



EXECUTIVE BRIEF

Help First-Time Buyers Close with Confidence

Improve what's in your control

First-time homebuyers are often overwhelmed by all the unfamiliar steps needed to close on a home. As any real estate agent can confirm, finding the right house, pushing through an offer, and figuring out the closing process takes time, energy, and saying “yes” to some stress.

While you don't have control over the competitiveness of today's market that makes it difficult to find the right home and get an offer accepted, you do have the power to facilitate a smooth closing process. You can do this by building strong relationships with clients, educating them on the closing process early on, and choosing the right partners. This brief shows you how to best support first-time homebuyers in today's competitive market.

Definition of “closing process”

For the purposes of this Executive Brief, we're defining the “closing process” as the 30–60 day process that begins typically after a ratified purchase contract has been obtained. Closing involves participants including but not limited to real estate agents, the lender, and the title and escrow company. The title and escrow company ensures that the property in question can be legally transferred and that the closing conditions, as outlined in the purchase contract, are met. Title to the property is then transferred under the terms of the contract, recorded with the appropriate official, and title insurance policies are issued.



Uncover information relevant to closing

Real estate is a relationship-oriented industry, and your clients count on you to make the homebuying process as painless as possible. After finally finding their dream home and getting an offer accepted, the last thing you or your buyers want is a stressful closing—this is especially true for first-time buyers who may not be prepared for the complications that closing often involves.

Pave the way for a successful closing by building strong connections with your clients early. To do this, invest the time to explore areas that could impact the closing. Learn what matters to your clients, including asking about their interests, finding out why they're moving, and chatting about exciting plans they have for the coming months. These details are relevant for two reasons. First, they can help you make small, meaningful gestures, such as bringing their favorite coffee to a showing. Second, you could learn information that can impact closing—for instance, if your client is planning to travel abroad, you'll be able to plan ahead to ensure the trip doesn't overlap with their closing. If they're having a child, you can front-load working with this client to get as much done as possible before the baby arrives.



Always let your clients know up front that the closing process often takes 30-60 days, and that complications around title and escrow, home inspection, and other legal or financial issues can sometimes cause delays. By setting the appropriate expectations and communicating with your clients regularly and transparently, you'll build trust and facilitate a (relatively) low-stress closing that will make it more likely your client will return to you in the future and refer you to others.

Educate clients on the closing process early

In addition to building trust and rapport, you can further make the homebuying process less stressful for first-time buyers by providing educational resources. Materials that educate buyers on what to expect in the closing process are especially impactful, as this is the part of the homebuying process that they are likely least familiar with. You can leverage blog posts, videos, and infographics to explain complex topics early on. Here's a run-down of topics to cover:

- **Financial:** Make sure your clients understand how mortgages work, the breakdown of closing costs (and who pays for them), and their options for procuring a loan or other funding. Let clients know how financial issues could affect their closing: if your client is completing a lender request, make sure they have access to—and stay on top of submitting—relevant documentation such as tax returns, bank statements, and paycheck stubs.
- **Procedural:** Give clear explanations of how title and escrow work, the role of home and title insurance, and technical aspects such as easements. These things may sound familiar to you, but for your clients they're likely concepts that they'll be experiencing for the first time.
- **Community:** Help your clients understand the community surrounding their new home. Does the property your client chose have enforced rules such as an HOA? If so, explain HOAs to your client—what they are and how their HOA will impact their day-to-day.

Pay special attention to documents that frequently cause confusion, such as preliminary title reports. Teach first-time buyers how to read a title report by walking them through it page by page, defining important terms, and highlighting key details and data they should pay attention to. They'll be grateful for this prep when the closing process is a breeze!

There's no need to make materials from scratch—Doma offers educational resources you can leverage, like our [Example Preliminary Title Report](#). You can use these materials to help buyers prepare before they even become your clients—the added benefit of this is that they'll be more likely to want to work with you!



Leverage technology for smoother closings

People increasingly expect important processes to be digital, fast, and easy. However, closing on a home still relies on manual procedures, meaning delays, errors, and do-overs are unfortunately common. You can get closer to meeting first-time homebuyers' expectations for a seamless experience by selecting a partner that streamlines the closing process, both in obvious ways and behind the scenes.

By partnering with a forward-thinking title and escrow company like Doma, you can log in to an online portal that provides on-demand visibility into file status, direct access to documents, and even offers you an opportunity to open a new pre-sale or ratified purchase order. With these types of digital tools, you'll always have answers to clients' questions and prevent them from feeling lost or confused by periods of non-communication. Further supporting this transparency, agents and their clients can get proactive updates at key milestones.

