

BUYING PROCESS

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Fantastic - you're buying a new home! Congratulations!! What a wonderful decision. Well, it's a big job and it can be a lot of fun - especially if you are working with a good real estate agent and have a thorough understanding of the entire buying process.

SELECTING A REALTOR® AND COMPANY

Let's talk first about selecting your real estate agent and their company affiliation. Naturally, you will want to deal with someone you are compatible with and who will represent you and your best interests through this entire process - whether it goes smoothly or whether you encounter many challenges along the way. My best advice is to make sure that you are compatible with the agent you choose. There should be an obvious level of comfort and trust with this person. You should never feel pressured into working with an agent or dislike anything about them. Everybody has their own tastes and preferences in who they can work with. Be cautious of anyone that makes a lot of grand promises - you are likely to be disappointed. Spend some time looking for a good match and trust your instincts.

Let us diverge slightly for a moment and talk a little about the two terms that are used throughout this presentation: REALTOR® and real estate agent - I will be using them pretty much interchangeably - for the sake of variety and readability, but there is an important distinction to make. In order to become licensed as a real estate agent, you must satisfy certain educational requirements and pass two licensing exams - one for the State and one for National - a process that many people find rather frustrating and challenging. In order to maintain that license there are further continuing education requirements (24 hours every 2 years) and a few other hoops to jump through. Being a REALTOR® is an additional

distinction. That designation means that the real estate agent belongs to the National Association of REALTORS® (NAR) and their local chapters, in this case - the Maryland Association of REALTORS® and, the Carroll County Association of REALTORS® (CCR). The REALTOR® membership means a lot of other things, but perhaps most importantly to you - it means that the person subscribes to a Code of Ethics. When you employ a REALTOR®, know that they are bound by that code and, by law, they owe you - their client - what's known as Fiduciary Duty. And, by definition, fiduciary duty means the following:

- Confidentiality - clients personal information is held in confidence,
- Accounting - accurate accounting to all parties for all monies accepted by agent,
- Reasonable Skill and Care - agent will perform duties professionally and competently,
- Loyalty - the client's interest is above the agent's interest,
- Obedience - client instructions will be followed as long as they do not violate the law, and
- Disclosure - full disclosure to potential buyers of any material defect in the property.

Note the acronym formed by the first letters of those words: CARLOD - this is not to be confused with another expression, some will be familiar with: BOATLOAD.

In addition, the concept of fiduciary duty encompasses the requirement for Fair Dealing, Honesty, Good Faith, Competency, and Full Disclosure to all parties.

Enough about REALTORS® for now. I just want to suggest to you that I think it is very important that you seek professional assistance when you are a home buyer. And, I am suggesting that at least part of that assistance come from a REALTOR® - not just any ol' real estate agent.

You may also find it beneficial to seek the advice and counsel of other professionals, like an accountant, and/or an attorney, and/or an appraiser. Find people that you like, that you feel are knowledgeable and competent. People that you can work with, spend many hours with, and ones that will truly put your interests first.

MONEY, MONEY, MONEY

So, you have a good REALTOR® to help you - now it's time to help yourself. What's the first step? Find out how much you can afford and how much borrowed money you can get approved for, based on your financial profile. Of course this assumes that you will need a loan at all - that you are not going to be paying cash.

Why not wait and find the house you want to buy first? Well, for several reasons this may not be in your best interest and it is just not a very practical approach. Here's why. Let's assume that you have the wisdom to find a real estate agent to assist you in the search for your new home. Let's further assume that you find not only a real estate agent, but you find one that is a Realtor (a member in good standing with the National Association of Realtors) and one that has the professional designation of Accredited Buyer's Representative (ABR). And though a good Realtor and ABR would likely encourage you to obtain the loan pre-approval before you start looking, let's assume that you don't like that idea. You're excited and want to begin looking at houses now.

