**The 10 Steps of a Real Estate Transaction**

1. **Property Search:** Once a client agrees to work with an agent, the agent will set them up on a detailed REALCOMP MLS property search using the client’s criteria.
2. **Showings:** Once a client shows interest in a property, the agent will then set up a private showing using Showing Time on REALCOMP.
3. **Purchase Agreement:** When the client agrees to place an offer on a home, the agent will draft a purchase agreement. In a purchase agreement, you lay out the terms of the transaction. Once signed by the buyer, the agent will then send it to the listing agent. Additionally, the buyer will write a check to either the buyer agency broker or listing agent broker per the terms of the contract. This check is called an Earnest Money Deposit or EMD. Typically you will see 1% of the purchase price for an EMD.
4. **Seller Acceptance:** Once the seller agrees to the terms of the agreement, they will sign and send it back for final signatures. The seller may send back a counter offer to the buyer at this point. Once the buyer agrees to the terms of the agreement, they will sign the final buyer signature line, which is called the bottom line.
5. **Inspection:** Per the terms outlined in the purchase agreement, the buyer will have a predetermined amount of time to schedule an inspection on the property. Typically, you will see 7-10 days for an inspection period. If the inspection comes back unsatisfactory, the buyer’s agent must notify the listing agent in writing before the end of the inspection period. At this point, the buyer will renegotiate with the seller. If the inspection comes back satisfactory, the transaction will move forward automatically.
6. **Mortgage Loan Application:** At this point, the buyer needs to officially apply for their mortgage. The loan officer will gather all of the necessary documents and submit the signed loan application to processing. Typically, it will take 30-45 days to close from this point.
7. **Appraisal:** Once the loan is submitted, the processing team will schedule an appraisal of the property. If the appraiser determines that the home value is justified, the mortgage company will continue processing the mortgage. If the appraiser thinks the value is too high, the buyer will have to renegotiate with the seller to meet the terms of the appraisal. If they cannot come to an agreement on price, the deal will fall apart.
8. **Underwriting:** After the appraisal, the loan is submitted to underwriting. During this time, underwriters scrutinize every line of the loan to ensure there are no errors or issues with the loan guidelines.
9. **Clear to Close:** Once the loan clears underwriting, you will get a ‘clear to close’ or CTC.
10. **Closing:** Finally, the buyer and seller will determine a date to close on the home. The title agency representative or closer will walk the buyer and seller through the closing documents. Once all the title transfer and mortgage documents are signed, the sellers hand the keys to the new buyers.