

Home Buyer & Contract to Close

Process Guide for



Clarity & Confidence

MICHAEL LACHANCE

REALTOR®

Ph: 754.423.2905

Email:

Michaelnlachance@gmail.com



HOME BUYING GUIDE

A GUIDE TO THE HOME

BUYING PROCESS

Most buyers who begin the process of looking for a home begin the journey filled with excitement and a bit of trepidation.

This is understandable when you consider that purchasing a home is one of the biggest financial decisions you will make during your lifetime.

Not only do we understand this, we believe that home ownership is something you can be proud of. We believe, it's an honor and privilege to ensure that the home buying process is the most pleasurable experience possible.

Whether this is your first home or your tenth, this guide is intended to help you navigate the home buying process.

Let's get started on the journey of getting you the home you want!

Michael LaChance
Remax House of Real Estate
(754) 423-2905
LaChanceKnowsHomes.com
Michael@LaChanceKnowsHomes.com

Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

TOP 10 REASONS TO BUY A HOME

1. **Quality of Life** - Home ownership is part of a better quality of life for most buyers. The quality of our living situation directly impacts how we feel.
2. **Avoid the Tax Man | Tax Deductions** - Buying a home helps you avoid the tax man with tax deductions for both mortgage interest and property taxes. Property taxes and qualified interest are deductible on an individual's federal income tax return.
3. **Spend Money to Make Money** - With the right real estate consultant, home ownership and the potential for appreciation means that ultimately you have the opportunity to get a return on your investment.
4. **Deferred Gain and Capital Gain Treatment** - A homeowner can exclude up to \$500,000 of capital gain tax if married and filing jointly or up to \$250,000 if single or filing separately when you sell your home. The home must have been the taxpayer's principal resident for the previous two years.
5. **Principal Accumulation** - As a homeowner, a portion of each amortized mortgage payment typically goes to principal, which in the long run is an investment.
6. **It's The American Dream** - Owning a home is THE American Dream. We work with many first time home-buyers; and it truly is a dream come true for them.
7. **Independence** - For many homeowners, one of the greatest freedoms is acquired through home ownership. They can get rid of their landlord and are no longer surrounded by neighbors in an apartment with thin walls. The freedom to do whatever they wish with their homes is a big incentive for many new homeowners.
8. **Leverage** - At the current interest rates, you can put your money to work somewhere else. These days you can still purchase a home for as little as 3.5% down.
9. **Why rent when you can own?** The real cost of renting at \$700 per month with 6% rental increase per year means you will pay \$110,719 over 10 years. Just think, you could almost pay off a home for that amount!
10. **Because you get to work with us!**

Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

5 Buying Tips

WHEN PURCHASING A HOME

These 5 buying tips will save you time, money, and headaches.

1. **Get Pre-Qualified**– Before you can seriously consider purchasing a home, it’s important to know exactly how much you can afford. This can be the scariest part of the buying process for some. It’s perfectly natural to be nervous, but we can put you in touch with someone you can trust to help get you pre-qualified.
2. **Always Think Resale**–In the US, due to the mobility of our economy, the length of ownership is about 5 to 7 years. This is important to keep in mind when looking for your next home. For instance, homes backing up to a busy street or railroad sell for less, and take longer to sell than other homes in the neighborhood.
3. **Aesthetics Can Be Changed** – Flooring, light fixtures, plumbing, paint colors and wallpaper can all be changed. Don’t let the lime green wall paper turn you off of your potential dream home. Think of how much fun it will be to make a home yours!
4. **Don’t WAIT!** –To often, we have seen home buyers fall in love with a property, wait a few days to make a decision because they are nervous and the home that they fell in love with SOLD! If you love the home, don’t wait for someone else to live in YOUR home–be prepared to write an offer!
5. **Compare Sales** – To determine the best price to offer, or to know if the asking price is correct, look at the recent sales of similar homes, called “comparable sales.” Comparable sales are recent sales of homes that compare closely to the one you are looking to purchase, usually sold in the past few months. Specifically, you want to compare prices of homes that are similar in square footage, garage spaces, number of bedrooms and baths, lot size, etc. Let us help you with a Buyer’s Market Analysis.

Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

Home Buying Process

10 Steps to Buying a Home

1. Get pre-qualified with a lending specialist
2. Shop for your dream home with an accomplished real estate professional
3. Choose a top 2 list
4. Place an offer on #1
5. Be prepared for a counter offer
6. Sign and date the effective contract
7. Take note of the option period
8. Order inspections and negotiate repairs
9. Terminate or proceed with the contract
10. After final approval, go to closing to sign and own your new home

In addition to the 10 steps to buying a home you will need to consider the following up-front costs in order to determine if you have the appropriate cash reserves to get started:

- Earnest money – typically 1% of sales price - the amount of earnest money is negotiable and varies with the value of the property
- Home owners association application fee (If Applicable) - \$100 - \$350
- Inspection fee - \$400 - \$450
- Appraisal - \$325-\$425
- Credit report - \$75

Now that you know the upfront costs, let's explore what you will need in order to determine your buying power and how to get pre-qualified for financing.

Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

The Pre-Qualification & Pre-Approval Processes

Now that you know you want to buy a house, how do you know how much you can afford and if you can qualify for a loan? The way to get started is to go through the pre-qualification and pre-approval process with a lending specialist.

Pre-Qualification versus Pre-Approval

1. Pre-Qualification is how much money a bank will lend you based on your income, assets, and debts. Pre-Qualification is typically done over the phone with a lending specialist. This is the first step to get started in the buying process. The lending specialist will do a minimal credit review over the phone which means discussing your credit background. When you begin the Pre-Approval process the lending specialist will actually check your credit but during Pre-Qualification they will simply gather basic information regarding your financial and credit situation.
2. Pre-Approval is a more formal process and includes completing a loan application on-line and providing documentation regarding income and assets. During the Pre-Approval process the lending specialist will ask for authorization to check credit in order to analyze debt ratios. Pre-Approval is typically done when you start looking for houses with a real estate agent or prior to writing an offer.

What Factors Affect What I Can Afford?

There are three factors that affect how much you can afford when you decide you would like to buy a home.

1. The down payment - do you have enough liquid cash to make a down payment?
2. Your ability to qualify for a loan - as mentioned earlier this is determined during the Pre-Qualification & Pre-Approval Process
3. The associated closing costs on your home.

How Much is My Down Payment?

Most loans today require a down payment between 3.0% to 20%. Contrary to what many people think, there are still loans that have lower down payment requirements depending on the type and terms of the loan. Keep in mind, if you are able to come up with 20-25% down you will eliminate mortgage insurance.

Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

The Pre-Qualification & Pre-Approval Processes (continued from previous page)

How Much are Closing Costs?

You will be required to pay fees for acquiring the loan and other closing costs. These fees must be paid in full at the closing unless you are able to include them in your financing. Typically, closing costs will range between 3-6% of your mortgage loan.

What Does my Monthly Mortgage Payment Include?

Most lenders require that your monthly payment range between 29-36% of your gross monthly income. Your mortgage payment to the lender includes the following:

- The principal on the loan (**P**)
- The interest on the loan (**I**)
- Property taxes (**T**)
- The homeowner's insurance (**I**)

This is what we call **PITI** and your total monthly PITI and all debt (from installments to revolving charge accounts) should range between 36-45% of your gross monthly income. These key factors determine your ability to secure a home loan: Credit, Assets, Income and Debt Ratios.

Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

Loan Application

CHECKLIST

Most lenders will have you go online to apply in order to gain pre-approval. Following is the information you need to provide during the loan application process (these documents are usually uploaded to the lending specialist through a secured link):

General

- Non-expired Government ID and Social Security Number
- Name and complete address for past 2 years of residence

Income

- Employment history, including names, addresses, phone numbers for the past 2 years.
- Copies of your most recent pay stubs and W-2 forms (past 2 years).
- Verification of other income (social security, child support, retirement).
- Copies of signed tax returns including all schedules (past 2 years).
- Social Security & Pension Award letters.
- If you have rental property income: Copies of all signed lease agreements.

Assets

- Copies of all bank statements from checking/savings accounts (past 2 months).
- CD certificates and statements for retirement accounts (most recent 2 months or quarterly statement).
- Gift funds will need gift letter of proof of gift.

Creditors

- Credit cards (current balances and monthly payments).
- Installment loans (car, student, etc.).
- Mortgage loans (property address, lender with address, account numbers, monthly payment and balance owed on all properties presently owned or sold within the last 2 years). Bring proof of sale for properties sold..
- Childcare expense/support (name, address, phone number). [VA loans only]

Other

- Bankruptcy – bring discharge and schedule of creditors.
- Adverse credit – bring letters of explanation.
- Divorce – bring your Divorce Decrees, property settlements, quitclaim deeds, modifications, etc.
- VA only – bring Form DD214 and Certificate of Eligibility.
- Retires – bring retirement and/or Social Security Award Letter.

