What to Know

WHEN MAKING AN OFFER

"Highest and Best Offer by ____am/pm": When in a multiple offer situation, the seller's agent will request all highest and best offers be submitted to them by a certain time. Please note- this does not mean that you will receive acceptance or rejection of your offer at that time. This is simply the deadline within which the seller wishes the agent to collect all offers. The listing agent will need additional time to review your offer with the seller and will respond according to the seller's instructions.

Loan Pre-Approval: Will need to be submitted with the contract. It is important to meet with a lender prior to looking at homes for that reason.

Earnest Money: Will be required when submitting an offer. This generally is 1% of the sales price and is due 2-3 business days after contract ratification. The check will be deposited and funds will be held by the escrow agent (attorney). Funds will be applied to what you owe at closing. If you do not close on the home, that is of no fault to the seller; your earnest money may or may not be refunded.

Taxes: *Note*- Secondary/Investment homes are assessed at a higher tax dollar rate than primary residences.

Home Inspection: When an offer is made, the seller will give the buyer a certain amount of time to get a home inspection. This inspection will range from $500 and up based on the square footage of the home and details to the inspection. This is a cost that the buyer should look at as an expense in the home buying process. It is due at the time of service. It is not refundable. A re-inspection costs between $100-$200 on average.

Due Diligence/Termination Fee: Home Inspections are performed during the Due Diligence period. During this period, the contract may be terminated for any reason for a non-refundable fee. (Based on sales price and amount agreed upon by both parties in the ratified contract.)

****Termite Bond:** If the home has an existing termite bond, there may be a transfer fee estimated at $150-$250 to have it put in your name. If there is no termite bond a new bond could cost above $2000. You are not required to have a bond, however it is highly recommended.

Appraisal/Credit Report: An appraisal will be done on the home by your lender to determine if the home is worth what the bank is willing to loan you. This cost is typically paid at the closing ($600 and up estimate) along with the credit check. If the service is rendered the charge will remain the same even if you don't close on the property (verify with your lender).

Insurance: Insurance can fluctuate in price depending upon where the home is located. If the home requires flood insurance an elevation certificate is required. Estimated Cost is $500- $2,000 and up.

Survey (Optional): Most Lenders do not require a new survey showing how the house and fence (if any) sit on the property. If the home (most likely a fence) encroaches on another person's property you may at a later date be required to take the fence down. This is very rare however; something a new owner should have knowledge of. The attorney will provide a survey for a fee if requested.

Closing: You will need your license and another form of identification. All funds due at closing are required to be wired depending upon the attorney you choose. Banks typically require wire transfers to be completed in person.