


TIFFANY WHITSEY®  
RELIANT REALTY ERA

# ULTIMATE

# *Seller's Guide*

A rustic wooden table with a candle, a book, and 'HOME' letters. The candle is in a grey and brown holder on a wooden coaster. The book is open and lying flat. The letters 'HOME' are white and 3D. A potted plant is on the left, and a white fur rug is on the right.

Servicing your real estate needs with  
loyalty, trust, integrity, and expertise.

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HOME SELLER'S GLOSSARY



**MEET****TIFFANY WHITSEY**

With over 14 years of experience in Nashville's Real Estate Market, Tiffany has extensive knowledge and expertise. Her love and passion for Real Estate grew when she and her husband walked through the process of building their first home in 2007. She quickly figured out with her professionalism, state of the art service and attention to detail, she could thrive in this amazing industry and thrive is what she did!

Tiffany was featured in Nashville Homeowner Magazine in 2021 as the Who's Who of Nashville Real Estate as the Woman of Strength.

Tiffany has a proven track record of Success and has had the pleasure of helping numerous families buy and sell properties in Nashville and throughout the Middle Tennessee area. Tiffany is known for her professionalism, excellent communication skills and her ability to negotiate the absolute best deals for her clients. Tiffany takes pride in going above and beyond for each client, regardless of the price point.

Tiffany specializes in residential real estate, new construction, investment properties and the "move up" buyer. She also has years of experience with working with First Time Home Buyers and understands what it takes to walk each family through that process.



When Tiffany is not working, you will find her at the gym, spending time with her family & friends, listening to podcasts, watching her son play basketball, having “girl time” with her daughter and checking out new hot spots around town with her husband. Tiffany also has a unique love for fashion, home decor & fragrances, so don’t be surprised if you see her browsing around different boutiques sniffing the latest scents or admiring beautiful furniture and art pieces at her favorite stores Restoration Hardware and West Elm Nashville.

Now that you know a little about Tiffany, she would absolutely love to connect with you!



*Tiffany Whitsey*

**ABR<sup>®</sup> RREALTOR**  
**Reliant Realty ERA**



## INTRODUCTION

### Welcometo Selling Your Home

The selling process is a combination of excitement, stress, and new experiences, whether you are a seasoned or first time seller, or this is your primary home, vacation or investment property.

The simple fact is selling your home is rarely a decision people make on are gular basis. There are several moving parts and points to consider, which is why it is important to have a trusted professional consulting you at each step of the process.

This Seller's Guide is intended to give you a tangible resource that will help you define your goals and direct you through the process so that you can make informed decisions.

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Define your goals

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Select a REALTOR

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Price your property

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Show your home

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Ask for feedback

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Remove contingencies

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Close the deal

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Turn over possession



## Determine Why You Are Selling Your Home

Before you start to think about all the things that need to be done, take some time to figure out why you are selling and clearly define your goals. Everyone has different reasons, as you start to go through this process of discovery, focus on what is important to you and your family, as this will help streamline the process.

Here are six important questions to ask yourself:

1. Is there a timeline?
2. Are you relocating?
3. Are you looking for a bigger home or to downsize?
4. Looking for a different neighborhood? More city, more suburban?
5. Looking for different amenities?
6. Are financial considerations relevant?

Here are six important considerations

1. Do you understand the associated costs
2. Is this the right time for you to sell?
3. What are the present market conditions and the implications to your sale?
4. Does your home's equity give you an advantage?
5. What are the current mortgage interest rates options compared to your rate and commitment?
6. Consider getting your property inspected before placing it on the market. This will help you to know if there are any issues with the home before hand.

Recognize that every market is different and the selling process can be a sprint or a marathon- be prepared or both.





