

HOME

Buying

MADE SIMPLE

YOUR ROADMAP HOME

Carrie  Pellegrino
REAL ESTATE
— Love the Space —



PEARSON SMITH
REALTY

My Promise

I strive to provide a simplified experience through my proven process, smart negotiation skills, and deep industry relationships.



01

I promise to tell you the truth about the homes we view and valuation using market data.

02

I promise to respect your confidences.

03

I promise to give you all of your options, so you can make informed decisions.

04

I promise that you will understand what you're signing.

05

I promise to follow through and follow up.

THE BUYER ROADMAP



Meeting

Connect with the right professionals; your Realtor and Lender



Pre-Approval

Understand your finances, budget, costs, and ideal monthly payment



Search

Begin your online home search and explore neighborhoods



Escrow

Deposit escrow and complete loan application within time frame of the contract



Offer

After finding the right home, we will put in a strong offer and negotiate the terms of the contract



Showings

We will set up showings and view the homes you are interested in



Inspections

Schedule inspections and negotiate any repair requests and issues from inspection



Appraisal

Your lender will order an appraisal of your home



Last Steps

Receive clear to close from lender and perform final walkthrough before closing



Closing

Hooray! Time to get your keys and celebrate buying your home



Before You Buy

EXAMINE YOUR FINANCIAL HEALTH

An important first step on your journey to success is to be fully aware of your personal financial situation. This will guarantee your long term success in this process. It will ultimately confirm your financial eligibility, readiness for the purchase, and long term maintenance costs that come with purchasing a home.

QUESTIONS TO ASK A

Lender

- What loan options do I have?
- Do I qualify for any special programs?
- What interest rates can you offer?
- What fees are associated with buying a home?
- When can you lock an interest rate for me?
- What can I afford, keeping a specific monthly budget in mind?

How Much Does a Home Actually *Cost?*

EARNEST MONEY DEPOSIT

DUE 3-7 DAYS AFTER CONTRACT ACCEPTANCE

Typically the EMD amount is based on a portion of the purchase price or it can be a flat dollar amount. In our market, it is common for 1-3% of the sales price. This is delivered or wired and held in Escrow during the contract. At settlement, it is credited back to you towards your overall cash-to-close amount needed.

DOWN PAYMENT

DUE AT CLOSING

The amount needed is determined by the type of loan you are use for your purchase. The required minimum can range from 3.5% - 20%. Ask your preferred lender for options.

INSPECTION(S)

DUE AT TIME OF INSPECTION

Various inspections of the home are always recommended. Inspection costs are typically based on the size of the home. This expense is due at the time of service and not refundable if the contract is voided.

APPRAISAL

DUE AT CLOSING

Your Lender will order an independent Appraisal of your home to ensure value. The charge for this service typically depends on the size of the home. Most appraisals are paid at closing and will be a part of your overall closing cost estimates that your lender provides to you.

CLOSING COSTS

DUE AT CLOSING

Closing costs cover the fees included in establishing an escrow as well as title and lender services. They are typically 2.5% - 3.5% of the sales price of the home.



Your Home

Search

The Search

After speaking with your Lender and understanding your financing, I will set you up on a search to view homes online. We will cast a wide net and use the MLS (Multiple Listing Service), Office Exclusive, Private Network Groups, new construction, and For Sale By Owners.

Your Criteria

We will discuss your ideal home criteria and focus on any deal-breaker preferences. We can help you see the hidden beauty of a home and point you in the direction of homes with hidden potential. I will also point out potential problems with homes.

