

# BUYER'S GUIDE

THE COMPLETE GUIDE TO BUYING A HOME



**HIGGINS GROUP**  
PRIVATE BROKERAGE

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## KEY TERMS

**Offer/ Purchase Agreement:** A non-binding contract that outlines the terms and conditions upon which a buyer agrees to purchase the seller's property.

**Pre-Approval Letter:** A letter from a mortgage lender indicating that a buyer qualifies for a mortgage of a specific amount.

**Appraisal:** A professional appraiser's estimate of the current market value of a property based on local market data and recent sale prices of similar properties.

**Contingency:** A clause in the purchase agreement and contract that describes certain conditions that must be met and agreed upon by both buyer and seller before the contract is binding.

**Earnest Money/Good Faith Deposit:** A deposit given by the buyer to bind a purchase offer and held in escrow. If the property sale closes this amount is applied to the downpayment. If the buyer does not fulfill contract obligations, the deposit may be forfeited.

**Down Payment:** Money paid by the buyer to the lender. The amount is the difference between the sales price and the mortgage loan. Requirements vary by loan type. Smaller down payments, less than 20%, usually require mortgage insurance.

**Escrow:** Funds held by a neutral third party until certain conditions of a contract are met and the funds can be paid out. Escrow accounts are also used by loan officers to pay property taxes and homeowner's insurance.

# THE HIGGINS GROUP PRIVATE BROKERAGE



## Our Story

Established in 1997, in Greenfield Hill, Fairfield, The Higgins Group Private Brokerage has grown from one office with one agent to 12 offices and over 450 premiere real estate advisors. At the helm, Rick Higgins, our Chairman and Founder, has over 40 year's of experience in the real estate industry as a Broker, former real estate attorney for 20 years and a builder/developer of over 200 luxury homes in the Tri-State area. The company is truly a family affair, Rick is assisted by his wife Adele and their son Richard Higgins who serves as Chief Operations Officer. Over the years The Higgins Group family has been proud to volunteer and donate to the various wonderful philanthropy organizations in Connecticut as the communities here have given us some much in return.

## Advantage To Working With Us

Here at the Higgins Group Private Brokerage we put an immense emphasis on the importance of family. The principals and ethics we personify with our clients are nothing less than the way we treat those closest to us. Our customized client approach and progressive thinking has made buying real estate with us a smooth process for all. We have a deep understanding of the Connecticut marketplace and all Higgins Group Private Brokerage agents are trained for every aspect of the buying transaction.

# THE STEPS

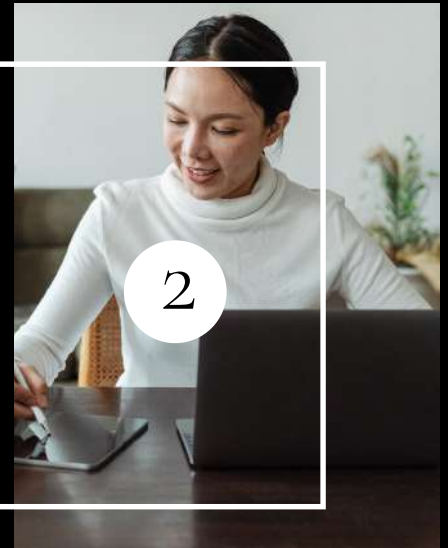


## GET PRE-APPROVED

The first step in the home buying process is to understand what you can afford. A pre-approval letter is a document issued by your lender that states the amount of money you qualify to borrow for a mortgage. Getting pre-approved will guide what price point to start your search in, gives you your interest rate, and tells you your estimate monthly mortgage payments. If you don't already have a trusted lender, we can connect you with a reputable financial professional.

## CHOOSE AN AGENT

Partner with an agent whose personality meshes with your own and whose experiences can work in your favor. Whether buying your first or fifth home our agents will assist you in your search, share their market knowledge, advise you on property issues, connect you with reputable industry professionals and negotiate a deal on a home. Through every step of the home buying process our agents will be working hard to protect you and your best interests.



## HIRE REAL ESTATE ATTORNEY

In Connecticut it is required by law for attorneys to be involved in the transfer of real estate. They are responsible for holding money in escrow, writing and reviewing contracts, protecting you with contract contingencies, and working with the title company to review of all legal documents relating to ownership of a property to determine if there have been any flaws in prior transfers of ownership or if there are any claims or encumbrances on the title to the property.

COST - \$1,200-\$1,500 is due at closing.