## 2. SELECT A REALTOR<sup>®</sup>

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### Commitment and Dedication

It is important to work with a REALTOR<sup>®</sup> who is not only committed to working with you, but who is also dedicated to getting your home sold in the shortest time for the most amount of money. Your REALTOR<sup>®</sup> should guide you through the entire process-consider their knowledge, experience and expertise. Check their track record of working with sellers -from listing a home, negotiating the price, helping with financial solutions, and understanding the local market, its property types and property values to their knowledge of the transaction process.

### Responsibilities

To educate you about the listing agency and professional responsibilities including complete disclosure, loyalty, confidentiality, compliance, and accountability.

### Understanding Your Requirements

By taking the time to understand the priority of your requirements - price, timeline, and relocating, even if it changes.

### Marketing Your Home

Providing a sophisticated marketing strategy that ensures the maximum exposure of your home to the right buyers. Keeping you updated with current market trends, neighborhood fluctuations, and new sales and listings. Selling is all about having the right knowledge at your finger tips.





## **Preparing and Showing the Home**

Preparing your home to match buyer's expectations, arranging the right showings, and recommending relevant experts.

## **Consultation and Negotiation**

Providing consultation when offers come to purchase your home. Negotiating the best possible price and terms for you, finding home-related service providers, and taking care of all the details.

## **Closing**

Keeping you fully informed about all activities that lead to the transaction closing.

A listing agreement is a contract between you and your REALTOR®. It is an agreement that says the agent has the right to list, advertise, and handle the sale of your house. It's important to understand the terms of this agreement because you will be bound to them-forming an obligation of time and commitment of responsibilities.

**KEYFACTORS:**

1. **Commission** - The amount you will pay your agent.
2. **Exclusive right to sell** - This gives your agent the right to sell your property.
3. **Duration** - The amount of time the listing agreement is in effect.
4. **Protection clause** - A clause that protects the agent or broker after the date, preventing you from avoiding payment to your agent should you in da buyer while under contract.
5. **Duties** - The agreement lays out the activities the agent is authorized to conduct on your behalf.
6. **Representations** - The agreement may also require you to verify certain legalities and facts about your home.
7. **Dispute re solution** - Specifies how you will handle disputes that cannot be worked out informally



# 3. PRICE YOUR PROPERTY

**Now that you have selected your REALTOR®, and before you place the home on the market, two things need to be done.**

1. Choose a Title Company - You need a clear title for the home before you can put it on the market.
2. Price the property - Price sets "the opinion of value" when selling your home. Price it too high against comparable properties and your home may not sell. Price it too low and you may not achieve the true value of your home.

## THE FAIR MARKET VALUE IS INFLUENCED BY:

- Location
- Condition
- Buyer demand
- Prices of properties on the market
- Recent sales
- Availability for financing

## THE HIDDEN INFLUENCE

Always make sure you highlight the positives and negatives of your home to your REALTOR®- these nuances can be turned into an advantage if known in advance - remember no one knows your home and its location like you do



## 4. PREPARE YOUR HOME

Every seller wants to sell their home quickly and every buyer wants to believe that the home they are looking at is the “right one.” As we prepare the home for sale here are a few things to keep in mind during this preparation stage. Begin this process with one simple idea “This is not my home; it is a house.”

For this Seller’s Guide, we have broken down this process into three levels. As always, discuss with your REALTOR® what level is required to get the most value for your home.

### LEVEL 1: THE BASICS

- De-clutter

If it is not needed, remove it and put it in storage. Pack up the knick-knacks. Keep the counters clean.

- De-personalize

Remove photographs and memorabilia. Remember this is going to be a fresh start for someone else’s dream and you want them to be able to visualize making their own memories here.

- Deep cleaning

Clean the home inside and out. Clean inside the cup boards. Clean the grout in your bathroom(s).

Remove spider webs, dust bunnies, wash the windows, dust the furniture, clean the carpets, vacuum, etc. Don’t forget about the outside!





## **LEVEL 2: BEYOND THE BASICS**

- Painting walls

Think neutral colors. If you have off-beat colors, bring them back to a more neutral hue- it can help the buyer visualize a clean slate.

