

Home Buyer's Guide

corcoran

CLASSIC LIVING





About Us

Corcoran Classic Living is a top-performing residential and commercial real estate firm serving greater Athens and the Northeast Georgia Mountain and Lake region. Our agents are socially-minded and deeply entrenched in their communities, backed by a top-notch support staff, global connections, and innovative technologies that ensure a seamless experience. Our mission is to treat our customers and clients as the lifeblood of our business, keep their satisfaction our top priority, and strive for a level of excellence in service that surpasses all expectations.

Seven Reasons to Own a Home

TAX BENEFITS

The U.S. Tax Code lets you deduct the interest you pay on your mortgage, your property taxes, and some of the costs involved in buying a home.

APPRECIATION

Historically, real estate has had a long-term, stable growth in value. In fact, median single-family existing home sale prices have increased on average 5.2 percent each year from 1972 through 2014, according to the National Association of REALTORS® (NAR). The recent housing crisis has caused some to question the long-term value of real estate, but even in the most recent 10 years, which included quite a few very bad years for housing, values are still up 7.0 percent on a cumulative basis. In addition, the number of U.S. households is expected to rise 10 to 15 percent over the next decade, creating a continued high demand for housing.

EQUITY

Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home.

SAVINGS

Building equity in your home is a ready-made savings plan. And when you sell, you can generally take up to $250,000 ($500,000 for a married couple) as gain without owing any federal income tax.

PREDICTABILITY

Unlike rent, your fixed-rate mortgage payments don't rise over the years so your housing costs may actually decline as you own the home longer. However, keep in mind that property taxes and insurance costs will likely increase.

FREEDOM

The home is yours. You can decorate any way you want and choose the types of upgrades and new amenities that appeal to your lifestyle.

STABILITY

Remaining in one neighborhood for several years allows you to build lasting relationships within the community. It also offers children the benefit of educational and social continuity.

*Content sourced from National Association of REALTORS®

Home Purchase Timeline

A typical purchasing timeline in our market from the time you go under contract until the closing is approximately 30-45 days, and it's a good idea to backup your dates so that you allot the right amount of time. Of course, each real estate transaction is unique, and seller circumstances and loan/financing guidelines can affect your timeline. This is a general guide for what to expect. If you need to close by a certain date, this can be a great tool to help you account for the time necessary to close on time.

Home Search

Expect to spend 2-3 weeks searching for your next home.

Due Diligence & Financing

After making an offer and going under contract, you will likely have a due diligence period. The time period is negotiated, but a typical time period could be 5-14 days depending on the market conditions. During this time you will want to have inspections, get quotes for repairs, and come to an agreement with the seller on repairs they will make.

Appraisal & Loan Approval

Communicating with your lender early on in the process will help to identify specific timelines for your situation, but some loans can take up to 28 days to approve. An appraisal can take 10 - 21 days to complete depending on market conditions.

Why Hire a Buyer's Agent?

Having an agent who specifically works for you is very important. Sellers hire an agent to represent their interests, and having an agent represent your interests as a buyer is equally important. This is your biggest investment, and a buyer's agent can help you avoid pitfalls and be sure that you are making the best possible decision.

HOW DO I HIRE A BUYER'S AGENT?

We look forward to working with our buyers and partnering with them on this journey as we recognize what an important time it is in your lives to be selecting a home or an investment in real estate. We recognize and respect the opportunity that you may want to interview a couple of agents or go see a couple of houses before committing to one agent. The only way to hire a buyer's agent is to sign a Buyer's Brokerage Agreement, so that you can be fully represented in the home purchase process. This agreement outlines our duties to you as a buyer and establishes our relationship to look after your best interests. It also outlines the compensation so that we all understand early on in the process how real estate compensations are paid.

WHO PAYS A BUYER'S AGENT?

Typically, a buyer's agent is paid through a compensation that comes from the sales price of the house at the closing. In your buyer's brokerage agreement, your buyer's agent will include a compensation amount that is negotiated between the two of you. Should there not be a compensation offered, or should you purchase an off market house or For Sale By Owner, you will pay your buyer's agent the amount that is decided upon in the Buyer's Brokerage Agreement. Often times, we are able to roll that into the price of the house to avoid additional cash out of your pocket, but every transaction is unique!



