



THE HOME BUYING PROCESS

Buying a home can be both exciting and stressful. Our goal is to guide you through the process - to make the home buying process seamless and fun. Here, you'll find an overview of what can be expected throughout your home-buying journey.

MEET WITH THE HEATHER GUILD GROUP

Meet with the Heather Guild Group to discuss your home buying goals. By understanding your unique goals and preferences, we can provide you with the best service possible.

PRE-APPROVAL PROCESS

Before beginning your search for a home, you should complete the pre-approval process with a Mortgage Lender. You may select a Lender from our list of Preferred Vendors, or you may select a Lender of your choice. Should you select your own Lender, please be sure to share with us his or her contact information.

The pre-approval process is based upon your current income, debt, and savings. Your Lender will ask you for a variety of information and documentation. Once the process is complete, your Lender will provide you with a pre-approval letter. A pre-approval letter from your Lender is necessary to move forward in the home-buying process. It will show the Seller that you are financially prepared for the home-buying and negotiation processes. In addition, having a pre-approval letter may give you an advantage over another Buyer.

FIND YOUR NEW HOME

The easiest way to begin the search process is to complete our Home Wish List. Our Home Wish List will ask for a variety of information and allow us to create a customized search - just for you!

Once your search criteria has been defined, you will receive a daily e-mail from the Multiple Listing Service (MLS). Each e-mail will include new listings that meet your unique criteria, as well as old listings that have been reduced into your chosen price range. If you receive a notification regarding a property you would like to see, please Contact Us. We will preview the property to ensure that it is a great match for you and set an appointment to see the property together.



□ CREATING AN OFFER

Once you have selected the home you'd like to buy, we will research the history of the property - how long it has been on the market, when it was last sold, and sales within your neighborhood - to help you make a well-informed decision about your offer.

We encourage you to review the following information, prior to making your offer: (1) The neighborhood traffic in the morning, afternoon, evening, and weekend, and (2) the neighborhood crime statistics.

Once you are satisfied with your soon-to-be neighborhood, we will write an offer to purchase the property. Your offer will outline the terms under which you will buy the home. It includes the amount you'd like to offer, if any appliances are to remain, any special financing you require, and the dates for closing and possession.

The Offer Process:

- In most transactions, the Buyer will write an earnest money check for 1% of the offering price, made payable to the Title Company. This money is used to show the Seller that you are serious about the offer you have made.
- In addition, you will write an option fee check to the Seller. The amount of the option fee check varies, but is typically below \$500.00.
- As your Agents, the Heather Guild Group, will forward the offer and a copy of the checks to the Listing Agent. Once the Seller has reviewed the offer, he or she may choose to do one of three:
 1. Accept the offer exactly as you have made it.
 2. Counter the offer, making changes to the terms under which they will sell the home to you.
 3. Reject the offer.
- Should the Seller counter the offer, you will have the same options the Seller did when you made your initial offer. You may accept the terms the Seller has offered, counter the offer again, or reject their offer. Since the Seller has made changes to your offer, you are under no obligation to buy the home, even at the terms you initially offered.

□ SUBMITTING THE CONTRACT

Once you have an executed contract - signed and agreed upon by all parties - the Heather Guild Group will send a copy of the contract to you, to the Listing Agent (with your option fee check), to your Lender, and to the Title Company (with your earnest money check). At this time, each check will be cashed.

At this time (1) the loan process will begin, (2) the Title Company will begin the Title Search, and (3) you can begin your inspection.



□ THE OPTION PERIOD

Your contract will allow you the choice of accepting the property "as is" - with no inspections, or inspection of the property with a clause called "right to terminate." You have a set period of time - usually 5-10 days - within which to have the property inspected. This time is often referred to as the "Option Period."

During the Option Period, you may terminate the contract for any reason. Should you decide, based upon the inspection, that you would like the Seller to repair the property in any way, each repair will need to be negotiated and agreed upon during the Option Period.

If you are comfortable with the results of the inspection, and would like to continue with the contract, you may proceed to close the transaction as per the contract. If you proceed with the closing, your option fee will be credited toward your closing costs at closing. Conversely, if you decide to terminate the contract during the option period, the Seller will keep the option fee, but your earnest money check will be returned to you. The mortgage company usually does not require mechanical and structural inspections, but most often, they do require termite and wood destroying insect inspections. Inspectors that are licensed by the Texas Real Estate Commission do inspections. The tests and inspections will cover plumbing, electrical, appliances, roof condition, and overall condition of the home.

An inspection will typically cost \$550 - \$750 depending upon the square footage of the home and any additional items, such as a pool or cabana, you may want checked. Typically, inspections reveal information about the home that even the Seller may be unaware of.

Finally, during the option period, you should contact your insurance company and begin gathering quotes for homeowners insurance. Should you determine that the home is not insurable or that your insurance premium is beyond the amount budgeted, you can terminate the contract during this period. Once the option period expires, you should start preparing to move into your new home! For your convenience, we have provided a **Moving Checklist!**

□ APPRAISAL

Between the Option Period and Closing, your Lender will order the Appraisal on the property. Your Lender wants to verify that their equity position in the property is sound. Once the Appraisal is received, we will review it with you.

□ CLOSING

Closing day has finally arrived! We will meet at the Title Company to sign the closing paperwork. Closing will take approximately one hour and will involve signing a variety of paperwork. (Be sure to bring along two forms of ID!) After both the Buyer and Seller have signed, the Title Company will get approval from the Mortgage Company to fund the transaction. This means all of the money is dispersed to the proper parties, and the home is yours. Funding can take several hours, depending upon how busy the Lender is on the day you close. The Title Company will not release your new keys to you until the loan has been funded, so please plan accordingly.