- Change room decorations and themes

Got a jungle-themed room? How about an all pink or blue kid's room? For now, redecorate, repaint and turn it in to a study. Think simple.

- Minor repairs

These repairs are not supposed to break the bank. If it's a cheap and easy fix, fix it. Repair squeaky doors, holes in walls, leaking faucets, broken cabinet doors, and anything else that could deter buyers.

## 4. PREPARE YOUR HOME (Continuation)

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### LEVEL 3: WAY BEYOND THE BASICS

x Major renovations

Haven't replaced that roof in 20+ years? Need to replace the carpet? Add better flooring? Remodel the bathroom? These more expensive repairs will add value to your home and are projects worth considering.

•Finishing the basement

Never got around to finishing the basement? Now is the time you may want to consider it. A finished yet blank canvas can add extra value to your home, and the buyer may be willing to pay more for something they do not have to do.

x Other repairs

With larger repairs it is important to understand that any work you put into the home should add value to the final sale price; if not, it's not worth it.

### HELPFUL TIPS

x Think of this process as ahead start to packing.

x Even though some repairs may seem minor, they can become a major factor in determining whether a buyer will actually buy.

x Pay particular attention to rooms that smell; odors are a complete turn-off.

x Do not forget about the outside, this is your first impression.

x Scrutinize the home. If you were a buyer would you want to buy this home? You have lived here and you know all the pros and cons. Highlight the pros and help eliminate the cons.



## 5. MARKET THE HOME

Each home has its own unique and individual story to tell, and the marketing should select that. Take some time to sit down with your REALTOR® to discuss the correct marketing plan that is necessary to successfully market the home. A comprehensive and customized marketing strategy will compliment the time, money, and energy that you have invested in your home



**Photography:** A key element to all marketing is the right photography. Your home has five seconds to impress and grab someone's attention. Skilled professionals know how to use composition, color, and lighting to enhance the subject. The right photography can give you an extra 20 seconds and a great photo can evoke a potential buyer's emotion. This is where they fall in love first.



**Print media:** Tangible resources that draw buyers to the home such as yard signs, directional, postcards, property brochures, and more.



**Digital Exposure:** Your online footprint gives you access to social media and 24/7 web exposure. It is the quickest way to get your home exposed locally, nationally, and globally.



**Networking and Referrals:** REALTORS will utilize their network and referral systems to create additional sources of potential buyers. Networking with other local, national, and international agents, as well as relocation experts creates a large database. Local advertising, word of mouth, and open houses create referrals from local homeowners - who are often the biggest advocates for having their friends and family move into their neighborhood.



Sellers place a lot of pressure on themselves when showing potential buyers their property. Here are a few things to keep in mind to generate the best first impression and increase your chances of receiving those all-important offers.

### Let Your Agent Handle It

A potential buyer is less likely to voice any concerns in front of the current owner. Give them the space to explore and scrutinize. Your REALTOR is your ally; let them handle any concerns a buyer might have.

### Be Flexible

Many home buyers are on a tight schedule, just like the rest of us. Time is tough to come by, so be flexible, especially if you are living on the premise.

### Quick Clean

During the selling process, it is imperative to always keep the home clean. Wipe down counters, vacuum daily, and make sure all clutter is cleaned up.

TIP: Keep a box for personal items; when not in use, keep them in a closet or drawer.

### Climate Control

Make sure the inside temperature of the home is comfortable. You want buyers to feel comfortable and to not rush the viewing process because they are too hot or too cold.



## 6. SHOW THE HOME (Continuation)

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### Animal Care

A pet-friendly home is a great selling point. However, if potential buyers are not animal friendly, you do not want your pet(s) to be a distraction. If you can, remove them from the home temporarily, or place them in a contained space.

### Light the Way

The home should feel open, bright, and welcoming. Turn on the lights and open the curtains, this will allow the buyers to see the true value of the home.

