



*A guide to*  
**BUYING A HOME  
IN ATLANTA** 

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# MEET YOUR AGENTS

At Elements Atlanta we define your home-buying experience through education. Our goal is to best serve you by providing the resources to help you make great decisions. The real estate market is filled with tons of resources; however, most of those resources are not specific to you, your needs, or the city of Atlanta, or the state of Georgia. Navigating the buying process can be overwhelming, stressful, and emotional. We are here as your trusted advisors to ensure your buying process is a success! We don't have success until you have success!

Thank you so much for the opportunity to work with you on this exciting journey of homeownership! If you have any questions, please do not hesitate to call, email, or text.



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# YOUR HOME BUYING TEAM

1

## **LENDER/MORTGAGE BROKER:**

Our trusted lenders consistently lead our clients to successful closings. Choosing the right lender is crucial for securing your dream home. Understand the benefits of underwriting and funding pre-approvals to instill confidence in both you and the seller. Home mortgages involve more than just interest rates.

## **INSPECTOR:**

A home inspector, similar to a general practitioner for your prospective home, assesses the home's condition, provides information on its mechanical systems (Electrical, HVAC, and Plumbing), and reports any discovered defects.

2

3

## **CLOSING ATTORNEY:**

The closing attorney works behind the scenes to secure a clear title to the property, ensuring it's lien-free and marketable. They oversee compliance with real estate contract terms, representing the lender (unless it's an all-cash transaction). The attorney conducts the closing to confirm that all required loan documents are signed and dated.

***Our team will help you make the home buying process as smooth as possible and help you secure the keys to your new home!***

# MORTGAGE PRE-APPROVAL

THE FIRST STEP TO OBTAIN A "PRE- APPROVAL" LETTER IS TO FILL OUT A MORTGAGE APPLICATION. AFTER YOUR INITIAL CONVERSATION WITH LENDERS, MOST WILL SEND YOU A LINK TO FILL OUT THE APPLICATION ONLINE.

## WHAT A LENDER WILL ASK FOR...

- The past 2 years of your tax returns
- The past two months of your bank statements
- A copy of your drivers license
- Verification and contact info for your Employer
- Your social security number
- Any assets that you might be using for your home purchase
- Any liabilities against your income i.e. car payment, student loans, alimony

***“ FAQ - Does every lender pull my credit? Should I shop more than one or two lenders if it harms my purchasing power!?”***

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CONSUMERS HAVE 45 DAYS TO COMPARISON SHOP FOR MORTGAGES WITHOUT DAMAGING THEIR CREDIT. MULTIPLE CREDIT CHECKS FROM LENDERS WITHIN THAT WINDOW WILL BE RECORDED AS A SINGLE INQUIRY ON YOUR CREDIT REPORT

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# MORTGAGE PRE-APPROVAL

## DIFFERENCES BETWEEN A PRE-QUALIFICATION LETTER, PRE-APPROVAL AND FULLY UNDERWRITTEN PRE-APPROVAL

Before writing an offer on a home, sellers like to see that you are pre-approved to purchase the home. Here is the difference between pre-qualification, pre-approval, and pre-underwriting.

### PRE-QUALIFICATION

Pre-qualification is provided after a conversation with a lender. The letter is provided based on what is conveyed verbally, without submitting any official documentation. Typically a pre-qualification letter does not carry much merit with sellers.

### PRE-APPROVAL

Pre-approval looks more closely at your finances to see if you can get a loan. You get a pre-approval letter after someone checks your credit report, pay stubs, bank statements, income, assets, and any debts like car payments or student loans. However, sellers don't usually consider a pre-approval letter very strong.

VS

### PRE-UNDERWRITING

Pre-underwriting goes beyond pre-approval. It means an underwriter has already verified your finances and agreed to give you a mortgage up to a certain amount. This helps you when making an offer for two reasons. First, it gives you almost the same power as a cash buyer because you don't need a finance contingency. Second, you can close the deal faster, if that is something the seller is looking for.



