



ORU LUNCH & LEARN

YOUR GUIDE TO UNDERSTANDING THE HOME
BUYING PROCESS

THE ROAD TO
home



ERIN CATRON & COMPANY

THE HOME BUYING PROCESS AT A GLANCE

1. FINANCES & PRE-APPROVAL

2. OFFER & NEGOTIATIONS

3. INSPECTION PERIOD

4. FINANCING PERIOD

5. PREPARING TO CLOSE

FINANCING

MORTGAGE

A MORTGAGE LENDER WILL BE ABLE TO TAKE YOUR FINANCIAL INFORMATION AND DETERMINE WHAT AMOUNT YOU WILL BE ABLE TO BORROW. HAVING YOUR PRE-APPROVAL LETTER IN HAND BEFORE YOU START SEARCHING WILL SAVE YOU TIME AND MAKE SURE YOU DON'T MISS OUT ON THE PERFECT HOME.

CASH

IF YOU'VE GOT THE MONEY IN THE BANK AND YOU ARE READY TO PURCHASE YOUR HOME IN CASH, THAT'S GREAT. YOU CAN ACQUIRE A PROOF OF FUNDS FROM YOUR FINANCIAL ADVISOR OR YOUR BANK TO SHOW THAT YOU HAVE A BALANCE THAT MEETS THE PURCHASE PRICE.

THE COSTS OF BUYING A HOME

Buyer's Purchasing Power

 Monthly Mortgage Payment (Principal and Interest)

		HOME LOAN AMOUNT				
		\$290,000	\$270,000	\$250,000	\$230,000	\$210,000
MORTGAGE INTEREST RATE	4.25%	\$1,427	\$1,328	\$1,230	\$1,131	\$1,033
	4.00%	\$1,385	\$1,289	\$1,194	\$1,098	\$1,003
	3.75%	\$1,343	\$1,250	\$1,158	\$1,065	\$973
	3.50%	\$1,302	\$1,212	\$1,123	\$1,033	\$943
	3.25%	\$1,262	\$1,175	\$1,088	\$1,001	\$914
	3.00%	\$1,223	\$1,138	\$1,054	\$970	\$885

Principal and interest payments rounded to the nearest dollar. Total monthly payment may vary based on loan specifications such as property taxes, insurance, HOA dues, and other fees. Interest rates used here are informational and for marketing purposes only. Consult your licensed Mortgage Advisor for current rates.

INSPECTIONS

DURING THE INSPECTION PERIOD, THE BUYER HAS THE RIGHT TO HIRE A PROFESSIONAL TO INSPECT THE CONDITION OF THE HOME.

INSPECTION COSTS RANGE FROM \$400-800

OFFER STRUCTURE AND PSYCHOLOGY OF THE SALE

WHAT IS THE ESCROW DEPOSIT?

THE ESCROW DEPOSIT IS ALSO KNOWN AS "THE GOOD FAITH DEPOSIT." IT IS TYPICALLY 2-3% OF THE PURCHASE PRICE THAT YOU PUT DOWN UPFRONT TO SHOW THE SELLER YOU ARE SERIOUS ABOUT THE PURCHASE. THE HIGHER THE ESCROW, THE MORE ATTRACTIVE THE OFFER IS TO THE SELLER.

WHERE DOES IT GO?

AS SOON AS WE HAVE AN EXECUTED CONTRACT, YOU HAVE APPROXIMATELY 5 DAYS TO GET THE ESCROW DEPOSIT TO THE OFFICE WHERE IT WILL BE HELD, WHICH IS TYPICALLY THE OFFICE OF THE SELLER'S AGENT. THEY WILL HOLD IT UP UNTIL CLOSING. THE DEPOSIT IS COUNTED TOWARDS YOUR TOTAL BALANCE DUE AT CLOSING.

YOU CAN SUBMIT YOUR ESCROW DEPOSIT BY CHECK, CASHIER'S CHECK OR WIRE TRANSFER.

GENERAL THINGS TO KNOW

REASONS WHY NOT TO CALL THE AGENT ON THE SIGN

THE LISTING AGENT HAS A FIDUCIARY DUTY TO THE SELLER BY SIGNING A CONTRACT WITH THEM. YOU AS A BUYER ARE AN **ADDITIONAL INTEREST**. IF YOU WENT TO COURT, WOULD YOU USE THE OTHER PERSON'S ATTORNEY? OF COURSE NOT, YOU WANT AN EXPERIENCED AGENT WORKING FOR YOU TO GET THE BEST PRICE AND TERMS THAT IS BEST SUITED FOR YOU, NOT ALL ONE SIDED FOR THE SELLER!

CONTINGENCIES

BUYING AND SELLING CONTINGENCIES

NEW CONSTRUCTION

NEW CONSTRUCTION CAN BE A GREAT OPTION. IF ANYTHING WERE TO GO WRONG DURING THE PROCESS, YOU WOULD DEFINITELY WANT SOMEONE REPRESENTING YOU AND YOUR BEST INTEREST, WHICH IS NOT THE SALES REP, AS THEY WORK FOR THE BUILDER.

THE DONT'S OF THE LOAN PROCESS

MAKE SURE THAT YOU DO NOT:

DON'T BUY A CAR

DON'T CHANGE PROFESSIONS OR START YOUR OWN BUSINESS

DON'T CHANGE BANK ACCOUNTS

DON'T BUY ANYTHING! (APPLIANCES, FURNITURE, ETC.)

DON'T GET LAZY WITH MONTHLY BILLS AND INCUR ANY LATE PAYMENTS

DON'T LET ANYONE RUN YOUR CREDIT OR APPLY FOR ANY CREDIT CARDS

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