Naturally, you will have to decide what basic parameters or search criteria to start with. What part of town, how many bedrooms, one story or two, and any other basic amenities you may need or desire. Oh, but wait a minute, you will also have to decide what price range. On what will you base that decision, if not on how much you can afford? Certainly you are free to buy a home that is less expensive than one that you can afford, but how can you buy one that is more expensive than you can get loan approval to buy?

So, before we even get started, we cannot determine where to begin looking. Why exert the time, energy and expense of looking at houses that you may not be able to afford? Would that be fair to your Realtor? And, would it serve the interest of the sellers of the homes you are looking through that you cannot afford. Remember too, that they are likely to be represented by a Realtor who has some responsibility to ensure that only qualified buyers are coming through their homes. Then too, of what value is it to find the home of your dreams only to be heartbroken to find out you cannot qualify for the necessary financing.

So, let's do it the right way. Simply contact several lenders - do some shopping. Find out what kinds of interest rates and terms are currently available. Select one or two lenders that appeal to you and have them get you pre-approved. In most cases, the cost of getting that pre-approval is minimal (typically from \$20 to \$100) compared to what you are going to spend. Sometimes you can get pre-approved on the same day or the next day. Your lender should provide you with a written letter or certificate of pre-approval. Note the distinction here between pre-qualification and pre-approval. Pre-qualification is simply an estimate of what you should be spending on your monthly housing expense based on your income to debt ratio. This can be done by anyone who is familiar with basic finance concepts (like your Realtor). An actual pre-approval can only be accomplished by the lender by verifying your complete income, debt, and credit profile, to include obtaining a certified credit report. You are going to have to do this anyway - why not go ahead and get it done first?

Once you are pre-approved you know exactly how much house you can buy. Again, you don't have to spend that much, but at least you know that you can, if you want to. Most importantly, the pre-approved status can put you in a position of greater strength when it comes time to make an offer and negotiate on the home you want to buy. Think about it from the seller's point of view. When they receive an offer on their house, if they have written proof that the buyers are actually already approved for their loan, they can be confident that they have serious buyers who will not have to back out of the contract because they couldn't obtain the necessary financing. They may even be willing to negotiate a lower sale price or more

favorable terms in some other way - simply because you come to them pre-approved!

And, by the way, once you have gotten pre-approved and all the way through the home buying process, until final closing and recordation, it is important that you avoid doing anything that could adversely affect your credit status. It is best not to purchase anything of significance like appliances or especially something large, like an automobile. Don't run your credit card bills up any higher than normal. Make all of your existing debt payments on time and in full. Additionally, any transfers of significant amounts into or out of any of your money accounts will be subject to close scrutiny. If you are going to be receiving money (either as a loan or a gift) from parents or someone else to help with the down payment, it will have to be fully documented and disclosed.

BUYER-BROKER AGREEMENT

What is a buyer-broker? First it is important to understand the legal concept of agency. Agency is the legal relationship created by a principal (either a Seller or a Buyer) and a real estate broker (to include any associate licensee of that broker, often called agents or salespersons) when they have chosen that broker to act on their behalf, or under their control, in business or financial transactions and in this case, the buying of real estate. Further, by law, agency creates a fiduciary relationship (as discussed above) with certain duties, obligations and high standards of trust, good faith, and loyalty. Note that the payment of a fee or commission does not create this agency.

In many parts of the country, still today, real estate agents only have an express agency relationship with the sellers of real estate - not the buyers. This is true because the only written agency agreements have typically been the Listing Agreements for the sale of property. In many parts of the country, when a buyer engages a real estate agent to help them find and purchase property, they typically do not execute a Buyer Broker Agreement and therefore do not have an expressed agency relationship.

In other words, real estate agents actually only work for the sellers - whether it was their listing or not. Buyers could not be treated as clients, only as customers. This is an important distinction - and one that many people have not really understood.

