

Home Buying Costs

- 1) Home Inspection: Hire a licensed inspector to ensure no Mechanical/Structural/Health/Safety related issues. \$400 - \$1500 depending on the size of the house and the scope of the inspection.
- 2) (Optional) Owner's Title Insurance: Protects buyer(s) if someone claims ownership of the home.
- 3) Attorney Fee: The attorney represents buyer(s) in negotiations on a purchase and sale agreement; does title search; holds the closing, etc. \$500-\$2000 depending on the attorney and scope of work.
- 4) Recording Fee: Make the purchase public record. Deed (~\$150) & Mortgage Recording (~\$200).
- 5) Home Insurance: Usually one year of home insurance is paid upfront.
- 6) (Optional) Massachusetts Homestead Declaration: Protects homeowners for up to \$500,000 of the equity in their primary residence if a lawsuit is brought against them. \$100 - \$125
- 7) Prepaid Property Tax: Usually from the date of purchase to the end of quarter.
- 8) (Optional) Flood Insurance: Required if the new home is in a flood zone.
- 9) Closing/Escrow Fee: The attorney/title company ensures that the closing meets all state standards.
- 10) Seller Reimbursements: Reimburse the seller(s) for their prepaid taxes, heating oil, HOA, etc.
- 11) Miscellaneous: Tax Service Fee, Courier Fee, Wire Fee, etc.

Fees Associated with Financing/Mortgage

- 1) Credit Report: Lenders use credit score to determine the loan amount and rate. ~\$60 - \$100
- 2) Appraisal: Verify the home is worth the price buyer(s) are paying. ~\$300 - \$700
- 3) Loan Processing Fee: Also called loan origination fee. ~\$600 - \$1000
- 4) Lender's Title Insurance: A mandatory fee that protects the lender.
- 5) Underwriting Fee: Reviewing the mortgage application for approval. ~\$800
- 6) Pre-Paid Interest: Paid up to 30 days from the first mortgage payment.
- 7) Private Mortgage Insurance (PMI): Needed if down payment is less than 20%.
- 8) Lender's Attorney Fee: If the attorney represents both buyer(s) and the lender, the fee is lower.
- 9) Survey and Plot Plan: Make sure the property conforms to local zoning laws. ~\$150
- 10) Flood Certification Fee: Determines if the home is in a flood zone or not. ~\$20
- 11) Mortgage Points: Paid upfront to the lender for a reduced mortgage interest rate.
- 12) Establishing An Escrow Account: 3-5 months of property tax and (optional) home insurance.

Miscellaneous

- 1) Various Additional Inspections: Radon, Pest, Mold, Lead Paint, Asbestos, etc.
- 2) Moving Expenses: Planning ahead makes your move far less stressful!



