



My Buyers Frequently Asked Questions

I am honored and excited to have been chosen by you to represent you regarding this major event in your life. Below are some of the more frequently asked questions by my buyers; of course, you will have more!

I am here for you, so please feel free to contact me at any time.

DOES LEE ERNST GROUP REALTOR(S) REPRESENT ME OR THE SELLER?

In our state we have Buyer Agency, which means that I represent you, not the seller, when purchasing the home. There can be times that I become what is known as a Dual Agent. This is when my buyer is looking at a home that I happen to have listed. In this case, I cannot work directly for either party; rather, I become a neutral party. I cannot tell you what the seller would take for the house nor tell my seller what my buyer would be willing to pay. However, I can still educate the buyer through comparable sales where the pricing for the house was decided on, etc. Should this situation arise, I will go further into what I can and cannot do as a Dual Agent.

WHAT IF I AM LOOKING AT RESALE HOMES AND NEW CONSTRUCTION?

In our marketplace, the builders welcome realtors to accompany their clients looking at resale homes and new construction. It is often better to have your realtor accompany you on the first visit, or at least bring the realtor's card to give them, and let them know that, should you decide to purchase, you plan to have buyer's representation through your Realtor. Be careful. Most builders want you to sign a registration card. Often, this can prevent the realtor from assisting you, should you purchase the home. Tell the builder representative that you want to make sure you can work with your Realtor when signing the registration. The builder may tell you not to sign it, but you will still be able to go through the model homes.

WHY SHOULD I HAVE A REALTOR REPRESENT ME BUYING NEW CONSTRUCTION?

You must remember that the sales representative for the builder works in the BUILDER'S best interests, NOT yours! You would not have any representation. The on-site salesperson's job is to sell not only the home but also the upgrades that go in the home. I am there to help you pick and choose what is necessary to the resale of a home or what can be added on at a lesser cost than what the builder would charge. We often know the reputations of builders and can help you with the comparison of them. Too many major details can be left out that would affect you as a buyer. The compensation for the Realtors fees are already "built-in" the new home product. If no Realtor is involved in the transaction, the money is allocated for a marketing fee or received by the builder's salesperson. Having a realtor represent you also means that you have a reliable resource for any questions and problems that arise during the building process.

CAN I GO THROUGH THE HOUSE ONCE I HAVE AN ACCEPTED CONTRACT?

Typically, after a contract acceptance, the purchaser would go back through the house for the home inspection and the final walk through just prior to closing. If you need measurements, it is a good idea to do this at the time of the home inspection. The seller is not obligated to allow you access to the home other than the two times stated. Should you have a special need we will try to make arrangements with the seller to allow you access.



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WHAT UP FRONT COST WILL I HAVE WHEN I GO UNDER CONTRACT?

Be prepared to pay for your appraisal and credit check at loan application. Any inspections that you have on the home will be paid to the inspector upon completion of the inspection. Fire/hazard insurance will also be required to be paid prior to settlement with a copy of the paid receipt supplied to the lender prior to settlement. It is the purchaser's responsibility to purchase this insurance and provide it to the lender. This would apply to a purchase of a single-family residence. If a town home was purchased, the insurance is typically included in the association fee. You will also have earnest money that will be given at the time of contract acceptance that will be applied towards your down payment total at closing.

WHEN DO I APPLY FOR MY LOAN?

If you have not done so already, you will want to make a formal application as soon as possible and lock in your rate. Typically, the contract allows you 30 days for an unconditional mortgage approval; the lender can take a while to process the loan so if you delay for a few weeks in applying for the loan, you will not meet the closing date stated on your contract! If possible, it is always best to go ahead and start your formal application process while you are looking; the lender can give you a full mortgage approval subject to the appraisal of the property you purchase. This is a benefit to you, because you will be a much stronger buyer to the seller, and this can often be the edge of getting a home (if we were to have multiple buyers bidding on the home)!

WHAT IS EARNEST MONEY?