WHAT DOES A BUYER'S AGENT DO?

Understanding Your Needs:
A Buyer's Agent begins by asking thoughtful questions to gain a deep understanding of your specific preferences and requirements for your property purchase.

Property Selection:
Working together with you, they identify properties that align with your criteria and are well-suited to your needs and desires.

Market Knowledge:
They provide you with education on current market pricing and conditions, ensuring you have the information needed to make informed decisions.

Financial Preparedness:
A Buyer's Agent helps you prepare financially, guiding you through the process of determining what you can afford and assisting you in establishing the optimal timing for making an offer.

Information Resources:
They can direct you to comprehensive and reliable sources for additional information on various aspects, such as schools, safety, neighborhoods, health hazards and other relevant factors that will help you make informed decisions.

Professional Recommendations:
A Buyer's Agent can refer you to reputable professionals in the area, including lenders, inspectors, real estate attorneys, insurance agents, and others. These recommendations are intended to ensure a smooth and successful transaction.

Market Data Analysis:
They compile and analyze data to assist you in determining an appropriate market value for properties of interest.

Offer Formulation and Evaluation:
Your Buyer's Agent helps you formulate an offer and carefully evaluates information to determine the appropriate contingencies, timelines, pricing, and terms to include in your offer.

Due Diligence Assistance:
They guide you through all necessary steps for due diligence and connect you with qualified professionals to help you make well-informed decisions and obtain quotes. A curated list of dependable vendors is readily available, covering various services like HVAC, contracting, roofing, electrical work, and more.

Inspection Support:
Your Buyer's Agent assists you in reviewing inspection reports, assessing the severity of any issues, and facilitating negotiations with the seller regarding necessary repairs.

Lender Collaboration:
They collaborate closely with your lender to ensure that all agreed-upon timelines are met and that your earnest money is protected throughout the transaction.

Pre-Closing Preparations:
Your Buyer's Agent schedules walk-throughs and re-inspections before the closing to confirm that the property is in the appropriate condition for a successful closing.

Closing Coordination:
They work with the closing attorney to ensure that everything is in order and you are fully prepared when you arrive for the closing.

Post-Closing Support:
Your Buyer's Agent assists in arranging the transfer of keys, utilities, and offers ongoing support even after the closing to ensure a smooth transition into your new home.

Choose a REALTOR®

Corcoran Classic Living is comprised of highly skilled and educated REALTORS® and Associate Brokers. Our agents stay current on marketing trends and contractual changes which provide our clients with the highest level of negotiating skills and experience in the area. As professional members of the National Association of REALTORS®, they all subscribe to a strict code of ethics and provide clients with the following:

ETHICAL TREATMENT

Every REALTOR® must adhere to a strict code of ethics, which is based on professionalism and protection of the public.

EXPERT GUIDANCE

Our REALTORS® are knowledgeable and experienced in the home purchase process. They will help you prepare the best deal and avoid delays and costly mistakes.

OBJECTIVE INFORMATION

REALTORS® can provide local information on utilities, zoning, schools, and neighborhoods. Our agents will use their expert knowledge to help you find the best property.

SEARCH POWER

Our REALTORS® can help you find opportunities not listed on home search sites and can help you avoid out of date listings.

NEGOTIATION KNOWLEDGE

A REALTOR® will look at every angle from your perspective, including crafting a purchase agreement that allows enough time for you to complete inspections and investigations of the property before you are bound to complete the purchase.

