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The Ten (10) Steps in the Home Buying Process

- 1) **Find a Professional Real Estate Agent.** Like me! I have been in the Real Estate Industry for over 25 years starting out in Brooklyn, New York and now as an Associate Broker for Willow Beach Real Estate. I have wide experience with first time home buyers, military home buyers, and completed numerous transactions with foreclosed and short sale properties. I have been awarded the “5 Star Professional Award in Real Estate” that is published in Coastal Virginia Magazine (formally Hampton Roads Magazine) for the last 6 years!
- 2) **Get pre-qualified by a Bank or Mortgage Loan Officer.** This is most important. Pre-qualification will determine what price range you should consider per your income and credit history. You may also discover that presently you can't be approved for a mortgage, but that is okay. My Loan Officer Associates can make recommendations on how to quickly improve your credit by focusing on certain credit lines and what amount you should pay down. I have had clients who increased their credit score within 30 days. Yes, some took longer, but as long they stood on the financial course that the loan officer provided, their credit score increased and we closed on homes.
- 3) **View homes with your agent.** This is the fun part. Once I learn what your price range is, what area of Hampton Roads you would like to purchase, and other criteria such as number of bedrooms and baths, square footage, age of home, ranch or two stories, etc.... I will set you up with a drip of daily listings that will be emailed to you for your review. You can tell me which homes you would like visit, I perhaps will make some additional recommendations, and we will view the properties.
- 4) **Write an offer.** Once you find that PERFECT home, I write an offer. But first I will see what other homes, which match the one you have chosen, have sold for (amount) in the surrounding area; this process called a Comparative Market Analysis (CMA). The purpose of the CMA is to make an informed offer. If we feel that the asking price of the home is too high, we can make a lower offer. We must also determine how much money you will give as an Earnest Money Deposit (EMD), do you want the seller to contribute to your closing costs (approximately 3 – 3.5% of the purchase price) and when you would like to close (usually 30 – 45 days after the contract date).

- 5) **Ratification and choosing a Closing Company.** If the seller is in complete agreement with the terms of our offer, the contract is then RATIFIED or EXECUTED. How I wish it would happen that fast! But two other events may happen: the seller counters our offer (usually over price or closing costs) or they completely reject the offer.

If the seller rejects our offer, we can still re-submit, however, if there is another offer in the pipeline from another buyer, the seller can accept that offer. If the seller counters, we can either accept the terms of their counter, or we can counter or negotiate their counter. Once we are all in agreement, the agreement is **ratified**.

Once we have a ratified contract, we must choose either an Attorney or a Closing Company to prepare the closing documents and to ensure that the title of the property is free and clear.

- 6) **Home Inspection/Termite Inspection.** A contract does not have to be written with a “Home Inspection Contingency” attached to it, but it is highly recommended. A home inspector will check for any defects on the property, appliances, electrical and HVAC system. If there are any defects in the property, we can request the seller to make repairs. If the seller does not, and you do not wish to make the repairs, you can be released from the contract and your EMD returned to you. Home Inspections cost from \$350 to \$400 depending on the size of the house. However, a termite/moisture inspection must be performed, and a Clear Certificate forwarded to the Bank.
- 7) **Appraisal.** Once the home inspection has been completed and you have decided to continue with the purchase of the property, your Loan Officer will order an appraisal. The purpose of the appraisal is to assure the bank that the purchase price of the house is equal or less than the market value of the home. If it is not, we can negotiate with the seller to lower the price. If the seller does not, you can either make up the difference between the appraised value of the house and the purchase price with CASH or request to be released from the contract.
- 8) **Choose a Home Insurance Company and perhaps a Home Warranty.** The house must be insured while you have an outstanding mortgage with the Bank. The closing company can make recommendations on which Home Insurance Company to use and that must be decided prior to closing. A Home Warranty is not mandatory but is recommended. The Warranty will make your costs minimal if there are problems with appliances, heat and air conditioning after purchase. Some Home Warranties offer even more protection with premium policies.
- 9) **Final Walk-thru.** Prior to closing, we will have the Final Walk-thru where we will review any repairs requested after home inspection, and make sure all conveyed items, such as washer and dryers, are still present.
- 10) **Closing.** That is the day you bring your down payment check and sign numerous bank and city documents! But it will be worth it because you will receive your keys and be a proud new homeowner!

(Will you have more questions? Yes, lots! That is what I am here for!)