Timeline and Closing Costs for Buyers



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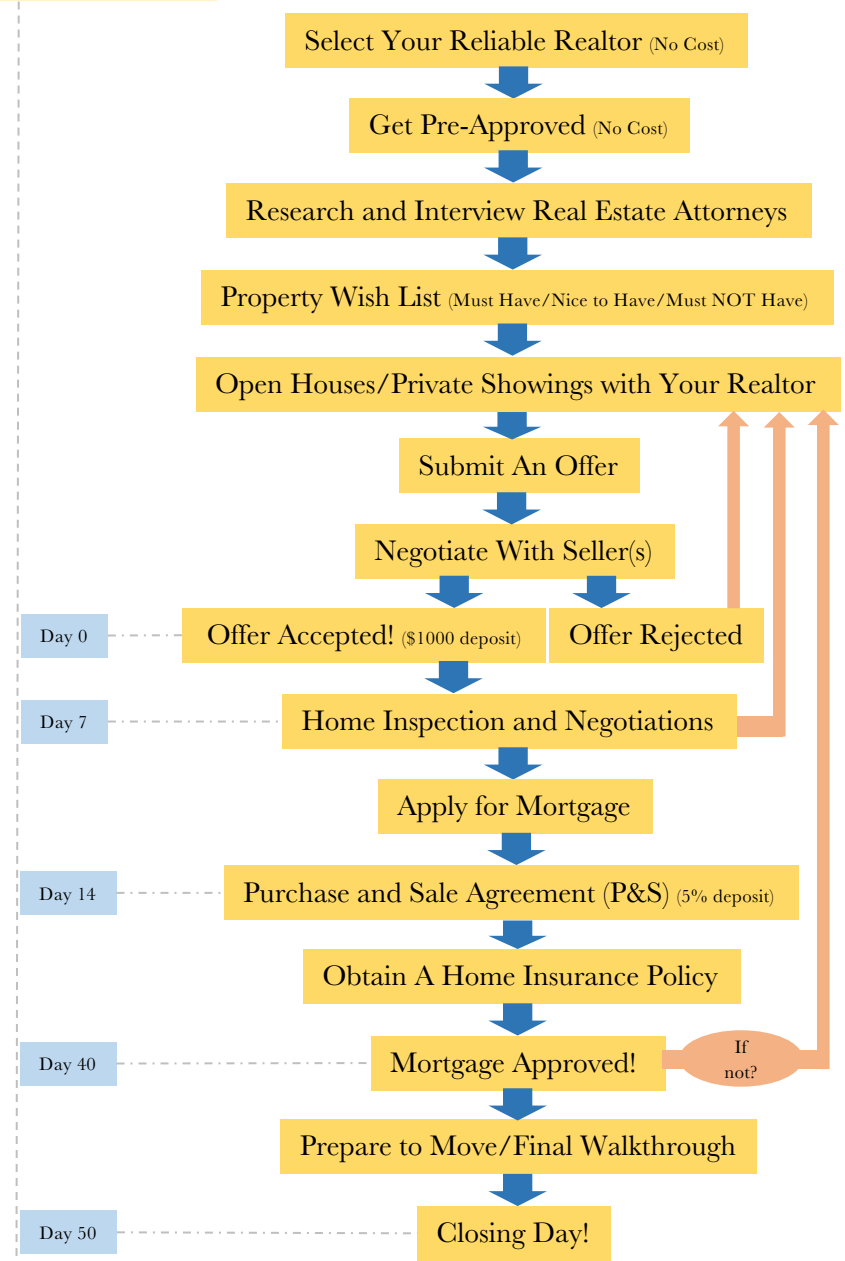
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Realtor's Responsibility

- Shang sets the buyer(s) up with his contacts at various lenders that he has worked with for several years, such as Leader Bank and Washington Trust, to get the buyer(s) pre-approved. These banks consistently offer the best rates and service possible.
- Shang recommends to buyer(s) attorneys with whom he has the highest regards in terms of diligence, thoroughness and responsiveness.
- Timeline/Town/Area introduction. Work with the buyer(s) on their property wish list.
- Keep buyer(s) updated with new, offline and coming soon listings.
 - Book & accompany buyer(s) to private showings and open houses.
 - After each showing, let's share and discuss our feedbacks:
 - Overall impression? How it compares to other homes?
 - Opinion of the price: Overpriced/Underpriced?
 - What do you like most/least about the home?
 - For buyer(s), do you see yourself living in this home?
 - What updates are needed to move in and make it buyer(s)' dream home?
 - Heating/Cooling Systems; b. Roof; c. Bathrooms & Kitchen; d. Windows; e. Floor; f. Cosmetic; g. Floorplan; h. New additions (e.g. rooms and garages).
 - For houses that truly appeal to the buyer(s), ask for utility bills in the past 12 months. Find out if anything is leased (e.g. solar) and needs to be transferred.
- Making a winning offer: Shang will plan a strategy to ensure the most advantageous terms and the lowest pricing for buyer(s).
- Shang goes through the following list before determining the offer price and terms, as well as when to submit the offer, with the buyer(s):
- How long has the home been listed? Has the price been reduced?
 - How much the home is worth: A Comparable Market Analysis (CMA) that shows recent list and sale prices for similar homes.
 - Market condition: Are we in a multiple offer situation? Shang tries to create it for his sellers but works hard to prevent it for his buyers.
 - Why are the seller(s) selling? What's included in the sale?
 - "Know your enemy and know yourself". Shang always has frank discussions with the listing agent on how to present the best offer. He also checks her/his sales record to learn her/his working style.
- Finalizing the following details of the offer: 1) Price; 2) Expiration date/time; 3) Closing Date; 4) Home Inspection Contingency; 5) Mortgage Contingency; 6) Down Payment 7) Sale of another property; 8) Other inspections; and 9) Seller concessions, etc.
- The offer package consists of: 1) MA licensee-Consumer Relationship Disclosure; 2) A pre-approval letter; 3) \$1000 good faith deposit check; 4) Lead-Paint Form for homes built before 1978; 5) Contract to purchase with contingencies (the offer letter); 6) (optional) A (love) letter to the seller(s); 7) Other forms required by the listing agent.
- Negotiating the offer: Shang is a great negotiator who tries to negotiate the best terms. In multiple offer situations, he has many tricks up his sleeve & creative ways to get his buyer(s)' offer to the top of the pile.
- Offer accepted! 1) Collecting the deposit check; 2) Providing buyer(s) with names of inspectors that Shang observed over the years to be thorough, honest and informative.
- Submitting to the listing agent the "request list after inspection". Shang, on behalf of the buyers, negotiates repairs/credits, which become a repair addendum to the P&S.
- Once the inspection period is finalized, 1) Sending the P&S to buyer(s) for (electronic) signatures; and 2) Collecting the P&S check (5% of purchase price).
- After P&S is executed, Shang keeps regular contact with the lender on the appraisal and mortgage approval.
 - Asking the listing agent for a list of service providers that the seller(s) use.
 - Shang has a full list of trusted professionals that he can wholeheartedly recommend to help make the moving process as smooth as possible, including movers, landscapers, cleaning services, general contractors, etc.
 - Going to the final walkthrough and closing with the buyer(s).
 - During the whole process, Shang can always be reached by phone/text and social media apps.
 - Buyer(s) likely will find that Shang becomes a good friend!

