

The Homebuying Team

Buying a home is a complicated process with many steps. Fortunately, there are many professionals available to help you.

Each real estate transaction does not necessarily involve every housing professional. The specific ones that are included on your homebuying team will depend on your situation and the state you live in. Your team may include the following:

- [Housing counselor](#)
- [Real estate professional](#)
- [Lender](#)
- [Attorney](#)
- [Escrow officer](#)
- [Title insurance officer](#)
- [Housing inspector](#)
- [Appraiser](#)
- [Surveyor](#)
- [Insurance agent](#)

The Housing Counselor

There are so many different professionals that you'll be hiring and working with throughout the homebuying process that you will probably want someone to be there for you to provide you with impartial advice. That person should be a certified housing counselor. A certified housing counselor is a trained professional who works for a nonprofit organization such as a community development corporation, a credit counseling service or a housing agency. The counselor may provide homebuyer education classes, one-on-one counseling sessions or both. Because the counselor works for a nonprofit organization and has nothing financial to gain if you buy a home, you can expect objective information and unbiased recommendations. Your counselor can help you learn more about the steps needed to buy a home in your area. She or he can also help you succeed in getting a mortgage loan by making sure you resolve any financial issues before meeting with a lender.

Ask if your housing counselor is certified by the [NeighborWorks Center for Homeownership Education and Counseling \(NCHEC\)](#).

The Real Estate Professional

This professional is one of the most important members of your team. A real estate professional is licensed by the state and has been specially trained to sell houses, other buildings and land.

Your agent should:

- Talk to you and our family about what you want in a house
- Give you information about the neighborhood in which you want to buy a house

- Recommend lenders to help you get prequalified or pre-approved so you will know how much you can afford to spend
- Research all the homes available in your price range with the features you want
- Give you copies of listing sheets that describe houses that fit your needs
- Take you to see the homes that interest you
- Help you determine how much houses are worth by giving you information about other homes that have sold recently
- Help you write the purchase offer in a way that will protect you and is also attractive to the seller
- Negotiate (bargain) with the seller to get the best price for you
- Help you find a good lender to finance your home
- Refer you to other professionals to help with all of the things that happen between the time the contract is signed and the closing, including appraisers, home inspectors, title companies, attorneys and escrow
- Explain all the legal paperwork to you so that you understand what you are signing

It is important that you work with an agent you respect and trust. A good way to find a real estate agent is to ask people you know and like for recommendations. National real estate companies also have a referral service to match buyers with agents. You can also get a referral from the local Association of Realtors® chapter, as they are members of the National Association of Realtors® and subscribe to a code of ethics.

During your home search, if you feel an agent is steering you away from or toward certain neighborhoods because of your race, religion, national origin or other illegal reasons, the agent may be violating the Fair Housing Act. You should contact the agent's broker or call the local U.S. Department of Housing and Urban Development (HUD) office for information or to report your experience.

There are several different types of agents:

- Real estate brokers have been licensed by the state to own and operate a real estate agency.
- Real estate agents have been licensed by the state and works for a real estate broker.
- A Realtor® is a licensed real estate professional who is a member of the National Association of Realtors® and subscribes to the association's code of ethics. Many active agents are also Realtors®.
- A Realist is a member of the National Association of Real Estate Brokers, a trade association for African-American real estate brokers that maintains standards of conduct and aims to economically improve local minority communities.

The Lender

Almost everyone who buys a home gets a home loan, called a mortgage loan, from a lender. Lenders can be banks, savings and loans, credit unions, mortgage companies, government agencies or private individuals.

Getting the Loan

You'll apply for the mortgage loan by completing a formal loan application. After the lender takes your application, your request for credit is processed and underwritten. These are terms that refer to the work the lender does to decide if you are a good credit risk. Many lenders are now certified by various agencies and subscribe to a code of ethics when giving advice home buyers. Ask if your lender is a Certified Mortgage Planning Specialist CMPS[®].

The Attorney

A few states require that a lawyer write the real estate contract, search the title and conduct closings. In other states, real estate agents and title insurance companies do these jobs, and attorneys are used to settle disputes or review the terms of any documents being signed.