# FINDING YOUR NEW HOME



## TOURING HOMES

This is the fun part of the home buying process! Likely at this point you have already compiled a list of possibilities and are ready to see the inside of some homes. We will be using your must have list to network with other agents to see what they have "coming soon" that has not yet become available to other potential buyers.

**Obviously no home is going to have everything unless you're paying for a custom new construction home. Take a look at your current living situation, what do you want to improve, but also what do you enjoy? Here are some things to consider when comparing homes.**

## COMPARING HOMES

- How will you live in the home? Do you spend most of your time in the living room? If so, the Owner's Suite bedroom size might not actually be that important.
- How old are the appliances and systems? What repairs are you going to need to budget for in the near future?
- Is there covered parking? Think about bringing in groceries during the rain.
- How does the home sit on the lot? Is it the lowest house on the street from an elevation standpoint? It could have water intrusion issues or if it's on a hill you might have trouble getting in and out during extreme conditions.
- Are there enough closets or storage?
- How much yard work do you want to do? Do you need the yard to be fenced in?

# SUBMITTING OFFERS

1

## **Purchase and Sale Agreement**

Will outline the terms of the contract from the purchase price and closing date to any contingencies such as finance exhibits and special stipulations.

2

## **Amendments to the Agreement**

The contract can and often will be amended several times during the contract term. This includes but is not limited to amendments for repairs or change of closing date.

3

## **Contingency Periods**

Depending on the demand for the property you will likely have a due diligence period, a finance contingency, and an appraisal contingency.

4

## **Multiple Offers**

In order to be competitive in today's market we may need to reduce or remove contingencies all together. We may also strategize going above list price in order to secure the home.



# EVALUATING OFFERS

WHAT DOES A SELLER TAKE INTO CONSIDERATION  
WHEN EVALUATING AN OFFER?



## Purchase Price

This is probably the most important detail of the offer to a seller.



## Closing Costs

You can ask the seller to cover a portion of your closing costs. If in a multiple offer situation I would advise against this if at all possible.



## Earnest Money

Higher earnest money shows that you are a serious buyer.



## Due Diligence Period

Most sellers want to keep this time period as short as possible since the buyer can back out of the contract.



## Financing

Most sellers want you to have your financing secured prior to making an offer. Pre-underwriting will help demonstrate you are ready to purchase.



## Down payment/ Buying power

Showing a higher downpayment is favorable



## No costly/timely special stipulations

The cleaner a contract the more favorable the terms are for a seller



## Loan Type

Cash is the most preferred version of payment but a Conventional Loan is often preferable to a VA or FHA Loan



## Appraisal Contingency

Anything you can do to help satisfy a seller's concerns with appraisals goes a long way. Especially if you're in a multiple offer situation



## Closing Date

Depending on your needs and the Seller's situation, being flexible or having the ability to close quickly can make your offer more attractive



# CONTRACT ACCEPTED

↓

# DUE DILIGENCE

1

## EARNEST MONEY

The first thing you will do after going under contract will be to wire earnest money to the closing attorney or real estate brokerage. This money will be held in an escrow account and applied towards your down payment at closing.



2

## HOME INSPECTION

The due diligence is also called the inspection period. This will be the time to have the home inspection completed and negotiate any repairs to the property. You are responsible for paying for the inspection.



3

## LOAN DISCLOSURES

During the due diligence period you will sign your initial loan disclosures, lock-in your interest rate, and order the appraisal.



4

## YOUR OWN DUE DILIGENCE

This is also the only time you can back out of the contract and retain the right to your earnest money. Drive to the property before and after work, walk around the neighborhood, look at crime rates etc. This is the time to make sure you will be happy living in the neighborhood.





