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The Home Buying Process Step-by-Step Guide

1. The Buyer signs an "Offer To Purchase" which is accompanied by an initial deposit (usually \$100), and the "Agency Disclosure" form.
2. The listing Realtor submits the offer to the Seller and negotiations commence.
3. The Seller signs the offer only when the terms and price are accepted.
4. The Buyer signs the "Purchase and Sale Agreement" which is accompanied by the full deposit (usually 5% of the sale price). The deposit is deposited in an Escrow account and held there until closing. The average time to closing ranges from 4-8 weeks. Usually contingencies include:
 - a. Mortgage commitment
 - b. Structural/Mechanical inspection
 - c. Termite inspection
5. The Seller signs the "Purchase and Sale Agreement" and copies are distributed to all concerned parties.
6. Unless Buyer is pre-approved (preferable), application for a mortgage is made by the Buyer at a lending institution, and the lender proceeds with the loan approval process. The lender will order a credit report and verify Buyer's employment and income. The lender will order an appraisal of the property.
7. Arrangements are made by the Buyer to complete structural/mechanical and termite inspections within ten days of the date of the Purchase and Sale Agreement. Using inspectors of your choice, we recommend that you be present at the inspections. Your agent will most often accompany you to these inspections. You will receive a written inspection report.
8. The lender approves the mortgage application, usually in 4 to 6 weeks, and mails the commitment letter to the Buyer. Upon receipt of the signed commitment letter from the Buyer, the lender forwards the necessary documentation to the closing attorney.
9. The closing attorney examines the title, orders the mortgage survey, and determines adjustments for real estate taxes, oil (if applicable), water, and sewer.
10. The Seller and Buyer contact the utility companies to arrange for the transfer of the services into the Buyer's name.
11. The Buyer arranges for hazard (homeowner's) insurance. Your insurance rep will fax binder info to your attorney.
12. The closing attorney informs the Buyer of the funds needed for closing. The Buyer should bring a bank or certified check, along with a paid receipt for hazard (homeowner's) insurance to the closing.
13. The closing is held in the Buyer's attorney's office or at the Registry of Deeds. Copies of all closing documents are given to the Buyer at or shortly after the closing.
14. The Buyer takes possession of the property immediately after the closing.

Throughout this process your Realtor will assist in coordinating events to insure that your home buying experience will be a pleasant one.

Relax, tackle one step at a time, and enjoy the process as we help you get ready for your new home!

(this is just an informal guide – some institutions may have a slightly different order to their loan process)