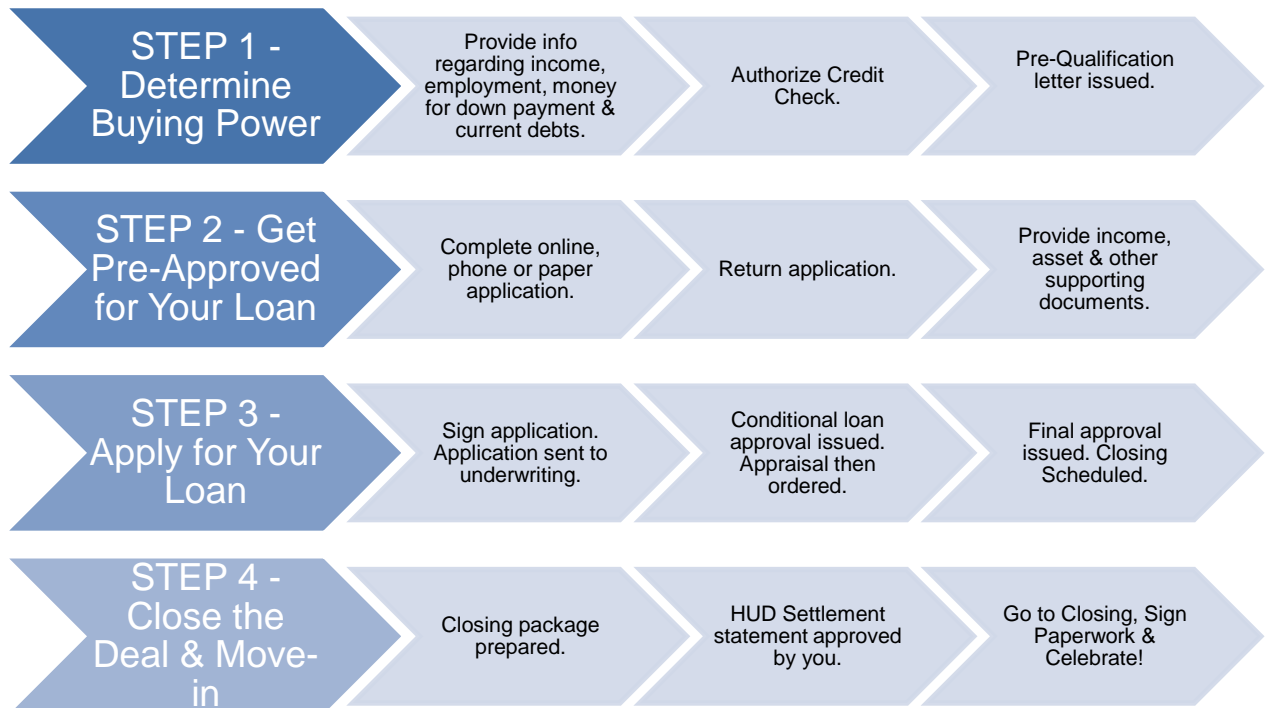
Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

HASSLE-FREE

LOAN PROCESS

Our preferred lending specialist provides the following 4-step process:



Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

10 COMMANDMENTS

WHEN APPLYING FOR A REAL ESTATE LOAN

Last but not least, these are important rules to follow to ensure a smooth loan process.

1. Thou shall not change jobs, become self-employed or quit your job.
2. Thou shall not buy a car, truck or van (or you may be living in it)!
3. Thou shall not use charge cards excessively or let your accounts fall behind.
4. Thou shall not spend money you have set aside for closing.
5. Thou shall not omit debts or liabilities from your loan application.
6. Thou shall not buy furniture.
7. Thou shall not originate any inquiries into your credit.
8. Thou shall not make large deposits without first checking with your loan officer.
9. Thou shall not change bank accounts.
10. Thou shall not co-sign a loan for anyone.

We hope you have found this guide valuable. When you are ready, give us a call!

Michael LaChance Team
(754) 423-2905

Click Here to View Homes Now > www.Lachanceknowshomes.com

HELPFUL “DOs AND DON'Ts” WHEN APPLYING FOR A MORTGAGE

This is an important step, if not the most important document to review



DO's

DO Keep originals or ensure you have access to all paystubs, bank statements, and other important financial documents from your employer and bank.

DO Provide your Earnest Money Deposit from your own personal bank account or acceptable gift funds. Please talk to your Loan Officer or Loan Coordinator for additional clarification. This will present a very difficult problem if not managed properly in the beginning.

DO Provide all documentation for the sale of your current home, including sales contract, closing statement and employer relocation/buy-out program, if applicable.