Seller agency is created when a Listing Agreement is completed on a property for sale. Buyer agency is created when a Buyer Broker Agreement is completed with the intent of purchasing property. And, dual agency can be acknowledged and permitted by either type of agreement.

To establish a strong buyer agency relationship, a Buyer-Broker Exclusive Employment Agreement should be executed. It details the understanding and responsibilities between the buyer and the broker they choose to represent them. And, in addition to establishing a legal agency relationship for the benefit of the buyer, it provides the real estate agent with a commitment on the part of the buyer to work exclusively with them and promise loyalty as well.

Though it is well known that the public perception of real estate agents rarely ranks much higher than that of lawyers, the truth is that a competent real estate agent is an invaluable resource when buying a home. Good real estate agents work very hard - much harder than most people realize. They spend lots of time, energy, and money helping home buyers in locating the right house, negotiating its purchase, providing expert advice, completing mountains of paperwork and, bringing the transaction to a close. There is a lot of responsibility and liability associated with this business. The average homebuyer is probably unaware of the education, skill, effort and expense it really takes to consummate a real estate transaction.

Real estate agents (with very, very rare exception) are only compensated by commission. Most of the time, that commission is paid for by the sellers of real estate to the listing broker who then cooperates with and pays the selling broker (the buyers' broker) an agreed upon share of the listing commission. And though those commissions may appear to be pretty lucrative at face value (e.g., a 3% selling commission on a \$250,000 sale is \$7,500), the truth is there are a lot of significant expenses that come out of

that amount beyond the gasoline and auto expense in showing houses to buyers.

Real estate agents are typically not really employees - they are independent, licensed contractors with a real estate company. In one way or another - directly or indirectly through fees or commission sharing with their company, they pay all of the expense associated with being in business. All of the overhead expense of having an office, all of the office furniture, equipment, supplies, staff, phones, computers, etc., etc., etc. There are lots of other administrative costs: continuing education, professional fees, licensing expense, and medical insurance. Not unlike with other professionals, the cost of errors and omissions insurance (a type of liability coverage) has become absolutely obscene. Let's not forget about all of the ordinary day-to-day expense of having a suitable vehicle, its operation, maintenance and insurance, office equipment, telephones, copy machines, fax machines, computers, internet service, MLS membership and service, proper wardrobe, advertising, etc., etc. It really is very expensive to be in this business.

Now, consider the way some prospective buyers want to treat real estate agents. They want to have the agent show them properties, drive all over town, be available both day and night, seven days a week, answer any and all questions, give advice, buy them lunch, and provide any number of other services. Some people schedule appointments they do not keep. Others are constantly late. The truth is, you may not believe some of the stories to be told. Sometimes people have all of this done even when they do not have a realistic expectation or capability to buy a home. Or, after months of looking with an agent, the buyers will walk into a new home subdivision and purchase a home without even telling them. Or, buy a For Sale By Owner (FSBO) house without using the agent. There are all kinds of ways that real estate agents get left with nothing but a pile of expenses and with no compensation at all. Another classic example is when the buyers use the services of an agent, maybe for weeks or months - and they finally find the house they want. Then, their cousin calls and says he has just gotten his real estate license and needs their help.

Professional real estate agents have learned that buyers who are sincere in their interest to purchase a home with capable assistance are more than willing to make a commitment to their agent. This can only properly be done with a Buyer-Broker Exclusive Employment Agreement.

Another aspect about all of this is to understand is that, with new home subdivision sales, the salespeople that work there, work for the builder or developer exclusively. They do not represent the buyers. They may make you feel like you are their primary interest by being so nice and charming - but they have no obligation to you as a client. You will be completely unrepresented. If you are interested in looking at new home subdivisions, simply let your agent know and they should be glad to take you there and show you the properties. They will protect your interests just as on the purchase of any resale property. Most builders / developers will cooperate with buyer brokers and pay them a commission - on one condition: that the agent physically accompanies the buyers on at least the initial visit and properly registers with them. Otherwise, many developers will not compensate outside agents.