UP-TO-DATE EXPERIENCE

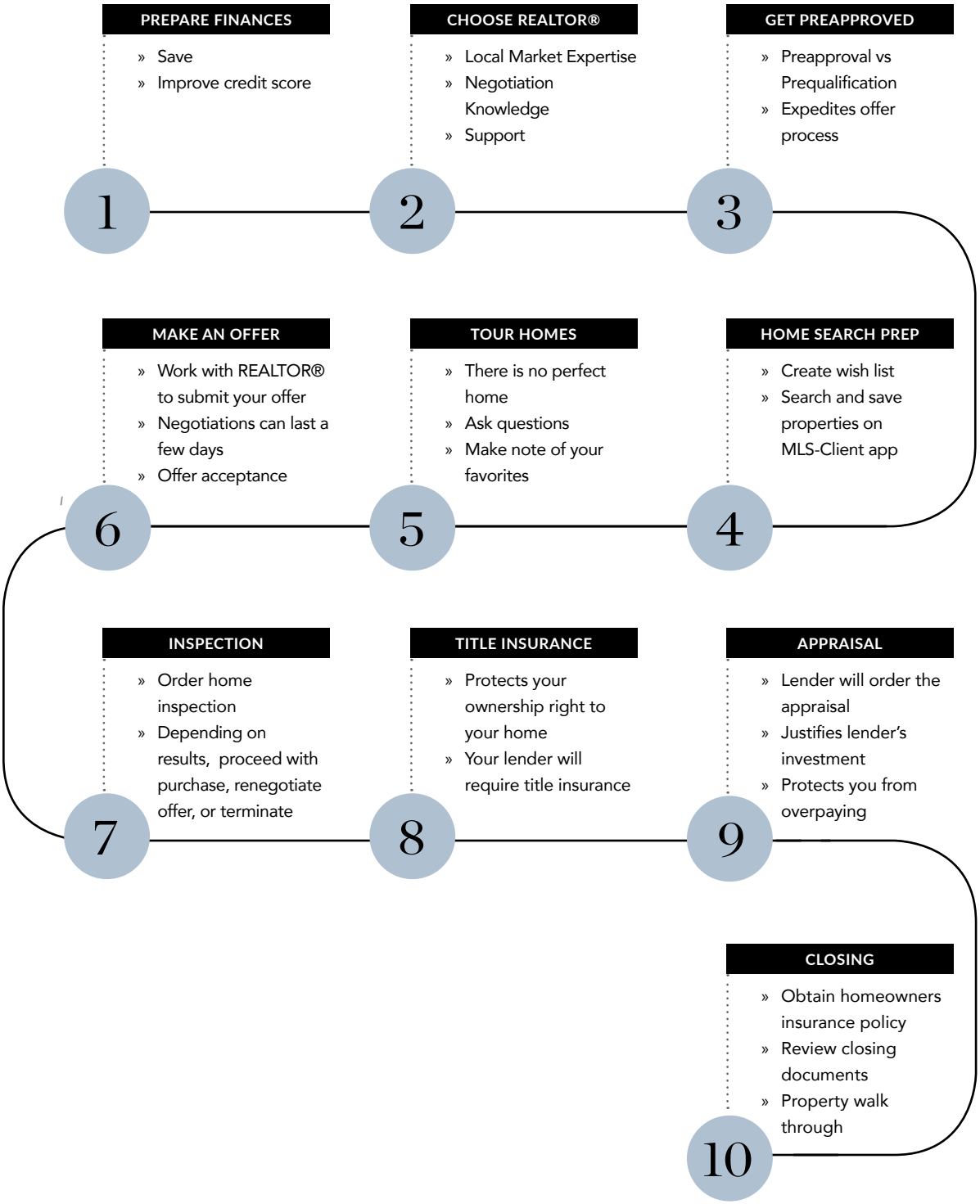
Even if you've purchased a home before, laws and regulations change. REALTORS® handle hundreds of transactions over the course of their career and have the up-to-date experience needed to complete a smooth transaction.

SUPPORT

For most, buying a home is the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on the issues most important to you.

*Content sourced from National Association of REALTORS®

Home Buying Process



Prepare Your Finances

Buying a home is one of the biggest purchases one can make in a lifetime. The amount you have saved and your credit score play a big role in determining whether you will qualify for a loan and what your loan terms will be.

SAVE

No matter how you plan to finance your home purchase, you will need a healthy savings before you begin the process. Savings are needed for a down payment and can translate into flexibility from lenders.

