



# Welcome to Financial Development Home Buying A - Z

---

Welcome! You are about to embark on the exciting journey of finding your ideal home. Whether it is your first home or your tenth home, a retirement home, or an investment property. Purchasing a home is a very important decision and a big undertaking in your life. In fact, most people only choose a few homes in their lifetime.

This packet gives you helpful information during and after your transaction. Please keep this packet with you during your home-buying process. There are pages that contain important processes, guided checklists, and areas for notes to help you stay organized.



## What is in this packet?

- 5 steps to complete your homebuying experience
- Homebuying checklist
- Home comparison chart
- Making an offer
- What happens after your offer is accepted
- Home inspection
- Closing
- Resources

# 5 Steps to complete your homebuying experience.

## Step 1: Planning

If you're thinking about purchasing a home, you will begin by understanding how credit works, researching your credit score, saving and budgeting for this purchase, as well as prequalifying for a mortgage to see what you can afford. This step will also include doing some research on real estate agents in your area and figuring out who would suit your needs the best to work with.

## Step 2: Discovering

Next you will need to reach out and establish a partnership with the real estate agent you have found. This person will help you discover houses within your purchase price that also fit your living criteria. They are there to guide you to properties, help you write offers on houses you like, counteroffer and negotiate, as well as lead you all of the way through closing.

## Step 3: Inspections & Appraisal

After you've reached an agreement with the seller on the purchase price of the home, the next step is scheduling the home inspection and appraisal. A home inspection ensures the property is up to code. A home appraisal, on the other hand, will be required by your mortgage lender to confirm that the home value is consistent with the loan amount.

## Step 4: Financing

Once the seller has accepted your offer, you'll begin the formal mortgage application process. A lot of lenders will require proof of a homeowners policy during this step, so make sure and start looking into policies soon after an offer is accepted. Even though you have been prequalified, this is where you can expect to provide additional documents to your loan officer as the underwriting process begins.

## Step 5: Closing

Congratulations, the closing process is the final step to homeownership! There will be a few final tasks during this step such as a final walk through, providing proof of homeowners insurance, and bringing payment to your closing location for any downpayment or closing cost.

# Checklist

### Before offer accepted:

- Begin to save and budget as well as learn about your credit score
- Contact a loan officer to discuss your budget
- Connect with a realtor to view houses and begin to make offers, negotiations, etc.

### After offer accepted:

- Order home inspections
- Search for insurance policy
- Be in contact with your lender about an appraisal
- Ensure all documents requested by your lender are made available to them so underwriting can begin processing your loan
- Complete a final walk through of new house
- Show up to closing,  
Enjoy Homeownership!



Scan with your smart phone to view this Home Buying packet online

# home comparison chart



	Home 1	Home 2	Home 3
ADDRESS			
SQUARE FOOTAGE			
LOT SIZE			
YEAR BUILT			

NEIGHBORHOOD	Home 1	Home 2	Home 3
Near work			
Near schools			
Near shopping			
Near thoroughfares/ expressways			
Near public transportation			
Near doctors/dentists			
Near churches			
Near train tracks/ airport			
Near industry			
Parks			
Traffic volume			
Environmental concerns/influences			
Neighbors' properties well-maintained			
Streets/alleys well-maintained			
Street lights			
Sidewalks			
All utilities installed			
Garbage collection			
Area zoned residential			
Neighborhood restrictions/ covenants			
Proposed special assessments			
Flooding danger			
Restrictive easements			

HOME FINANCIALS	Home 1	Home 2	Home 3
Asking price			
Estimated monthly principal & interest			
Estimated water and sewerage bill			
Estimated heating bill			
Estimated electric bill			
Property taxes			
Homeowner's Association (HOA) fee			

HOME LAYOUT	Home 1	Home 2	Home 3
Number of bedrooms			
Number of closets			
Number of bathrooms			
Living room			
Separate dining room			
Kitchen eating area			
Family room			
Finished basement			
Attic			
Laundry space			

HOME EXTERIOR	Home 1	Home 2	Home 3
Number of stories			
Construction (wood frame, brick aluminum siding, vinyl siding, stucco, stone)			
Roof condition			
Foundation condition			
Overall exterior condition			
Garage size			
Garage: attached or detached			
Ability to expand or enlarge house			
Patio			
Backyard fence			
Landscaping			
Clear property boundaries			

