



# The Ultimate Home Buying Guide: Step-by-Step Breakdown

Welcome to your comprehensive guide to navigating the home buying process. Whether you're a first-time buyer or returning to the market, this presentation walks you through each critical step from financing to receiving your keys. Let's demystify the journey to homeownership together.

# Pre-Approval & Loan Options

Getting pre-approved is your crucial first step in the home buying journey. Unlike a basic pre-qualification, pre-approval involves a thorough financial assessment that results in a lender's conditional commitment.

**Pre-Approval Validity:** Typically 30-90 days, depending on your lender

Most sellers now **require** pre-approval letters with offers, especially in competitive markets.

## Requirements

- Credit check (620+ for conventional, 580+ for FHA)
- Proof of income, assets, debts, and employment
- DTI ratio typically under 43%
- Verified funds for down payment & closing costs

## Common Loan Types

- **Conventional:** Typically requires higher credit scores
- **FHA:** Lower down payment requirements
- **VA:** For veterans with no down payment
- **USDA:** For rural properties with no down payment
- **Jumbo:** For high-cost properties above conforming limits

Don't forget about state grants and first-time buyer programs (I can help with this!)

# Working with a Buyer's Agent

A dedicated buyer's agent serves as your advocate throughout the entire home buying process, offering expertise that can save you time, money, and stress.

## Agent Responsibilities

- Market analysis and pricing advice
- Expert negotiation of terms and price
- Drafting legally sound offers
- Guidance through inspections and closing
- Fiduciary duties including loyalty and confidentiality

## Finding the Right Agent

- Personal referrals from friends and family
- Online reviews and testimonials
- Local brokerage recommendations
- Interview multiple agents before deciding



Always sign a **Buyer-Broker Agreement** that clearly defines your representation and compensation terms.

**⚠ Important 2024 Update:** Due to NAR settlement changes effective July 2024, buyers may need to pay their agent directly rather than through the traditional seller commission split.

# Property Search Process



## Define Your Search Parameters

Create two separate lists: absolute "must-haves" versus desirable "nice-to-haves" to focus your search.

- Location/neighborhood preferences
- Minimum bedrooms/bathrooms
- Required features (garage, yard, etc.)
- Deal-breakers (busy street, flood zone)



## Utilize All Search Resources

Cast a wide net using multiple channels to find potential properties:

- MLS access through your agent
- Online platforms (Zillow, Redfin, Realtor.com)
- Open houses and community drives
- Off-market or "coming soon" listings



## Refine and Adjust

Be prepared to evolve your criteria based on what you learn during the search:

- Evaluate tradeoffs between price and features
- Consider compromising on less important factors
- Expand or narrow geographic boundaries

**Timeline Expectation:** The search typically takes anywhere from a few weeks to several months, depending on market conditions, inventory levels, and your flexibility.



# Making an Offer & Negotiating

- ❏ **Strategic Considerations:** Your agent will help you determine whether to offer above, at, or below asking price based on market conditions, comparable sales, and the property's condition.

## Components of a Complete Offer

1

### Purchase Price

Your proposed amount, carefully determined based on comparable sales and market conditions

2

### Earnest Money

Good faith deposit showing your serious intent (typically 1-3% of purchase price)

3

### Contingencies

Conditions that must be met for the deal to proceed (inspection, financing, appraisal)

4

### Closing Timeline

Proposed date for completing the transaction (usually 30-60 days)

5

### Included Items

Appliances, fixtures, or other items you want included in the sale

## Negotiation Timeline

- Sellers typically respond within 24-72 hours
- Multiple counteroffers may go back and forth
- Final agreement can take several days in competitive markets

In seller's markets, you may need to consider **waiving certain contingencies** to make your offer more attractive, though this carries additional risk.



# Offer Acceptance & Earnest Money

## When Is Your Contract Legally Binding?

Your purchase agreement becomes legally binding only after **both parties have signed the contract in writing** and all parties have received copies of the fully executed agreement.

Verbal acceptances are not legally binding in real estate transactions - everything must be documented in writing to be enforceable.

## What Happens Next?

- Your agent will provide you with copies of all signed documents
- The contract is distributed to all relevant parties (lender, title company)
- The earnest money deposit must be submitted
- The due diligence period officially begins

## Earnest Money Deposit (EMD)

**1-3%**

### Typical Amount

Of the purchase price, held in escrow

**1-3**

### Submission Timeline

Business days after offer acceptance

**100%**

### Credit at Closing

Applied toward your down payment or closing costs

Your earnest money is typically refundable if you terminate the contract during contingency periods, but may be forfeited if you back out without a contractual reason.



# Home Inspection & Due Diligence

The inspection period is your opportunity to thoroughly evaluate the property's condition before committing fully to the purchase.



## Due Diligence Timeline

You typically have 10 days from contract acceptance to complete all inspections and review property disclosures.



## What Inspections Cover

- Foundation and structural integrity
- Roof condition and remaining life
- HVAC, plumbing, and electrical systems
- Appliance functionality
- Termite/pest inspection
- Environmental concerns (radon, mold)



## TRR Negotiation

You have 7 days to request repairs via the Treatment, Repairs and Replacements (TRR) addendum or request seller credits for identified issues.



## Buyer Options

- Accept the property as-is
- Request repairs or credits
- Terminate the contract and recover earnest money

**Morgan's Pro Tip:** Always attend the inspection in person to get direct explanations from the inspector about any issues found. Photos in reports don't tell the complete story.



# Appraisal & Underwriting

## The Appraisal Process

Your lender requires an independent appraisal to verify the property's market value matches or exceeds your purchase price.

