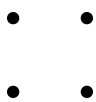


Buyer's



COMPASS

Guide



01

Contact Us!

Connect with The JLC Team to set up a time to meet so we can learn more about your timing and goals and help you with the following process!



02

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). We 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.

03

Visit Properties

Now is the time to consider your ideal home's location and amenities. We can set up a search for you based on your parameters and will begin to look at properties together. We will also activate notifications for exclusive Coming Soon and Off-Market properties as they hit the market.

04

Packaging and Submitting Offers

Once you identify a home you like, you can review the disclosures and 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. Of course, The JLC Team will advise you throughout the process.



05

Escrow Process

(Life of an Escrow: 21-30 day escrow period)

Day 1 Once offer is accepted, escrow is officially open and the clock begins on contingencies*

Day 2 Contact lender and your insurance agent for homeowners coverage

Day 3 Earnest Money Deposit (EMD) is due per terms of agreement

Day 1-7 Buyer performs inspections (Step 6)

Day 1-21 Loan is in underwriting and appraisal occurs (Step 7)

Day 7-30 | 21-30 Staging is removed, review of buyer's final numbers with lender and final walk through with JLC Team (Step 7)

End of Escrow Seller signs their side of paperwork and buyer signs loan, closing documents including deed and wires in closing funds (Step 10)

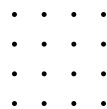
Day 30 Loan funds and escrow closes (recordation of deed)

*This escrow process is based on a standard 30 day transaction

06

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. You may approve or negotiate credits/repairs depending on the offer. Buyer will also review any documents (if condominium/co-op) and preliminary title report. Prior to closing, there will be a final walk-thru of the property to verify property is still in acceptable condition and any negotiated repairs were completed.



07

Loan, Appraisal, & Closing

Your completed mortgage application with all supporting documentation should be submitted to your chosen lender upon receipt of the fully ratified offer to purchase. The bank will then order an appraisal and eventually, a loan approval. The lender and escrow (or title) company work closely together. 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. Closing or settlement occurs! The deed is transferred.

08

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 or Title Company 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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