

10 Property Appraisal

If you are using a mortgage to pay for the home, your lender will require an appraisal of the property. A licensed appraiser will visit the property and then compare it to other similar homes that have sold recently in the neighborhood. The purpose of the appraisal is to insure the property is worth the amount the parties have agreed upon.

11 Survey

Occasionally, a title company or lender will require a survey in order to verify the boundaries of the property. You may also choose to have a survey done on the property. If the survey (or Improvement Location Certificate) shows any problems or discrepancies, these issues must be resolved as part of the title process. An objection should be made by the Survey Objection Deadline if problems are discovered.

12 Loan Conditions Deadline

The Loan Conditions Deadline is the last requirement that must be satisfied before the Buyer's earnest money becomes non-refundable. This means that the Buyer has satisfied all of the requirements set forth by the lender so that the mortgage is approved and ready for closing. Should the Buyer not satisfy the lender's requirements, or if the interest rates have risen to a level that prevents the buyer from affording the mortgage, Buyer should let their agent know as soon as possible. If an objection is not made or made after the deadline, Buyer's earnest money will not be refunded.

13 Final Walkthrough

The day of the closing, the Buyer is allowed to do a final walkthrough of the property. The purpose of the walkthrough is to make sure the property is in the same condition as when the offer was made and to verify that any items that the seller agreed to address as part of the inspection process have been completed.

14 Closing

In Colorado, the closing is usually handled by the title company. This company is authorized to collect and disburse all funds, prepare the necessary documents, and perform any duties required after closing, like recording documents with the county.

"Good Funds" - Before any transaction can close, all the terms of the purchase contract must be met. At the closing, the Buyer is required to provide the funds that will be put down as a 'down payment' on the property. In exchange, the Seller provides the deed to the property. Colorado law requires that title companies receive "good funds" at closing, which means that these funds must be in the form of cashier's check or wired funds.

Closing Costs: Closing costs are those costs associated with the cost of borrowing the money to pay for the house or closing the transaction. Examples of these costs include: Loan Origination Fees; Appraisal Fees; Document Preparation Fees; Pre-paid mortgage interest; Pre-paid Property Taxes; Water and sewer adjustments; Real Estate Closing fees; Recording Fees; Lenders Title Insurance policy fees; and any other costs outlined in the real estate contract. You should go over these fees in advance of closing, so that you are prepared for closing.

Scheduling: Closings are typically scheduled at a convenient time for all parties. If a party to the contract will not be present, a 'mail-out' closing can be conducted. In this case, the title company will mail the closing documents to the absent party. If the Buyer is not present to sign at all, a 'Power of Attorney' can be created to allow for a co-buyer to sign for the absent party. These arrangements should be made well in advance of the closing date.

15 Possession

Congratulations! You can now take possession of the property you have purchased! This typically occurs anywhere from immediately to 72 hours after closing.



HELPFUL TIPS

- Be sure to change your locks, as you don't know if any extra keys exist that are out of your control.
- Locate your mail box location and ask the Seller which days trash and recycling are collected.
- Transfer utilities into your name.
- Become familiar with any homeowner's rules or regulations that apply to the property.

THE BUYING PROCESS

A Step-by-Step Guide to Buying a Home

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THE BUYING PROCESS

A Step-by-Step Guide to Buying a Home

Whether you are buying your first home or next home, do you want to feel confident purchasing your next home? Is getting the best value for your money important? Or is finding the perfect house for you and your family in your favorite neighborhood most important? You'll feel confident about your home purchase journey when you understand how the process works. Here are the most important 13 steps involved in purchasing a home:

1 Choose a Buyer's Agent

The Realtors at Veritas Real Estate are full service agents, not discount brokers. You need and will appreciate a full time professional who works solely on your behalf, providing a full spectrum of services and expert guidance.

Your Buyer's Agent will fully represent your interests, provide detailed information about the property, help you evaluate the property's strengths and weaknesses, and negotiate the best price and terms for you.

Fees – Buyer's agent fees are paid by the Seller or the new home builder. So, there is no out-of-pocket expenses to hire your own professional Realtor! In order to prevent multiple brokers working for the same client, and to satisfy Colorado Real Estate Commission regulations, you will be required to sign an agreement stating that he or she is acting as your real estate agent.



2 Discuss Your Priorities

It's important to distinguish between what you 'must have' (needs) in your next house and items you can live without (wants). We ask you to think about your wants and needs and make a list of those items, and most importantly, communicate your desires to your Buyer's Agent before you start searching for a home.

Here are some of the items you may want to consider:

- *Location:* specific neighborhood, proximity to work, family, shopping?
- *Education:* School District or distance to a particular school
- *Type of home:* Single family home, townhome or condo?
- *Size:* Number of bedrooms and bathrooms, and square footage
- *Architectural Style:* historic, modern, or traditional?
- *Condition:* Turn Key condition or fixer upper?
- *Specialized spaces:* media rooms, workshops, exercise rooms?
- *Neighborhood amenities:* Pools, walkability, parks, trails, open space?