Communicate with your REALTOR If there are special aspects to the home that you want to be featured and recognized during the viewing of the home, make sure to communicate that clearly to your REALTOR



# The "Show Home" Ready Checklist



## YOU HAVE 10 MINUTES:

- Make the beds
- Grab a basket or box and throw all personal items of clutter in there and put it in the back of your car
- Empty all the garbage
- Make sure the towels in the bathroom are clean, straightened, and they match t Put down the lid to the toilet(s)
- Wipe down all counter tops and sinks
- Turn on all the lights in the house
- Make sure the house temperature is comfortable
- Make sure the home smells good

## YOU HAVE ONE HOUR:

- Do everything on the ten minute list, PLUS
- Vacuum all carpeted areas t Sweep all surfaces
- Clean all mirrors
- Give the toilets a good wipe down
- Clear kitchen counters and wipe down
- Laundry should be clean and put away
- Sweep the front doorway and shake out the mat



## 7. ASK FOR FEEDBACK

It is never easy hearing negative remarks about your home, but knowing is half the battle and the information provided could potentially be helpful in the next showing. It will also show the buyer that you value their opinion. Following an open house or buyer showing, talk with your REALTOR to measure your home's reception and consider recommendations.

### REVIEW:

- x Are you getting a steady stream of people to Open Houses, Brokers Opens, and Caravans? What is the typical number for comparable homes'?
- x Find out what feedback was given to your REALTOR. Use this feedback to enhance your home's presentation for future showings. Your REALTOR may have some ideas on how to spruce up your home's presentation factor.
- x Could your home use an incentive to entice more buyers to come for a 1001<?
- x What other marketing strategies does your REALTOR suggest to attract more buyers?
- x It is important to keep things in perspective following an open house or a buyer showing. Remember that home shoppers need time to process what they have seen and maybe time to look around at other homes before making such a big decision.
- x Be patient. Be open to feedback and continue to maintain an open dialogue with your REALTOR

Perhaps the most complex moment of the sales process comes when you get an offer on the home. There are many components to an offer and your REALTOR can explain the entire process, so that you are comfortable with all the steps involved.

An offer can be drafted with or without conditions: an offer without conditions is known as a firm or contingent-free offer, an offer with conditions is known as a conditional offer and protects one party with the placement of certain conditions on the purchase.

You can reject or accept the initial offer. If you agree to some points of the offer but not others, then you will submit a counter offer. The counter offer may differ from the original offer in respect to price, conditions, closing date, or any other items. Offers can be countered back and forth between the parties until one of you accepts or rejects it, ending the negotiations all together.

### COUNTER OFFERS

Counter offers are generated by the seller after a buyer has submitted an offer to purchase. Typically, counter offers will state that the seller has accepted the buyer's offer, subject to the particulars such as:

- Higher price (if buyer's offer doesn't match sale price)
- Increase the amount of the deposit
- Refusal to pay for certain reports or fees
- Altering closing and/or possession dates
- Modifying the contingency time frames
- Excluding personal property

One party can simply accept the counter and deliver it back to the other party or counter with another offer. This can go back and forth several times. Just remember, time is always of the essence. Counter offers contain expirations, just like purchase offers, which means the you can accept another offer while the buyer decides if they will sign the counter offer.

## 9. REMOVE CONTINGENCIES

Once both parties accept the sales contract and its contingencies they will start to work towards removing these conditions, and set a specific time frame to do so (varies by state).

Your REALTOR will advise you on what contingencies you can remove, based on the results, once the appropriate due diligence has been completed, ideally both parties should have been able to negotiate a reasonable time to remove these conditions.

It is important to understand the options available to you should one of the conditions you are responsible for not be removable prior to the contract date. This does not automatically mean that the 'deal is dead' – having a REALTOR @ who is a good negotiator and will work with the buyer's agent to find a solution is key.

