

Buyer's Guide

IT'S A GREAT DAY TO BUY REAL ESTATE



BUYING A HOME:

Step by Step

STEP 1

- Lender pre-approval
- Setup MLS search and preview homes
- Review and write offer, negotiate price, sign and send contract

STEP 2

- Home, termite, radon inspection
- Repair negotiations
- Order home warranty and survey (optional)

STEP 3

- Title search
- Appraisal ordered by lender
- Clear to close from lender

STEP 4

- Schedule utility transfer
- Schedule homeowners insurance
- Final amount needed for closing

STEP 5

- Make sure you have valid ID
- Final walk through
- Closing

Work with an agent you can always trust

For 20 years, Rich Realty Group has been a trusted real estate partner in Raleigh and the surrounding area. Our brokers have unparalleled local expertise and we make it a standard practice to provide our clients with exceptional service and care.

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STEP 1

DETERMINE HOW MUCH YOU CAN AFFORD:

Lenders typically recommend homes with a cost no more than three to five times your annual household income, with a 20% down payment and moderate amount of other debt.



GET PRE-QUALIFIED AND PRE-APPROVED:

Initially you'll provide some financial information to your lender, such as your income and amount of savings.

For pre-approval, your lender will need W-2 statements, pay stubs, bank account statements and to run a credit check.



PREVIEW HOMES AND WRITE OFFER

After touring homes in your price range, I'll assist you in writing an offer on the right home. We'll present a fair offer based on the value of comparable homes in the area. We may need to negotiate this offer with the sellers until accepted.



STEP 2

HOME INSPECTION

The immediate step after making an offer and having it accepted is to deliver the due diligence (DD) check, made to the seller, within 24 hours. Once delivered the agent will schedule all inspections needed in the due diligence time period: home, termite, radon, and septic (if necessary).



HOME WARRANTY

A home warranty can be purchased to cover repairs and replacements on systems and appliances in your home, usually for a period of a year. This may include coverage of your home's electrical, plumbing, heating, and air conditioning systems as well as other home appliances. A one year warranty typically costs about \$600.



DUE DILIGENCE REQUEST & AGREEMENT (DDRA)

This form will be used after the home inspection to make any repair requests to the seller; asking that items needing repair are corrected prior to closing. OR, in lieu of repair requests, we can negotiate a dollar amount to go towards closing costs or reducing the final purchase price.

STEP 3

APPRAISAL

An appraisal is a professional estimate of the value of a property. Your lender will typically hire an appraiser and charge you a fee for the service at the closing.

Although the primary goal is to justify the lender's investment, the appraisal can also protect you from overpaying.

TITLE SEARCH

Title is the right to own, possess, use, control and dispose of property. When purchasing a home, you are actually buying the seller's title to the home.

Before the closing, a title search will be conducted for any problems that might prevent you from a clear title to the home.

You will also want to determine how you wish to hold title to the property—especially if you're buying with a spouse, a partner, family member, or colleague.

CLEAR TO CLOSE FROM LENDER

After the lender approves your loan, you will get a commitment letter that stipulates the loan term and terms to the mortgage agreement.

This final commitment letter will include the annual percentage rate and the monthly costs to repay the loan. It will also include any loan conditions prior to closing.





STEP 4

SETTING UP UTILITIES

We will provide you with the contact information for utilities such as water, gas, electricity and internet providers for the home that will need to be placed in the Buyer's name starting the day after closing. We recommend scheduling this at least a week prior to closing.

HOMEOWNERS INSURANCE

Lenders also require proof of insurance on a home before issuing a mortgage. Payments toward a homeowners insurance policy are usually included in the monthly payments of the mortgage.

FINAL AMOUNT FOR CLOSING

You won't know your final cost for closing until the final three days before settlement. You'll find the summary of costs on the closing statement and need to bring a certified or cashier's check for that amount made out to the closing attorney. Funds for closing can also be wired and not just made with a certified or cashier check.

Closing

The closing process finalizes the purchase of your home and makes everything official. Also known as settlement, the closing is when you receive the deed to your home.

Prior to closing, you should change all utilities into your name, and complete a final walk through to check for any outstanding items.

STEP 5

A FEW THINGS TO BRING TO CLOSING

- + A valid government issued photo ID
- + Cashier's check for the total amount due made out to the closing attorney
- + Outstanding documents for the title company or mortgage loan officer

WHAT TO EXPECT

The closing attorney will look over the purchase contract to: identify what payments are owed and by whom; prepare documents for the closing; conduct the closing; make sure taxes, title searches, real estate commissions and other closing costs are paid; ensure that the buyer's title is recorded; and ensure the seller receives any money due.