UTILITIES & MAINTENANCE	Home 1	Home 2	Home 3
Heat (oil, gas, electric)			
Age of heating system			
Hot-water heater			
Age of hot-water heater			
Capacity of hot-water heater			
Insulation			
Central air-conditioning			
Energy-conservation features			
City water and sewer			
Age of electrical wiring			
Plumbing condition			
Sump pump/drainage			
Connected to sewer system			
Washer/dryer outlets			
Security (dead bolt locks, smoke detectors)			
Broken windows			
Storm windows/screens			
Building code compliance remodels & additions)			

INTERIOR FEATURES	Home 1	Home 2	Home 3
Fireplace			
Window treatments – number of rooms			
Flooring type			
Refrigerator			
Stove/oven (gas or electric)			
Garbage disposal			
Dishwasher			
Washer/Dryer			
Laundry chute			
Walk-in closets			
Adequate lighting			

NOTES	Home 1	Home 2	Home 3
PROS			
CONS			
OTHER NOTES			

# Making An Offer



Once you have found the home you wish to purchase, you will need to determine what offer you are willing to make for the home. It is important to remember that the more competition there is for the home, the higher the offer should be – sometimes even exceeding the asking price. Remember, be realistic. Make offers you want the other party to sign!

To communicate your interest in purchasing a home, we will present the listing agent with a written offer. When the seller accepts an offer it becomes a legal contract. When you write an offer you should be prepared to pay an earnest money deposit.

This is to guarantee that your intention is to purchase the property.

After we present your offer to the listing agent it will either be accepted, rejected, or the seller will make a counter-offer. This is when we will negotiate terms of the contract if necessary.

The step-by-step contract procedure for most single-family home purchases is standard. The purchase agreement used is a standard document approved by our local real estate board.

The purchase agreement or contract constitutes your offer to buy and, once accepted by the seller, becomes a valid, legal contract. For this reason, it is important to understand what is written on the contract offer. I have included a copy in this packet.

# What happens after your offer is accepted

Now that you have decided to buy your home, what happens between now and the time you legally own the home? A Title Company may handle the following items. NOTE: In different parts of the country, attorneys, lenders, escrow companies and other persons who are independent of title companies perform some or all of these functions.

**Earnest Money** – An agreement to convey starts the process once it is received at the Title Company. Once you submit the loan application, it is usually subject to a credit check, an appraisal, and sometimes, a survey of the property.

**Tax Check** – What taxes are owed on the property? The Title Company contacts the various assessor-collectors.

**Title Search** – Copies of documents are gathered from various public records: deeds, deeds of trust, various assessments and matters of probate, heirship, divorce, and bankruptcy are addressed.

**Examination** – Verification of the legal owner and debts owed.

**Document Preparation** – Appropriate forms are prepared for conveyance and settlement.

**Settlement** – An Escrow Officer oversees the closing of the transaction: seller signs the deed, you sign a new mortgage, the old loan is paid off and the new loan is established. Seller, agents, attorneys, surveyors, Title Company, and other service providers for the parties are paid. Title insurance policies will then be issued to you and your lender.

**Title Insurance** - There are two types of title insurance:

- Coverage that protects the lender for the amount of the mortgage,
- Coverage that protects the equity in the property.

Both you and your lender will want the security offered by title insurance. Why?

Title agents search public records to determine who has owned any piece of property, but these records may not reflect irregularities that are almost impossible to find. Here are some examples: an unauthorized seller forges the deed to the property; an unknown, but rightful heir to the property shows up after the sale to claim ownership; conflicts arise over a will from a deceased owner; or a land survey showing the boundaries of your property is incorrect.

For a one-time charge at closing, title insurance will safeguard you against problems including those events an exhaustive search will not reveal.

# Home Inspection

If you are purchasing a resale property, we highly recommend that you have a professional home inspector conduct a thorough inspection. The inspection will include the following:

- Appliances
- Plumbing
- Electrical
- Air conditioning and heating
- Ventilation
- Roof and Attic
- Foundation
- General Structure

The inspection is not designed to criticize every minor problem or defect in the home. It is intended to report on major damage or serious problems that require repair. Should serious problems be indicated, the inspector will recommend that a structural engineer or other professional inspect it as well.

