



Heritage  
House

Sotheby's  
INTERNATIONAL REALTY

# A BUYER'S GUIDE TO HOMEOWNERSHIP



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# Welcome

*Welcome, and congratulations! You've just taken your first step towards buying a new home, no doubt something you have dreamed about for a very long time.*

*I know you are feeling a mixture of emotions right now: excitement, apprehension. It's only natural. So let me assure you that you couldn't be in better hands. Whether you are looking for a condo, a starter home, or a luxury villa, we believe that your home is your castle and we treat everyone the same. In fact, we guarantee we will exceed your expectations and provide you with the enthusiastic, energetic level of service you deserve. We welcome your call about any home on the market and look forward to answering all your questions.*

*On behalf of the entire Heritage House Sotheby's International Realty organization, we welcome you, and look forward to partnering with you now and for many more years to come.*

*Warmly,*



*Mary Burke*

*Mary Burke, CRB, CRS, GRI*

*President, Owner and Broker of Record*

# BEFORE YOUR SEARCH BEGINS

You are about to embark on an exciting journey that will lead you to a new home, one you may have dreamed about for a long time.

The search will start with you describing your ideal home to a Heritage House Sotheby's International Realty sales associate. The more specific you can be about style, location, and price the faster we'll locate the perfect home.

Before you begin, keep in mind that sellers want buyers who have been pre-approved by their lending institution for a mortgage.

Ask your lender or mortgage representative to conduct a confidential examination of your finances to determine the appropriate loan amount for which you qualify. Add in your down payment and you'll know the exact price of the home you can comfortably afford. Then your Heritage House Sotheby's International Realty sales associate can show you homes that meet your criteria and give you the best value for your money.

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# Pre Approval vs Pre Qualified

## SHOULD I GET PRE-APPROVED?

Yes, you should be pre-approved by a lender.

Pre-approved buyers are the most sought-after and have an edge when it comes to buying a home.

Pre-approval adds strength to any offer.

Why? Because the seller knows that a financial institution has agreed to lend you the necessary money to buy their home. In their eyes, you are a serious buyer, ready to purchase their home with funds virtually in your hand.

Heritage House Sotheby's International Realty works closely with local mortgage companies and will provide you with a list of referring Mortgage Service Providers. The mortgage company you select will work with you on pre-approval. Once you have made the decision to purchase a home and the contract is signed, the approval process, the application, moving beyond credit challenges, rates & fees, escrow, private mortgage insurance, and closing, are clearly explained by your mortgage representative and you will be advised closely.

## WHAT'S THE DIFFERENCE BETWEEN BEING PRE-APPROVED AND PRE-QUALIFIED?

Being pre-approved means you've actually been approved by a lender for a specific loan amount. When getting pre-approved, you provide documented financial information (pay stubs, statements, obligations, credit report, etc.) to be reviewed and verified by the lender. Unlike getting pre-qualified, where you do not provide any financial documentation.

## NOW YOUR JOURNEY BEGINS!



# Home Search Process

## THE SEARCH FOR YOUR NEW HOME

Once you are pre-approved, a Heritage House Sotheby's International Realty sales associate will begin discussing your real estate goals. You'll receive complete detailed information on homes that meet your specifications. You'll also have access to exclusive Heritage House Sotheby's International Realty listings as well as the Multiple Listing Service homes. We'll leave no stone unturned in the search to find your home.

Remember your Heritage House Sotheby's International Realty sales associate can show you any home in the area. Whether you see a home listed by another brokerage or pass by an Open House you'd like to attend, you should call your Heritage House Sotheby's International Realty sales associate. It's always advisable to arrange to see a home or Open House with your sales associate. After all, having a trained professional watching out for your welfare is invaluable. Your sales associate will arrange for showings and take you through the properties that appeal to you. It's important that you give your honest opinion of each home you are shown, so that your sales associate can refine the search.

When you've found a home and are ready to make an offer, your Heritage House Sotheby's International Realty sales associate will prepare and negotiate your offer. Once you have an accepted offer, your sales associate will work with your real estate attorney and help you through the process until closing.

# Before Signing a Contract

## WHAT TO KNOW BEFORE SIGNING THE PURCHASE CONTRACT

Before you sign your name on a contract to purchase a home, review this list to make certain that you are aware of the condition of the home you are about to buy.