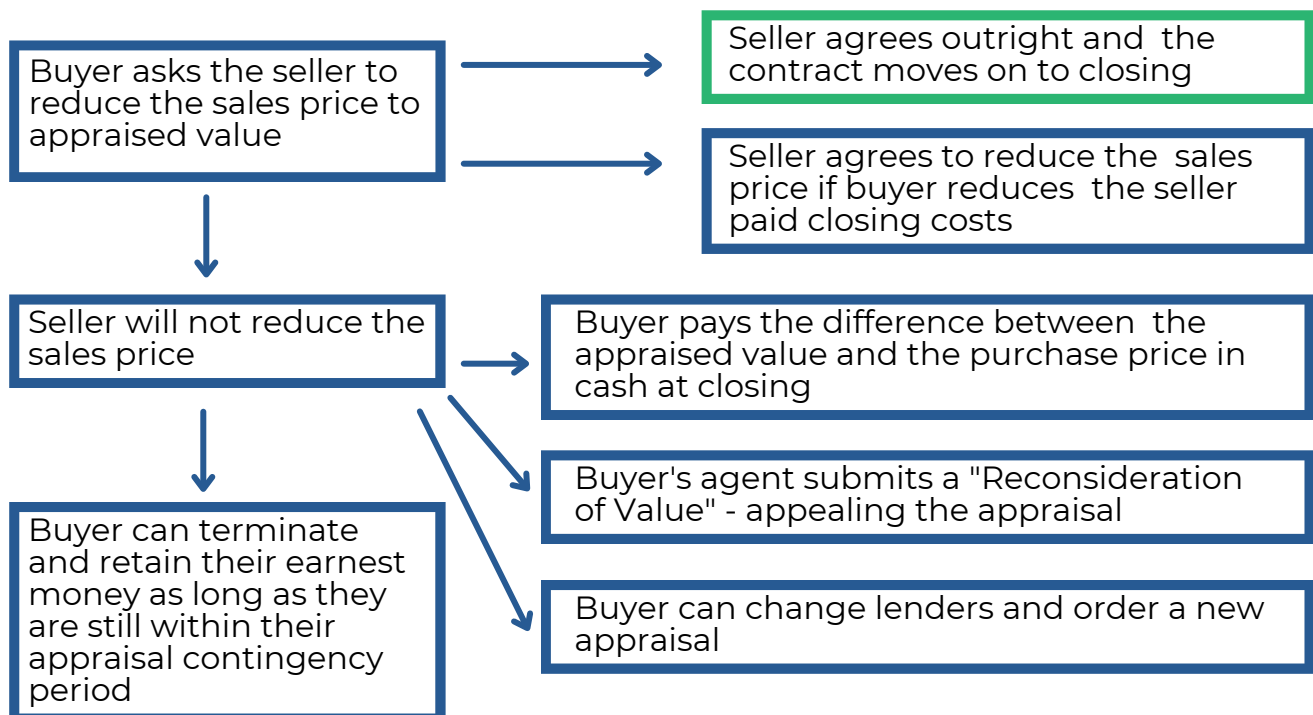
# APPRAISAL

The lender will order a third party appraiser to evaluate and give their opinion of value of the property. The intention of the appraisal is to justify the purchase price the buyer and seller have agreed to.

## HOW DOES AN APPRAISER JUSTIFY THEIR COMPS?

- 1 Homes that have recently sold in the neighborhood or a similar adjacent neighborhood to the subject property
- 2 Homes that have similar finishes and homes that are similar in age and architectural style
- 3 The appraiser will make adjustments to the subject property depending if it is inferior or superior to other recent sales

## WHAT HAPPENS IF THE APPRAISAL COMES IN LOW?



# ROAD TO HOME BUYING

## PREAPPROVAL

- Meet with a Lender
- Determine the right mortgage product
- Complete Pre-Approval

## HOME SEARCH

- Choose your Realtor
- Discuss needs/wants with your agent
- Begin your home search & tour!