Here's yet another possibility to consider. Let's assume you are out driving around one day by yourself and you happen to see a new home subdivision or a FSBO that looks interesting to you. You decide to stop and take a look. If you do not tell the selling party that you are working with an agent and have an exclusive agreement with them, the seller is pretty unlikely to be willing to cooperate later.

Look, it comes down to this one point. If it is reasonable for you to expect that a real estate professional is supposed to do everything possible in your best interest, then shouldn't you be willing to commit to protecting their interests? And, promising your loyalty to help ensure that they get properly compensated?

Should you enter into a Buyer- Broker Agreement hurriedly? Absolutely not! Take your time, interview different agents. Find one that you feel is competent and that you are compatible with. Make sure the agent has the time available to work with you on your schedule. Have a full and open

discussion about what you want and how the agent works. What are their credentials? Ask all the questions you want - you should feel comfortable with all of the answers.

Now, let's look at what is in this agreement specifically:

- The parties are identified - the buyers and the real estate broker.
- A broker (agent) is employed and granted irrevocable right to locate property and negotiate terms and conditions acceptable to the buyer.
- A general description of the type of property of interest is provided.
- The term or length of the agreement is identified, noting that any release from this agreement must be mutually agreed upon.
- An acknowledgment is made about all compensation.
- Provision for an optional retainer fee is made and determined.
- A specific provision regarding protection in new home sales situations is identified.
- Permission to work with other buyers for the same kinds of properties is granted to the broker.
- Buyer duties are identified.
- Broker duties are identified.

A statement is made about the requirement to abide by all local, state, and federal laws prohibiting discrimination related to racial, ethnic, or religious, or disability consideration.

It is all actually pretty straightforward and reasonable. It is the best way to deal with your agent. When you make the agent feel comfortable about your intentions - it is almost inevitable that they will do a better job for you.

FINALLY! - WE ARE READY TO START LOOKING - ALMOST

Now you are almost ready to start looking. You probably have some idea in mind of at least some of your criteria - other things you may not know until you start looking and getting a feel for how much the houses you like cost and what the various amenities do to the price.

Please understand that almost everyone wants to find their "dream home" or have everything "perfect". This goal is seldom possible. For whatever reason, we all seem to have champagne tastes with a beer budget - to one degree or another.

There really are many factors to consider. Try rating each of the following criteria on a scale of 1 to 10, with a rating of:

1 = NOT IMPORTANT AT ALL, and a rating of

10 = EXTREMELY IMPORTANT

Just go with what you think now.

LOCATION: _____ PRICE: _____

APPEARANCE: _____ CONDITION: _____

Give some consideration to other things you feel are important and make a list.

Some suggestions to think about include (but certainly are not limited to):

size of lot? _____ sq.ft., or, _____ acres

size of house? _____ sq.ft.

one or two story? _____

architectural style? _____

number of bedrooms? _____

number of bathrooms? _____

pitched or flat roof? _____

tile or shingle roof? _____

swimming pool? _____

spa? _____

orientation or direction of exposure to the sun? _____

fenced yard? _____

landscaping preferences? _____

age of house? newer? _____, older? _____

fixer upper OK? _____

what part of town? _____

proximity to? _____, within _____ miles of _____

nearby facilities that are important? _____

schools _____, church _____, shopping _____, recreation _____

gated community? _____

parking? garage _____, carport _____, other _____

type of cooling? AC _____, Evaporative Cooler _____

type of heating? Gas _____, Electric _____

type of stove? Gas _____, Electric _____

fireplace? _____

sewer connection? _____, septic tank? _____

city water? _____, well water? _____

homeowner association? _____

monthly dues? _____

pets?, horses? _____

parking restrictions? _____

other???????

OK, let's start looking. Use the criteria above, understanding that some of those things may change.