Information Needed for Making an Offer

- Pre-approval letter
- Offer Price
- Earnest Money Deposit
- Escalation Addendum
- Closing Date
- Inspections
- Seller Rent-back
- Contingencies



Strength of Offer Chart



| Offer Terms | Weakest Offer | Medium Strength Offer | Strongest Offer |
|-----------------------------|--------------------------------------|--------------------------------|--------------------------------------|
| Offer Price | < List Price | At List Price | 2 - 5% Above List Price And/Or |
| Settlement Date | >30 Days | 21 - 30 Days | Escalation Addendum |
| Earnest Money Deposit | <1% of Sale Price | ~1% of Sale Price | <14 days, or Seller Preference |
| Down Payment | <20% Down Payment | >20% Down Payment | Highest Possible (Up to Sales Price) |
| Closing Assistance* | 2%+ of Sales Price | 0 - 2% of Sales Price | Cash |
| Financing Type | VA, FHA, <3% Down Conv | 5 - 20% Down Conventional | None |
| Financing Contingency | 30+ Days | 10 - 25 Days | Cash, Not Contingent on Financing |
| Appraisal Contingency | >30 | 10 - 21 Days | Not Contingent |
| Home Inspection Contingency | Fully Contingent on Inspection | Void Only Inspection | Not Contingent on Appraisal |
| WDI Request | Seller Paid | Buyer Paid | No Inspection Contingency |
| Home Warranty | Seller Paid | Buyer Paid | None |
| Post Occupancy by Seller | Seller Pays Buyer Per Diem + Deposit | Seller Pays Flat Fee | None |
| Pre-Occupancy by Buyer** | Buyer Occupies and Retains | Buyer Occupies and Waives | Free Rent Back to Seller |
| Well and Septic | Seller Pays for Each Inspection | Buyer Pays for Each Inspection | None |
| Title Company | Buyer Picks | Split Closing | Seller Picks |
| Lender Letter | Pre-Qualification Letter | Pre-Approval Letter | Conditional Approval Letter |

Other Creative Options

| | | | |
|---------------------------|-------------------------------|---------------------|---------------------|
| EM Deposit Period | Within 5 days of Ratification | Day of Ratification | Before Ratification |
| Offer Emotional Appeal*** | None | Buyer Letter | Buyer Video |

* Dependent on Local Market Factors

** Assuming Vacant Property

*** Be Careful of Fair Housing

HOME

Inspections



An important condition to have in the purchase contract, is to have the sale proceed only after passing a home inspection. An inspection professional will see your new home from a trained set of eyes to see if there are any hidden surprises. If there are findings, then we can help you find a solution with the sellers team.

TYPES OF INSPECTIONS

Inspection period is typically 5-10 days.

- Home Inspection
- Radon Testing
- Wood Destroying Insect (WDI) Inspection
- Well and/or Septic
- Pool

RECOMMENDED INSPECTORS

I will recommend several inspectors for you to choose from.



Closing

IS THE FINAL STEP

This is the final step in the selling process. On the day of closing, all parties sign documents, cash to close is transferred, your loan is funded, and property ownership is formally transferred to the buyer.

Congratulations on buying your home!



EXPENSES FOR BUYERS MAY INCLUDE:

- Home Appraisal
- Title Search
- Obtaining private mortgage insurance
- Completing mortgage paperwork
- Loan-origination fees
- Title insurance
- Credit report charge

BRING TO CLOSING:

- Government Issued Photo ID
- Cashier's check or proof of wire transfer
- Proof of property insurance

ADDITIONAL REAL ESTATE

Terms

PRE-APPROVAL

This is the first step to obtaining a mortgage to purchase your home. A local lender will perform an analysis of your income, debt, and credit-worthiness. You will need a Pre-Approval letter in order to make an Offer to purchase a home.

TITLE SEARCH

The Settlement or Title company will perform a search of the property's title and history. This will confirm that proper transfer of title has occurred over the years and reveal any financial encumbrances tied to the home.

OFFER

An offer is a preliminary agreement to purchase a home with established terms set between a Purchaser and Seller.

DISCLOSURES

The disclosures related to a property will include everything the sellers know about the property including any latent defects to the home. ***Virginia is a Buyer Beware state*

CONTINGENCY

A contingency is a condition that needs to be met or mutually agreed upon before proceeding with the purchase of the home.

CLOSING

The closing or settlement occurs when both parties have fulfilled their contract obligations. Funds and keys are exchanged.