Your home cannot “pass or fail” an inspection, and your inspector will not tell you whether he/she thinks the home is worth the money you are offering. The inspector’s job is to make you aware of repairs that are recommended or necessary.

The seller may be willing to negotiate completion of repairs or a credit for completion of repairs, or you may decide that the home will take too much work and money. A professional inspection will help you make a clear-headed decision. In addition to the overall inspection, you may wish to have separate tests conducted for termites or the presence of radon gas.

In choosing a home inspector, consider one that has been certified as a qualified and experienced member by a trade association.

I recommend being present at the inspection. This is to your advantage. You will be able to clearly understand the inspection report, and know exactly which areas need attention. Plus, you can get answers to many questions, tips for maintenance, and a lot of general information that will help you once you move into your new home. Most important, you will see the home through the eyes of an objective third party.

# Closing



A “closing” is where you and I meet with some or all of the following individuals: the Seller, the Seller’s agent, a representative from the lending institution and a representative from the title company, in order to transfer the property title to you. The purchase agreement or contract you signed describes the property, states the purchase price and terms, sets forth the method of payment, and usually names the date and place where the closing or actual transfer of the property title and keys will occur.

If financing the property, your lender will require you to sign a document, usually a promissory note, as evidence that you are personally responsible for repaying the loan. You will also sign a mortgage or deed of trust on the property as security to the lender for the loan. The mortgage or deed of trust gives the lender the right to sell the property if you fail to make the payments. Before you exchange these papers, the property may be surveyed, appraised, or inspected, and the ownership of title will be checked in county and court records.

At closing, you will be required to pay all fees and closing costs in the form of “guaranteed funds” such as a Cashier’s Check. Your agent or escrow officer will notify you of the exact amount at closing.

## **WHAT IS AN ESCROW ACCOUNT?**

An escrow account is a neutral depository held by your lender for funds that will be used to pay expenses incurred by the property, such as taxes, assessments, property insurance, or mortgage insurance premiums which fall due in the future. You will pay one-twelfth of the annual amount of these bills each month with your regular mortgage payment. When the bills fall due, the lender pays them from the special account. At closing, it may be necessary to pay enough into the account to cover these amounts for several months so that funds will be available to pay the bills as they fall due.

# Helpful Resources

## Common Service Providers in the Franklin County Area

### Waste Connections:

online at <https://www.wasteconnections.com/online-bill-pay>  
phone: 636-321-2100

### The Other Trashman:

online at <https://theothertrashman.com/pay-your-bill>  
phone: 636-390-0192

### Water/Sewer – Union City Hall:

online at <https://www.municipalonlinepayments.com/unionmo/utilities>  
phone: 636-583-3600

### Ameren:

online at <https://www.ameren.com/missouri/account/customer-service>  
phone 866-268-3729

### AT&T:

online at <https://www.att.com/my/#/login> or by  
phone: 1-800-331-0500

### Sprint:

online at <https://sprint.com/paybill>  
phone: 888-211-4727

### Verizon Wireless:

online at <https://www.verizonwireless.com/support/billing-and-payments/>  
phone: 800-922-0204

### Missouri Natural Gas Company:

online at [www.lacledegas.com](http://www.lacledegas.com)  
phone: 636-584-8440

### St. Clair Water/Sewer/Trash:

online at <https://www.municipalonlinepayments.com/stclairmo/utilities>  
phone: 636-629-0333

### Washington Water/Sewer/Trash:

online at <https://www.municipalonlinepayments.com/washingtonmo/utilities>  
phone: 636-390-1045

### Spire Natural Gas:

online at <https://www.spireenergy.com/pay-my-bill>  
phone: 800-582-1234

### Peterson Oil Company:

online at <https://www.petersonpropane.com/login>  
phone: 573-468-6600

### MFA Propane:

online at <https://www.mfaoil.com/paybill>  
phone: 573-468-8311

### Sullivan Water/Sewer/Trash:

online at <https://www.municipalonlinepayments.com/sullivanmo/>  
phone: 573-468-4012

### Pacific Water/Sewer:

online at <https://www.billpayit.com/cityofpacificmoutilities>  
phone: 636-271-0500