HELPFUL TIP

Let your agent know when you have time to see particular houses, and how you prefer to communicate (email, phone, or text message). Most importantly, you should communicate your time frame to find your next home.

3 Obtain a Mortgage Pre-Approval

More than ever, it is vitally important to make a good financial decision when purchasing your next home. It is imperative you consult with a reputable, experienced mortgage broker or mortgage banker at the start of the home buying process to ensure you are buying an appropriate house that meets your financial needs and goals. Your Veritas Buyer's Agent can recommend several trusted lenders that they have worked with in the past, each with a proven track record. Once pre-approved, you, and more importantly the seller, can feel confident in your ability to complete the purchase transaction.

HELPFUL TIP

In order to get pre-approved, you'll need to provide the following documents to the mortgage lender: 1) Social Security Number, so a credit report can be compiled. In some cases you will also need: 2) tax returns 3) bank statements, and 4) any information verifying your current assets.

4 Finding Your Next Home

Searching for your next home is a collaborative effort between you and your Buyer's Agent. Your agent will start the search using their extensive knowledge of the real estate market, and together you will set appointments to see homes that meet the criteria you developed at the start of your search.

In today's market place, real estate listings are freely available online, so if you find a property on your own (For Sale By Owner, or New home builder) be sure to contact your Buyer's Agent so you can view the home directly. Communicating your own search results to your Buyer's Agent makes the process more efficient and yields more productive results.

5 Contract Offer & Negotiation

Once you have found a property that you want purchase, several items need to be discussed with your Buyer's Agent prior to drafting the offer, including:

- What price to offer?
- What is the earnest money requirement?
- When you want to close?
- Are there other interested buyers that are also competing for the house?
- Negotiating strategies
- Timing of inspections, appraisals, and walkthrough.
- Items in the house that will need special attention.

Your Buyer's Agent will draft the offer according to your instructions and present the offer to the listing agent, and negotiate an counter-offers from the Seller.

6 Under Contract

Once the Buyers and Sellers have agreed on a price and terms, the property is considered to be "under contract." At this point, the real estate purchase contract will control the remainder of the transaction. It is your Buyer's Agent responsibility to keep track of the many details, legal requirements, and deadlines involved in purchase a property, and to communicate with you at each step of the contract.



7 Title

Once the property is under contract, a review of the seller's chain of title is important. Title insurance is purchased by the seller for the benefit of the buyer. Title insurance protects you, the buyer, from events that happened in the past, such as unpaid claims against the property in the form of a lien, right of the way, easement or encroachment dispute, or an heir's rights that may be unknown at the time of purchase.

A review of the sellers title must commence shortly after the property is under contract.

8 Home Inspection

A professional home inspection is crucial to the buying process. A home inspection gives you an impartial evaluation of the overall condition of the home and its systems, and will give you a detailed evaluation of the items that will need to be repaired or replaced. Veritas Real Estate works with several highly qualified home inspectors, and we would be happy to refer you to them.

It is important that you attend the inspection if possible so that you understand the workings of the home and any problems found at that time.

In Colorado, it is typical to have one or more of the following inspection conducted at the time of the general inspection:

- *Sewer Scope:* This test is conducted by inserting a camera into the sewer line to discover if there are any breaks, disconnects or blockages.
- *Radon Testing:* Radon is an odorless, colorless gas that exists in the soil. It has been associated with higher lung cancer rates. If found, it can be easily mitigated.
- *Roof Certification:* This inspection, performed by a professional roofer, provides an estimate of how long the roof will last before replacement is needed.

Once the inspection is performed, the Buyer has the option of submitting an Inspection Objection to the Sellers, which typically involves a request to repair or replace the damaged items in the home. Should the parties not come to agreement on a resolution, the contract terminates and the earnest money deposit is returned to the buyer.

HELPFUL TIP

You will want to know that you can afford to insure the property. If the insurance rate, quoted to you by your insurance professional, is unreasonable or too high, please contact your Veritas Real Estate Agent. As the Buyer, you have the option of terminating the contract if insurance cannot be afforded or obtained easily. This objection must be made prior to the 'Insurance Objection Deadline'.

9 Obtain Homeowner's Insurance

As the buyer, you must obtain homeowner's insurance before closing, as most lenders will require the structure to be insured at closing. Basic homeowner's insurance protects you from fire, theft, vandalism, liability, wind and water damage and loss of use. You may also choose to purchase optional coverage for things like flood, earthquake, etc.

HELPFUL TIP

Earnest Money Deposits: When your offer is accepted, the Buyer provides an earnest money deposit to confirm their commitment to purchase the property. Typically it is between 1%-5% of the purchase price and can be in the form of the personal check or cashier's check, depending on the Seller's desire. Earnest money deposits are held by the Listing Agent's Office or by the Title Company in their trust account. If the contract is terminated appropriately, the earnest money deposit is generally returned to the Buyer. Earnest money deposits are applied to your down payment at closing.