

I will be with you every step of your home buying journey, but I'd like to give you a good idea of what you can expect along the way. Here's a quick outline of what the home search and purchase process entails. If you are curious about any aspect of the process at any point, please let me know if you have any questions.

I look forward to being your buyer's agent.

*Suzanne*

**Suzanne Nelson, Broker Associate, ABR, SRS**  
605.347.1488 cell || [suzanne@properties-unlimited.com](mailto:suzanne@properties-unlimited.com)



# Real Estate Road Map

## **1<sup>st</sup> Stop - The Bank**

The bank is the first stop in your home buying process because knowing your price point will give you focus. A mortgage lender will use information you provide to find what you can afford, and more importantly what you are comfortable with spending. If you not quite ready to buy now, just getting your ducks in a row for the future, your lender will help you examine your debt to income ratios and help you make financial decisions to help you be ready to pull the trigger when that day comes.

## **2<sup>nd</sup> Stop - Home Search**

For the majority of home buyers, the first place they will look at homes for sale is the internet. While the internet is a value tool to help you get up to speed on your local market, nothing can beat first hand knowledge of your buyer's agent. For example, photos can do a lot (or a little) for a property! Trust your realtor, they can make suggestions of homes that are not actively listed, suggest homes that you might have dismissed online, or help you with for sale by owner homes.

## **3<sup>rd</sup> Stop - Writing an Offer**

When you find the right property, you'll want to be ready to write an offer. You'll need to have a letter of preapproval from your lender and a check for earnest money. You and your realtor will decide what you'd like to offer for a purchase price, what contingencies you'll want to protect your earnest money, and any seller concessions you'd like to include in your offer.

## **4<sup>th</sup> Stop - Negotiation**

In every transaction there are three prices - the price you'd like to pay, the price the seller would like to get for their property, and a price that works for both of you. In real estate, everything is negotiable. Aside from the price tag, you can negotiate on closing date, how fees are divided, who will complete repairs, etc. Through this stage of the process, remember to be available to your agent and conscientious to meet contract deadlines.

Suzanne Nelson, Broker Associate, ABR, SRS  
605.347.1488 cell || [suzanne@properties-unlimited.com](mailto:suzanne@properties-unlimited.com)



### **5<sup>th</sup> Stop - Home Inspection**

Once you are under contract, you will have a pre-negotiated number of days to get your home inspection completed, review the report, and possibly negotiate any unexpected findings. Plan ahead - have a home inspector in mind and time set aside to attend the inspection. Also, some inspectors give a discount for on-the-spot payment. Possibly as much as 20% off! The fee for a home inspection is non-refundable.

### **6<sup>th</sup> Stop - Title Work**

Your realtor or lender will order preliminary title work to insure the property you are buying and all parties involved are free of any liens or judgments that may cause headaches down the road.

### **7<sup>th</sup> Stop - Appraisal**

Your lender will order an appraisal from a list of approved appraisers in the area. They will visit the home, comparing it to similar homes that have sold nearby recently to determine a value to provide the bank. You will be charged by your bank for your appraisal. The fee will be paid at the closing table. The appraisal fee is non-refundable.

### **8<sup>th</sup> Stop - Final Walk-Through**

After the sellers have completely moved out and ideally within 24 hours of closing, you and your realtor will do a final walk-through of the property. This is to insure the property is in the condition it was on the day you wrote your offer. Be sure you have the transfer of utilities into your name and your home owners insurance scheduled to begin the day of closing.

### **9<sup>th</sup> Stop - Closing**

Congratulations! The final step of the process is closing. You, your realtor, and your lender will all meet at the title company to sign your mortgage and other documents. The seller may also be at the title company with their agent to sign the deed that officially makes your new home *yours!* You'll need to bring your funds in the form of a cashier's check and a valid form of government issued photo ID.

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## What To Bring to the Bank

### To shop for a home loan...

- copies of a government issued photo ID
- pay stubs (one month's worth is required, if you can - pull together 2 months)
- W-2's/tax returns, two years' worth
- bank (both savings & checking account) statements & investment account statements, three months' worth
- some lenders will require a paper trail on rent paid, if that is the case — use copies of cancelled checks for the last 12 months of rent payments
- list of consumer debts (car payment, student loans, outstanding credit card debt), include the monthly payment & balance of each account
- certificate of eligibility for VA benefits (if applicable)

While you have everything together, make copies and create a couple packets to make shopping for a mortgage at a handful of local banks easier.

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## Frequently Asked Questions

### **Who pays the realtor?**

The seller. When a seller lists their home, they agree to pay a certain percent of the sale price to the agent that lists their home and whoever brings a buyer when they sign the listing contract.

### **Why should I use a realtor?**

Buying a home will most likely be the largest financial decision of your life. A realtor can guide you through the home buying process to ensure you get the most home for your money and make your home purchase a wise investment. Realtors can advise you of unforeseen problems when it comes the time to resell, ensure legal paperwork is handled correctly, and are trained negotiators. Additionally, your time is valuable! It's a realtor's job to be on the look out for new listings, research the homes in your price range, arrange showings, and attend to the bumps in the road as you move through the transaction.

### **What cash do I need to have on hand to buy a house?**

At minimum, you'll need to budget to have enough money for earnest money, money to pay your home inspector, the down payment required by your lender, and any additional closing costs negotiated in your contract such as a survey or title work. Your lender will be able to provide you with a Good Faith Estimate (GFE) to estimate the money you will need to bring to closing.