- **Carefully review all forms that have been submitted by the seller, including lead paint and seller disclosures.**
- **Ensure that the contract accurately states what items, if any, are included or excluded in the sale.**
- **Be fully satisfied with the physical condition of the premises.**
- **Inquire as to any restrictions, conditions or easements affecting the premises.**
- **If there is a mortgage contingency clause in the contract, make certain that the exact details of the mortgage are spelled out and that the requirements of the lending institution are understood.**
- **Apply promptly for your mortgage.**

# After Signing a Contract

## ONCE CONTRACT IS SIGNED

**Attorney review** will begin when buyer and seller have a meeting of the minds and have each received a copy of a fully executed contract. All parties must have copies in hand for attorney review to take place. This can be extended past the contract provision of three days by agreement of the parties. After all parties agree on changes made during attorney review, the contract is in full force and binding upon all parties to the agreement, subject to any contingencies. Possible contingencies include loan approval, inspections, sale of another property, and delivery of pertinent documents. Specific time limits are set for each contingency in the contract.

Included in the offer to purchase is a contingency permitting a **physical inspection** of the property by a certified inspector at the buyer's expense. Should the property have any major system problems in need of repair, the buyer has the option of requesting in writing that the seller correct the problems. The seller may correct all, some or none of the problems. This is a negotiation process in which both attorneys are involved. Other **inspections** will include termite, radon, and lead paint, private well and septic, if applicable.

The **second deposit** is due after attorney review. An acceptable deposit is usually between 5% and 10% of the purchase price. The deposits will be kept in an attorney trust account and not turned over to the seller. This money is refundable if some condition of the contract is not satisfied. (Example: Financing is not approved). The deposits apply in full toward the purchase price at closing.

**Mortgage approval and commitment** - Once you've finalized the financing that best suits your needs, your lender will submit your pre-approval information for your mortgage, along with the contract to purchase the home, for approval by an underwriter. Your loan is processed, approved and funded according to dates agreed upon in the contract.

In order to ensure that the current owner has good title to the property being sold, an examination, or **title search**, is made of the public records of the county in which the property is situated. In addition to determining ownership, the search will uncover any liens, encumbrances, covenants, easements, right-of-way, and any similar recorded matters which may affect the property title.



**Title insurance** protects the purchaser and lender against loss from any undisclosed claim covered by the policy. Typically, the cost of the title insurance is paid by the purchaser.

Acres Land Title Agency, Inc is the preferred provider of title and settlement services for Heritage House Sotheby's International Realty. With 30+ years in the title insurance business, the peace of mind in knowing that the investment you've made in your home is a sound one is important. For additional information on Acres Land Title Agency, Inc services please ask your Heritage House Sotheby's International Realty sales associate.

Arrange with an insurance salesperson for homeowners **insurance**, naming the lending institution as first mortgagee.

Await notification from your attorney regarding the time and place of the closing. It is typically held at the offices of your attorney or the offices of the title company.

## The Closing Process

### **AFTER THE CLOSING DATE HAS BEEN SET**

In preparation for the closing be sure to take these actions.

- Notify your insurance sales person of the date of closing and obtain a copy of the insurance binder if required by your lender.
- Notify the utility companies to switch services over to you.
- Visit the [updater.com](http://updater.com) website to change all of your mailing information in one place and more.
- Arrange with your Heritage House Sotheby's International Realty sales associate to have a walkthrough of the premises prior to closing.



## WHAT HAPPENS AT CLOSING?

At the closing, the buyer, the seller, both attorneys, and your Heritage House Sotheby's International Realty sales associate handle the monetary transactions. Here's what to expect and what you will need to bring to the closing.

- Obtain a bank or certified check for the balance of the purchase price made payable to you for endorsement at the closing.
- Bring personal checks for any adjustments, bank charges and attorney's fees.
- While the purchaser is responsible for recording the warranty deed, the mortgage deed, the cost of the title search, an amortization schedule (if purchase money mortgage), these funds will normally be billed to you as a disbursement at the closing.
- Have all the parties who are taking title (named on the deed) present at the closing to sign the mortgage documents. You must each bring two forms of identification, one with a picture.
- In certain circumstances, money from the purchase of the home may be set aside in escrow to cover any contingencies in disputed matters.
- The keys are handed to you, the new homeowner.