## HUNT FOR HOMES

Our agents take the time to deeply understand your wants and needs before sending you properties. Once they have an understanding of your lifestyle and home preferences they will send you properties that meet your criteria the moment they hit the market. Our agents utilize a collaborative search platform that allows you to favorite and comment directly on homes you like. As soon as you start favoriting our agents can start putting together home tours which brings you one step closer to finding your dream home.



## MAKE & NEGOTIATE OFFER

Once you have found a home that meets your needs the next step is submitting an offer to purchase that property. Our agents will provide recent comparable sales to help determine the offer amount. There are many factors that will determine how much you want to offer such as the length the home has been on the market, if there are any other offers on the property and the seller's level of urgency to sell. Furthermore, there are additional conditions of an offer that can make it more or less attractive to a seller such as inspection contingency, downpayment amount and closing date. At this time 1% of the purchase price is due.



## UNDER CONTRACT

Congratulations! Your offer was accepted. At this time our agents will contact your lender and attorney with all of the information outlined in your offer. If you don't already have a recommended home inspector, our agents can recommend one and schedule the inspection which should be done as soon as possible. The fee for an inspection is due on the same day and is typically \$800-1,500. After any inspection items have been negotiated your attorney will add them to the contract and send you the contract of sale to sign. The remainder of your downpayment will be due at this time which will be wired to your attorney to hold in escrow.



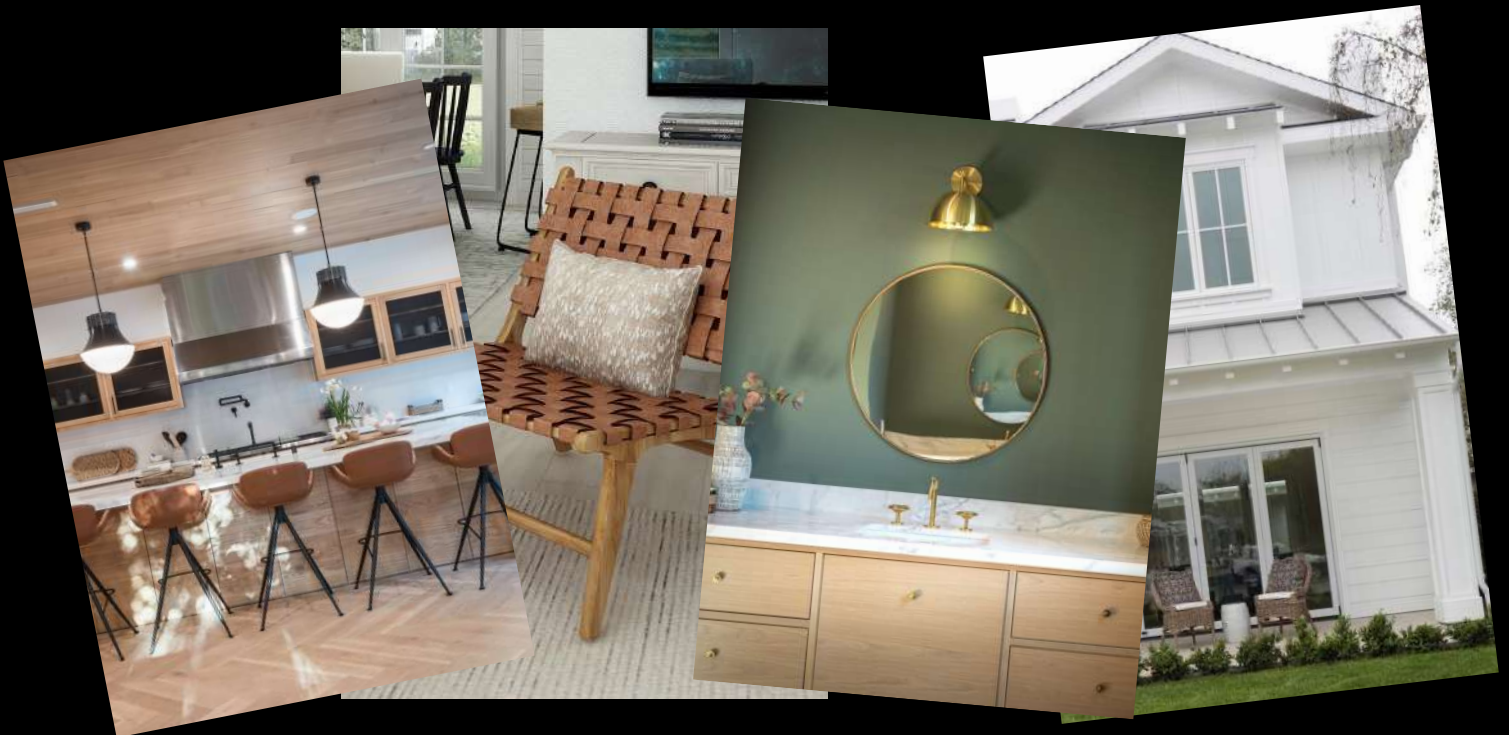


## BEFORE YOU CLOSE

- Reserve a moving company and set a moving date
- Change your address
- Set up your utilities to be activated or transferred on day of closing
- See Closing Checklist

## CLOSING DAY!

- Final Walk-Through
- Sign closing disclosure, promissory note, and other documentation
- Title transfer
- Get your keys - congrats, it's all yours!