DO Notify your Loan Officer or Loan Coordinator if you plan to receive gift funds for closing. Gift funds are acceptable only if certain criteria are met. Advances from credit cards for down payment / closing costs are never acceptable.

DO Notify your Loan Officer or Loan Coordinator of any employment changes such as recent raise, promotion, transfer or change of pay status (for example, salary to commission).

DO Be aware that a new credit report could be pulled just prior to closing.



DO NOT's

DO NOT Close or open any asset accounts or transfer funds between accounts without talking with your Loan Officer about the proper documentation required for your loan. For example, before transferring all funds from your savings to your checking, check with your Loan Officer.

DO NOT Deposit any monies outside of your automated payroll deposits, particularly cash or sale of personal property, without notifying your Loan Officer or Loan Coordinator. Many guidelines require substantial documentation as to the source of these deposits.

DO NOT Change jobs/employer without inquiring about the impact this change might have on your loan.

DO NOT Make major purchases prior to or during your contract, such as new car, furniture, appliances, etc. as this may impact your loan qualification.

DO NOT Open or increase any liabilities, including credit cards, student loans or other lines of credit during the loan process as it may impact your qualifying loan amount.

Frequently Asked Questions



What is a mortgage and how does one work?

A mortgage is a loan associated with real estate, where the property being purchased acts as the collateral for the loan. This means that the property is the security for the loan, so that if the borrower fails to make the payments, the lender can acquire and sell the property to regain the money lent. This use of the property as collateral is a big part of what keeps mortgage rates lower than that of a credit card, for example.

What is a mortgage payment made up of?

Your mortgage payment is made of multiple parts, and is sometimes referred to as “PITI.” The payment can include all of the following:

- **Principal (P)** – The portion of your payment that goes toward the principal balance (the remaining amount due) of the loan
- **Interest (I)** – The portion of your payment that goes toward interest
- **Taxes (T)** – The portion of your payment that pays your property taxes each year
- **Insurance (I)** – The portion of your payment that pays your homeowners insurance policy each year
- **Mortgage Insurance (MI)** – The portion of your payment that goes to the mortgage insurance company; mortgage insurance is not paid on all mortgages.

In the early years of your mortgage, a lot of the payment will go toward interest as opposed to principal. Over time though, your payment will consist of more principal than interest.

What affects my interest rate?

Interest rates are based on risk. If a financial institution was to lend someone money, the rate it gives is going to depend on a few factors. These factors may include the following:

- The history the borrower has had in repaying debt
- The amount of money being lent
- The amount of time the borrower has to pay back the loan
- The purpose of the loan – why the borrower needs it

Frequently Asked Questions, Continued.

What factors are considered when getting qualified for a mortgage?

Credit Score

Your credit score is a key factor when being qualified for a mortgage. A credit score is used to evaluate if someone is able to take on new debt; it will be anywhere between 300 to 850. Your credit score is pulled from three different credit bureaus (Equifax, TransUnion and Experian). The report will show all current debt, including credit card debt, auto loans and student loans.

The score is based on a few factors, which include:

- Payment history (on time or late)
- Total debt obligations
- Inquiries (how often companies have pulled your credit)

Debt-To-Income Ratio

The debt-to-income (DTI)* ratio is the percentage that represents your total monthly obligations (debt payments) compared to your total gross monthly income. For example, if your total monthly debt (credit card payments, auto payments, mortgage, etc.) was to equal \$2,500, and your total gross income was to equal \$6,000, then your DTI would be about 42%.

For most loan programs, a borrower's DTI cannot exceed about 43%.

Employment History & Income

Sometimes this is the more tricky part of the qualifying process. The DTI and credit scores are pretty straightforward, but sometimes income and employment history can be more complicated. Generally, we will want to see the last 30 days of paystubs and the most recent W2. If you are self-employed (i.e. you are paid via 1099, you own a LLC, etc.), we will need copies of the most recent two years of tax returns in order to determine your monthly income.

Not only will the monthly income be considered, but also your history of employment. It is generally easiest if you have worked in the same line of work for two or more years. If this is not the case, don't fret; we will discuss scenarios that could work. For example, a student who just got a job in the same field in which he/she studied will most likely be okay.

Type of Mortgage Applied For

Most mortgage programs are going to have similar guidelines, but there are some differences between them. For example, mortgages like State Bond Programs and USDA may have income restrictions in place. Some programs allow a higher DTI than others as well. We will discuss these differences in order to decide on the best program for your situation.

*Debt-to-income ratio is monthly income debt/expenses divided by gross monthly income.

Frequently Asked Questions, Continued.