IMPROVE YOUR CREDIT SCORE

Credit scores range between 200 and 850, with scores above 620 considered desirable for obtaining a mortgage. Keep your credit score high by doing the following:

- Check for errors in your credit report
- Pay down credit card bills
- Don't max out credit cards
- Wait 12 months after credit difficulties to apply for a mortgage
- Don't order items for your new home on credit
- Don't open new credit card accounts
- Shop for mortgage rates all at once
- Avoid finance companies

Credit Score Factors

PAYMENT HISTORY

Did you pay your credit card bills on time? Bankruptcy filing, liens, and collection activity also affect your history.

AMOUNT YOU OWE AND WHERE

If you owe a great deal of money on numerous accounts, it can indicate that you are overextended. However, spreading debt among several accounts can help you avoid approaching the maximum on any individual credit line.

CREDIT HISTORY LENGTH

In general, the longer an account has been open, the better.

HOW MUCH NEW CREDIT YOU HAVE

New credit, whether in the form of installment plans or new credit cards, is considered more risky, even if you pay down the debt promptly.

TYPES OF CREDIT YOU USE

Generally, it's desirable to have more than one type of credit, such as installment loans, credit cards, and a mortgage.

*Content sourced from National Association of REALTORS®

Get PreApproved

Obtaining preapproval from a lender sets you up for success in the home buying process. Preapproval keeps you honest about your price range and puts you in a better negotiating position should you encounter a multiple offer situation.

	PREQUALIFIED	PREAPPROVED
Do I need to fill out a mortgage application?	**NO**	**YES**
Do I have to pay an application fee?	**NO**	**MAYBE**
Does it require a credit history check?	**NO**	**YES**
Is it based on an in-depth analysis of your financial background and current credit rating?	**NO**	**YES**
Does it require an estimate of my down payment amount?	**NO**	**YES**
Will the lender give me an estimate for a loan amount?	**YES**	**NO**
Will the lender give me a specific loan amount?	**NO**	**YES**
Will the lender give me interest rate information?	**NO**	**YES**

Home Search Prep

Before you begin looking at homes, get in the mind set that there is no "perfect" home and there is no "right" time to buy. We understand this is a big decision and we are here to provide the guidance and tools necessary to ensure a smooth home purchase process. To start, we recommend making a wish list of your top priorities and staying focused on what will give you the best quality of life. In addition to staying within your price range, it is important to consider the following features:



HOME TYPE

Are you looking for split-level, single level or a house with a mother-in-law suite?



LOCATION

Research 3-4 neighborhoods. Do they offer a reasonable commute, amenities, good schools, etc?



FEATURES

Are you looking for a home with a pool, screened porch or fireplace?



SIZE

Think about how many bedrooms, baths, and square footage you will need to feel comfortable.

Ask About the Neighborhood

What's my commute?

Verify travel times for your most common activities and errands.

Is it safe?

Contact the police department to obtain neighborhood crime statistics. Consider the number of crimes, type, and trend.

What are the schools like?

This is especially important if you have children, but it also can affect resale value.

Is it economically stable?

Check with your local economic development office to see if household income and property values in the neighborhood are stable or rising.

Do I like what I see?

Go and get a feel for what it might be like to live there. Are homes tidy and well maintained? Are streets bustling or quiet? Chat with people working or playing outside.

Is it a good investment?

Ask a local REALTOR® about price appreciation in the neighborhood. Although past performance is no guarantee of future results, this information may give you a sense of how a home's value might grow. A REALTOR® also may be able to tell you about planned developments or other changes coming to the neighborhood — such as a new school or highway — that might affect its value.

*Content sourced from National Association of REALTORS®

Search & Tour Homes

Once you have crafted a list of "must haves" and have a good picture of what your home looks like, then you're ready to start searching for homes and scheduling tours! We recommend using the MLS-Client app which allows you to search the MLS, share notes and listings with your real estate agent and much more!

DOWNLOAD APP

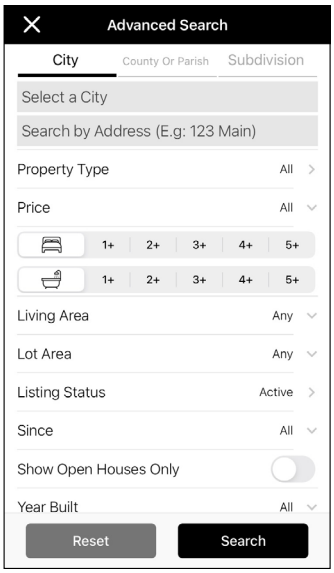
Go to your app store on your phone and search "MLS-Client." Download the app.