Perhaps the best place to start is to search the Multiple Listing Service (MLS). Both you and your REALTOR® have access via the internet (www.tarmls.com), although your Realtor does have access to a little more information than the public and is hopefully a little more adept at using the system.

Certainly you can scour the newspapers and other advertising. Will you be considering new home subdivisions too? What about For Sale By Owners (FSBOs)?

Well, make some decisions, select a handful of candidates and schedule showings with your REALTOR®. Unless you are very, very certain about what you want and where you want it, it may be advisable to try to look at a variety of types of houses in different locations.

Depending on your time frame and your availability, you will simply set a schedule of looking that works for both you and your REALTOR®. Try not to look at "too many" houses in a single day - they all start to blur together before too long. Make notes about each house visited. Perhaps come up with a rating system you can use. Maybe a rating of 1 = great candidate, 2 = possible, and 3 = out of the question - or whatever works for you to help you remember after the fact.

Sometimes it is difficult to make a decision. You worry that if you decide to soon, you will have missed a better house at a better price. Of course, if you wait too long - that house you loved that was priced right sold to someone else while you were thinking about it.

Your REALTOR® can give you advice, but you will have to make the actual decision. Ask all of the questions you want to. Do not make hasty decisions.

OK, you've finally decided - this is the one - let's make an offer.

You and your REALTOR® will sit down and complete a Residential Resale Real Estate Purchase Contract. There are a number of decisions to make. Each choice you make might affect whether the seller will accept your offer.

Your REALTOR® should have prepared a CMA for you to consider. This will provide you with a record of houses similar to the one you want - that are comparable - which have sold within the last six months. Look at what the list prices were compared to the actual sold prices. Consider the average price per square foot. Take a look at how long each house sat on the market. Try to weigh all of these factors along with what your "gut feel" is about the value of the house that you want. Think about what you can afford, how much it is going to cost you to bring the house into livable condition. How badly do you want this house? Consider the advice and experience of your REALTOR®.

Though price may be the most important aspect of your offer, other terms can be very influential as well. How much earnest money are you depositing? This can affect the seller's perception of your sincerity. When do you want to "close"? Are you flexible? Are you asking the seller to pay for a home warranty or something else., etc., etc. All these things and more may affect whether your offer is accepted.

Bottom line is, let's face it, you want the most you can get for the least amount of money. The seller wants to give as little as possible for the greatest amount of money. Anticipate the possible need to negotiate. Be flexible. It is an emotional process for both sellers and buyers. Try not to let "principal" cloud your judgment on what a good deal really is. Be patient!

COMPLETING THE PURCHASE OFFER

This is a nine page form - so get comfortable. The first part of the form (lines 1-13) deals with the earnest money. Your name(s) is the first thing that is written. Have your name appear here as you want it shown on all documents - your proper legal name. Next, another confirmation of the agency relationship: buyer agency, seller agency, or dual agency.

Line 10 identifies the amount of earnest money, what form it is presented in (normally a personal check made out to the escrow company), and where it is to be deposited (with the escrow company). Your Realtor's name, agent code, and signature, the date, the real estate company name and office code and a contact telephone number get entered.

Lines 14 through 50 constitute the primary offer. A complete and proper identification of the property is entered including the street address and legal description.

Lines 19 through 32 identify which fixtures and personal property are to convey with the property.

Line 33 is where you enter the Full Purchase Price you are offering. You then also detail the amount of earnest money deposit, additional down payment intended, and basic information about the balance to be financed.

Note that every page will require initials at the bottom right corner. Some pages have other places to initial as well.

Well, rather than cover every detail here, just know that every aspect of your offer will be made part of this purchase offer. Work closely with your Realtor - this is one of the places they really earn their money - helping you structure the offer in your best interest.

