

SYNERGY

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HOMEBUYERS GUIDE

Everything you need to know before you buy a home

As you begin your journey toward homeownership, we want to provide you with a summary of the buying process and what you should expect after you have been pre-approved. The information below is simply information and each purchase should be looked at individually. We want you to be well versed in real estate terminology and encourage you to ask questions as they arise.

We are here to help guide you through this process so that you are confident and can make the best decisions for you and your family (if applicable).

Pre-approval Letter

Our team will connect you with the best loan officer(s) for your situation to obtain a pre-approval letter. We value our relationships with lenders who offer exemplary service and have impeccable communication. A pre-approval letter is necessary prior to scheduling a property tour with one of our agents and is required to accompany an offer.

Writing a Contract/Offer Period

Once we have located the perfect home for you, our agents will sit down and write an offer outlining all the details of the sale. Items you need to consider during that time would include:

- Earnest Money
- Due Diligence Money
- Closing Date
- Home Warranty
- Closing Costs

Earnest Money

Earnest money is a deposit (also known as “good faith” funds) that is held in escrow with the closing attorney of your choosing. Earnest money can be anywhere between 1% and 10% of the sales price. The Earnest Money Deposit is sent to the closing attorney to open your escrow and begin your title search. When you close on your new home, you will see the Earnest Money Deposit listed in your closing disclosure as a prepaid line item. This money helps reduce the expense of your closing costs. Earnest money is deposited with the escrow agent once the contract is accepted and signed by all parties. If you do not close on the house, and you are past the due diligence period, you will lose your earnest money (unless the seller is at default).

Due Diligence Money

Due diligence money is a non-refundable fee that is paid to the seller for an amount of time for you to gather inspections, obtain final approval on a loan, and complete your due diligence before purchasing the home. The due diligence money goes directly to the seller and is due at the time of an executed contract. The due diligence is credited back to you in the closing disclosure statement prepared by the closing attorney.

Home Warranty

A home warranty is a one-year warranty that protects the buyer if anything fails within the first year in the home (EX: Appliances, HVAC, Plumbing, etc.). There is a service call fee to the warranty company ranging between \$50-\$100 based on the plan. There are multiple warranty companies and types of warranties. Be sure to review the warranty packet before deciding on a specific warranty. We have a handful we can recommend that our past clients have enjoyed working with. You can ask the seller to pay for the warranty at closing. This will need to be noted in the offer to purchase.

Inspections

Inspections are very important when purchasing a new home. A home inspector will inspect the home for defects and possible safety hazards. The cost of an inspection is determined by the type of house, age, size, and materials. A typical home inspection ranges between \$300 and \$600. There are additional inspections that can be purchased such as a pool inspection, radon inspection, septic inspection, and many others. These will increase the cost of the inspection but are worth the expense if there is any concern you or your agent identify during the home visit.

- o A termite inspection is required for most loans.
- o A survey is also recommended; however, the added cost is entirely up to you, the buyer.



Closing Costs

Closing costs are costs associated with obtaining a loan and closing on a house. They are typically between 2% and 4% of the sales price depending on the type of loan you obtain and the lender you work with. You may ask the seller to help pay for your closing costs, and this calculation would be detailed in the offer.

Effective August 2024, buyers are now responsible for compensating their real estate professional. Each agent sets their own fee and although this fee can be covered by the seller of your new home, it is not guaranteed.

HOA Fees

Homeowner association fees are common in NC and SC. The fees are paid monthly, quarterly, or yearly, and are used to pay for community amenities, streetlights, signs, property maintenance, etc. Buyers should pay attention to HOA Fees when purchasing home so they can budget accordingly.

Utilities

Buyers should be sure to call the utility companies about a week before closing to make sure there are not any delays in turning on utilities.

Please note, the process for purchasing new construction is very different from what is mentioned above. If you're considering new construction, please discuss this with one of our seasoned Realtors for guidance.

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THANK YOU!

Please feel free to contact us further with any additional questions and a member of our team will be happy to assist.



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