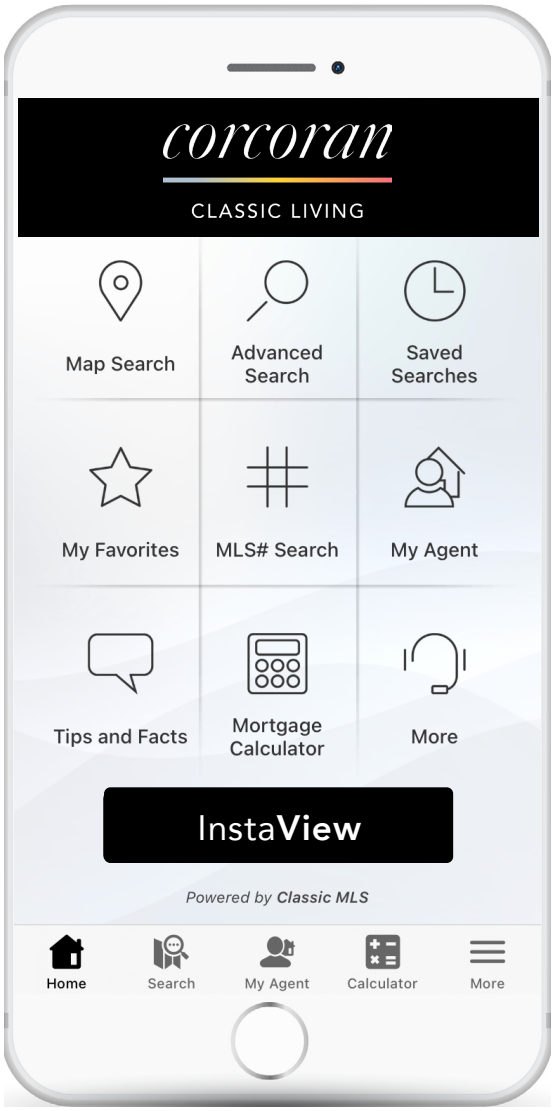
REGISTER

Your agent will share a registration link with you. Using your phone, click on the link. It will open the app on your phone and send a request to your agent. When the agent accepts the request, you will then be able to exchange messages and share listings together.

SEARCH

Use "Advanced Search" to search by beds, baths, price, etc. Or, use "Map Search" to view active listings in your current physical location. Don't forget to share your "Favorites" with your agent so they can schedule showings for you!





Make an Offer

When you have found a home you're interested in, it's time to make an offer! Be prepared for negotiations to go back and forth several days before both parties agree to terms. You may also have to compete in a multiple offer scenario in certain market conditions. Your agent will begin by drawing up a formal contract with your offer price and necessary contingencies.

WHAT'S INCLUDED IN MY OFFER?

- Purchase price
- Closing date and time of possession
- Amount seller will contribute to buyer closing costs (if applicable)
- Length of due diligence period
- Requests for seller paid items (home warranty, termite bond, etc)
- Requests for items to convey with the home
- Earnest money amount and form of payment
- Prequalification/preapproval letter from mortgage lender
- Length of time offer is valid before it expires
- Necessary disclosures or contingency exhibits

YOU SUBMITTED YOUR OFFER, NOW WHAT?

1. Seller Accepts Offer
2. Seller Rejects Offer
3. Seller Executes Counter Offer

In most cases, a seller will not accept your offer outright. Typical counter offers include modifications to the purchase price, closing date, possession date and inclusions.

UNDER CONTRACT

When both seller and buyer have agreed to terms and both parties have signed the offer, the contract becomes legally binding and you are now under contract!

Getting to the Finish Line

After your offer is accepted, there is still work to do to ensure the purchase is a sound decision. The next steps prior to closing include the home inspection, property survey, searching the home title, and getting an appraisal.