What types of mortgages are there?

Fixed-Rate Mortgage

- The rate is fixed for the term (life) of the loan
- The rate is generally a little higher than the initial rate of a comparable adjustable-rate mortgage

Adjustable-Rate Mortgage (ARM)

- The rate is fixed for a period (usually 3, 5, 7 or 10 years). Then the rate adjusts based on whatever the index is. This type of ARM is considered a “hybrid” ARM, as it is fixed for a short time, then adjusts afterwards.
- There is usually a cap (ceiling) to how high the rate can ever be, but it depends on multiple factors
- The initial rate will be a little lower than the rate of a comparable fixed-rate mortgage.

Conventional

- Standard mortgage that is not directly insured by the Federal Government
- Most common loan type
- Typically administered by Fannie Mae or Freddie Mac

FHA

- Insured by the Federal Housing Administration (FHA)
- Less stringent credit requirements
- Low down payment options
- Maximum loan amounts apply
- Up-front Mortgage Insurance Premium added to loan’s principal
- Monthly Mortgage Insurance Premiums included in the monthly payment

United States Department of Agriculture (USDA)

- Less stringent credit requirements
- 100% financing available for qualified borrowers*
- Maximum income limits apply—varies by county
- Property address must be verified for eligibility
- Up-front Guarantee Fee is typically added to the loan’s principal
- Annual Guarantee Fee is included in the monthly payment, similar to mortgage insurance

*USDA Guaranteed Rural Housing loans subject to program stipulations and applicable state income and property limits

Frequently Asked Questions, Continued.

Veterans Affairs Loans

- Home financing for active military, veterans or for qualifying spouses of veterans
- 100% financing available with full VA entitlement up to \$424,100 and no down payment*
- Insured by the Veterans Administration (VA)
- VA funding fee is typically added to the loan's principal

What is an escrow account?

An escrow account is an account used to hold money that is to be paid at a later date. When you make your mortgage payments, a portion of that payment is put in an escrow account so that the lender may pay your homeowners insurance and property taxes.

Homeowners insurance is typically paid annually, so your monthly mortgage payments will include 1/12th of your annual insurance premium. Your mortgage payment will include 1/12th of the annual property tax bill.

*A down payment is required if the borrower does not have full VA entitlement and is subject to VA area loan limits. Down payment may be required for loans over \$424,100.

SAMPLE CLOSING COSTS

Appraisal	\$225-\$500
Credit Report.....	\$15-\$30
Processing Fee.....	\$575-\$1,000
Escrow Deposit for Taxes and Insurance	Varies widely
Transfer of Taxes	Varies widely by state and municipality
Loan Discount Points	Generally 0-2% of loan
Title Company Closing Fee	\$150-\$400
Buyer's Attorney Fee.....	\$400 and up
Lender's Attorney Fee	\$150-\$500
Title Insurance (Lender's Policy)	Generally \$175-\$875
Homeowner's Insurance.....	Varies, \$300 and up
Underwriting Fee	\$195-\$795
Survey Fee	\$150-\$400
Home Inspection	\$225-\$600
Pest Inspection.....	\$75
Down Payment	Varieswidely
Flood Determination/Life of Loan Coverage	\$19.50
Recording Fees	Varies, generally \$50-\$150
Courier Fee.....	\$30
Prepaid Interest	Varies on loan amount, interest rate, closing time
Application Fee	\$0-\$500 (Fee applied toward closing costs)

YOUR CRASH COURSE IN MORTGAGE SPEAK

Mortgage: A loan you take out to finance the purchase of your home. It's also a legal contract stating that you promise to pay back the loan on a monthly basis. Your monthly payment typically goes toward paying back the principal (which is the basic loan amount) and interest. Your monthly payment may also include money for your taxes and insurance.

Adjustable Rate Mortgages (ARM): Loans with an initial fixed-rate period (usually 5, 7 or 10 years). After the fixed-rate period, your interest rate may change once per year—either up or down depending on market conditions. ARMs are almost always lower in rate than fixed loans and can offer huge savings to first-time home buyers, especially those who don't plan on staying in their first home for more than 10 years.

Amortization: The gradual reduction of debt over the term of the loan. Amortization occurs through repayment of principal.

Annual Percentage Rate (APR): The yearly cost of a mortgage including interest and other expenses or charges such as private mortgage insurance and points expressed as a percentage.

Appraisal: A written estimate of a property's current market value.

Closing: The conclusion of your real estate transaction when legal documents are signed and funds are disbursed.

Closing Costs: Expenses over and above the cost of the property, which can include items such as title insurance, appraisal, processing, underwriting and surveying fees.