- Ordered by your lender, not you directly
- Typically costs \$450-650, paid upfront
- Takes 1-2 weeks to complete in most markets

## Loan Underwriting

The final loan approval process involves a thorough verification of both you as the borrower and the property itself.

### What Underwriters Review:

**1**

#### Borrower Verification

- Credit history and employment
- Asset documentation
- Debt-to-income ratios
- Tax returns and bank statements

**2**

#### Property Verification

- Appraisal report
- Title search results
- Property insurance
- Flood zone determination

Once all conditions are satisfied, your lender will issue a **"clear to close"** status, allowing you to schedule your closing appointment.

⊗ **If Appraisal Comes In Low:** You'll need to either negotiate a price reduction with the seller, make up the difference in cash, or potentially terminate the contract.

# Title Search & Escrow

## Title Search Process

A comprehensive examination of public records to:

- Confirm the seller legally owns the property
- Identify any existing liens, judgments, or claims
- Discover easements or restrictions
- Verify property boundaries and legal description

Timeline: Typically takes 1-2 weeks to complete

## Title Insurance

Two policies are usually issued:

- **Lender's Policy:** Required by mortgage companies to protect their interest (you pay for this)
- **Owner's Policy:** Protects your investment against future claims (optional but strongly recommended)

Coverage lasts for as long as you own the property

## Escrow Process

A neutral third party manages the transaction by:

- Holding funds and documents securely
- Ensuring all contractual conditions are met
- Disbursing payments when appropriate
- Facilitating the closing process

Full escrow period: Typically 30-60 days

**Oklahoma-Specific Note:** While some states use attorneys for title and escrow, in Oklahoma, I recommend having your buyer's broker handle these aspects for a smoother transaction and potentially better service.

# Final Walkthrough

The final walkthrough is your last opportunity to verify the property's condition before legally taking ownership. Schedule this inspection 24-48 hours before closing to ensure everything is as expected.

## What to Check During Your 30-60 Minute Walkthrough:

### Negotiated Repairs

Verify all agreed-upon repairs have been properly completed and request documentation for any work done.

### Property Condition

Confirm no new damage has occurred since inspection (check for water damage, moving-related wall/floor damage).

### Systems Operation

Test all mechanical systems, appliances, plumbing fixtures, electrical outlets, and HVAC to ensure proper functioning.

### Included Items

Verify all items included in the purchase agreement (appliances, window treatments, etc.) remain in the property.



Bring your inspection report and repair documentation to the walkthrough for reference.

**⚠ If Issues Are Found:** Immediately document with photos and have your agent notify the Seller's agent. Depending on severity, you may need to delay closing, request funds be held in escrow, or negotiate a last-minute credit.



# Closing Day

## What Happens at Closing

- Review and sign mortgage documents
- Sign property transfer and title documents
- Pay closing costs via certified funds or wire transfer
- Receive keys, garage door openers, and access codes
- Deed and mortgage are recorded with county

The document signing process typically takes **1-2 hours**, though you should allocate more time in case of delays.

## What to Bring

### Valid Government ID

Driver's license or passport for identity verification

### Proof of Insurance

Documentation showing your homeowner's insurance policy is active

### Certified Funds

Cashier's check or wire transfer confirmation for closing costs

### Closing Disclosure

The final settlement statement received 3 days prior to closing

*The entire home buying process from offer to closing typically takes **30-60 days** depending on financing and market conditions.*



# After Closing: Possession & Setup

## Essential First Steps After Closing

### Before Move-In (1-2 weeks prior)

- Transfer utilities to your name (electricity, water, gas)
- Set up internet/cable service
- Update address with USPS, financial institutions, employers
- Arrange for professional cleaning if desired

1

### Within First Month

- Apply for Homestead Exemption (if applicable)
- File important documents (deed, Closing Disclosure, loan note)
- Create a home maintenance schedule
- Meet neighbors and learn about community resources

3

### Upon Moving In

- Change all locks and garage door codes
- Test smoke/carbon monoxide detectors
- Locate main water shutoff valve and circuit breaker panel
- Clean air filters and dryer vents

2

The county recorder's office will officially update property records within a few days of closing, though the process can sometimes take several weeks to appear in online records.

## Taking Possession

In most transactions, you'll receive keys and take possession immediately after closing. However, some transactions may include a post-closing occupancy agreement allowing sellers to remain temporarily.

Always discuss possession timing clearly during negotiations to avoid misunderstandings.

# Final Considerations & Resources

## Remember These Key Points

- The home buying process typically spans 2-4 months from pre-approval to closing
- Each state has specific laws and customs that may modify this general process
- Working with experienced professionals significantly reduces stress and complications
- Document retention is crucial - keep all paperwork in a secure location

## State-Specific Considerations

This guide covers standard U.S. practices, but always verify local requirements. For example:

- Some states require attorney involvement in closings
- Property tax assessments and exemptions vary by location
- Disclosure requirements differ between states

## Helpful Resources

### Financial Guidance

- Consumer Financial Protection Bureau (CFPB)
- Department of Housing and Urban Development (HUD)
- State-specific first-time homebuyer programs

### Legal Assistance

- Local real estate attorney referrals
- State bar association resources
- Title company educational materials

Congratulations on taking this important step toward homeownership! This guide will help you navigate the process with confidence.



# You're Officially Ready to Buy a Home!

Whether you're still researching or already touring properties, this guide has equipped you with a step-by-step understanding of what to expect — from pre-approval to closing day.

But no guide replaces real-world support.

If you have questions, want a local expert in your corner, or need help navigating your next move, I'm here to help.

 Reach out any time — I'd love to walk this journey with you.

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