HOME INSPECTION

Following offer acceptance, it's time to hire a professional inspector to evaluate the condition of the home. It is the buyer's responsibility to schedule the inspection. Your agent will be happy to provide you with a list of recommended inspectors. The goal of the home inspection is to give you an objective, independent and comprehensive analysis of the physical condition of your potential new home and check for any safety issues that might otherwise be unknowable. The following should always be inspected:

- Structure
- Exterior
- Interiors
- Electrical systems
- Plumbing/Waste Disposal
- Water Heater
- Insulation
- Ventilation
- HVAC
- Water Source & Quality
- Lead paint (if built before 1978)
- Pests/termites
- Foundation
- Doors
- Windows
- Ceilings
- Walls
- Floors
- Roof
- Radon gas
- Asbestos
- Fireplaces

*Content sourced from National Association of REALTORS®

You will receive a formal report of the inspection and an estimate of cost for any repairs. Depending on the results of the inspection, you will have the opportunity to:

1. Terminate offer if major problems are discovered.
2. Renegotiate purchase price to account for repairs.
3. Negotiate repairs be made by the seller before final purchase of property.

PROPERTY SURVEY

The due diligence period is also a great time to order a survey of the property if a recent one has not been completed. Obtaining a survey is the only way to know exactly where your property lines are.

TITLE INSURANCE

Title insurance protects your ownership right to your home, both from fraudulent claims against your ownership and from mistakes made in earlier sales, such as misspellings of a person's name or an inaccurate description of the property. Talk to your closing attorney about the risks and rewards and the cost of the policies.

Your Mortgage Lender Will Require It

Title insurance protects the lender from defects in the title of your home, which could include mistakes made in the local property office, forged documents, and claims from unknown parties. It ensures the validity and enforceability of the mortgage document. The amount of the policy is equal to the amount of your mortgage at its inception. The fee is typically a one-time payment rolled into closing costs.

Two Different Policies to Consider

The first policy, the one your lender will require, protects the lenders investment. You may also purchase an optional owner's policy that provides coverage up to the purchase price of the home you're buying, which protects your equity.

You May Choose Your Provider

You can shop around for a lower insurance premium rate at a wide variety of sites online. Request quotes and then reach out to discuss hidden fees or possible discounts. Your lender or real estate professional can also offer advice or help with getting quotes. Make sure your provider has a favorable Financial Stability Rating with Demotech Inc.

APPRAISAL

Your lender will send out an appraiser to make sure the purchase price is in line with the property's value. Although the primary goal of the appraisal is to justify the lender's investment, it also protects you from overpaying. If the appraisal comes in lower than the amount you wish to borrow, you may need to renegotiate your contract. Your offer contract will be contingent on this financing. Here are a few things to note about the appraisal process:

Is an appraisal a concrete number?

NO. Appraisals provide a professional opinion of value and may differ depending on when they're done and who's doing them. Also, changes in market conditions can dramatically alter appraised value.

Does an appriasal represent the whole picture?

NO. There are special considerations that appraised value doesn't take into account, such as the need to sell rapidly.

How do appraisers derive their price?

Appraisals use sold data from comparable properties (comps) to help come up with a reasonable price.

*Content sourced from National Association of REALTORS®

The Closing Table

The closing is the final step in the home purchase process and when the ownership of the property is transferred from the seller to the buyer. All parties will attend the closing and the closing attorney will coordinate the signing of all paperwork.

WHAT TO BRING TO CLOSING

- Government issued photo ID (license, passport, etc)
- Proof of homeowners Insurance
- Checkbook (if applicable)
- If wiring funds, beware of cyber-fraud
  Fraudulent e-mails attempting to get the buyer and/or seller to wire funds (earnest money, closing costs, etc) to criminal computer hackers are increasingly common in real estate transactions. Be on special alert for: 1) emails directing the buyer and/or seller to wire money to a bank or bank account in a state other than Georgia; and 2) emails from a person or company involved in the real estate transaction that are slightly different (often by one letter, number, or character) from the actual email address of the person or company.



WHAT FUNDS ARE REQUIRED FOR CLOSING

If you are financing your home purchase, a closing disclosure will be provided to you by your lender at least three business days prior to closing. This document will contain a detailed description of all costs associated with the transaction, including your down payment, closing costs, fees, taxes, etc that you are responsible for paying.

