

When Will I Need Money?

Initial Contract Offer

When you make an offer on a home, you include an Earnest Money Deposit (EMD). The seller will be assessing your level of commitment to purchasing the home and the quality of your financial situation. Your EMD is your way of showing them how committed you are. The amount can be 1-3% of the purchase price offer or between \$500-\$1000, depending on the market conditions. If there is competition on the home (i.e., multiple offers), you may increase this amount to show how serious of a buyer you are. If the seller accepts your offer, the check is deposited in a third-party account and applied to your closing costs. If the seller does not accept your offer, the check is voided, and you will write a new check for your next offer.

Home/Radon Inspection

If you have a home inspection contingency in your contract, once the contract is ratified, a home inspection will be scheduled. We can provide you with a list of licensed home inspectors if you do not know any. The cost of this can range from \$300-\$500. If you choose to do a radon inspection as well, that is an additional \$90-\$150. This fee is paid to the home inspector at the time of the inspection. If there are issues identified in the home inspection and you and the seller are unable to come to an agreement on how to address them, and the inspection was completed within the specified terms indicated in the contract, you will be eligible to receive a refund of your EMD. The home inspection and/or radon fee will not be refunded.

Appraisal

Generally, after the home inspection is complete and any negotiations on repairs have been completed, the appraisal will be ordered by the lender. This typically is in the \$400-\$600 price range. This is done to ensure you are not paying more for the home than it is worth. If the appraisal is higher than your offer, everything moves forward. If it is lower, then you may need to renegotiate with the seller – the seller can lower the price, you can both meet somewhere in the middle (with you covering some of the difference), or you can decide not to terminate the contract. If you are unable to come to an agreement and the appraisal is done within the terms of the contract, you will be eligible to receive a refund of your EMD. The appraisal fee is not refunded.

Closing

When you are at settlement, you will need to bring a certified check with you to cover your closing costs, down payment, and prepaid escrows. Again, your EMD will go towards these costs.

*There will be additional costs associated with your move, such as setting up your utilities, hiring movers, buying packing materials, etc., so bear that in mind when you are preparing financially for your move. *

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



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

www.tracishoberg.com

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

