



# Buyer's Guide

## Affordability

Qualifying your creditworthiness will be the first step in getting your pre-approval. Here are some of the documents our lender will need to review as well as some of the factors they'll consider—

### REQUIRED DOCUMENTS

- Tax returns for the last two years
- Pay stubs and W2 forms
- Any other income-relevant documents
- Credit report

### DETERMINING FACTORS

- Debt ratio - total gross monthly income / total monthly debt obligation
  - Sweet spot is 40%
- Credit scores - payment history and debt utilization
- Available cash savings
- Down payment - loan to value ratio

## Preferred Lender

### Dan Woodard, Corporate Investors Mortgage Group

[dwoodard@cimginc.com](mailto:dwoodard@cimginc.com)

Office: (919) 676-1111

Mobile: (919) 656-4205

## Searching For Your Home

Inventory is managed by the *Triangle Multiple Listing Service* and its Realtor members exclusively. Skip straight to the source with direct access to the full live database through Grist Realty by downloading our HomeSpotter app from your app store. Filter your search by any criteria, use the map, see HOA information and calculate your mortgage payment. You can share your favorite properties with us by chat for more info or questions, it works via text, and it's addicting.

## Search for HomeSpotter on your app store

**Saved Search.** Another way we like to stay ahead of the market is by creating a saved search with daily notification emails. Every morning at 9am any new listings that meet your criteria will be sent to you by email. This way we are the first to know about them and can get ahead of other eager buyers. Click below to submit your search criteria so we can start your emails.

# Offer and Contract

You've searched, toured and made your decision— let's make an offer! There are many moving parts to any offer, they're all different and it's not all about the price. If you are selling a home first we'll need to line up the transaction timelines. If you are currently renting we'll need to consider your lease-end options. Deposit, Due Diligence Period, expense credit, appliances, these are all factors we'll need to balance.

## **TYPICAL OFFER TERMS**

- Price
- Deposit (1-5% is customary and negotiable)
  - Split between a Due Diligence Fee and Earnest Money Deposit
- Due Diligence Period
  - Time to complete home inspections, appraisal and discover any other potential “deal breaker” conditions
- Closing Attorney
  - Will handle all monies and prepare the deed and loan documents to sign at closing
- Home Warranty Credit from Seller
  - 1 Yr coverage costs aprx \$600
- Buyer Expense Credit from Seller
  - Buyer expenses can range from \$2,500 to \$10,000
- Appliance/Personal Property Conveyance
  - Refrigerators, washer, dryers and free-standing microwaves are NOT included on a standard contract but we can ask for them
- Additional Provisions (Repairs)
  - Occasionally there are obvious conditions that need attention even before performing an inspection
- Occupancy Concessions (Buyer to Move In Prior to Closing / Seller to Remain After Closing)
  - Usually only available under extreme circumstances— insurance liability is a factor
- Lender Pre-approval Letter
- Closing Date

# Due Diligence

Now that you're under contract you'll want to put the property through the wringer. Your contract's Due Diligence Period is the time to perform all of your investigations that might lead to deal-breaking discoveries such as home inspections items and appraisal shortages. We work with the best inspectors and have contractors on stand-by to help with repair quotes as needed.

## **BUYER RESOURCES**

- Home Inspection
  - Home - major systems check and safety hazards
  - Structural engineering
  - Termite / wood destroying insects
  - Radon gas
  - Water quality
  - Septic systems
  - Air quality
- Appraisal
  - Your lender will order the appraisal and will be on stand-by to answer any questions related to pricing and comparable sales.
- Survey
  - An engineer will survey the property to mark the boundaries, check for encroachments, easements and other conditions, and will prepare a digram with his findings and measurements.
- Crime and Sex Offender Reports
  - County maps are usually available online
- Property Visits
  - Spending more time at the property looking for undesirable conditions like noises, traffic, messy neighbors, etc.
  - Showing the property to your friends and family for additional input
- Disclosures
  - Seller's disclosures
  - Airports
  - Construction plans
    - Commercial & Residential
    - Highways and Roads

# Confidentiality and Security

Once we begin communicating with the seller's agent about your offer our role as your buyer agent will begin to shift from *Consultant* to *Negotiator*, and finally *Project Coordinator* committed only to your best interests. You can take comfort in the knowledge that any time we engage the seller or listing agent that we are bound to protect your confidential information, motivations, and goals. It's also important to know that we do not work on a good faith basis, we get agreements in writing.

**Please review the Working With Real Estate Agents brochure before sharing any confidential information with our office.**

## SECURITY MEASURES

- Showing Safety
  - Attempt to meet at public location for initial meeting if new relationship
  - Always schedule showings for daylight hours if possible
  - Agent will share location with office prior to tour if area is unfamiliar
  - Agent will maintain control of keys during tour
- Confidential Information (Loan Payoffs, Socials, Tax Info Etc) Security
  - Emails between lender and attorney containing confidential info to be sent securely
  - Double-verification for wire instructions
- Contract Price Not Disclosed to Public Until After Sale
- Personal Information Not Disclosed to Public or Common Friends

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