Once completed and double-checked, your Realtor will present the offer to the sellers. As you will have provided for in your offer, there will be a deadline for the seller to respond by. Normally, this is usually 24 hours - however, you can make the time period anything you want to. If the seller is not readily available, it certainly might make sense to give more time. If you know they can be reached immediately and you want to put pressure on them, make the time period shorter. Anything is possible.

During this time, the stress levels may begin to increase. Take it easy, there is nothing more you can do until they respond - relax. Ultimately, the

seller can choose to decline your offer. They can accept your offer. Or, they can make a counter offer.

This may sound like 3 choices, but it is really only 2. A counteroffer is really an act that declines the previous offer and makes a new offer. If the counteroffer is rejected, there is nothing left - you do not revert to the previous offer. So on any counteroffer keep in mind that the other party is relieved of any previous commitment - whether they be buyers or sellers.

Depending on what the seller does, the ball is now in your court. If not fully accepted, you will have to consider their counteroffer. Once again, you can reject their offer and walk away, you can accept their offer, or you can make a counter offer. In general, if you do not want to accept their offer, it is almost always advisable to try some form of counteroffer - it is your choice.

Sometimes this ball can keep bouncing back and forth through several exchanges of counteroffers. It can be stressful. Some people enjoy it, some don't. Some people get very angry - though it isn't clear what good that does anybody.

Well, if, and once an agreement between the parties is reached, the clock starts ticking. TIME IS OF THE ESSENCE. - A very powerful legal aspect of the contract. There are a number of events that must occur on a specific timetable. All kinds of things, depending on the circumstances. Escrow gets opened within 48 hours. The earnest money check gets deposited. Contract terms rule.

What is Escrow? Well, in a way it is a conceptual thing but it is an agreed upon involvement of yet a third party (actually a fourth party: 1) seller, 2) buyer, 3) real estate broker, 4) escrow company) - independent and neutral - in this transaction to ensure delivery of the property to the given party upon fulfillment of stated conditions and consideration. The escrow officer is strictly limited to following the instructions provided by the seller and buyer in the purchase contract and, any counteroffers and, any addenda to the contract that both parties have agreed to in writing.

The escrow officer will also be generating all of the necessary paperwork related to the buyer's loan, insurance coverages, property taxes, liens on the property - all sorts of things.

Normally, within a 10 day period (can be modified to any time period agreed upon in the contract) the following must occur (if desired by the buyer):

Title Search and Commitment for Insurance,

Home Inspection,

Termite Inspection, and

All pertinent information needs to be discovered and confirmed:

Assessments, cable TV provider, environmental factors,

fire protection provisions, HOA specifics, utility

providers, flood plain designation, tax information,

school information, zoning, etc., etc., etc.,

Financing needs to be firmed up,

appraisal needs to be done, and

repair Requests must be submitted.

Once again, your REALTOR® will be indispensable in helping you through this process. However, you will want to stay directly involved in any way possible. You should plan to attend and pay close attention to all inspections. You will need to decide what you want to look at and what is important to you.

IMPORTANT REMINDER

Don't forget that during this time it is critical that you pay attention to your money matters and spending habits. This is not the time to start running up the tab on your credit cards. Make sure that all existing debts are paid on time and in full. Do not make any major purchases or spend money that you do not have to. You do not want your credit picture to change in the eyes of your lender. You do not have the money yet! After this thing closes and records - you are free to manage your financial affairs the way you see fit, but for now, keep it straight and narrow.

HOME INSPECTIONS

Upon completion of the buyers' inspection, you will fill out a Buyer's Receipt of Documents & Contingency Removal form. This is your communication to the seller of your acknowledgment of receipt of all necessary discovery information and their request for repairs, if any. If material defects were found, it is perfectly reasonable to request that they be corrected. Any structural or systemic defects found during a buyer's home inspection offer is an opportunity for you to demand repairs. If the sellers do not agree to the repairs, the buyers can rescind their offer.

