



2019 Buyer's Guide

As you begin your journey toward financial strength and independent homeownership, we want to provide you with a summary of the buying process and what you should expect after you've been preapproved. The information below is simply information and each purchase should be looked at individually.

Pre-approval Letter

- ❖ Our team will connect you with the best loan officer(s) for your situation to obtain a pre-approval letter. We value our relationships with lenders who offer exemplary service and have impeccable communication. A preapproval letter is necessary prior to scheduling a property tour with one of our agents and is absolutely necessary to accompany an offer.

Writing a Contract/Offer Period

- ❖ Once we've located the perfect home for you, our agents will sit down and write an offer outlining all of the details of the sale. Items you need to consider during that time would include:
 - Earnest Money & Due Diligence Money
 - Closing Date
 - Home Warranty
 - Inspections
 - Type of loan
 - Closing costs

Earnest Money

- ❖ Earnest money is a deposit (also known as "good faith" funds) that is held in escrow with the closing attorney of your choosing. Earnest money can be anywhere between 1% and 10% of the sales price. A copy of the earnest money is due at the time of contract, but the earnest money is not deposited with the escrow agent until the contract is accepted and signed by all parties. As long as you close on the house, you will receive your earnest money back at closing, which can help go toward any of the fees incurred during the purchase. If you do not close on the house, and you are past the due diligence period, you will lose your earnest money (unless the seller is at default).

Due Diligence Money

- ❖ Due diligence money is a non-refundable fee that is paid to the seller for an amount of time for you to gather inspections, obtain final approval on a loan, and complete your due

diligence before purchasing the home. The due diligence money goes directly to the seller and is due at the time of an executed contract. The due diligence is credited back to you in the closing disclosure statement prepared by the closing attorney.

Home Warranty

- ❖ A home warranty is a one-year warranty that protects the buyer if anything fails within the first year in the home (EX: AC unit, Heating system, etc.). There is a service call fee to the warranty company of \$50-\$100 based on the plan. There are multiple warranty companies and types of warranties. Be sure to review the warranty packet before deciding on a specific warranty. We have a handful we can recommend that our past clients have enjoyed working with. You can ask the seller to pay for the warranty at closing. This will need to be noted in the offer to purchase.

Inspections

- ❖ Inspections are very important when purchasing a new home. A home inspector will inspect the home for defects and possible safety hazards. The cost of an inspection is determined by the type of house, age, size, and materials. A typical home inspection ranges between \$300 and \$600. There are additional inspections that can be purchased such as a pool inspection, radon inspection, septic inspection, and many others. These will increase the cost of the inspection but are worth the expense if there is any concern you or your agent identify during the home visit.
- ❖ A termite inspection is required for most loans.
- ❖ A survey is also recommended; however, the added cost is entirely up to you, the buyer.

Closing Costs

- ❖ Closing costs are costs associated with obtaining a loan and closing on a house. They are typically between 2% and 4% of the sales price depending on the type of loan you obtain and the lender you work with. You may ask the seller to help pay for your closing costs, and this calculation would be detailed in the offer.

HOA Fees

- ❖ Homeowner association fees are common in NC and SC. The fees are paid monthly, quarterly, or yearly, and are used to pay for community amenities, street lights, signs, property maintenance, etc. Buyers should pay attention to HOA Fees when purchasing home so they can budget accordingly.

Utilities

- ❖ Buyers should be sure to call the utility companies about a week before closing to make sure there are not any delays in turning on utilities.

Synergy Realty GroupSM is excited about having the opportunity to provide you with even more valuable information at our upcoming Tenant-to-Buyer Program session!