# PRE-APPROVAL & MORTGAGE

Getting a pre-approval is one of the best things you can do to simplify the process and give yourself more confidence in your buying power. This is the first step in applying and qualifying for a home loan.



## THREE KEY FACTORS

DOWNPAYMENT  
INCOME / CREDIT/ ASSETS  
CLOSING COSTS

## DOWN PAYMENT REQUIREMENTS

Different lenders have a variety of loan options. Depending on your income, credit and assets you can qualify for a loan with a downpayment ranging from 3-20%. Any downpayment under 20% requires Private Mortgage Insurance (PMI). This protects the lender in case of default by the borrower.



## QUALIFYING FOR THE MORTGAGE

Your mortgage payment to the lender includes the following items: The principle on the loan (P) / The interest on the loan (I) / Property taxes (T) / Homeowner's insurance (I) . Your total monthly PITI and all debts (from installments to revolving charge accounts) should range between 36-45% of your gross monthly income.

## CLOSING COSTS

You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at closing, unless you are able to include them in your financing. Typically, total closing costs will range between 2-3% of your mortgage loan.



# UNDERSTANDING OFFERS

Once we draft and present the offer a few things could happen, here's a breakdown of the offer process and what you can expect.

## OFFER PRESENTED



### ACCEPT

Your offer is accepted! Time to celebrate, now we will move ahead with any conditions laid out like the home inspection.



### REJECT

The Seller may reject your offer. We will ask questions to discover why and if there is anything we can do to make the offer more appealing.



### COUNTER

The Seller may come back with their own offer, in this case, we will review the terms with you and continue to negotiate until we reach an agreement.





## PRICE

What you offer on a property depends on a number of factors including its condition, length of time on the market, buyer activity, and the urgency of the seller. While some buyers want to make a low offer just to see if the seller accepts, this often isn't a smart choice, because the seller may be insulted and decide not to negotiate at all.

## DOWNPAYMENT

The portion of cash you are paying out of the total sales price. Will be applied towards the total sales price when the sale closes. Typically a higher downpayment is more attractive to sellers.

## CONDITIONS

Conditions are items that must be completed or fulfilled prior to the closing (such as a home inspection, obtaining financing, or selling existing house).

## INCLUSIONS & EXCLUSIONS

Personal property included or excluded from the sale. These items can be anything from appliances to decorative items, such as window coverings or lighting fixtures.

## CLOSING DAY

The closing day is generally the day the title of the property is legally transferred and the transaction of funds finalized.



# CLOSING CHECKLIST

## PRIOR TO CLOSING

- Obtain homeowner's insurance
- Certified check for remainder of down payment
- Checkbook for closing costs
- Enroll children in new school if applicable
- Make babysitting or pet sitting arrangements if needed

## CHANGE OF ADDRESS

- Driver's license
- Savings and checking accounts at bank
- Dog license if needed
- Credit cards
- Place of employment
- Insurance companies
- Magazines & newspapers
- Creditors
- Post office
- Social Security Administration

## UTILITY CHANGE OVER

- Gas & electric
- Water - handled by attorney at closing
- Telephone
- Oil company
- Garbage service (some private some public)
- Oil or Propane remaining in the tank is considered personal property and the buyer will pay the seller for this at closing

# FAQ

## HOW MUCH DO I NEED TO PAY YOU

There are some rare exceptions, such as for sale by owners, but generally buyers agents do not charge a fee. The fee is paid by the seller so as a buyer you will almost never pay any commission fee.

## WHY DO I NEED A BUYER'S AGENT

It is in your best interest to have representation. The seller's agent is working in the best interest of the seller which means you need someone on your side to make sure you get the best possible deal.

## HOW LONG DOES THE PROCESS TAKE

Finding the right home can take weeks to months depending on market conditions, your timeline and your needs. Once we find a home you like, the offer is typically accepted within 48 hours. Closing usually takes between 30-45 days from accepted offer, but can be shorter or longer depending on your financing and the terms negotiated in your offer.



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