

Your Offer Was Accepted!!! Now What? Part I

Written by: Harry Gribnitz

The offer you made to purchase your new home has been accepted by the seller, what is the next step?

- 1. Contact Your Home Loan Specialist. Since you were pre-approved for your mortgage, you were able to write an offer with confidence. (If you were not pre-approved, it is critical that you meet with your Home Loan Specialist!). Whether you were guided by a Real Estate professional or negotiated on your own, the purchase agreement must be in writing and signed by all the involved parties. It is important to send a copy to your Home Loan Specialist to review. Even though you were pre-approved, it is important to discuss the details of the purchase agreement. Often it is best to meet with your HLS to review the financing options for the particular purchase agreement that you wrote. Once you have the purchase agreement in place, this is your opportunity to "lock" the best available current interest rate.*
- 2. Home Inspection. You and your Real Estate Agent will arrange for a Home Inspection. A home inspection is normally done within a few days of the signing of the purchase agreement. While a home inspection is not required, it is highly recommended!!! A professional licensed home inspector will complete a thorough inspection of the property and issue a written report for your review. Often you will find it useful to accompany the inspector on his inspection of your new home. Normally, your purchase offer is contingent on your home inspection. If inspections are not satisfactory, you have an opportunity to cancel the transaction or negotiate with the seller to complete repairs. Time is of the essence! Purchase agreements allow you only a defined time period (often 7-10 days) to complete and accept or reject the inspection.*
- 3. Title Insurance. While you are completing the home inspection, your HLS, in cooperation with your Realtor, orders the Title Search through a Title Insurance Company. The Title Company conducts a Title Search and prepares a Commitment to issue Title Insurance. The Title Commitment includes the current owners of the property, liens on the property (such as mortgages), Legal Description, Permanent Parcel number and Real Estate Tax information.*
- 4. Appraisal. After your inspections are complete and acceptable, your HLS will order an appraisal. An appraisal normally costs about \$300 and is a requirement for almost all mortgages. The appraiser compares your new home with other similar properties that have been sold recently to determine the fair market value.*
- 5. Survey. If required by your purchase agreement, the Title Commitment or the Lender, the HLS or Realtor will order a survey (or review an existing survey).*

WestMichiganMortgageHelp.com

Your Offer Was Accepted!!! Now What? Part II

6. Home Owner's Insurance. While the purchase process is being completed, it is time to shop for Home Owner's Insurance. You might also hear this referred to as Hazard Insurance. Once you have identified the Insurance agent you plan to use, contact your HLS. We will work with your insurance agent to coordinate information.

7. Final approval and "Clear to Close". With all the mortgage and property requirements completed, it is time to schedule the closing!

8. Preparation for the Closing. You and your Realtor will conduct a final walk through of the property. This is your opportunity to verify repairs have been completed. You can also verify that any items to be left at the property (per your Purchase agreement) are in your home.

9. Transfer Utilities into Your Name. Often this is discussed at the closing, but if you are to receive "possession at close", you will want to have these items handled in advance.

10. Certified funds for the closing. The Title Company will calculate the exact amount of funds required to close. Your HLS will contact you with the exact number a day or two before the closing. It should be very similar to the estimate prepared during the mortgage process (The Good Faith Estimate). You will need to bring a Cashiers Check made out to the Title Company for the exact amount of funds required.

11. THE CELEBRATION. (Some lenders refer to this as the closing.) The celebration usually takes 30-60 minutes. Please remember to bring your driver's license for identification, your funds to close and the paid receipt for your Home Owner's Insurance. The closer from the Title Company will present the mortgage and title documents for signature. Your Home Loan Specialist and Realtor will be present to answer any questions. The closer will distribute funds based on your purchase agreement and Michigan practice. Congratulations!!!! You are West Michigan's newest homeowner!!!!