FINAL WALK-THROUGH

Conduct a walk-through of the property prior to closing. This will allow you to make sure the property is in the same condition as it was at the time of contract and that any agreed upon repairs have been completed by the seller.



Prepare for Your Move

Preparing for moving day can seem overwhelming. To help ease the stress and make moving day less chaotic, follow the plan below for what needs to be accomplished and when.

8 WEEKS

HIRE MOVERS

- Hire a moving company or rent a truck
- Create file for moving related paperwork and receipts
- Purchase insurance, if necessary

6 WEEKS

SUPPLIES & PURGE

- Declutter, purge and start using up any food in the fridge/ freezer so you don't have to move it
- Collect moving boxes and obtain packing supplies



4 WEEKS

START PACKING

- Come up with a system for labeling your boxes
- Start packing the non-essentials, such as decor, off-season clothing, and books
- Pack any outdoor and stored items
- Notify businesses of your change of address
- Obtain a change of address packet from the local post office
- Confirm the moving company or truck
- Finalize travel arrangements, if applicable

2 WEEKS

TIE UP LOOSE ENDS

- Continue packing
- Contact utility companies and transfer service
- Schedule pet care or childcare during the move, if necessary
- Start deep-cleaning your current home
- Transfer prescriptions to a new pharmacy, if necessary
- Return library books or items you've borrowed from local friends

1 WEEK

FINAL TASKS

- Pack a suitcase to live out of for the next week
- Finish deep cleaning
- Disassemble furniture
- Pack an "Open First" box to include items like toilet paper, soap, trash bags, chargers, box cutters, scissors, hammer, screwdriver, pens, paper, cups, plates, water, snacks, towels and basic toiletries

MOVING DAY

BE READY

- Wake up early and deal with any last-minute tasks before the moving truck arrives
- Complete final walk-through and leave nothing behind
- Greet movers, give instruction and provide water/snacks
- Provide address and directions to movers
- Tip your movers if you receive good service
- Leave the following for the new owners: manuals/warranties, garage door opener, house keys, Condo Board/HOA contact info

Vocabulary

Agency

BUYER'S REPRESENTATIVE

Hired by prospective buyers and works in the buyer's best interest throughout the transaction. The buyer can pay the agent directly through a negotiated fee, or the buyer's rep may be paid by the seller or through a compensation split with the seller's agent.

SELLER'S REPRESENTATIVE

Hired by and represents the seller. All fiduciary duties are owed to the seller, meaning this person's job is to get the best price and terms for the seller. The agency relationship usually is created by a signed listing contract.

DISCLOSED DUAL AGENT

Represents both the buyer and the seller in the same real estate transaction. In such relationships, dual agents owe limited fiduciary duties to both buyer and seller clients. Because of the potential for conflicts of interest, all parties must give their informed consent. Disclosed dual agency is legal in most states, but often requires written consent from all parties.

DESIGNATED AGENTS

Chosen by a managing broker to act as an exclusive agent of the seller or buyer. This allows the brokerage to avoid problems arising from dual-agency relationships for licensees at the brokerage. Designated agents give their clients full representation, with all of the attendant fiduciary duties.

TRANSACTION BROKER (FACILITATOR)

Permitted in states where non-agency relationships are allowed. These relationships vary considerably from state to state. Generally, the duties owed to the consumer in a non-agency relationship are less than the complete, traditional fiduciary duties of an agency relationship.

Loans & Lending

TERM

Mortgages are generally available at 15-, 20-, or 30-year terms. The longer the term, the lower the monthly payment. Shorter terms mean you pay less interest over the life of the loan.

FIXED VS. ADJUSTABLE INTEREST RATES

A fixed rate allows you to lock in a low interest rate as long as you hold the mortgage and, in general, is a good choice if rates are low. An adjustable-rate mortgage (ARM) usually offers a lower rate that will rise as market rates increase. ARMs usually have a limit as to how much and how frequently the interest rate can be increased. These types of mortgages are good when fixed interest rates are high or if you expect your income to grow significantly in the future.