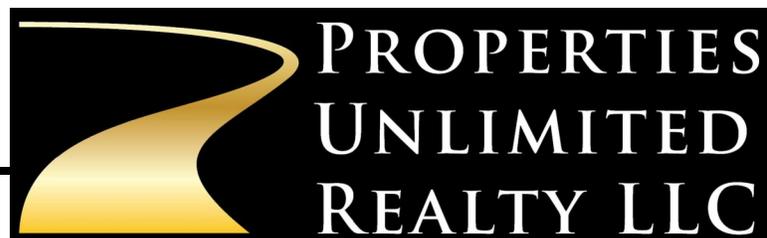
### **Once I find the right home, how much do I offer?**

When determining what purchase price you will offer the seller, there are a number of factors you and your agent will consider. How much have nearby homes sold for? How many days has the home been on the market? What condition is the home in? Are there other offers on the table? Your realtor, and possibly even your lender, can help you arrive at a purchase price that gets you the most house for your money. Real estate is a team sport!

### **Will my earnest money check be cashed?**

When your offer is accepted by the seller, yes. Within 24 hours of your offer being accepted, it is the selling realtor's responsibility to deliver your earnest money to the listing realtor. It is the listing realtor's responsibility to ensure that money is deposited into either their own trust account or a trust account monitored by the title company where your closing will be.

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**How much is a home inspection?**

Home inspections range from \$250 to \$400 depending on who you hire, where the home is, how large the home is, and sometime if you pay at the time of inspection or delay until closing. Like realtors, home inspectors are licensed and insured. Quality home inspectors are members of their local MLS boards and stay up to date on their continuing education hours. Should a home inspector recommend further inspection by an expert in one specific area (for example: foundation, HVAC, electrical), there may be an additional charge. Money spent on a home inspection can save you money later on.

**What happens after I write my offer?**

The seller can accept, reject, or counter. Be prepared for all of these possibilities each time you offer or counter offer. Whatever the response, your realtor and your lender can help you plan your next step. Nothing is “a deal” until all parties have accepted the terms.

**What happens at closing?**

You, your realtor, and your lender will meet a closing agent at the title company. The closing agent will have all the papers you are required to sign and will give you a brief explanation of each one as you sign them. Feel free to ask questions or take the time to read or re-read anything you’re signing. If it calms your nerves, you can always ask to pick up a copy of your closing packet the day before to read at home.

**How long does it usually take to close a transaction?**

From the day you write your offer to the day you close is generally 45-60 days. Cash transactions can go from purchase agreement to closing as quickly as a week. Short sales and foreclosures can take longer than 60 days. Searching for your perfect home can be the shortest or longest part of the process. Either way, trust yourself and your judgement.

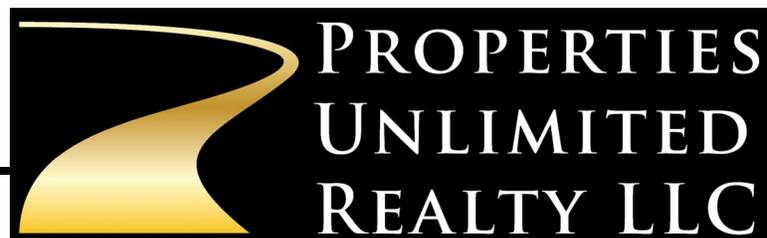
**What appliances come with my new home?**

All appliances (washer, dryer, fridge, dishwasher, etc.) are negotiable. Be mindful of the bill of sale! Just because appliances are in the home the day you write the offer, they may be moving with the seller. All items that are transferred on the bill of sale are without liens and without warranty.

**When do I get possession of my new house?**

With a few exceptions, possession is generally taken at the time of closing.

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# What Your Realtor Does To Help You Buy Your Home

## Home Search

### Buyer:

- Gets pre-qualified with a local lender.

### REALTORS®:

- Conducts buyer interview to get information about what's most important in a home.
- Discuss buyer agency with buyer and sign contract.
- Locate properties to show buyer.
- Schedule showings of properties.

### Buyer:

- Decides on the house that's just right!

## Writing the Offer

### REALTORS®:

- Meet with buyer to draft offer.
- Review and explain the offer to the buyer prior to signing.
- Present offer to sellers or sellers' agent.
- Negotiate any counter-offers or amendments in accordance with the buyer's wishes.

### Buyer:

- Write earnest money check to listing broker (or title company) trust account.
- Supplies a letter of loan approval from the bank to accompany offer.

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## After Your Offer is Accepted

### **REALTORS®:**

- Check offer for contingencies & time frames. Monitor timely removal/action.
- Provide lender and title company copies of the accepted offer.
- Coordinate appraisal date and time.
- Coordinate closing date and time with all parties.
- Obtain preliminary title insurance and closing statements.
- Inform buyer of amount to bring to closing in the form of a cashier's check.
- Assist buyer and stay in constant contact.
- Assist in setting up the inspection to be done within contingency period.

### **Buyer:**

- Hire an attorney (if desired or recommended, but not essential).
- Finalize financing.
- Obtain homeowner's insurance.
- Change utilities into your name.

## Closing on Your New Home

### **REALTORS®:**

- Schedule and conduct the final walk-through with buyers to insure property is in acceptable closing condition.
- Answer any last minute questions buyer might have.
- Accompany buyers to closing to insure everything is finalized correctly.

### **Buyer:**

- Bring cashier's check for your funds to close, government photo ID, and a paid receipt for first year of homeowner's insurance to closing.
- Sign loan documents and closing statement.
- Get the keys to your new home...and make it your own!

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