TERMITE INSPECTIONS

Again, termite inspections are typically done by the buyer during the ten day inspection period, after there is an accepted offer. Normally, this is not a big deal. If evidence of termites exists, appropriate treatment is performed, the seller pays for it and there is no problem. However, if there is a very serious pest problem, buyers may reconsider their interest in the property and get out of the contract.

APPRAISAL

Assuming that there is to be financing, an appraisal will be performed as a basis for the lender to evaluate whether a loan should be made or not and if so, in what amount.

HOME WARRANTY

It is not uncommon for the seller to agree to pay for a Home Warranty as part of the contract terms. Many buyers see this as a big plus. It offers them the assurance that the major mechanical systems and the appliances are covered for at least the first year. Some sellers will refuse to pay for a Home Warranty and it can become a sticking point in the negotiations. Regardless of who pays for it, generally speaking it is probably a good idea to have one.

ADDITIONAL STRESS TEST

This is the time period - between a fully accepted contract and closing - that can be the most stressful. Deals can fall apart. Sellers and buyers are naturally at odds. Further negotiations can take place via Addenda and Repair Requests. Hang in there! This is where real estate agents really earn their money - keeping deals from falling apart if at all possible and protecting their clients' interests.

SATISFYING ALL CONTINGENCIES

Within the inspection period, and/or in accordance with all other terms and conditions, and any addenda or attachments, all contingencies need to be satisfied. All the paperwork needs to be finalized, copies distributed - lots of verification and administrative work gets done. Every deal is a little different. Your Realtor will guide you through the process and ensure that all the details are taken care of.

ALMOST HOME

Well we're not there yet, but time is drawing near. Don't forget to make all necessary arrangements for putting the utilities and other services in your name and scheduling the start date for these services. Notify the electric company, gas company, water department, telephone company, cable TV, trash service, fire service - anything that is applicable. Set up your new accounts at the new address to begin effective on your scheduled closing date. If that date changes a little for any reason, you can always adjust your service start dates as needed.

And, don't forget about the other side of this story - the place you are moving out of.

At an agreed upon time shortly before the scheduled closing, the house you are purchasing must be vacated and, by contract, the house must minimally be "broom clean" - hopefully a little cleaner than that. A final walk through inspection should be performed by the buyers to ensure that everything is still in good condition and that all terms and conditions have been met.

CLOSING / RECORDATION / FUNDS DISPERSED / KEYS PROVIDED

On the scheduled day, at the appointed hour, at the specified location, please be on time for the signing of documents with the escrow officer. This 'settlement' will normally take place a day or more before the closing date identified on line 41 in the contract. All buyer(s) must be present. This meeting can take anywhere from 30 to 90 minutes, depending on the complexity of the transaction. And be sure to bring the following with you:

A current and valid, government issued photo ID such as a driver's license, passport, or military ID card. The escrow officer will make copies to retain.

A cashier's or certified check, made payable to your escrow company for the amount specified by your escrow officer. It is preferable that this check be drawn on an in-state bank - otherwise it may delay the closing and

recordation - something to be avoided if at all possible. This amount usually includes the balance of your down payment, closing costs and recording fees. The escrow officer will not accept cash under any circumstances. Alternatively, you may make arrangements with the escrow officer to have these funds wired directly from your bank account in advance.

A copy of your new homeowner's insurance binder if not already provided to escrow prior to the meeting.

The escrow officer will walk you through all of the necessary documents and explain everything to you. In particular, a full accounting of all the monies will be made to you, line by line. Ask any questions you have at any time.

Also, you must have informed the escrow officer what form of title you wish to have by this time.

If the sellers have not already had their signing, they will also have to do this prior to the deadline.

Once both sides have signed, the escrow officer puts the finishing touches on the closing package, verifies receipt of all monies, and has the entire transaction recorded at the proper County offices.