Credit Report: A report from an independent agency detailing credit history and previous and current debt to help determine creditworthiness.

Credit Score: A mathematical formula that predicts an applicant's creditworthiness based on credit card history, outstanding debt, type of credit, bankruptcies, late payments, collection judgments, too little credit history and too many credit lines.

Deed: The legal document that transfers property from one owner to another.

Down Payment: The amount of your home's purchase price you pay upfront.

- Earnest Money:** Deposit made by a buyer toward the down payment to show goodfaith when the purchase agreement is signed.
- Equity:** The monetary difference between your mortgage balance and the actual market value of your home.
- FHA Loan:** Fixed- or adjustable-rate loan insured by the Federal Housing Administration. FHA loans are designed to make housing more affordable, particularly for first-time home buyers.
- Fixed-Rate Mortgages:** Mortgage with an interest rate and a payment that don't change over the term of the loan. Should the current market interest rate fall below your fixed rate, contact your mortgage expert right away to discuss the benefits of refinancing.
- Good Faith Estimate:** Written estimate of the closing costs the borrower will likely have to pay to obtain the loan.
- Interest-Only Loan:** Mortgage that gives you the option of paying just the interest, or the interest and as much principal as you want in any given month during an initial period of time.
- Interest Rate:** The percentage rate that a lender charges to borrow money.
- Lock or Lock-In:** A lender's guarantee of an interest rate for a set period of time. The lock-in protects you against rate increases during that time.
- Points (or Discount Points):** Points are upfront fees paid to the lender at closing. Typically, one point equals one percent of your total loan amount. Points and interest rates are inherently connected. The more points you pay, the lower your interest rate.
- Principal:** The balance (not counting interest) owed on a loan.
- Private Mortgage Insurance (PMI):** Insurance to protect the lender in case the borrower defaults on the loan. With conventional loans, PMI is typically not required with a down payment of 20% or more of the home's purchase price.
- Term:** Number of years you have to pay back the loan.
- Title:** Document that shows ownership of a property.
- Title Search:** Examination of municipal records to ensure that the seller is the legal owner of a property and that there are no liens or other claims against the property.
- Underwriting:** In mortgage lending, the process of determining the risks involved in a particular loan and establishing suitable terms and conditions for the loan.

STUDY GUIDE:

COMMON REAL ESTATE ABBREVIATIONS

Real estate agents have a language all their own.

The following is a key to help you interpret some of the common abbreviations you'll see in the real estate advertising listings.

A/C	Air conditioning
Appl	Appliances
BA or Bth	Bathroom
BR or Bdrm	Bedroom
BSMT	Basement
CH/A orCHA	Central heat and air
DR	Dining room
DW	Dishwasher
EIK	Eat-in kitchen
f-bmt	Finished basement
fncdyd	Fenced yard
FP	Fireplace
GA or Gar	Garage
LR	Living room
PL	Swimming pool
SF or sq ft	Square feet
WBFP	Wood-burning fireplace
W/D	Washer and dryer
WW	Wall-to-wall carpeting

10

Things to Take Care of Once You Have an Accepted Offer

MUST DO A.S.A.P!



Earnest Money

There needs to be some cash involved in the beginning of a transaction to protect the sellers interests while they take their house off the market. Earnest money is your proof as a buyer that you “earnestly” want to purchase their home. This deposit needs to be made within first 3 days of the offer being accepted unless stated otherwise.



Property Inspections & HOA Application

Once you have an executed sales contract in hand, the clock starts on your inspection period. I typically have clients get their inspections done in the first 7 days unless you specify that you may need longer. In that case I can adjust the inspection period as needed up to 15 days per the contract guidelines. If there is a homeowners association you will want to get the application process going as well at this point. Many associations can take up to 4 weeks to approve you as a residence.



Lender Documents

As soon as you have an executed sales contract, you will need to communicate with your mortgage lender so that they will start the mortgage process. Make sure that you get the requested documentation to them **ASAP** to limit any problems with their timeline. Some lenders are not as thorough with regards to checking in with you to keep you updated on their progress. Make sure that you are checking in with them to verify that they are on track. I will also be checking in with the lender and/or you as well to make sure we are on meeting contractual time lines. Do not open any new lines of credit during this time as it may lower your credit score. Adversely causing higher interest rates and/or lowering the total amount of the loan you originally qualified for.

WHAT'S NEXT?



