



# TRACI SHOBERG

*"Opening Doors .... Touching Lives"*

## **I have a ratified contract! ...Now what?**

Congratulations! We are one step closer to accomplishing your goal – becoming a homeowner! These next few days/weeks/months may cause stress, anxiety, frustration, anger, and/or any combination of the above. Keep in mind that is completely normal. That is why you have us. We will keep you updated during this process to help make this journey easier. Use the time between contract signing and closing to do as much due diligence as possible. Now is the time to ask questions. Below are some events that may occur between now and the settlement date to help prepare you for what's still ahead. Just keep in mind that everything may not go exactly as planned or exactly how you want it, but we will do everything we can to get you to your goal of homeownership.

### **Consumer Disclosure Information Form**

Please review this document, included in your packet. We will need a signed copy for our office records. This form includes items of interest for the purchaser and is meant to assist you with making an informed decision when purchasing your home.

### **Earnest Money Deposit**

The check you provided during the writing of the contract will be cashed in a third party account. This money is generally non-refundable. However, if you have contract contingencies (e.g., home inspection, appraisal), you do have the option of being released from the contract in some situations and retaining your deposit.

### **Disclosures**

You will want to be sure to review any seller disclosures about the property, as well as anything else that you are concerned about (crime information, school information, check on past permits on the property, insurance claims, etc). The courthouse and health department are also great places to pull information on the property, such as plats, covenants and restrictions, and well/septic information. For more information on property disclosures, go to: [http://www.dpor.virginia.gov/Consumers/Residential\\_Property\\_Disclosures](http://www.dpor.virginia.gov/Consumers/Residential_Property_Disclosures)

### **Home Inspection**

If your contract has a home inspection contingency, this will be scheduled soon (often within 2 weeks) after the ratified contract date. The exact time frame is specified in your contract. You will want to attend the inspection. Depending on the size of the home, this can typically last around 3 hours. The home inspector's job is to check out the property from top to bottom, but they can't always see everything. They will point out the major systems, where they're located, and how they work. The inspector can identify issues that are glaring or are long-term maintenance concerns. Once we receive a copy of the inspection report, if there are issues, we have a few options. Generally, you may be able to walk away from the deal and retain your earnest money deposit, negotiate with the seller to fix requested items, or accept it as is. We will receive documentation of any repairs completed by vendors and will be able to check them again prior to closing. You, the buyer, are responsible for the cost of the home inspection (est. \$300-\$500). This fee is non-refundable even if you release the contract.

### **Radon Inspection**

A radon inspection may also be completed on your home, if you choose to do so. This is a 48 hour test and will be completed in the lower level of the house. If the radon levels are too high, we will inform the seller and we may need to negotiate to rectify the problem. You, the buyer, are responsible for the cost of the radon inspection (est. \$90-\$150). For more information on radon, go to <http://www.epa.gov/radon/index.html>

### **Lead Based Paint**

If the house you have a contract on was built prior to 1978, you will need to sign a lead based paint disclosure. A pamphlet on lead based paint is included with this and will provide you with further information. The seller is required to inform you if they have known knowledge of lead based paint on the property. On the contract, you will have indicated if you want to conduct or waive a risk assessment or inspection for lead based paint on the property, if you desire. Should you choose to do so, this will be completed at your expense.

### **Loan Approval**

At this point, you will have been working with a lender of your choice in order to be pre-qualified for a loan. Now is the time to talk with them to lock in your rate and have an appraisal ordered, typically done after the home inspection contingency is removed.

### **Pest/Well/Septic Inspection**

A termite inspection is likely included in your contract. The inspector will look for any evidence of wood destroying insects and/or damage they have caused. This is generally scheduled and paid for by the seller and must be done prior to closing. Well water and septic inspections will only occur if the property has a well and a private septic system. The contract will determine who pays for these and the extent of the septic inspection being completed. You do not need to be present for these, but you will receive copies of the reports. If there are issues from any of these inspections, we will explore our options to resolve them.

### **Bank Appraisal**

All lenders require a bank appraisal, typically completed after the home inspection. You do not need to be present. You will receive a copy of the appraisal report after it is completed. If the property appraises at or above the sales price, we will continue to move forward towards settlement. If the property appraises below the sales price, we may need to go back to the negotiation table with the seller or you will need to cover the difference. You are responsible for the cost of the appraisal (varies by lender, but est. around \$400-\$600). This fee is non-refundable even if you release the contract. The appraiser may also request repairs be done to the home. These will need to be addressed before closing (through negotiations with the seller) and the appraiser will need to verify completion.

### **Homeowner's Association Documents/Condominium Resale Certificate**

This only applies if the property is a condo or is in a Homeowner's Association. You will have the opportunity to review the HOA resale documents or condo resale certificate in a specified time frame. Per the contract, it's 3-6 days (depending on method of delivery) to review the documents and potentially cancel the contract without consequences. Take the time to read this packet over as soon as you receive it. The association may also charge you, as the buyer, a transfer fee, which is paid at closing.

### **Homeowner's Insurance**

Prior to settlement, you will need to have homeowner's insurance, with coverage to begin on the day of closing. You can choose any insurance company you would like and we can provide you referrals if you need them. Your lender will require you have this. If you are doing a cash purchase, you will still need to obtain this.

### **Home Warranty**

Home warranties are a great way to provide coverage on your major home system components and appliances during your first year in the home. Even if everything functioned properly for the home inspection and walk through, that does not guarantee the systems and appliances won't break down soon after moving in. Even new appliances and systems can cause problems. There are multiple companies and coverage options you can choose from and we can provide you with more information upon request.

### Utilities

You will need to transfer the utilities (water, electricity, gas, etc) into your name for the day of closing. They need to be on for the final walk-through. You will want to start the process at least a week before settlement. Some utilities require you to go in person and some may take over 24 hours for the transfer to happen. This is especially important if you have purchased a house that has been vacant and winterized.

### Walk-Through

We will schedule this prior to closing. Depending on circumstances, this will happen as close to closing as possible, usually the day of or the day before. This will be the final check to make sure everything that is being conveyed is there, any repairs from the home inspection and/or appraisal have been completed, and the house is in the expected condition for closing. If there are issues, there is potential that closing could be delayed.

### Settlement

This will be scheduled at the place and on the date of your choosing from the contract. If there is a delay from the date, a contract extension will need to be agreed to and signed by all parties. You will receive notice of what to bring to closing. This will include a cashier's check for closing costs and picture identification. You will receive a copy of the Closing Disclosure three days prior to closing, which will verify the amount of money you will need to bring with you. Closing costs may include down payments, loan fees, title fees, title insurance, recording charges, transfer taxes, etc. Your earnest money deposit will go towards your closing costs. Your agent and possibly lender will attend closing with you. Sellers and seller's agent may or may not be present. Most often, you will receive your keys to the house at the closing table.

## Congratulations on Purchasing Your New Home!



Traci Shoberg, REALTOR®  
(540) 303-7771 (ce II)  
traci@tracishoberg.com  
Licensed in VA & WV



Kate Shemeley, REALTOR®  
(203) 788-2453 (ce II)  
kate@tracishoberg.com  
Licensed in VA

[www.tracishoberg.com](http://www.tracishoberg.com)

MarketPlace REALTY 302 S. Braddock St. Winchester, VA 22601 (540) 450-2747 Angela Duncan, Broker

