



## Your Home Search

We are fortunate to have the opportunity to help people make the single largest purchase in their lifetime. We will be by your side throughout the entire process and help guide you from the beginning decision to purchase to the closing of the property and possession of your new home!

*So you want to buy a home. It's a big decision. How do you know you're doing the right thing?*

There are things you can do to make it a positive experience. First, consider consulting the professionals. Choose your Realtor to assist you thru the process and an attorney if you desire. When you have professionals on your side looking out for your interests, there's a great sense of peace of mind!. Using the professionals is as valuable to a homeowner as locking in the best possible interest rate. The following are the basics of buying a home.

*What can you afford?*

We all have an image of our dream home, but remember, what is perfect in your mind might not be perfect for your bank account. Before you even start looking, find out what you can realistically afford.

Here's what you should do to establish your price range:

- Do your homework. You'll need to gather basic information about your income, existing debts and credit history.
- Meet with a lender (bank, mortgage company or credit union) to find out how much you can borrow.
- After determining how much you can borrow, add the amount of savings you will use for the down payment to determine your price range.

*(Down payment + loan = sales price and closing costs)*

In addition to the down payment, there will be costs for closing the transaction. These costs will be shown on a Good Faith Estimate provided by your mortgage professional; they include origination fees, discount points, inspections, a survey if needed, hazard insurance (home insurance), property taxes, interest and escrow account set up fees to pay for future taxes and insurance. Also, your mortgage professional may send you additional documents to assist you in making an educated decision about your loan options.

All this sounds confusing, but it does not have to be. An attorney can review and explain all the documents before you sign anything. It's always better to ask now than to regret a decision later.

### *What kind of property is right for you?*

There are a lot of choices out there: houses, townhomes, condos, traditional neighborhoods, cluster homes and highrises.

When looking at your options, don't forget that your mortgage payment isn't the only consideration. There often are other "built-in" expenses. Find out about any voluntary neighborhood dues for swimming pools, tennis courts, playgrounds and landscaping. In addition, with planned communities, condominiums and townhomes, find out about mandatory association fees—how much they are and exactly what they cover.

### *Making an Offer*

Once you've found the right home, it's natural to want to rush to submit an offer. Take a deep breath and think through the process, because a contract is a legally binding document. To begin, you, your Realtor or your attorney will need to prepare an offer for Purchase and Sale. It is important to seek the help of professionals at this stage since once you have an accepted offer, it's just execution of that offer. Some important components to a real property purchase and sale agreement are:

- Sales price that you are willing to pay

- Legal description of the property you want to buy
- Amount of earnest money and who will hold it
- Method and amount of financing (all cash, bank or mortgage company loan, seller financing)
- Who will pay closing costs and how much
- When will the seller will move out and the buyer will move in
- Amount of real estate commission (usually paid by the seller)
- The date of closing and who will close the transaction (attorney)
- Whether buyer can back out or require repairs if an inspection reveals problems with the house, or if title is not acceptable
- Which items will remain with the house and which items will be removed by the seller
- Who will pay for repairs, if any
- Warranties and, if applicable, who will pay for them

How the property will be conveyed (warranty deed, limited warranty deed or quite claim deed)

Even simple forms can be deceiving, so it is always best to have an attorney take a look at your contract before you sign anything.

### *Are you really ready to sign?*

Presenting a formal offer to the seller is a big step. If you have any special considerations—if, for example, your down payment depends on a bonus from work, or you have to sell another house, etc.—an attorney can make sure the contract is worded appropriately. When the seller signs your offer, with no changes, you have an accepted and binding contract. There's no going back without financial and legal consequences.

If you have any questions at all, consult a professional before you become obligated to an agreement that doesn't meet your needs or that you don't completely understand.

### *Some Considerations Prior to Closing*

*Obtaining a survey.* Many lenders do not require a current survey. However, it is sometimes prudent to obtain one prior to closing because it will show the location of the house and other improvements such as fences, garages, driveways, decks and walkways on the property, including any improvements encroaching on or from adjoining property. You will need to notify the closing attorney prior to closing if you wish to have a survey done on your property.

*Purchasing owner's title insurance.* Owner's title insurance is not required by law in Georgia, unlike some other states; however, it is an extremely important protection for you as the owner of real property and it is recommended that you purchase such a policy. An owner's title insurance policy ensures that you have an insurable title to the property. It's a relatively small one-time cost, and it can protect the buyer from mistakes in title examinations and other title problems caused by prior owners of the property. This policy may be purchased at the time of closing through the closing attorney. It is important to note that a lender's title insurance policy does not protect you as the owner of the property, but if your lender is obtaining a policy, you may be eligible for a substantial discount on an owner's policy. This is called a "simultaneous issue" rate and you should contact your closing attorney for details.

*How to take title to the property.* If you are purchasing property with another person, it is important to consider how you will take title to the property. Georgia recognizes two options: 1) Joint Tenants with Right of Survivorship and 2) Tenants in Common. Joint Tenants with Right to Survivorship means that upon the death of one owner, the deceased owner's interest will automatically pass to the other owner, regardless of the deceased owners will. Tenants in Common means that upon the death of one owner, the deceased owners interest will pass to the deceased owners estate.

If it is not clearly specified, Georgia law assumes you have taken title as Tenants in Common.

These matters should be discussed with a licensed attorney prior to or at closing.

### *What exactly is a "closing"?*

The closing is when the seller actually transfers the title to the property to the buyer. The buyer signs all loan papers and wires money for the closing costs and down payment (or purchase price if there is not a loan). The closing usually takes place in the closing attorney's office and the party paying closing costs pay for the closing attorney. It is important to know that typically, if you are obtaining financing for the purchase, the closing attorney represents the lender—not the seller, not the Realtor and not you!. If you want an attorney to solely represent your interest, you must hire one.

### *Getting Ready for Closing*

You've got your loan line up. The seller has accepted your offer. Now, its on to closing. The more you know, the less painless your closing will be. To make your closing smooth and free of surprises, once you have a binding contract and your loan is approved, you, your Realtor and your attorney need to coordinate a closing date and time with the lender, seller and closing attorney.

### *What do you take to closing?*

You will be instructed by the closing attorney as to the necessary documents needed for your specific closing, but generally these may included:

- Wired funds for the down payment & other buyer costs (based on the Good Faith Estimate or preliminary HUD statement)
- Insurance policy (must be ordered prior to closing by you from any licensed insurance company" and a bill (declarations page) or paid receipt. Can be paid for at closing.

- *Any paperwork still required by lender (for example, your most recent pay stub and pest/termite inspection report)*
- *Photo identification (valid driver's license, state issued ID or passport)*
- *All parties who must sign loan papers, such as spouse and/or parents*

*Bottom line is your Realtor is always here to guide you along the way and answer ANY questions you may have. In our eyes, there are no stupid questions so ask away!*