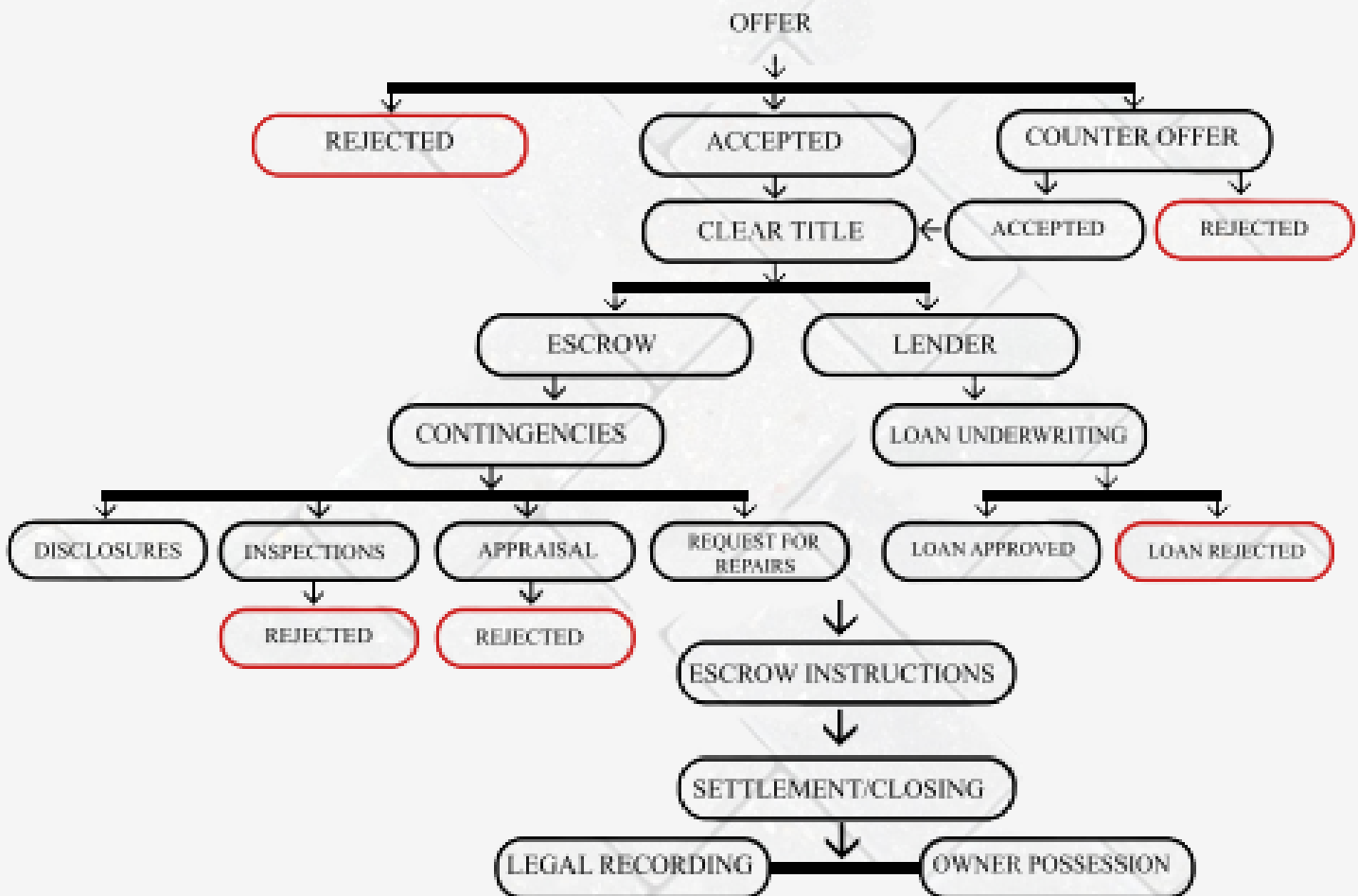
Equally, conditions that the buyer needs to address can also be provided with extensions – this is the seller's choice.