Depending on the verification of funds from the lender and the buyer(s) and the time of day and, depending on weekends and holidays, and on rare occasion, things like severe weather or other bizarre events, the escrow officer will complete the recordation as soon as is practical. Sometimes it happens later in the same day as signing. Sometimes recordation gets delayed for a day, sometimes for several days. Escrow officers do the best they can, but are often at the mercy of the lenders, banks, county office hours, the clock and the calendar. At the time of your signing, the escrow officer should be able to tell when they expect to record, pending any unforeseen circumstances or events.

Monies will be disbursed to the seller(s) and keys will be turned over to the buyer(s). The keys will normally be provided to you by the REALTOR®.

CONGRATULATIONS!!!

That's it, you made it. You are now officially a homeowner! You may take possession of your property.

In the weeks following closing, you should receive the original deed that has been recorded. It will be mailed directly from the County Recorder's Office. If there were any last minute adjustments made to the escrow funds resulting in any rebate to you, you should have received a check by now. Within several months you will also receive a copy of the Title Insurance Policy.

MOVING DAY

After settlement, another reality is going to set in. You are going to have to move. Another major effort - I can't help you with that one. No, I don't own a pickup truck. And yes, I really have a bad back. Even if I owned a pickup truck and I didn't have a bad back, my sentiment would be precisely expressed by a bumper sticker recently spotted:

“Yes, this is my pickup truck – no, I can’t help you move.”

Because of the possibility of settlement being slightly delayed for reasons out of the control of either the escrow officer or the REALTOR®, it may be advisable to allow for a good deal of flexibility on your move-in plans. If the moving truck shows up and you do not yet have the keys, there will be nothing anyone can do - and the moving and storage charges quickly become outrageous. It really is best to allow several days of buffer time between expected closing and moving in. This can also give you the opportunity to do some cleaning and preparation in your new home.

Though it can be a challenge to juggle schedules - moving out of the old place, coordinating with the moving company and friends, and work schedules, and school schedules, etc., just go with the flow and do the best you can. After all, look what you have just accomplished. Congratulations again!!!

Depending on the verification of funds from the lender and the buyer(s) and the time of day, and depending on weekends and holidays, and on rare occasion, things like severe weather or other bizarre events, the escrow officer will complete the settlement as soon as is possible.

Once settlement has occurred everything is final. Monies will be disbursed to the seller(s) and keys will be turned over to the buyer(s). The keys will normally be provided to you directly from the seller or by the REALTOR®.

CONGRATULATIONS!!!

That's it, you made it. You are now officially a homeowner! You may take possession of your property.

In the weeks following closing, you should receive the original deed that has been recorded. It will be mailed directly from the County Recorder's Office. If there were any last minute adjustments made to the escrow funds resulting in any rebate to you, you should have received a check by now. Within several months you will also receive a copy of the Title Insurance Policy.

DISCLAIMER

John P. Hale is a licensed real estate agent in Maryland and Pennsylvania. He is affiliated with Coldwell Banker Residential Brokerage in Westminster, Maryland. John has been licensed since 2000 and also practiced in Tucson, Arizona for many years. Mr. Hale holds the following designations and certifications awarded by the National Association of REALTORS® (NAR) and other authorized institutions: ABR-Accredited Buyers Representative, AHWD-At Home With Diversity, CNE-Certified Negotiation Expert, CRMS-Certified Risk Management Specialist, CRS-Certified Residential Specialist, CTA-Certified Tourism Ambassador, e-PRO-Online Real Estate Practice, GRI-Graduate of Realtor Institute, MRE-Master of Real Estate, MREP-Mortgage Real Estate Professional, and MRP-Military Relocation Professional.

Please note that this article was written by John to provide objective information and to also reflect his opinion of good practice at the time of its' writing for the general benefit of those considering sale or purchase of real estate. It is not intended as definitive legal advice and you should not act upon it as such without seeking independent legal and financial counsel. Frequent changes in the law and standards of practice may cause this information to become outdated and no longer applicable or incorrect.