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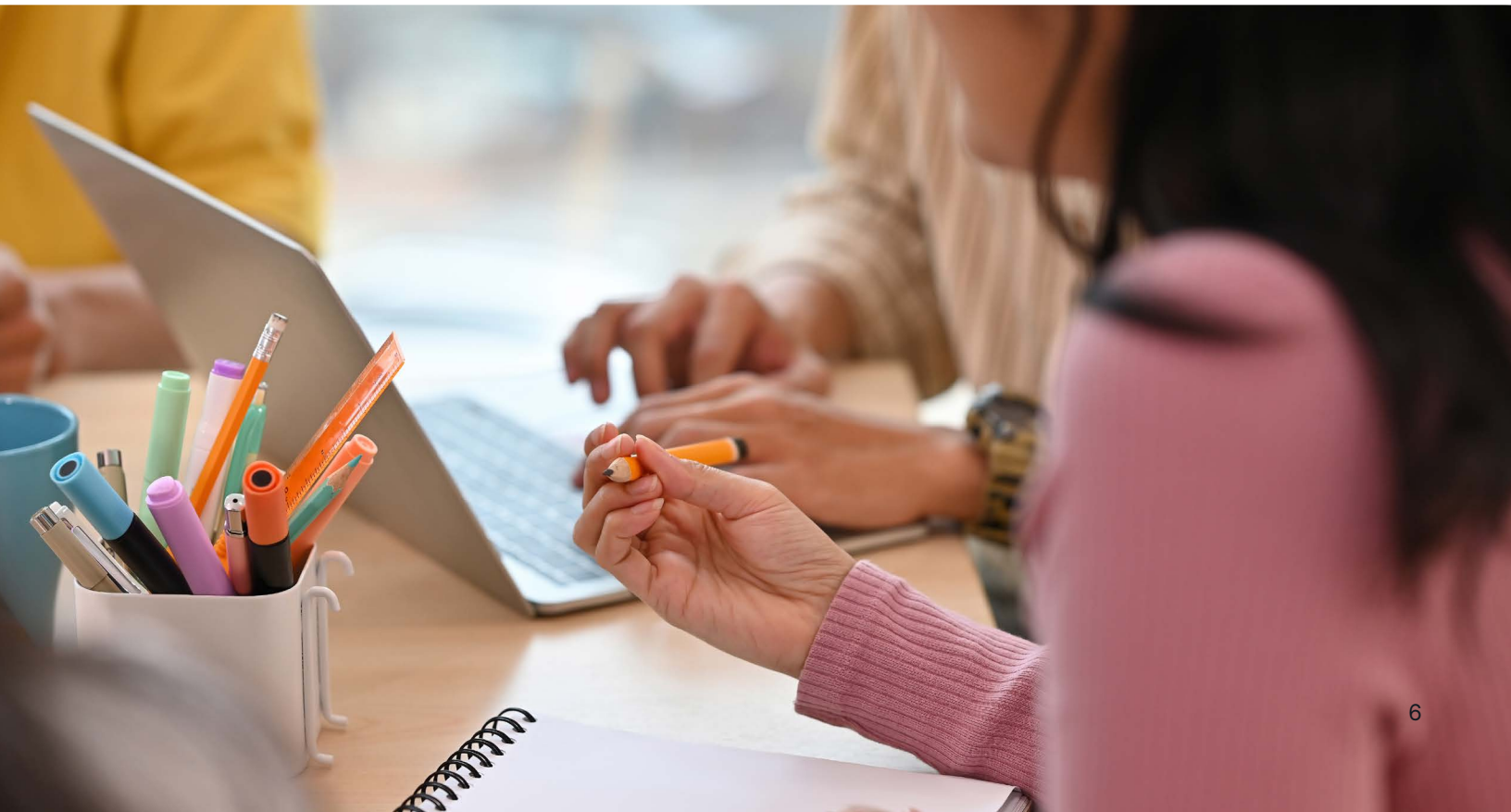


Allow buyers to close on their terms by providing options

To end the homebuying process on a high note, provide options for signing—this is especially important for first-time buyers who may feel overwhelmed by unfamiliar processes. Here's an overview of how various signing options may appeal to first-time buyers:

- **In-person:** Some buyers—particularly first-timers—may want an in-person interaction and full walk-through in an office or at their current home.
- **Hybrid:** For buyers who don't have the time or interest for fully in-person signings, differentiate yourself by allowing them to digitally review documents (and sign many of them) prior to the final notary-led closing.
- **Remote Online Notarization (RON):** Depending on the state, you may be able to offer a fully digital signing experience. In today's world, this can be an enticing option as it is similar to how they have signed for other financial products.

Make sure that you manage expectations early on. For example, even when partnering with a digital provider, fully digital signings may not be possible in your state. While this may be disappointing for some buyers, it's much better for them to find out *before* they get a phone call to schedule an in-person signing!



Invest in closings to win over buyers

Buying a home in a competitive market can be an especially jarring experience for first-timers. Luckily, while external factors like inventory and the prevalence of all-cash offers may be out of your control, the closing process is an area where you have agency.

Doma's 60+ years of experience working in the real estate industry makes our title and escrow officers experts at working with first-time homebuyers, while our technology irons out the snags and wrinkles that come with closing, providing an up-to-date online experience that resonates with agents and clients alike.

By helping provide a positive closing experience, Doma can ensure that first-time homebuyers will become clients for life and refer you to others, **enabling you to grow your business.**

About Doma

Doma is a real estate technology company that is disrupting a century-old industry by building an instant and frictionless home closing experience for buyers and sellers. Doma uses proprietary machine intelligence technology and deep human expertise to create a vastly more simple and affordable experience for everyone involved in a residential real estate transaction, including current and prospective homeowners, mortgage lenders, title agents, and real estate professionals. With Doma, what used to take days can now be done in minutes, replacing an arcane and cumbersome process with a digital experience designed for today's world.

Contact **localexpert@doma.com** to uncover how you can increase turnaround times and achieve operational efficiencies.

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