An experienced REALTOR will advise you on the right course of action based on their knowledge and experience.

Once both parties are satisfied and wish to commit to the purchase and sale of your home, a contingency removal document will be prepared for both parties to sign.



# Contract to Close Step-by-Step



After all the contingencies have been removed, it becomes the responsibility of the legal and financial institutions to prepare all the necessary paperwork. Should there be any issues, your REALTOR will contact you directly.

Contact your Escrow Company and provide them with instructions on how you would like the funds deposited from the sale.

At closing, you will sign all of your legal documents, including paperwork related to the transfer of ownership. There is usually a representative from the Escrow Company to facilitate the exchange.

When closing is finished, you should not only be prepared to hand over the keys, but any copies of documentation that relates to the property and its amenities. You will receive a copy of the documentation you signed together with a statement of costs. At the end of closing, the deed will be taken and recorded at the county clerk's office.





# MOVING OUT CHECKLIST

- ✓ Notify current utility companies - advise of new address, shut-off and connection dates, and if necessary, moving equipment:  
Electric t Water/Sewage t Trash
- ✓ Telephone
- ✓ Cell Phone
- ✓ Cable/Satellite
- ✓ Internet
- ✓ Insurance - transfer homeowner's insurance to new home
- ✓ File change of address with postal service - start and end dates
- ✓ Notify DMV of new address - driver's license and registration
- ✓ Notify your bank and credit card companies of your move and that you will be making purchases in a new area
- ✓ Update voter registration
- ✓ Updated medical records - notify doctors, dentists, pharmacists
- ✓ Update employer records t Notify children's school and activities of move
- ✓ Cancel/Update gym memberships and local memberships if not staying in area
- ✓ Return library books or other things you have borrowed
- ✓ Hire housekeeping and landscaping services to ensure the home is clean before the new buyers arrive
- ✓ Send out "Just Moved" cards to notify family and friends of new address



# COMMON MISTAKES FOR HOME SELLERS

1. Not Hiring a Professional - You need the expertise of a REALTOR . Sellers who try to sell it themselves end up taking longer to sell and sell for far less than those who work with an agent.
2. Not Pricing Your Home Correctly – Overpricing or underpricing your home can be a costly mistake. It is critical to know the market and review comparables to know at what price your home needs to be set to sell.
3. Neglecting Necessary Repairs – It will always cost you less out of pocket to fix things ahead of time, rather than having buyers request that you fix it through their vendor of choice, which can get costly.
4. Not De-cluttering Clutter eats equity and kills deals. One of the least expensive improvements you can make to your home is to de-clutter and create a sense of spaciousness throughout the home.
5. Getting in the Way of Negotiating Too many sellers take negotiating personally and lose out on creating a win-win deal. Remember, this is a business transaction.
6. Failing to Complete a Full Set of Disclosures Prior to Closing Be upfront about any of your home's issues, this will save you money and time, especially if the buyers discover the problem themselves.
7. Overlooking Fees and Extra Expenses at Closing Request a list of fees and expenses before closing. Review these with your REALTOR and discuss these ahead of time.
8. Not Hiring a Professional Photographer – More than 94% of all buyers start their home search online, make sure you and your REALTOR make your home dazzle with great photographs.
9. Not Trusting and Communicating with Your REALTOR – they are your biggest ally. Trust them to be the expert and guide you through this process. Be open and honest and allow them to do their job; they are here for you



## FREQUENTLY ASKED QUESTIONS

### WHEN IS THE BEST TIME TO SELL?

When you are ready. Every real estate market is different, therefore, the best time to sell a home will be different from community to community. Don't wait for perfect conditions to sell – they don't exist.

### HOW DO YOU CHOOSE A REALTOR R "

Think of the process as equivalent to giving a job interview. Do they know your local market? Price points? Types of homes? What is their track record for sales in your community? Can they provide testimonials? Ask for references!