The Escrow Officer

Between the date the purchase contract is signed and the date the closing takes place, your sale is in escrow. The person who manages the escrow is the escrow officer, an independent person who works for both the buyer and the seller. The escrow officer keeps the original purchase contract and other documents, holds the earnest money, and makes sure that all the people involved in the sale are doing their jobs. The escrow officer is paid a fee at closing which is usually split equally between the buyer and the seller. In some states, the job of an escrow officer is done by an escrow company, an attorney, a title insurance company or even a real estate agent.

The Title Insurance Officer

When you buy a house, you will want a title officer to research the chain of title and give you a history of who owned it so you can be sure that the person selling you the house really has the right to sell it. The title officer researches the public records and issues a title report, or abstract, that not only shows the ownership but gives you important information about the property, including:

- Any loans the seller has for which the house is promised as security. These loans have to be paid off before you become the owner, or else you may have to pay them to protect your house.
- Any easements or parts of the property you may not be able to use because of buried electrical cables or land set aside for possible street widening.
- The amount of the state, city, county, school district or other taxes, and whether they have been paid.
- Any deed or zoning restrictions that limit the way the property can be used. For example, you usually cannot raise livestock on a property zoned for residential use.
- Whether the property is part of a homeowners association and the amount of any overdue homeowners' assessments.

In some states, a title search is performed by an attorney rather than a title officer.

The title officer works for a title insurance company that sells insurance to guarantee that the title report is accurate and that you can rely on it. All lenders require that the buyer pay for a lender's policy of title insurance that protects the lender if there is an error in the title report.

The Housing Inspector

It would be great to get a property inspection before you make an offer on a house so you could determine your offer price based on how much it will cost to make any needed repairs. However, property inspections cost money. Depending on where you live and how complete an inspection you ask for, the cost can be \$200 to \$500. For this reason, many contracts are contingent on a home inspection. Contingent means that if the inspection shows major problems, you can get your earnest money back and cancel the sale. If you don't want to cancel, you can ask the seller to make the needed repairs or give you a credit at settlement for the amount it would cost you to make them. The seller, however, is under no obligation to do so.

What does a housing inspector check?

A housing inspector checks the structural and the mechanical parts of a property. The inspector then writes a report describing major problems. Here are some items the inspector would check:

Structural

- Foundation
- Roof
- Doors
- Windows
- Ceilings
- Walls
- Floors

Mechanical

- Plumbing
- Electrical systems
- Heating
- Air conditioning
- Insulation
- Ventilation
- Septic tanks, wells and sewer lines

It is the inspector's job to report everything he or she sees that may be a problem now or in the near future. Use the inspection report to protect yourself against major problems, like a leaking basement, a broken air conditioning compressor or dry rot on the deck. Don't expect the seller to make the house look new unless you want to pay the price of a new house.

Some states require sellers to give buyers an inspection report or a property condition disclosure, but this may have been completed by the seller and not by a licensed contractor. It is always a good idea to have your own inspector look over your new house. To find a home inspector, ask for a referral from your real estate agent, or call the [American Society of Home Inspectors](#) at (800) 743-2744.

The Appraiser

The appraiser's job is to determine the fair market value of your house. You do not work directly with the appraiser, although you will pay for the appraiser's services at the time you apply for the loan. Appraisals for single-family houses cost about \$375 to \$850.

To determine the fair market value, the appraiser compares the house you want with houses like it that have sold recently in the same area. The physical condition of the house affects its market value, as do special features that other houses may not have, such as a corner lot or an extra bedroom.

The Surveyor

A surveyor is a licensed professional who checks the measurements of a property and the land around it. Every property has a legal description that defines the property lines. The survey tells you and the lender how big the property is, if there are any property easements or encroachments, what the placement and dimensions of improvements on the property are, and whether any of the improvements (buildings, fences or other structures) are over the property lines. The buyer usually pays the cost of the survey. Ordering the survey is usually one of the final steps in the purchase process prior to closing.

The Insurance Agent

Your insurance agent will usually be happy to visit your new home and recommend how much insurance you should have. Insurance agents can often give you a safety inspection and recommend the proper types of door locks, fire alarms and other safety features. Some insurance companies even offer discounts for installing safety and security features. Choose a reputable company and an agent you are comfortable with and who can explain insurance products and services in a way you understand.

In addition to hazard or homeowners insurance, there are many neighborhoods where special hazard insurance is required by your lender, such as flood insurance when you buy a home in a designated flood plain.