Your Agent will schedule showings - Take notes on what you do/don't like about each home

## OFFERS + NEGOTIATIONS

- Discuss offer terms with Agent
- Your agent will prepare the contract
- Negotiate terms of the contract with Seller & come to agreement

## DUE DILIGENCE

- Sign Loan Disclosures
- Wire Earnest Money Deposit
- Schedule Inspection + Review report
- Negotiate repairs/concessions in lieu of repairs

## FINANCING

- Appraisal conducted
- Obtain Homeowners insurance policy
- Address any underwriting concerns & Finalize
- Receive clear to close from the lender

## PRE CLOSING

- Review Closing Disclosure
- Wire funds for closing (24-48hrs prior)
- Perform Final walkthrough

## CLOSING

- Sign Closing documents
- Receive keys & celebrate!



# UNDERSTANDING REAL ESTATE

## PRACTICE CHANGES & THE IMPACT ON THE CONSUMER

Buying a home is one of the largest financial transactions of a person's life. Below are facts about NAR's proposed settlement and how the changes taking effect Aug. 17 will impact home buyers and sellers:

**Compensation remains fully negotiable** by buyers and sellers and their agents.

**When finding an agent to work with, buyers** and sellers should ask questions about compensation and understand what services they are receiving.



**Buyers must sign a written agreement with their chosen broker before touring a home-whether in person or live virtually. The agreement will reflect the terms they have negotiated with their agent, including what services will be provided, for how much and how the agent will be compensated.**

**If sellers have not offered compensation,** buyers can request in their offer that sellers compensate the buyer broker. If the seller is not paying buyer broker compensation, the buyer will be responsible for paying their agent if agreed to in the written agreement.

**Buyers do not need a written agreement** when just speaking to a listing agent at an open house or asking them about their services.

**Current regulation does not allow agent** commission payments to be financed as a part of a mortgage.



**The listing broker or the seller may offer compensation to the buyer's agent, but there are limitations to how that offer can be marketed - i.e., brokers can no longer communicate offers to compensation on a Multiple Listing Service (MLS).**



**If there is an offer of compensation to a buyer broker from a listing broker or a seller, the seller must approve the specific amount or rate of payment in writing.**

**Sellers can still offer-and buyers can still** accept-concessions such as offers to pay the buyer's closing costs.

**The changes further empower consumer** choice through transparency.

**Agents who are REAL TORS® are ethically** obligated to work in the client's best interest.

**Home buyers and sellers have a wide range of choices. As a trusted source of advice, agents who are REALTORS® help home buyers and sellers as they navigate their home journey and make the choices that work best for them.**

# GLOSSARY



## People Along The Way

### Buyer's Agent | Listing Agent

A real estate agent or broker that operates on behalf of a client buyer to help them find and purchase a property. A real estate agent or broker that operates on behalf of the property owners to help them sell their property.

### Lender

A financial institution or mortgage bank that offers and underwrites home loans. Mortgage lenders set the terms, interest rate, repayment schedule and other key aspects of your mortgage.

### Closing Attorney

Responsible for preparing all documents necessary for the transaction and ensuring that the contractual obligations of all parties to the transaction are met.

### Inspector

A licensed professional who assesses a property's condition, identifying issues in various systems and components. Done during the due diligence period, so buyers can assess if they want to buy a home as is, or ask the seller to either complete or pay for certain repairs.

### Appraiser

A licensed professional who assesses a property to determine the value of the property. An appraisal is required to gather the estimated value of a piece of real estate. During the home sale, the mortgage lender sends THE appraiser. This is performed to validate the value of the asset the bank will be lending on.



## Transaction Components

### Purchase & Sale Agreement

PSA, A legal contract upon which a formal offer to purchase real estate is made. Typically consist of the final sale price, earnest money amount, closing date, contingencies, timelines, and anything else the buyer/seller requests will be outlined in this binding agreement.

### Exhibit

An additional document attached to a main agreement or contract, providing extra details pertaining to the property or Disclosures. It complements the main document, offering a more comprehensive understanding of the Agreement.

### Amendment / Addendum

If a buyer or seller want to change an existing contract, they might add an amendment outlining the specific part of the contract they'd like to adjust and the parameters of that change. The rest of the contract stays the same.

