

# **HELPFUL FOR AGENTS** **BUYING PROCESS**

1. Meet with Buyer for first time.
2. Guaranteed Rate, Columbia Title, & Conway Insurance
3. Offer
4. Inspections
5. Purchase & Sales Agreement
6. Appraisal & Mortgage Commitment
7. Attorney, Final Docs & Numbers
8. Clear to Close
9. Closing!!

**RULE:** Never ask your customer to sign something you have not read in its entirety before. When asking a customer to sign anything always use the words “please review and sign if satisfied. This rule starts right here.

### **1. Meet With Buyer For First Time**

It is in both the Buyers and your best interest to meet in person prior to starting their home search. This meeting can/will make the rest of the home buying process smoother for everyone. Practice this meeting with coworkers, friends, family, your manager, me. Ask agents how they do it. Get good at connecting, questions, buying process, describing the market.

**\*\*Remember “Agency Disclosure”, as most often in this meeting you will talk about a certain house they saw online / drove past.**

#### Things to ask Buyer:

1. What is their time frame?
2. Do they have a house to sell?
3. Where do they want to live?
4. Housing needs / wants?
5. Are they pre-approved?
6. Get names, address, contact info
7. Are they working with an agent?

#### Things to discuss with Buyer:

1. How you will communicate
2. What you do as a real estate agent
3. Current market & competition
4. MLS & You can show all listings!
5. Buyer agency??
6. How we write, sign, submit offers
7. Go over offer Steps
- 8.
- a. Contingencies to protect them
- b. Earnest money deposits
- c. Attorney & Lenders roles
- d. P&S
- e. Appraisal & Mortgage Commitment
- f. Inspection, Lead paint, Title V, Radon
- g. Closing...closing disclosure, check to bring, walkthrough, final readings/adjustments

### **2. Guaranteed Rate, Columbia Title, & Conway Insurance**

Get your customer in touch with your office’s Guaranteed Rate Loan Officer right after your first meeting or conversation. A customer that is not pre-approved, or will not contact the lender is not a “Buyer”. We can waste a lot of time with a customer that does not know their financial picture. Never act in a way that you are forcing someone, but this step is a must before spending too much of your valuable time with a customer. Often a customer needs to acquire information, taxes, pay stubs etc...which takes them time. Or they have issues that need to be resolved first. You don’t want to lose out on their dream house trying to get pre-approved after a showing, or find out they can’t get preapproved at all. Even people with financial issues should speak to your lender rep, as they can get put on a path to buying in near future.

This is also a very good time to introduce the customer to Columbia Title, and Sarah Stubbs with Conway Insurance. Offers and transactions move fast, getting your ducks in a row well in advance is the best thing you can do. Having your team of players ready to pounce is powerful.

### **3. Offers**

Offers are real. You should know the offer form from top to bottom. This form is not just blank spaces for you to copy from a cheat sheet. Know why and how it all works...ask questions...learn it...it's fun!!

Dates needed in an offer can seem very overwhelming. If you drill these dates into your head every waking moment you will never have a problem....1,10, 10, 45, 10, 3. Ummmmm what???

These numbers are amount of days needed for different parts of a standard offer. They are in the order they come up in the offer...genius right? Of course you can and will shorten or lengthen the amount of day. Knowing the standard/baseline will let you know how you are positioning an offer.

Offer reply – 1 day

Inspection – 10 days from accepted offer

P&S Signing – 10 days from accepted offer (not on a weekend)

Closing – 45 days from accepted offer (avoid Fridays, not on a weekend)

Mortgage Commitment – 10 days before closing (not on a weekend)

Apply for a loan – 3 days from accepted offer.

Practice writing offers and sending for signatures. Never think it is a bad look to ask someone to review your offer. An offer is what leads to happy customers, your paycheck, future referrals...or issues because of an error or an omission. Take the time to get it right...it's our job...be great at it!!

Call and schmooze the list agent. Ask her/him what the seller might need in an offer. Ask the agent what email address to send the offer. Read the listing in full and the description too. Check to see if there any attachments needed for offer. Pay attention or ask about deadlines for offers.