Title Commitment

This step is handled by the Title Company. They will issue a title commitment that reviews the title history of the property and discloses any liens against the property that need to be resolved before closing. Be sure to review your title commitment and ask an attorney for advice if you see anything in it that looks concerning. Most title commitments are straight forward

and require no additional work on your part. Just be sure to review it thoroughly before moving on to the next step. If we are using our in house title company @ REMAX HOUSE OF REAL ESTATE we are in good hands. No need to worry if this is the case as they will bring to our attention any issues.



Appraisal

Once you have cleared the Inspection process, let your lender know. They will then order a home appraisal to verify that the value of the home you're purchasing is worth the loan amount that you are asking for. In Florida, appraisers have 10 business days to complete the appraisal, starting from the day it was ordered. For this reason, it is important to make sure that your lender orders your appraisal as soon as possible. It's likely that you will be paying for the appraisal, so it's best to wait until after you have completed the inspection process.



Home Owners Insurance & Warranties

Your lender will require you to have a Home Owner's Insurance Policy on the property that you are purchasing. You will want to shop around and choose the home owners insurance provider and policy that works best for you. Once you have the policy in place, let your lender, REALTOR®, and/or title company know.

You will want to shop around and find the home warranty company that best suits your needs. Once you have found the right home warranty provider, be sure that the title company knows who you plan to use.

FINAL STEPS:



Turn On Utilities

Now that you are past all of the major steps required to purchase your home, you will want to get your utilities turned on, or transferred into your name.



Schedule Closing Date & Time

Your sales contract will have an agreed upon closing date. Make sure that you and/or your REALTOR® have contacted the title company in advance to make sure they have a time slot open that is convenient for your schedule. Some sellers like to close at the same time as the buyers, so your REALTOR® may need to coordinate this with the listing agent as well. This is usually an easy step - just make sure that it doesn't get put off until the last minute so that the title company can accommodate your request.



Final Walkthrough

It is wise to do a final walkthrough before the closing. The purpose is to verify that any repairs have been completed, that all of the seller's personal belongings have been moved out, and/or to make sure that the home is ready to move into. This is not a time to renegotiate any items on the sales contract. It's simply a safeguard to make sure that no major issues arise that could cause the closing to terminate; which would likely be followed by legal proceedings to mitigate the issues.



Close The Transaction

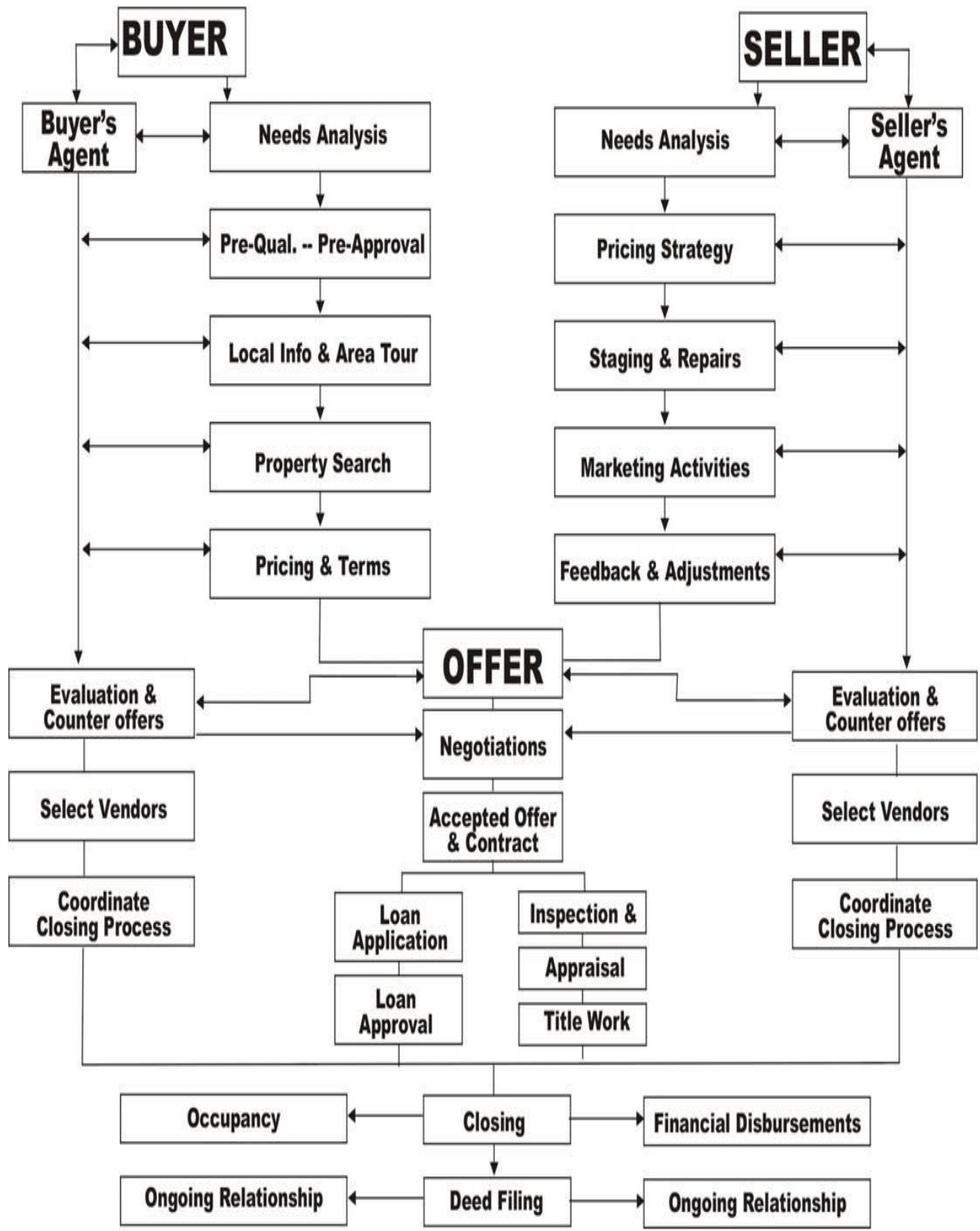
On the day of closing, you will need to have your driver's license (or other approved photo ID) and certified funds (cashier's check or wire transfer) for any monetary amount required from you at closing. You will meet at the title company to sign all of the required documentation. A typical closing usually takes less than an hour. Once the documentation has been signed and your lender has funded the transaction, you will be given the keys and the house is yours!