Approximate Timeline



Buyer's To-Do List

- Work with your lender to get pre-approved.
- Work with Shang on your wish list (or search criteria, no need to be too specific):
- What is my budget range? (Do not forget the jumbo loan reserve requirement.)
 - What is the ideal living area of the new home?
 - Number of bedrooms, bathrooms, rooms, and garages?
 - Townhouse/Condo or Single-Family Home?
 - Older home vs newer home? How old is acceptable?
 - Lot size and yard size? A Large yard means more work, but also privacy.
 - Flat yard? Length of driveway? Patio size? Pool?
 - House Style? Colonial/Split Entry/Ranch/Contemporary etc.
 - Condition: How much renovation am I willing to do?
 - Features: 1) Central AC; 2) Carpet? Hardwood? Tile?; 3) Finished basement; 4) Fireplace; 5) "In-law" apartment; 6) Tubs; 7) Dining Area; 8) Study; 9) Laundry; 10) First Floor Master Bedroom, etc.
 - Which town(s)? Is a great public school system a factor?
 - Location related (the most important consideration):
 - Are houses along a major road acceptable? (Noise and safety issues)
 - Is living in a nice/established neighborhood a must?
 - Close to a highway. Is highway noise acceptable?
 - Stay far away from high-tension electrical wires.
 - Public transportation; Highway access;
 - Community facilities: pool/tennis/baseball/golf, etc.
 - Special needs that must be met?
- Visit open houses/private showings with Shang and discuss with him your feelings and feedbacks. At the beginning, see homes in more price ranges to learn what the different price points get you.
- After finding "the" house, work with Shang on submitting an offer. All documents in the offer can be electronically signed (using DocuSign, etc.).
- Work with Shang on the offer negotiation with the listing agent. Hopefully, the offer is accepted after negotiations or bidding wars! If not, keep in mind that "The right home will come, it may just take time":-)
- Hire licensed home inspectors to do a hazardous inspection and optional inspections such as Lead Paint, Radon, Mold, Pest, etc. Based on the findings, you have 3 options: 1) Move forward with the purchase; 2) Negotiate with the sellers on repairs/credit; or 3) Withdraw (no penalties).
- If you decide to move forward (after negotiations), work with your lender to start the mortgage application. From this point on, please do NOT open up new credit cards or buy large ticket items like a car or a boat, to avoid surprises to your credit score!
- Work with your attorney and Shang on signing the purchase & sale agreement, which supersedes the original offer. P&S goes into much more details with regards to escrow, transfer of title, time of performance, mortgage contingencies, etc. and is designed to protect both parties. Notice that there may be a repair addendum to the P&S. Please do NOT share this addendum with your lender!
- Work with your lender on mortgage approval. In rare cases you are unable to obtain a commitment from the lender, you would be able to exercise the right to withdraw and will be refunded the full deposit.
 - Shop for a new home insurance policy.
 - Final Walkthrough (usually one day before closing).
 - Move/Open services (e.g. Internet, Gas)/Mail forwarding/Packing.
- At least 3 days before closing, the attorney will send you the closing disclosure, which lists all the itemized expenses, as well as the closing day checklist.
- Sign the closing documents at your attorney's office (~1 hour). Congratulations!

