



Home Buyer's Handbook

Your guide to purchasing your home in Orlando.





The Inner Workings of Home Buying

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1

Preparation

MORTGAGE PRE-APPROVAL

Determine what you can afford and work with a lender to get pre-approved for a mortgage. Be prepared with a down payment, 20% is the ideal number, but this varies depending on the type of loan. Being pre-approved will indicate to sellers that you're serious about home buying and allow you to make offers on homes.

HOUSE HUNTING

Work with your Real Estate agent to compile a list of homes that fit both your budget and your ideal features. Your agent will arrange viewings so you can find the right home for you.

BIDS & NEGOTIATIONS

When you find the right home for you, your agent will present a fair offer on your behalf. Be prepared to negotiate to determine the price that works best for you and the seller. Don't feel put out if your offer is rejected or countered, this is all a normal part of the home buying process.

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Confirmation

HOME INSPECTION

A home inspection is the immediate step after a bid is accepted by the seller. Although it is not required by law in all states, you will gain valuable insight into the condition of the property. If the sale is dependent on the results of the home inspection, you have a limited window of time to complete it

POST-INSPECTION AGREEMENTS

Depending on the results of the inspection, you may have the opportunity to counter-bid to request certain faults or problems be repaired or deducted from the agreed upon price.

HOME WARRANTY

A 1-year optional warranty may be available to cover repairs on appliances and systems in the home. This may include the HVAC, plumbing, and electrical systems of the home.

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Legal Steps

TITLE SEARCH

Before your purchase is finalized, the title company will conduct a Title Search, often with the assistance of a Real Estate attorney. This process involves reviewing city and county records, including deeds, court documents, and other filings, to confirm the seller's legal right to sell the property and ensure there are no issues that could prevent the buyer from taking full ownership

APPRAISAL

An appraisal is required by the lender to ensure the value of the property meets the value of the loan. Although this is in their best interest, it also confirms you won't be over-paying for your new home! Typically, the lender contracts the appraiser, and incorporates the fee into the closing cost.

FINAL COMMITMENT FROM LENDER

Once these steps are completed to satisfaction, your lender will issue a Final Commitment Letter. This letter covers all loan terms and agreements for the mortgage they are granting for this purchase. It will also outline all mortgage fees and any stipulations prior to closing.





YOU NEED A LAWYER

Wait, what?

Purchasing property is a significant investment, and in Tennessee, title companies with in-house Real Estate attorneys ensure a smooth, legally sound transaction while protecting your interests.

BUT WHAT DO THEY DO?

DOCUMENT REVIEW:

The title company, will review all the documents related to your property purchase. This includes the purchase agreement, deed, title commitments, and transfer documents. They'll conduct a title search to ensure the property is free from liens or claims and verify that the seller has clear ownership. The seller typically provides the Title Commitment for review, which the title company ensures meets all requirements.

CLOSING FIGURE REVIEW:

The title company will review all figures related to the sale, including existing liens, encumbrances, and expenses. They'll also ensure that any taxes, such as property taxes or other prorated fees (e.g., sewer or HOA dues), are accurately calculated and paid at closing.

LEGAL ADVICE

The title company facilitates the closing process by preparing documents, reviewing them with all parties, and handling the disbursement of funds. If legal advice is needed, Real Estate attorneys affiliated with the title company are available to assist with inspection issues, negotiations, or other legal concerns.



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Safety Requirements

TERMITE INSPECTION

In many states, termite inspection is required by lenders and insurance as part of the home buying process. Termite damage can be costly, so it's only natural that your lender and insurance would include inspection as a stipulation of the sale. Because termites are considered a preventable problem, it is often not covered by insurance, and so your lender will require it be treated and repaired prior to closing.

PROOF OF INSURANCE

An additional stipulation of the mortgage agreement is proof of homeowner's insurance. You can incorporate this fee into your monthly payments.

CLOSING PAYMENTS

Towards the end of the sale, you will be presented with your HUD-1 document, which will outline the total closing costs required to finalize the sale.



DON'T FORGET ABOUT FINANCING

Before closing on your new home, there are some key times you need to check in with your lender! Don't risk getting caught off guard by a refusal to commit.

LARGE PURCHASES

You might think pre-approval means you're set to go, but you should avoid making any major purchases that require opening a new line of debt until after the close of your home. This includes things like student loans, car purchases, or large furniture purchases. Don't risk losing your mortgage approval!

ADDING CREDIT

Do not open any lines of credit or apply for new credit cards without speaking with your lender first. This will alter your original income and debt ratios that your approval was dependent on.

MAINTAIN YOUR CREDIT

Don't miss any bill payments! This is the easiest way to maintain your credit during the closing process.

LARGE TRANSFERS

Your lender may flag your account as suspicious if you transfer large sums of money between accounts or make any large undocumented deposits. This could risk your approval.

DON'T QUIT YOUR DAY JOB

Your mortgage approval was dependent on stable income. Don't change jobs during the closing process, or you may be deemed too risky for your mortgage.



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Final Pieces

UTILITIES

Prior to closing, you should schedule all utilities to be changed to your name in time for when you take possession of your new home.

FINAL WALK THROUGH

This is your opportunity to make sure it's in the same condition as the inspection, and to review any outstanding items required by the agreement. It's an opportunity to have peace of mind before the sale finalizes. Although this step is not mandatory, it is highly recommended.

CLOSE OF SALE

This is the process that finalizes your purchase! Now that everything is official, you will receive the deed and keys from the title company.

Congratulations on your new purchase!



CLOSING THOUGHTS

YOUR CLOSING CHECKLIST:

- ☐ Bring your valid, government-issued photo ID.
- ☐ Have a wire transfer ready for the total amount due as laid out by your HUD-1 document.
- ☐ Obtain any outstanding documents required by title company or lender.

THE FINAL CLOSING PROCESS

By reviewing your contract of sale, the escrow officer will be able to determine what fees are owed by whom and prepare your final closing documents. Part of conducting the closing will also involve ensuring all fees are paid, the Seller receives the money owed, and that the Buyer's title is recorded.

THE COSTS OF CLOSING

Both the Buyer and Seller will incur various fees over the course of the sale. For the Buyer, these fees typically include:

- Mortgage Application fees
- Underwriting fees
- Title Search
- Title Insurance
- Appraisal fees
- Land transfer taxes
- Homeowner's Insurance
- Escrow fees
- Notary or Recording fees
- Home Owner's Association or Condo fees, if applicable

POST-CLOSE REMINDERS

Keep all your closing documents.





Congratulations!

Home buying is a major milestone!

As your Real Estate Agent, your best interest is at the heart of what I do. You can trust in me to represent you and guide you through this process so you can have the best possible experience.



Marta Montes

Real Estate Agent

(321) 805-1212

martamontes.realtor@gmail.com



www.themontescollections.com