### Seller's Disclosure

A document completed by the seller to provide information about the condition of their property, details about any known defects, and repairs. It also states what transfers with the sale of the home. The Disclosure serves to inform potential buyers about the property's condition, allowing them to make informed decisions before purchasing.

### Special Stipulations

An added condition to a contract, addressing unique circumstances or specific details. Special "stips" are added to supersede previously negotiated the contract. They can cover a wide range of issues, including repairs, timelines, or any other specific details not explicitly covered in standard contract language.

### Lead-Based Paint Disclosure

Sellers must provide this legally required document for properties built before 1978. It informs buyers about potential lead-based paint presence and associated risks.

### Earnest Money

A deposit (Typically 1-2% of the home's total purchase price) made by a homebuyer at the time they enter into a contract with a seller. Earnest money demonstrates the buyer's interest in the property and Held in an escrow account and applied towards your down payment at closing.

### Due Diligence

Also known as the inspection period this is the time for the buyer to inspect the property and decide if they would like to move forward with the purchase of the home. During this time period you will also negotiate any repairs or concessions towards your closing costs in lieu of repairs.

### Closing Costs

Costs associated with the sale of the home, these settlement costs include by: a lender origination fee, taxes, Attorney Fees, Commissions, Title Policies, Establishment of escrow accounts, and other miscellaneous fees. These closing costs are typically paid at the time of closing a real estate transaction.

### Closing Disclosure (CD)

A document provided to the borrower by the lender three days before the scheduled closing of a mortgage loan. It outlines the final terms and costs of the loan, ensuring transparency for the borrower regarding the financial details of the transaction.

### Settlement Statement (ALTA)

This document is typically prepared by the closing agent, often an escrow officer or attorney, and is used to summarize the financial aspects of a real estate transaction.



## Transaction Terms

### Seller Concession

Offered to incentivize buyers to purchase the home, or sweeten the deal. The Seller's contribution towards the buyer's closing costs (up to certain limitations and approvals by a buyer's lender) Closing Costs are a buyers expense and are usually around 3%. (Before commissions)

### As Is

A condition that usually indicates that the seller is offering the property in its current condition, without making any specific warranties or guarantees about the condition of the property or making any repairs (in most cases you will still be allowed to inspect the property)

### Contingency

Refers to a condition or a specific event that must be met for a real estate contract to be binding. Contingencies protect the buyer by giving them the right to withdraw from the contract or request specific actions if certain conditions are not satisfied. Includes: Due Diligence, appraisal, Financing, sale, and title contingency



# NOTES

## Key Points to Remember:

- a.
- b.
- c.
- d.





## VENDOR LIST

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### FOR ALL OF YOUR REAL ESTATE NEEDS

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#### PREFERRED LENDERS

##### **HIGHLAND MORTGAGE**

Julie Beaty  
404-456-1725  
julie.beaty@highlandmtg.com

##### **BANK SOUTH**

KEITH SPAIN  
404-434-6185  
kspain@banksouth.com

##### **SHELTER MORTGAGE**

MARK VANN  
404-391-6770  
mark.vann@sheltermortgage.com

#### INSPECTORS

A PLUS HOME INSPECTION - 770-561-0068  
HOME PROBE - 404-218-1040  
RESIDENTIAL INSPECTORS OF AMERICA - 770-476-4963  
DERICK KINCAID 770-294-5113

#### REAL ESTATE ATTORNEYS

THE FRYER LAW FIRM - 404-240-0007  
CAMPBELL AND BRANNON INTOWN 404-446-3930  
GANEK PC PONCEY HIGHLAND - 678-606-9868

#### HOME OWNER'S INSURANCE

ALLSTATE - SEAN DAMMANN - 404-537-1343  
GA INSURANCE ADVISORS -AMY WORLEY 678-553-5288

*Thank you  
for the opportunity  
to serve you!*



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**E L E M E N T S A T L A N T A . C O M**