Final Thoughts

I will keep you in the loop through each step and protect your interests. A good REALTOR® is your best resource to make sure that every step above is met in a timely manner with no added drama.

Buying a home takes time and energy, but it's extremely rewarding. After you sign the papers at closing and get your keys, all of your hard work will have paid off, and you will feel a wave of excitement as you move on to enjoy your new home!





CHECKLIST FOR MOVING

SEND CHANGE OF ADDRESS NOTICES

Utilities:

- Electric
- Gas
- Water
- Telephone
- Fuel
- Garbage

Professional Services:

- Doctor
- Dentist
- Accountant
- Lawyer
- Broker

Established BusinessAccounts:

- Dry cleaners
- Drug store
- Diaper service
- Laundry service
- Water softener service
- Credit card companies

Publications (several weeks notice):

- Magazines
- Newspapers

Insurance:

- Life
- Auto
- Home
- Health
- Fire

Government/Public Offices:

- State motor vehicle bureau
- Social Security Administration
- Post office

Miscellaneous:

- Cable/Satellite TV provider
- Relatives
- Friends
- Book/Music clubs
- Organizations/Clubs
- School
- Church
- Landlord (if you are a tenant)
- Tenant (if you are a landlord)



RE/MAX[®]
House of Real Estate

CHECKLIST FOR MOVING

BEFORE THE MOVE

- Empty freezer; plan use of food
- Defrost freezer
- Clean out refrigerator
- Remember arrangements for TV and antennae
- Clean rugs
- Clean clothing
- Order a final reading of:
 - Gas
 - Electric
 - Water
 - Heating fuel
- Discontinue or transfer service on:
 - Route deliveries
 - Newspaper
- Clean the home thoroughly
- Remove items from safety deposit box
- Transfer telephone service
- Lawn maintenance
- Arrange for child care, if necessary
- Plan for transporting pets

ON MOVING DAY

- Carry currency, jewelry and important documents with you
- Bring small tool kit
- Double check all closets, drawers and shelves

FOR OUT-OF-TOWN MOVES

Let a close friend or relative know your route and schedule. Transfer insurance on household goods and personal possessions to ensure coverage en route. If your car or other possessions are not paid for, notify creditors and obtain permission to take property out of state. Have your appliances serviced for the trip. Gather professional recommendations for services in the new location. Return all borrowed books. Notify the school about the intended move. Gather records or have transcripts forwarded. Obtain the following:

- Medical records
- Medical prescriptions
- Inoculation records
- Eyeglass prescriptions
- Dental records
- Birth/baptism records



Home Buyer & Contract to Close

Process Guide for



Clarity & Confidence

MICHAEL LACHANCE

REALTOR®

Ph: 754.423.2905

Email:

Michaelnlachance@gmail.com