### HOW LONG DOES THE LISTING AGREEMENT LAST?

Every real estate agent will have a preferred length. One thing to keep in mind when asking about the length of a listing agreement is the average days on the market. If the average days on the market in your local real estate are 75, a 90 day listing agreement may not be enough.

### HOW MUCH COMMISSION SHOULD YOU PAY?

Commission is negotiable, period. The phrase "you get what you pay for," is true when it comes to real estate too. Choosing a REALTOR R based solely on the fact they offer the lowest commission amount is a mistake frequently made by home sellers.

### CAN I GET OUT OF A DEAL SHOULD I DECIDE THE PROPERTY OR DEAL ISN'T RIGHT FOR ME?

Don't be afraid to back out of the deal - you have never gone too far until the subjects have been removed.



When selling a home, it's important to understand some of the key concepts and terms. Throughout the selling process, your REALTOR will be available to explain any unfamiliar terms you encounter. That said, here is a short list of terms you'll want to know:

**Abstract Of Title** – A complete historical summary of the public records relating to the legal ownership of a particular property from the time of the first transfer to the present.

**Adjustable Rate Mortgage (ARM)** – Also known as a variable-rate loan, an ARM is one in which the interest rate changes over time.

**Agreement of Sale** – Also known as contract of purchase, purchase agreement, or sales agreement according to location or jurisdiction. A contract in which a seller and buyer agree to transact under certain terms, spelled out in writing and signed by both parties.

**Amortization** – The process of reducing the principal debt through a schedule of fixed payments at regular intervals of time, with an interest rate specified in a loan document.

**Appraisal** – An appraiser's estimate of the market value of a property based on local market data and the recent sale prices of similar properties.

**Assessed Value** – The value placed on a home by municipal assessors for the purposes of determining property taxes

**Closing** – The final steps in the transfer of property ownership. On the closing date, as specified by the sales agreement, the buyer inspects and signs all the documents relating to the transaction and the final disbursements are paid. Also referred to as the Settlement.

**Closing Costs** – The costs to complete a real estate transaction in addition to the price of the home, may include: points, taxes, title insurance, appraisal fees, and legal fees.

**Closing Date** – This is usually the date that the legal ownership of the property transfers from the seller to the buyer.

**Conditions or Subjects** – Items that are usually put in place to protect a party's interests upon selling or buying the property and refer to things that must occur or be in place before the sale closes. Some of these conditions could be "subject to financing approval," "subject to the buyer's house selling," "subject to seller finding suitable housing," etc.

**Contingency** – A clause in the purchase contract that describes certain conditions that must be met and agreed upon by both buyer and seller before the contract is binding.



**Contingency** – A clause in the purchase contract that describes certain conditions that must be met and agreed upon by both buyer and seller before the contract is binding.

**Counter Offer** – An offer, made in response to a previous offer, that rejects all or part of it, while enabling negotiations to continue towards a mutually-acceptable sales contract.

**Conventional Mortgage** – One that is not insured or guaranteed by the federal government.

**Debt-to-Income Ratio** – A ratio that measures total debt burden. It is calculated by dividing gross monthly debt repayments, including mortgages, by gross monthly income.

**Deposit** – The amount of money provided from the buyer to the seller as a token of the buyer's assurance and intention to buy the property involved. The deposit is applied against the purchase price of the home once the sale has closed. Your agent can assist you in proposing a certain and appropriate amount for the deposit.

**Disclosures** – Disclosure statements, which can come in a variety of forms, are the buyer's opportunity to learn as much as they can about the property. Seller disclosures are based on seller's knowledge of issues. They serve to inform buyers; they can protect the sellers from future legal action. It is the seller's chance to lay out anything that can negatively affect the value, usefulness, or enjoyment of the property.

**Down Payment** – The money paid by the buyer to the lender at the time of the closing. The amount is the difference between the sales price and the mortgage loan. Requirements vary by loan type. Down payments less than 20% usually require mortgage insurance.

