year and renewable annually, a home warranty can help offset unexpected repair costs.
- It's essential to review coverage limits, exclusions, and terms before purchasing to ensure the warranty meets your needs.

FINAL KEY PIECES

Final Clear to Close

This is given by the lender a couple days to a week before closing. Once their underwriters have cleared all conditions and give us the go-ahead to schedule closing with the title company.

Final Paperwork

When we get the clear-to-close, the lender gives the final numbers and "closing package" to the title company.

The title company then prepares their closing documents based on what was provided by the lender. Those documents then go BACK to the lender for final approval, before final numbers are given to the agents and their clients.

Final Walk Through

The home needs to be delivered in the same or better condition as when you made the offer. We will conduct a final walk through 1-2 days prior to the closing day to verify the condition of the home. If there were any repairs completed, we will check this at this time as well.

Utility Transfer

You'll want to make sure you call your current utility companies to transfer the utilities out of your name. Then, you will call your new utility companies and give them your closing date as the start date.

IT'S CLOSING TIME!

Who attends closing?

The participants in a closing can vary depending on the situation, but typically include you (the buyers), your real estate agent, the closing agent or attorney, and sometimes your mortgage lender.

What do I do at closing?

You will be signing A LOT of documents! Make sure to stop and ask questions if there is something you want clarification on. You don't want to wait until after closing to ask,

What should I bring to closing?

You will need to bring a photo ID with you. The day before, you will have wired your closing funds to the title company so you won't need to bring any money with you.

Sending the Wire

As soon as we get the clear to close form the lender, the title company will work up the "settlement statement" breaking down all of the numbers, including the final amount you need for closing. This amount must be wired from your bank to the title company. You will receive the instructions directly from the title company. ALWAYS call and verify the instructions prior to initiating the wire.

Keys & Possession

You will get possession as outlined in the Purchase & Sale Agreement, at which point I will give you the keys! This many be at the closing table, or at a later date if you agreed to give them a temporary occupancy after closing.

BUYER EXPENSES BREAKDOWN

Please note these numbers are based on averages, are estimates and may fluctuate.

Upfront Expenses

Earnest Money

There is not a standard amount but 1% is usually sufficient and is typically due within 3-5 days of an accepted offer.

~1%

Inspections

A general home inspection starts around $500 (but is dependent on the size of the home). Add-ons will cost more: septic, termite, radon, pool, etc. The more inspections you add, the more the amount will increase.

$500+

Appraisal

The lender will charge you for this prior to ordering the appraisal, which needs to be ordered as soon as possible with an accepted offer to keep the timeline moving forward.

$600+-

What are closing costs?

Fees and expenses paid at the end of the transaction.

Closing Expenses

Down Payment

This will vary upon the loan type you are purchasing your home with but typically it is between 3.5%-20% of the purchase price. You can put more down if you are willing and able! Discuss your options with your lender.

Varies

Prepaid Insurance

A few months or the annual cost of your homeowner's insurance premium will be collected at closing. Discuss this with your lender & insurance agent.

Varies

Brokerage Administration Fee

My real estate brokerage charges $795 as a compliance and administration fee.

Varies

Property Taxes

This cost will vary based on the time of year you close as they are paid in arrears meaning the property taxes are paid in the final month of the year they are due.

Varies

BUYER EXPENSES BREAKDOWN

Please note these numbers are based on averages, are estimates and may fluctuate.

Lending & Title Expenses

Origination Fee

A fee charged by the lender to process your loan application, usually a percentage of the loan amount to cover the lender's costs for evaluating, preparing, and funding the mortgage.

0-1%
of the loan amount

Discount Fee/Point

An upfront fee paid to the lender to "buy down" the interest rate, lowering the mortgage rate—and possibly the monthly payments—by paying a percentage of the loan amount.

0-2%
of the loan amount

Processing Fee

A fee for handling paperwork and administrative tasks, covering costs like document prep, credit checks, and other services to process the mortgage.

$500-$1,200

Underwriting Fee

An underwriting fee is charged by the lender to assess and approve a mortgage, covering the cost of evaluating the borrower's financials, credit, and property to ensure the loan meets lender standards and guidelines.

$500-$1,200

Title Processing Fee

A title processing fee covers the cost of verifying a property's title, including research to confirm no liens or claims against the proerpty and preparing documents to transfer ownership.

Varies
based on company

Title Policy

Title insurance is a one-time cost that protects against future ownership claims. It has two parts: lender's insurance (required) to protect the lender, and owner's insurance (optional but recommended) to protect your ownership and equity.

Varies
based on property

MOVING TIMELINE & CHECKLIST

3-4 Weeks Before

- Declutter, discard & donate
- Give 30 day lease notice, if needed
- Choose a mover and sign contract
- Secure off-site storage if needed
- Create a file of moving-related docs & receipts
- Contact insurance companies to arrange for coverage in new home
- Locate schools, healthcare providers in new area
  ** If needed: request referrals from current providers*

1-2 Weeks Before

- Start using things you can't move, like Perishables
- Arrange for child and pet care for moving day
- Label moving boxes with the contents inside
- Pack essentials for quick access at new home
- Pack valuables to move yourself for safe keeping
- Confirm final arrangements
- Schedule Services: Start/ Discontinue/ Transfer
  ** See Whom to Notify Below*

WHOM TO NOTIFY

Services and Utilities

- Water
- Gas
- Electricity
- Telephone
- Post Office/ Forward Mail
- Cable/ Internet
- Housekeeper, Lawn, ect

Financial

- Banks & Credit Card Companies
- Credit Union
- National Savings & Bonds
- Employer
- Insurance Companies
- Pension Companies
- Social Security

Health

- Doctor
- Dentist
- Optometrist
- Therapist
- Chiropractor
- Massage Therapist
- Health Insurance

Vehicle(s)

- DMV- Registration Agency
- Vehicle Insurance

Other

- Friends & Family
- Subscriptions & Memberships
- Schools & Colleges
  *Transfer Records
- ______________

LET'S STAY IN *TOUCH*

Alicia DePalma

REALTOR®

- PSA- Pricing Strategist Analysis
- CREN- Certified Real Estate Negotiator
- CEBA- Certified Expert Buyers Agent
- AHWD- At Home With Diversity
- CSE- Commercial Sales Expert

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I'm here to help.

Thank you for trusting me to support you alongside your real estate journey. I am honored to represent you and guide you through the selling process. My goal is to ensure that you are comfortable, updated, and informed every step of the way.

Have questions? I'm always available to help! Shoot me a text or give me a call for the quickest response.

Scan this to save my information and quick access to my social medias.

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