

ABC of Homebuying

It's time to learn our ABCs! And no, I'm not talking about the catchy alphabet song you mastered in kindergarten. Let's explore an entirely different alphabet, trading "apple" for appraisal and "monkey" for mortgage. Let's learn the ABCs of home buying!

A — Appraisal: Evaluation of a property's market value, based on its location, similar and recently sold properties, and other factors.

B — Buyer's Agent: Real estate agent working directly with the buyer throughout the buying process.

C — Closing Costs: Charges and fees paid to service providers who contribute to the transaction, including agents, attorneys, the title company and more.

D — Due Diligence: Process of evaluating whether there are any issues with the property before the purchase is final.

E — Earnest Money: Deposit paid to the seller to demonstrate a buyer's intention of going through with the purchase of the home.

F — Financial Preparation: Ensuring finances are set in place and deciding on a budget.

G — Good Credit: A favorable credit score, indicating that a borrower is a safer credit risk for the lender.

H — Homeowners Association: Organization in a community that maintains rules and regulations for residents, typically requiring dues known as HOA fees.

I — Inspection: Thorough evaluation of the home is typically done by a professional inspector, who produces a detailed report of the property's status before the purchase is finalized.

J — Joint Tenancy: Shared ownership of a property in which each owner has an undivided interest in the property.

K — Keys: The final thing a buyer receives on closing day, when the property is officially under their name!

L — Listings: Inventory of properties on the market.

M — Mortgage: Loan in which property is used as collateral.

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N – Negotiation: Strategic discussion in which the buyer’s agent and seller’s agent attempt to reach a compromise or resolution acceptable for all parties.

O – Open House: Designated period of time when a listing agent makes a home available for viewing to the public.

P – Private Mortgage Insurance: Mortgage insurance typically required by lenders if a borrower puts less than 20 percent down on a home loan.

Q – Qualified Buyer: Buyer who has the financial ability to purchase a home in a specific price range.

R – Research: Process of evaluating a specific home, a neighborhood, or the area’s overall market conditions to determine the wisest decision.

S – Search: Act of looking for properties based on specific needs and preferences, such as location, size, price point and included amenities.

T – Title: Proof that an individual owns or has rights to use the property.

U – Under Contract: Status of a listing that has an accepted offer but the sale is not yet final.

V – Virtual Home Tour: Collection of panoramic images or video simulation showcasing the interior of a property online.

W – Walk-Through: Final step before closing in which the buyer and their agent inspect the property for any unexpected surprises before the sale is final.

X – Sign Your X on the Line: Signatures required on the many documents at closing and throughout the home buying process.

Y – Yard Sign: Sign in the yard of a property indicating its status, including “for sale,” “pending” and “sold.”

Z – Zoning: Laws and other requirements dictating how property in certain areas can and cannot be used, such as agricultural, residential, commercial, open space and industrial use.

And now you know your ABCs! Let me know if you would like to discuss any of these definitions further. I am here to help answer any questions you have throughout this process!