



Buyer's Guide



THE SARMA GROUP

01

FIND AN AGENT

Connect with a licensed real estate agent who is knowledgeable about the neighborhoods you're considering and can help guide your search.



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GET PRE-QUALIFIED

Before beginning your search, your first step is to get pre-approved for a mortgage loan (unless you will be paying the full price of your home in cash). Your agent can connect you to a mortgage broker. Based on your income and credit history, the mortgage broker will determine how much a bank will lend you, which will help you determine the price range for your search.

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VISIT PROPERTIES

Now is the time to consider your ideal home's location and amenities. You will attend viewings and open houses spanning a range of areas and property types. Additionally, your agent will activate notifications for exclusive Coming Soon and Off-Market properties as they hit the market.

04

SPREADING THE WORD

Once you identify a home you like, you can put in an offer, which is an agreement to pay a certain price for the home. This offer is packaged with a Proof of Funds (POF) and Pre-Approval Letter. Note: if your offer is lower than the list price or with terms not acceptable to the seller, the seller will likely return with a counter-offer price or acceptable terms, which you can accept, reject, or make another counter-offer. Your agent will provide advice throughout.





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ESCROW PROCESS

Life of an Escrow: 30 & 45 day escrow period

Day 1

Once offer is accepted, escrow is officially open and the clock begins on contingencies*

Day 2

Contact your insurance agent for homeowners coverage

Day 3

Initial deposit is due per terms of agreement

Day 1-17

Seller delivers disclosures to buyer. Buyer performs inspections (Step 6)

Day 1-21

Loan is in underwriting and appraisal occurs (Step 7)

Day 7-30 / 21-25

Seller signs grant deed and staging is removed, if any (Step 7)

End of Escrow

Within final week of escrow period, buyer signs loan and closing documents and wires in closing funds (Step 10)

Day 30-45

Loan funds and escrow closes (recordation)

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HOME INSPECTIONS

Review Disclosures, Reports & Repairs

It is the buyer's duty to schedule all desired home inspections and determine the overall condition of the property within the agreed timeline and contractual contingencies. Buyer will also review the disclosures and preliminary title report. You may approve or negotiate credits/repairs. Prior to closing, remember to schedule a final walk-thru of the property to verify property is still in acceptable condition and any negotiated repairs were done.

07

LOAN, APPRAISAL & CLOSING

Organize an appraisal with your bank. Your completed mortgage application with all supporting documentation should be submitted to your chosen lender upon receipt of the fully signed Purchase Agreement. The bank then issues loan approval. Consequently, the buyer wires the closing funds with the homeowner's insurance in place, and then the loan will be funded with clearance to close.

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WELCOME HOME!

Congratulations! You are now a homeowner.

KEY TERMS

Appraisal

Assessment of the property's market value, for the purpose of obtaining a mortgage and performed by a licensed appraiser.

Assessed Value

Value placed upon property for property tax purposes by the Tax Collector.

Closing Costs

Expenses incidental to a sale of real estate, such as loan fees, appraisal fees, title insurance and escrow fees.

Closing Statement

The statement which lists the financial settlement between Buyer and Seller, and the costs each must pay

Contingency

Certain criteria that have to be met in order to finalize the sale.

Conventional Mortgage

A mortgage or Deed of Trust not obtained under a government insured program such as FHA or VA.

Credit

Money given to a buyer from a seller through escrow at closing.

Escrow

A neutral third party that handles the transfer of any money during the sale of a home from initial deposit to final funding and closing.

Earnest Money Deposit

Buyers in California usually deposit 3% of the purchase price to show that the buyer is serious about purchasing the home. It is usually refundable in the event a contingency in the sales contract cannot be met.

Fixed Rate Mortgage

A loan on which the interest rate and monthly payment do not change.

Home Warranty

A policy that covers certain repairs (e.g. plumbing/heating) of a newly purchased home for a period of time, typically one-year.

Preliminary Title Report

A report showing the condition of title before a sale or loan transaction. After completion of the transaction, a new title insurance policy will be issued.

Title Insurance

Insurance to protect the buyer and lender against losses arising from disputes over the ownership of a property.

Recording Fees

Money paid to the lender for recording a home sale with the local authorities, thereby making it part of the public records.

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