Earnest money is the amount of money you put down to show you are serious about purchasing a home. It is like a good faith deposit, and it shows the seller that you're invested and serious. Earnest money is not always a requirement but is usually seen in a competitive real estate market.

WHAT HAPPENS TO MY EARNEST MONEY DEPOSIT?

Your earnest money check is deposited into an escrow account on the following business day after the listing company receives it. If you need to transfer funds to the account that the check was written on, then it's important to do so immediately. The earnest money is applied towards your down payment at the time of closing.

WHAT HAPPENS AT THE HOME INSPECTION?

This is your inspection. It is in your best interest to attend the inspection. In addition to doing a thorough inspection of the home, most home inspectors will explain the home's major systems and components to you as you go through. The home inspection will last for 1-3 hours depending on the size and complexity of the home. Most inspectors will provide you with a written report and go over any deficiencies found with you upon completion of the inspection. I am there to help guide you with any questions you may have regarding the results. After you have taken the time to look over the report, you will let your attorney know which items you are requesting the seller to repair. Remember, however, that the contract does state that routine maintenance items are not a requirement to be fixed. Only items that effect the habitability of living in the home, such as electric, furnace, air, plumbing etc. may be requested. You will have 5 business days after contract acceptance to have a home inspection done.



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WHAT IS THE ATTORNEYS REVIEW PERIOD MEAN?

The attorney review period occurs within 5 business days of the binding agreement date on the contract. Both the seller and the buyer's attorney will review the contract and negotiate changes they feel necessary. As you can see, both the attorney's review time and the home inspection time frame both coincide with each other. Typically, if a deal is to fall apart, it will happen within this time frame. The attorney will be the one to also go over all your documents as you sign them at closing. They will also make sure the survey is correct and you are given credit for the correct amount regarding the real estate tax prorations.

WHEN DO I CHANGE THE UTILITIES INTO MY NAME?

Both the seller and the purchaser should contact the utility companies prior to closing to arrange for transfer of service as of the day of closing. You can do this anytime from a week to 10 days prior to closing.

WHAT IS FINAL WALK THROUGH ON THE PROPERTY?

As the purchaser, you are entitled to a final inspection of the property up to three days prior to closing. The best time frame is to do it as close to the closing day as possible, even up to an hour or two before closing. The best way to see the home would be for it to be vacant, but unfortunately that is not always possible. The walk through is to check that the home is in the same condition as when you went under contract. We are also looking to see that any items the seller had agreed to repair has been completed and/or a receipt must be given to you, if it is not something easily seen by eye.

WHEN AND WHERE DOES THE CLOSING OCCUR?

The seller's attorney designates the closing place. It will either be at a title company or the attorney's office. The time of closing is decided between the two attorneys. If you have a limited time frame you need it to be in, please let your attorney know as soon as possible. Whoever is signing on the loan must attend the closing unless a power of attorney has been arranged prior to closing. Keep in mind that a closing can take anywhere from an hour to two hours. As your realtor, I try to attend all my closings, if possible!

WHAT DO I NEED TO BRING TO CLOSING?

Ideally, a day before closing your attorney will call you with the amount you need to bring to closing. This is comprised of your down payment and closing costs. You will need to bring a cashier's check made payable to yourself. You will sign it over to the title company when you are there. Should your check be over the amount required, they would issue you a check at closing for the difference. I need to point out that it can be frustrating getting the amount you need to bring to closing. There are many middlemen involved and your attorney gets the figure from the title company, and they can often be behind, because of so many closings. So do not worry if you don't hear from them until a few hours before closing the amount. If it is the case, we will figure out an approximate amount on the higher side for you to get your cashier's check. Remember, you will receive the difference in amounts back at closing. You will also need to have a photo ID and a copy of your homeowner's insurance policy, if you purchased a single-family home. Even though you will have given your paid receipt for your insurance policy to your lender ahead of time, please bring the paid receipt with you, as well; it almost always gets asked for.