Signatures make deals!! Without signatures you don't have much. Always inform the customer the 4 actions a Seller can take with any offer.

Once an offer is accepted let the lender and attorney know right away. Send them both a copy of the offer, MLS, and seller side contacts. Communicate!!!!!!!!!!!!!!

**4. Inspection** – Go to the home inspection. Buyers should go too. It is best to let the buyer call the inspector when setting up appointment. Inspections last about 2hrs. Follow along and listen...let inspector work.

Prepare the buyer well in advance that every house has issues or areas of concern...”the usual suspects”.

Inspections are not pass vs fail. Inspectors won't advise a buyer if they should buy the house after the inspection. Make sure Buyers know that most houses will not meet current building codes unless it is brand new.

You are not a home inspector. Never talk a buyer out of an inspection of any kind. They are free to have one or not. Use the addendum to waive inspection if they are not having inspection.

**5. Purchase and Sales Contract(P&S)** – This is the document that drives the rest of the transaction...in most cases. Typically the Seller's side creates the draft of the p&s. Columbia Title reviews this for free when they are doing the closing on Buy side. You are not an attorney, let them review it. Make sure the buy side attorney has the contact info for the sellers agent and or attorney.

You should read this document...remember the rule...never ask your client to sign something you have not read. Make sure all information pulled in from the offer is accurate. If there are any changes to terms after inspection YOU must tell the attorney so it makes it in to P&S.

Buyer will need to give the second deposit with P&S signing...make arrangements for this ahead of time. A bank check is better but it is not mandatory. Digi-signing is fine and include all addendums, & lead paint. Do not include separate repair agreements or furniture lists to P&S.

**6 Appraisal & Mortgage Commitment** – Loan application should be done right after offer is signed so as not to delay the process.

Applying for a loan is simply supplying the lending bank with financial information(again), and now information on the property.

Two important steps a Lender undertakes after application:

Appraisal – Lender needs to make sure the home is worth the amount requested in a loan. An appraisal is not a home inspection. Buyer/Agent side does not go to appraisal. This is the Buyer's appraisal.

Mortgage Commitment – The lender is committing to lend in writing. Buyer, and home have met the lender's requirements. Watch this date!! Don't let it slip buy as Buyer's deposits will be in jeopardy. Don't ask the status on the due date, stay in touch with lender. If commitment is not on time, YOU must extend or release before deadline. We protect our clients interests.

**7. Closing Attorney and Finals** – Closing Attorneys handle the legal matters of a home sale. They will normally enter after the offer has been signed. The cost of the attorney has been factored in to the lender's closing cost estimates/they do not bill by the hour. A closing Attorney is responsible for making sure the following is completed amongst other things:

- A) Title Examination - property is free and clear to be sold.
- B) Insurance Binder – Homeowners Insurance (Lender will ask too)

- C) Obtaining or asking for final numbers, taxes, utility/fuel readings, smoke certificate, broker commission invoices.
- E) Closing Costs – Buyer needs to bring a bank check to the closing to pay their closing costs. Have them get it the day before the closing.
- D) Deed – Document used to transfer ownership. Its on boring plain paper.
- F) “Clear to Close” – Everything is ready. Usually 3 days before closing
- G) Closing –Closing attorney conducts the closing, records the deed, and once on record wires funds or issues checks.

9. **Closing Disclosure** – This is a line item balance sheet for both Buyer and Seller. If the Buyer is using a loan to purchase they need to sign a Buy side disclosure 3 business days prior to close. Any changes could result in delays.

**10.Closing** - Go to your closings!!! Support your clients. This takes about 45 minutes. Refrain from talk about the transaction, the house, anything other than the weather. Dress in your business clothes as you are working. Let buyers sit near attorney.

This is the day when the Buyer pays the Seller(not directly), and the Sellers give the deed & keys to the Buyer after Deed. Never give the keys to the buyer until it’s on record, or instructed by the attorney.

You should have made arrangements in advance on how Conway will get their commission prior to the closing. If you don’t inquire on this you will very likely see a delay in getting paid. A good time to ask is when you send our invoice to seller’s agent and closing attorney.