YOUR COST

Some of the most common fees include:

- + Closing attorney fees
- + Recording and notary fees, if applicable
- + Title search and title insurance
- + Origination, application and underwriting fees from lender
- + Appraisal fees
- + Local transfer taxes
- + Homeowners Insurance
- + Home Owners Association fees, if applicable

AFTER CLOSING

Most important: Congrats! Please enjoy your new home and never hesitate to reach out to RRG with any questions, contractor names, or just to check in.

Also: Make sure to keep copies of all closing documents safe for tax and insurance purposes.

Referrals and reviews are the best compliment we can receive. If you feel we provided you with Five Star customer service please let us know by leaving us a Google review and send any friends / family / neighbors / colleagues our way. And as you know, it's a great day to buy and sell real estate!



TIPS FOR

Mortgage Financing

Always check with your lender before doing any of the following prior to closing on your home:

MAKING A BIG PURCHASE:

Avoid making major purchases, like buying a new car or furniture, until after you close on the home. Big purchases can change your debt-to-income ratio that the lender used to approve your home loan and could throw the approval into jeopardy.

OPENING NEW CREDIT:

Do not open any new credit cards or get a loan without speaking to your lender first.

MISSING ANY PAYMENTS:

Pay your bills on time to keep your credit score from dropping.

CASHING OUT:

Avoid any transfers of large sums of money between your bank accounts or making any undocumented deposits - both of which could send "red flags" to your lender.

KEEP THE SAME JOB:

Be kind to your boss and keep your job. Don't begin looking for new work right now, unless it's a second job to make extra money.

TIPS FOR

Choosing a Real Estate Attorney

WHY?

In North Carolina, a real estate attorney is required to transfer the title of real estate, otherwise known as "closing". An attorney who practices real estate law will provide the buyer with experienced insight and expertise, giving them peace of mind during the closing process. If you have a real estate attorney you prefer, we can work with them and otherwise we highly recommend City of Oaks Law, PLLC.

A real estate closing attorney will provide the following:

DOCUMENT REVIEW

The Buyer's attorney will perform a full title search on the property to ensure all liens, including any current loans, past uncanceled deeds of trust, tax and/or judgment liens from seller are identified and satisfied upon closing. The closing attorney will also order Title Insurance that protects your deed from any past or present claims and will provide you and your lender when applicable with the necessary Title Commitment needed to close. Oftentimes, the seller will hire a separate attorney to prepare the deed and lien waiver, in which case your closing attorney will review these documents on your behalf.

CLOSING FIGURES REVIEW

Verifies closing figures from the contract, any amendments provided, the buyer's lender and Seller's attorney.

Obtains the most recent tax information and tax assessment for the property and provides a proration for both the Buyer and Seller through the closing date in order to prepare final closing figures.

In the event the property belongs to an HOA or Homeowner's Association, the closing attorney obtains the necessary transfer documents, Seller's prorated payoff and any fees including capitol assessments associated with transferring an HOA from Seller to Buyer.

LEGAL ADVICE

Provides legal advice for any issues that may arise post contract and/or with the survey.

Remains available through the closing process and attends the closing to review all documents presented to the Buyer. Lastly, the closing attorney can help with establishing an LLC or holding company (common for investment property) and/or with a 1031 Tax-Free Exchange when applicable. They can also provide advice for how the property will be transferred in the event of death and update or provide you with a Will & Testament if desired

Client Endorsements



KELLY C.



Hands down, Rich Realty Group was the BEST decision I made! I'm a difficult client and my townhouse wasn't easy to sell. My agent was patient and he listened. He instinctively knew what to emphasize about my property to get the best results. He's an excellent agent, had forward-thinking marketing ideas, and great contacts to put the package together. When it came to negotiating Rich Realty Group balanced my needs with the buyers' expectations. Five-Star service!

BLAIR AND JON S.



We have worked with the team at Rich Realty for the past nine years to both buy and sell our home. They are truly a pleasure to work with and take the stress out of both the buying and selling process. Their knowledge, guidance, and attention to detail is unmatched in this highly-competitive market. They have gone above and beyond and we can't say enough great things about them—we highly recommend them!

ELISABETH M.



Rich Realty Group is a fantastic agency! We very much enjoyed working with them] From the first phone call all the way to the closing table (and after!), we had an awesome home buying experience with this group. As first time home buyers, we had many questions and needed plenty of guidance. They are incredibly knowledgeable about the Triangle area market and were able to provide answers and great advice every step of the way. The flexibility, expertise, and quick responses to our myriad of questions made the process so easy on us! They went above and beyond to help us buy the house we fell in love with. I HIGHLY recommend them to anyone in the area looking to buy or sell their home!

MATT R.



Great agency. They know the Raleigh market like the back of their hand. They were always available to answer questions, offer sage advice and line everything up that needed to be done. The house was under contract in a week. I'll definitely use Rich Realty Group again and would highly recommend them to anyone.

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