**Earnest Money** — A deposit given by the buyer to bind a purchase offer and which is held in escrow. If the property sale is closed, the deposit is applied to the purchase price. If the buyer does not fulfill all contract obligations, the deposit may be forfeited.

**Equity** — The value of the property, less the 'loan balance and any outstanding liens or other debts against the property,

**Easements** — Legal right of access to use a property by individuals or groups for specific purposes. Easements may affect property values and are sometimes part of the deed.

**Escrow** — Funds held by a neutral third party (the escrow agent) until conditions of a contract are noted and the funds can be paid out. Escrow accounts are also used by loan services to pay property taxes and homeowner's insurance.

**Fixed-Rate Mortgage** — A type of mortgage loan in which the interest rate does not change during the entire term of the loan.

**Terms** — An offer includes certain "terms", which specify the total price offered and how the financing will be arranged, such as if you will arrange your own with a financial institution or mortgage broker or if you wish to take over the seller's mortgage (assumability).

**Title** — The right to, and the ownership of, property. A Title or Deed is sometimes used as proof of ownership of land. Clear title refers to a title that has no legal defects.



**Home Inspection** – Professional inspection of a home, paid for by the buyer, to evaluate the quality and safety of its plumbing, heating, wiring, appliances, roof, foundation, etc.

**Home Warranty** - Service contract that covers the repair or replacement of home system components and appliances that break down.

**Homeowner's Insurance** - A policy that protects you and the lender from natural disasters and liabilities, such as a visitor injury, or damage to your personal property.

**Inclusions and Exclusions** – Specifications within the offer that detail the items to be included or excluded from the purchase of the property. Typical inclusions are appliances, window coverings, fixtures, and decorative pieces.

**Lien** – A claim or charge on property for payment of a debt. With a mortgage, the lender has the right to take the Title to your property if you don't make the mortgage payments.

**Market Value** – The amount a buyer would pay a seller for a home. An appraised value is an estimate of the current fair market value.

**Mortgage Insurance** – Purchased by the buyer to protect the lender in the event of default (typically for loans with less than 20% down). Available through a government agency like the Federal Housing Administration (FHA) or through private mortgage insurers (PMI).

**Possession and Adjustment Dates** – When the buyer takes possession as specified in contract of purchase and adjustments are made for prepaid taxes, maintenance fees, etc. They are usually the same date.



**Possession Date** —The date, as specified by the sales agreement, that the buyer can move into the property. Generally, it occurs within a couple days of the Closing Date.

**Pre-Approval Letter** — A letter from a mortgage lender indicating that a buyer qualifies for a mortgage of a specific amount. It also shows a home seller that you're a serious buyer.

**Principal** - The amount of money borrowed from a lender to buy a home, or the amount of the loan that has not yet been repaid. Does not include the interest paid to borrow.

**Purchase Contract** — A detailed written document which makes an offer to purchase a property, and may be amended several times in the process of negotiations. When signed by all parties involved in the sale, the Purchase Offer becomes a legally-binding sales agreement. \*

**Purchase Price** — The amount that the buyer is offering to pay for the property, usually dependent on market conditions and may differ from the seller's current asking price. There is no "normal" amount or percentage that a price will differ from its asking price, as the final price will be determined by many factors, including the seller's motivation and how close the asking price is to actual "market value".

**Title Insurance** — Insurance policy that guarantees the accuracy of the title search and protects lenders and homeowners against legal problems with the title.

**Truth-In-Lending Act (TILA)** - Federal law that requires disclosure of a Truth-In-Lending statement on consumer loans. The statement includes a summary of the total cost of credit.

**Title Search** — A historical review of all legal documents relating to ownership of a property to determine if there have been any liens in prior transfers of ownership or if there are any claims or encumbrances on the title to the property.

\* The Purchase Offer and contract procedures vary by region.