# Guide to Oregon Residential Real Estate Purchases

1. **Mortgage Pre-Approval (if financing needed)**

   This is always the first step in the homebuying process. When submitting an offer on the property, a Pre-approval letter from a lender must be provided must be provided to prove that the buyer has the means to carry through on the purchase. This requirement is actually stipulated in the State of Oregon Residential Sales Agreement which all Realtors use to present offers. Please also keep in mind that you will also need “cash to close” which includes:

   - the balance of your down-payment
   - lender closing costs (discuss with your lender in order to get an idea what their costs will be.)
   - Escrow costs
   - Pre-paid expenses. An example of this are pro-rated property taxes, which are typically paid 1 year in advance by the seller. You would be responsible for the amount unused for the current tax year i.e. just the time you will actually own the home.

   Here is the contact information for our lender of choice.

**Mark Snow**

**Senior Loan Advisor**

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2. **Verification of Funds (if paying cash)**

   If you intend on paying cash for your home, then a pre-approval is not required – however in lieu of a pre-approval, verification of sufficient funds must be provided in the form of bank statements or similar instruments.

3. **Home Searches**

   We optionally offer our clients to complete an on-line Buyers Questionnaire  from which we use to establish a search on the RMLS (the source of listing information that feeds Zillow, Redfin, Realtor.com, etc). You can also augment these results with whatever source you are comfortable using as well. I have already  forwarded you the link to the questionnaire. It will appear as an email from DocuSign

**4. Home Tours**

When you find candidate properties, it is important that you do a vetting of the home by just driving by the property and seeing if the overall condition of the exterior as well as the neighborhood conforms to your expectations and needs. We can then schedule a showing at your convenience. As I mentioned, that with Geri and I there are two Brokers working for you there should be one of us available at that time.

**5. Offer Submission**

When you are ready to place the offer on a Home, we will prepare all the necessary paperwork that is required and then send to you via DocuSign for your e-signatures. We will also provide you with some of our own methods for enhancing your offer. But at the end of the day, it will be all your decision as to how to proceed. We are here to provide the Best in Class advice. Along with the offer, we have to provide a pre-approval letter as mentioned above. We will ask you reach out to your lender in order to provide a pre-approval for the exact amount of the offer so that we do not show any indications of your maximum Pre-Approval amount.

The seller may choose to respond by issuing a counter-offer for you to consider, but if all goes well we will get under contract and the next stage begins.

**6. Earnest Money Delivery - 3 Business Days**

Earnest money as committed to in the purchase agreement usually about 1% of the purchase price) must be delivered to the escrow company within 3 business days of the contract being agreed to. The Escrow Company is the neutral party between the seller and buyer to oversee all of the transactional information, including funds. This earnest money contributes to your overall down-payment. The payment is usually in the form of a personal check.

**7. Inspection Period 10 Business Days**

The Inspection timeline is 10 **business** days from the time the offer is accepted by the sellers. This means that in that timeframe,

- the inspector must be contracted,
- inspection performed,
- report generated and
- repairs negotiated.

It is during this period that you can withdraw from the transaction and receive your earnest money back if any issues are discovered from the inspection that cannot be resolved via negotiation. We can arrange the inspection on your behalf with one of our team members but you can also use any inspector of your choice. We  attempt to be there for the duration to provide access to the inspector as well as get briefed on progress. You can be there for the whole or part of the inspection (sometimes a buyer shows up at the last ½ hour of the Inspection to get the summary directly from the inspector. A comprehensive report follows (usually 1-2 days afterward).

8. **Home Insurance**

During the inspection, you should be looking at securing insurance for the home. This will be a necessity for your lender. Ask us for a referral for a local agent or optionally use one of your own choosing. Speak to your lender with regards to the timing of having insurance in place.

9. **Preliminary Title Search**

The title/escrow company will perform a title check on the property and send you a report on their findings. If any inconsistencies (not a thing that typically happens) are found, they will work to clear any "clouds" on title with the current owner before the transaction closes. You will receive notice of title insurance – this is a one time fee to be paid, usually by the seller at closing, and protects your claim to title.

10. **HOA Documents/CC&R's/Bylaws**

If you are purchasing a home governed by a Home Owners Association (HOA) , the seller must provide within 7 days, all relevant condo operating documents as well as up to 1 year of condo board meeting minutes (if available). This is to allow you the opportunity to understand any salient points about the HOA governing rules and regulations. After receipt of those documents from the seller, you have 5 days to review these documents and then decide if there are any objectionable issues that might cause you to want to terminate the sale. If you do, your earnest money will be returned to you

11. **Seller Disclosures Contingency – 5 Days after Disclosures are received (Must be signed to acknowledge you have received them)**

The seller will provide us with disclosures about the property – they give information on any defects on the property that the sellers are aware of. If, after receiving these documents, you find an issue with regards to the disclosures you are not happy with, you may terminate the sales agreement within 5 business days of receipt of the disclosures and have your earnest money refunded.

12. **Appraisal Contingency**

Within the timeframe after the offer is accepted, you will have to arrange for an appraisal with your lender. Based on the outcome of the appraisal, you will have the following outcomes and options

a. Appraisal is over purchase price – Congratulations – you have equity in your property before you even move in
b. Appraisal is at purchase price – no problem – carry on to closing!
c. Appraisal is under purchase price. This is where we would have to renegotiate the price with the seller. The outcomes here are:

- Seller lowers price to appraisal price – carry on to closing!
- Seller will not negotiate. You would have to make up the difference in cash at closing

- Seller negotiates and you meet halfway between appraisal and purchase price. You have to make up the difference in cash at closing
- The seller refuses to negotiate. You can terminate and receive your earnest money back.

If differences cannot be resolved with the seller, you can terminate the transaction and have your earnest money refunded to you.

**12. Arranging for Utility Account Transfers**

About a week before the transaction closes, you will need to reach out to the utility companies to arrange for service at your new address. If you need any help in determining which utilityus service your new home, please let us know and we can research accordingly. Utility companies include:

- Natural Gas
- Electricity
- Cable/Internet
  - If you are looking at a rural property that may not have traditional Internet service, one option is to try StarLink (http://www.StarLinkl.com). Oregon availability is slated for 2023.
- Telephone
- Sewer
- Trash
- Water

**13. Closing Documents Delivery - 3+ Business Days before Closing**

Your lender must provide you with CD's which list all of the lending costs. You must sign these as an acknowledgement that you have received them

**14. Closing**

You will be contacted by the escrow company for you to do a signing in their a few days before closing. Remote signings can be arranged via the Title Company. Once you and your lender have wired the funds and escrow verifies receipt, the Escrow officer will work on getting title transferred into your names. Once the county has recorded the deed in your name, the home is yours! We will make arrangements to get the keys transferred to you at your convenience.