NON-TRADITIONAL MORTGAGES

Also known as "exotic," these mortgage types were common in the run-up to the housing crisis, and often featured loans with low initial payments.

BALLOON MORTGAGE

A form of non-traditional financing where your interest rate will be very low for a short period of time (3-7 years).Payments usually only cover interest so the principal owed is not reduced. This may be a good choice if you think you will sell your home at a large profit in a few years.

GOVERNMENT-BACKED LOANS

Sponsored by agencies such as Federal Housing Administration or the Department of Veterans Affairs. They offer special terms, including reduced interest rates to qualified buyers. VA Loans are open to veterans, reservists, active-duty personnel, and surviving spouses and are one of the only options available for zero down payment loans. FHA loans are open to anyone, require a down payment and can be as low as 3.5 percent. Drawbacks include a slower loan process and, for FHA loans, the need to pay mortgage insurance.

Transaction Documents

LOAN ESTIMATE

Your lender is required to provide you with this three-page document within three business days of receiving your loan application. It will show estimates of your interest rate, monthly payment, closing costs, taxes, and insurance. You will also learn how your interest rate and payments could change in the future, and whether you will incur penalties for paying off the loan early (prepayment penalty) or increases to the mortgage loan balance even if payments are made on time (negative amortization.)

CLOSING DISCLOSURE

Your lender is required to send this five-page form, which includes final loan terms, projected monthly payments, and closing costs, three business days before your closing. This window gives you time to compare the final terms to those in the Loan Estimate, and to ask the lender any questions before the transaction is finalized.

MORTGAGE AND NOTE

These spell out the legal terms of your mortgage obligation and the agreed-upon repayment terms.

DEED

The document officially transfers ownership of the property. In a cash deal, it goes to you, but otherwise you won't get the deed until you pay off the mortgage.

AFFIDAVITS

These are binding statements by either party. For example, sellers will often sign an affidavit stating they haven't incurred any liens on the property.

RIDERS

This term describes any amendments to the sales contract that affect your rights. For example, sellers may arrange to retain occupancy for a specified period after closing but agree to pay rent to the buyers during that period.

INSURANCE POLICIES

These documents provide a record and proof of your coverage, be they insuring the title or the property itself. Homeowners insurance documents will be your responsibility while proof of title insurance will be given to you at the closing table.

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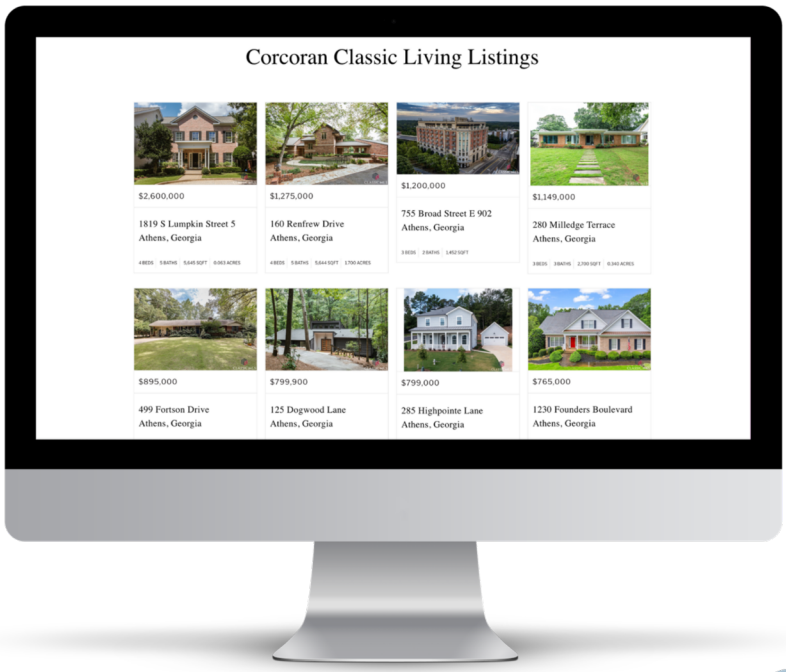
Ready to start looking?
Our website is ready for you!



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