



Fidelity National Title

# Buyer's Guide

A Guide To Purchasing Your Dream Home

escrow process

title insurance

loan process

closing costs

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## How To Become A Buyer

Fidelity National Title

You are about to embark on one of the most important and exciting decisions in your lifetime, the selection and purchase of your home. It is a decision that will bring you years of comfort and joy. Yet, the idea of spending your free time evaluating homes and neighborhoods, figuring your down payment and monthly costs, applying for a loan, and finalizing the purchase can be an overwhelming process. For some buyers, the process is tedious and confusing. This is why consulting a professional realtor is a smart decision.

A licensed Real Estate Agent can help you find a house, efficiently and quickly. Discuss with your agent the type of home you believe will be right for your needs. Is your family growing? Do you entertain a lot? Garden? Barbecue? Work at home? Are you a chef? A wardrobe buff? Are you a fixer-upper or a total couch potato?

Your realtor's expertise and experience will be crucial in helping you find the right home of your dreams. He/she has access to the Multiple Listing Services (MLS), which provides information on virtually every home for sale in the market. This is a useful tool because it provides the most current comparative information available for more informed shopping.

In addition, your Realtor will show you homes that you can comfortably afford. He/ she will have the resources to help you understand how much a lender will let you borrow and on what basis it is calculated. Once you have calculated a price range, your Realtor will work with you to establish criteria that will lead you to the right home.

When you are ready to make an offer, your Realtor can assist you. He/she cannot suggest a lower price than what is listed, but he/she can tell you what comparable homes are selling for in the same neighborhood. Your realtor will act as the intermediary between you and the seller who is likely to also be represented by an agent. If there are negotiations over price, closing dates, contingencies, and items - such as appliances - to be left or taken, your Realtor will be your representative.

Once your offer is accepted, you will have a lot to do in a short period of time. Your Realtor will direct you to a lender, and inspection and insurance professionals and Fidelity National Title for your escrow and title needs. He/she will keep you on track and organized.

### **Shop Smarter...Not Harder**

Fine tune those dreams of your nest home by working on the answers to two questions:



### **Get Your Financing In Order**

You can get together with a lender to get your loan application completed and the financing process started. Be prepared to provide the lender with copies of any important and necessary information.

### **Making Decisions About Your Purchases**

Below are some of the items you'll need to consider and how the purchase process works:

#### **How Much Should You Offer to Pay?**

Should you offer to pay the seller's asking price or a lower one? Consider such factors as: How long has the house been on the market? Is its price reasonable? Your Realtor can show you comparable sales (comps) for similar properties in the neighborhood to help you. How competitive is the area's home buying market? If the seller is offering an assumable mortgage or financing, how much is it worth to you?

#### **Making Decisions About Your Purchase**

Once you have found the perfect house, your Realtor will take you through the purchasing process: Submit your offer to buy the house. The seller may accept your first offer, or you may go through one or several counter-offers before you and the seller agree on the terms of the sale. Once you both agree, you have a contract of sale which spells out the details and responsibilities of all parties involved in the transaction.

#### **What Conditions Do you want To Place On Buying The House?**

When you commit to buy the house through your offer, you may make that commitment contingent upon certain things happening, such as you securing financing for the home. In a similar vein, you may purchase contingent upon the sale of your present home by a certain time and under certain terms.

You will also want to make sure the house is in good shape. You may make the contract subject to your being satisfied with a building inspector's report and/or an inspection for termites. The purchase should also be subject to your being satisfied with your own inspection of the house just prior to closing.



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### **What Special Provisions Should Be Included?**

Most contracts for sale include some standard provisions, such as one for property taxes, insurance costs, utility bills, and special assessments to be prorated at closing between buyer and seller. Others outline particulars about what happens if the property is damaged before closing or if the seller or buyer fails to go through with the sale. You may want to add your own special provisions. For example, you may want a new home builder to provide you with home warranty insurance at no cost to you.

### **What Are you Buying?**

The contract should spell out everything that is part of the purchase that may not be clearly part of the real estate. Common items that could cause questions include appliances, light fixtures (such as chandelier in the dining room), shades, blinds, curtains and rods, screens and storm windows, shelving or cabinets, potted flowers, shrubs and trees, or perhaps a swing set that is cemented down.

### **What Happens To The Earnest Money?**

A "deposit" is made, in part, to show the seller your seriousness about buying. Your Realtor will inform you of the amount that is usually given in your area. The seller doesn't actually receive the earnest money. A third party, Fidelity National Title - holds the amount in a special trust - or escrow account until the sale is closed or the contract is broken.

If you go through with the sale, the money is applied to your down payment or other closing costs. If you fail to buy the house, the seller has the right to keep the earnest money. However, you can get your money back until the point at which you are notified that the seller has accepted your offer. And if the seller fails to fulfill his/her obligations, the money is yours.

