



Regions Next Step Podcast

Home Ownership 101: What to Expect When Buying a Home

In this podcast, Alicia Somers, a Financial Wellness Relationship Manager for Regions Bank in Jacksonville, Fla., and Shaun Collings, a Financial Wellness Relationship Manager for Regions Bank in Atlanta, Ga., share what you need to know when buying a home.

Alicia and Shaun provide tips on the following topics:

- Preparing for upfront costs
- Understanding all of the steps involved in buying a home
- Transition from homebuyer to homeowner

Episode Transcript

Narrator:

You're listening to the Next Step Podcast "What to Expect When Buying a Home" – part of our Home Ownership 101 series presented by Regions Next Step – advice, tools and resources to help you get closer to reaching your unique financial goals.

Alicia Somers:

I'm Alicia Somers, a Financial Wellness Relationship Manager for Regions Bank in Jacksonville, Florida.

Shaun Collings:

And I'm Shaun Collings, a Financial Wellness Relationship Manager for Regions Bank in Atlanta, Georgia. Today, Alicia and I are going to be discussing what you should expect when buying a home.

Alicia:

You might think purchasing a home is as simple as picking out a house, having a seller accept your offer, signing your name on a couple of dotted lines, and getting the keys.



On the contrary, purchasing a home can be a lengthy, complicated process that, hopefully, includes a successful real estate closing and a transfer of ownership rights.

Shaun:

That's right. And the process generally takes place over the course of 4 to 6 weeks from the time your offer is accepted. This usually involves an inspection, appraisal, and securing financing. However, with some preparation you can avoid common surprises as you make the transition from homebuyer to homeowner.

Alicia:

Definitely! I'd say the first thing you can prepare yourself for is knowing that you may need more than just the down payment.

Pre-qualification is also recommended, as it may give you more leverage in bargaining with the seller on home price and closing costs. The bad news is that you can't postpone paying closing costs – they are due at closing.

Shaun:

Now I'd say the second surprise first-time homebuyers may face is that the buyer and the seller aren't the only people involved. As you finalize your loan with your lender, buy homeowner's insurance and arrange for utilities to be transferred. The other parties involved in the purchasing process are completing their own tasks.

If the seller agreed to make repairs following the home inspection, the seller should be completing these tasks and should also alert the utilities companies about his or her final billing date.

Alicia:

Other tasks may be completed by the closing agent, title company, real estate agent or other parties involved. These tasks may include the calculation of pro-rated property taxes, determining loan amounts, and communication with the seller to schedule the closing. Additional tasks may also include receipt of any documents needed at closing, as well as instructions and paperwork from your lender for you and the seller to review at closing.

Shaun:

Remember, you and your real estate agent will probably take a final walk-through of the house a few days before closing. If the seller agreed to make certain repairs and failed to do so, you may decide to delay the closing to address your concerns.



Your lender is also required to deliver the final Closing Disclosure three days before closing. This will help you understand exactly how much money you need to bring to the closing.

Make sure you know how many checks to bring, the amount of each, and the payee to whom each should be payable. You will also want to know if only certified or cashier's checks will be accepted for these payments.

Alicia:

Definitely a good flag. I'd also point out the need for patience during this process – and understanding the time needed for all of the paperwork. Pay attention to your email. Paperwork deadlines are important, and missing them could delay your closing date.

In preparation for the closing, don't forget to bring your original purchase contract, a current passport or driver's license to confirm your identity, proof that you purchased homeowner's hazard insurance, and any documents required by your lender or closing attorney.

You should prepare yourself to spend one or more hours signing any needed paperwork. Consider scheduling the meeting early in the day in case it lasts longer than expected.

Shaun:

The last thing to know to avoid being caught by surprise is that your closing covers both your purchase of the home and your financing for the home. At closing, you'll sign several documents, and it's vital for you to review carefully for any unexpected terms, misspelled names, or incorrect addresses or amounts.

The loan documents should include a mortgage note that commits you to repaying the amount you are borrowing and a Closing Disclosure detailing the loan interest rate, the annual percentage rate, the amount you are borrowing and the total cost of the loan over its life. Another document you may see is the mortgage or deed of trust.

Alicia:

Other documents you may review and/or sign at the closing include, but are not limited to:

- A title transfer or warranty deed
- A statement of information, or identity, that clarified that you – not someone else with the same name – are buying the house
- And a certificate of occupancy

The bottom line is that a little research can go a long way in helping you feel confident and knowledgeable when it comes to closing on a house. Don't be afraid to ask questions as you navigate the closing process if anything is unclear.



Shaun:

If things get tough, keep in mind what is waiting on the other side of the closing table: the keys to your new home. You can find additional information as well as calculators, articles, checklists and more online at www.regions.com/nextstep. No matter your goals, Regions will help you with each step you want to take. Thank you for listening.

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