

## Buyer Process

### 01 - Meet with Julie

Allow me the opportunity to unpack your needs, better understand your goals and begin to outline all of your options. We will discuss the size, budget, "feel," style and location of your future home and will explore potential needs such as schools, proximity to train, etc.

### 02 - Get Pre-Approved

Before beginning your search, your first step is to get pre-approved for a mortgage loan (unless you will be paying in cash for the full price of your home). I can connect you with several mortgage brokers to choose from. Based on your income and credit history, the mortgage broker will determine how much the bank is likely to lend you, which will help you determine the price range for your search.

### 03 - Visit Properties

I will join you at viewings and open houses spanning a range of areas

and property types. Now is the time to consider your ideal home's location and amenities. If you attend a public open house make sure to list me as your agent in order to allow for candid follow-up and also to keep off tons of unwanted email lists!

### 04 - Negotiate

Once you have seen a home you like, I will prepare an offer to purchase including any considerations such as all-cash offer or mortgage pre-approval, proposed inspections, contingencies, and close date. The seller will likely return with a counter-offer price which you can choose to accept, reject, or you can further adjust your offer. Julie will provide advice throughout to ensure a well negotiated deal in your favor. If all goes well, ideally this process results in an Accepted Offer ("AO").

### 05 - Due Diligence & Inspections

Time is of the essence and you will move quickly to secure an engineer's

inspection and any other desired and required inspections. During this period, the seller has only made a verbal, non-binding agreement to sell the property to the buyer. The faster this process happens, the sooner you can move towards a binding agreement.

### 06 - Sign Contract & Put Down Deposit

The seller's attorney will draft a contract of sale and deliver it, along with the seller's title insurance policy and copy of any existing survey, to your attorney. If any changes are requested, the seller must agree to these changes. Signed contracts are then returned to the seller's attorney with a contract deposit (typically 10%). Once the seller signs, their attorney acknowledges receipt of the deposit monies, and a copy is returned to you. You are finally under contract.

### 07 - Complete Loan Application

Your loan agent will schedule an appraisal of the property. Your completed mortgage loan application with all supporting documentation should be submitted to your chosen lender upon receipt of the fully signed contracts. The bank then works as quickly as possible to issue the clearance to close. If your deal includes a financing contingency, it is imperative that this is completed within the time frame allotted in the contract—typically 30 days.

### 08 - Transfer Utilities

Prior to closing, the utilities which may include electricity, natural gas, and propane should be transferred into your name. You will assume the billing as of the closing date. Other services to transfer include trash removal (private in Greenwich), internet, lawn care, irrigation, septic, and well service etc. and any cable/wifi services. The current homeowner will furnish a service providers list as a starting point (in Greenwich, the attorneys are responsible for transferring public water billing).

### 09 - Final Walkthrough

A final walk-through of the property is performed just prior to closing. The walk-through confirms that no damage has been done to the home since the time of the inspection and that the major systems and appliances are in working order, as specifically outlined in the contract.

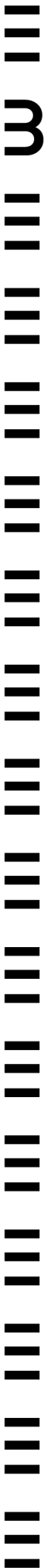
### 10 - Closing

Once all the conditions of the contract have been satisfied, the closing is held. The closing documents are signed, payment is exchanged, and you receives the keys to their new home!



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## Key Terms

### ACCEPTED OFFER

An AO is the moment when a buyer and seller reach an agreement on price and terms, but in Greenwich, no binder is exchanged. Therefore, the deal is not binding until the contracts are fully executed.

### APPRAISAL

Assessment of the property's market value, for the purpose of obtaining a mortgage or insurance. Performed by a licensed appraiser and/or insurance agent.

### ASSESSED VALUE

Value placed upon property by the tax collector for property tax purposes. Greenwich has one of the lowest property tax rates (AKA "mill rate") in Connecticut!

### CASH VS NO FINANCING CONTINGENCY

Buyers who are confident in their ability to get approved for their mortgage may choose to waive any financing contingency, but they still go through the appraisal and approval process. All cash buyers plan to pay 100% in cash.

### CLOSING COSTS

Expenses incidental to a sale of real estate, such as loan fees, appraisal fees, and title insurance.

### CLOSING STATEMENT

AA document issued, by law, 72 hours before closing, 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. Contingencies can be financial in nature or related inspection items.

### CONTINGENT CONTRACTS

Contracts are signed, deposit monies delivered, but the seller (or buyer, or often both) have certain conditions that

must be met in order to move the contract to "pending" status. Both parties are protected during the contingent contract phase.

### CONTRACT PENDING

The buyer and seller both have signed the legally binding contract and the deposit monies (typically 10%) have been sent to the sellers attorney to be held in escrow until closing.

### DEBT-TO-INCOME RATIO

The percentage of an individual's monthly gross income relative to the amount of debt owed.

### DISCLOSURES

Sellers complete a detailed form giving information about the systems and condition of their home. This is required by law in Connecticut. If built prior to 1978, a Lead Paint disclosure is also required.

### DUAL AGENCY

Dual agency occurs when both the listing agent and the buyer's agent belong to the same brokerage.

### FINAL WALKTHROUGH

The buyer reviews the house just before closing to make sure everything is in the condition that is expected and contingencies have been met.

### INSPECTION

The buyer employs an expert to conduct a formal review of the property to find visible issues that may need repair. In addition to a general home inspection, the buyer will often engage pool, septic, well, and roof inspectors as desired. Buyers should complete inspections as quickly as possible as sellers are unlikely to extend a protected due diligence period, if any, in Greenwich.

### LOAN-TO-VALUE (LTV) RATIO

The percentage of the overall purchase price that is being borrowed by the buyer. Ex. If a buyer takes \$1.26mm on a \$1.8mm home then they put down 30% in cash and the LTV equals 70%.

### MORTGAGE CONTINGENCY

A period of time (written into the contract) during which the buyer has the opportunity to secure financing—typically 30 days. If the buyer is unsuccessful, the deposit is returned and the contract is void.

### PRE-APPROVED

Advanced approval from a bank or other lending institution for a home mortgage. The buyer provides a full financial picture and documentation to the lender, and goes through a preliminary underwriting process. Pre-Approval is critically important for a buyer to understand their true purchasing power and make their offer more attractive to sellers.

### PRE-QUALIFIED

Potential buyers provide an overall financial picture and mortgage brokers provide an estimate of what level of loan you will likely be pre-approved for. While this may be a helpful preliminary step for long range planning, a pre-qualification is of no value in the buying process. A pre-approval is what is needed.

### STAGING

Preparing your home to show to its best advantage. Often, staging is completed by a professional and can include painting and bringing in temporary furnishings and accessories.

### TITLE INSURANCE

Insurance to protect the buyer and lender against losses arising from disputes over the ownership of a property. The buyer's attorney generally secures title insurance for the buyer and this can be a very significant percentage of the closing costs.

### TRANSFER TAX

In Connecticut, the majority of closing costs are borne by the seller in the form of a Transfer Tax, which ranges from .75% to 2.25% depending on the closing price.