# Congratulations!



# Checklist for Moving

## PLAN AHEAD

- Decide what to move and what not to move. Have a garage sale or donate items to charity.
- Transfer bank accounts.
- Obtain your children's school records for easier school transfer.
- Draw up a floor plan of where furniture will go in each room. This will help the movers and you.
- Record expenses incurred during house-hunting trips.
- Save your moving receipts; may be deducted from your taxes if the move is job-related.
- Provide address change to post office, credit card companies, subscriptions (several weeks' notice may be required), friends and relatives. Go on-line to [www.updater.com](http://www.updater.com) to quickly update your postal and billing addresses free in one place.
- Notify insurance company of new location for coverages: Homeowners, Life, Health, Fire and Auto.
- Get refunds from utility and phone services and arrange for service to start at new location.

## DON'T FORGET

- Cancel delivery services, water, gas, electric and garbage pickups.
- Ask about professional referrals, such as doctor, dentist, builder, accountant, landscaper.
- Transfer needed prescriptions, eyeglasses, X-rays.
- Obtain birth records, medical records, etc.
- Empty Freezer; defrost freezer and clean refrigerator. Place charcoal to dispel odors.
- Have appliances serviced for moving.
- Clean rugs and clothing before moving. Have them wrapped for moving.
- Check with moving counselor regarding insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method and time of expected payment.
- Plan for special needs for infants.

## ON MOVING DAY

- Carry enough cash or checks to cover cost of moving services and expenses.
- Carry jewelry and documents yourself or use registered mail.
- Plan for transportation of pets.
- Double-check closets, drawers and shelves to be sure they are empty.
- Leave all old keys and garage door openers needed by the new owner or tenant with your Realtor.
- Pack a basic necessities bag in case you arrive before the movers.

## AT YOUR NEW ADDRESS

- Check on service of telephone, gas or oil, electricity and water.
- Have new address recorded on driver's license.
- Register car with new address.

These items are for guidance purposes only. Each real estate transaction is unique in its own way and may or may not include all these items.

## YOUR AREA AT A GLANCE

Helpful links to websites with useful area information:

### SCHOOL INFORMATION

New Jersey State Department of Education | [www.nj.gov/nj/education](http://www.nj.gov/nj/education)

### FOR INFORMATION ON HOSPITALS, LIBRARIES, ARTS, ENTERTAINMENT, PARKS, RECREATION AND MORE

[www.visitmonmouth.com](http://www.visitmonmouth.com)

[www.middlesexcountynj.gov](http://www.middlesexcountynj.gov)

[www.oceancountytourism.com](http://www.oceancountytourism.com)

# Closing Costs

## **COSTS ASSOCIATED WITH BUYING A HOME**

### **PURCHASER RESPONSIBILITY:**

- Attorney Fee
- Title Search
- Title Insurance
- Processing and Recording of Deed and Mortgage
- Homeowners Policy for One Year
- Flood Insurance Search
- Engineering Inspection
- Termite Inspection
- Radon Inspection
- Septic Inspection
- Survey
- Buyer's Agent Commission per the Buyer's Agency Agreement

### **In addition to the above, banks may require the following:**

- Application Fee
- Mortgage "Point" – a point is 1% of the mortgage amount
- Attorney's Review Fee
- Interest from day of closing until end of the month = mortgage amount times interest rate, divided by 365 equals interest per day
- Real Estate Property Tax in escrow – 3-4 months' tax

### **SELLER'S RESPONSIBILITY:**

- Attorney's Fee
- Certificate of occupancy/Fire Inspection, if applicable
- Private Well Testing
- New Jersey Transfer Tax
- Non-resident Tax
- Cancellation of Mortgage
- Real Estate Commission
- Tax for homes over \$1,000,000 (Confirm with attorney)

The list is a general guideline; it may not be a complete list. Check with your attorney and/or lender for specifics

**Corporate Office**

23 West River Road  
Rumson, New Jersey 07760

**Holmdel**

38 Main Street  
Holmdel, New Jersey 07733

**Middletown**

1020 Highway 35  
Middletown, New Jersey 07748

**Rumson**

1 West River Road  
Rumson, New Jersey 07760



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[heritagehousesir.com](http://heritagehousesir.com)