

*the Poling Team*  
**Home Buying  
Guide**



a high level of personalized service in buying and selling a home



## ~ Here is where it all begins! ~

Thank you for the opportunity to discuss your real estate needs! We think you'll find a big difference in the way we conduct business. Buying a home in this market is a cooperative venture that requires thorough communication and teamwork. When we meet, we will clearly explain the idiosyncrasies of buying a home in the Raleigh market, how we represent you, what we do and don't do, what you should and should not do, and what you can expect during the process. If you have any specific issues you'd like to address, please make note of them now and bring them to our attention at our first meeting. We will make sure that all of your questions are answered to your satisfaction!

Please take a few minutes of your time to review this Home Guide carefully. It contains carefully selected materials that begin the process of coaching you and advising you on all of the information you'll need to be a **highly informed buyer**, and to help you avoid the most common mistakes that home buyers make. We look forward to our first meeting!

If you need any additional information before we meet, please don't hesitate to contact us.

At your service,

**Art & Linda Poling, P.N.P., REALTOR®**

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## IMPORTANT AGENCY DISCLOSURE INFORMATION...

Relatively new changes in North Carolina real estate law require that we inform you of your options in choosing what type of agency relationship we will employ when we work with you, and it is our pleasure to do so.

Our preference is to work for only you as your Exclusive Buyer Agent in the purchase transaction. The good news is that the fee is usually paid by the seller! The listing agent/builder representative on all properties that we show you is legally representing only the interests of the seller, whether the home is new construction or an existing home. The Exclusive Buyer Agency Agreement allows me to act on your behalf only by assisting you in negotiations, disclosing any available information about seller motivation, coaching and counseling you on the intricate details of the process, and providing you with sales information on comparable properties to help you determine a fair market price. Without that authorization from you, licensing law requires that we represent the seller as a “subagent”, and that we attempt to obtain the best possible price for the seller. By not authorizing us to be your Exclusive Buyer Agent, you are stating that you do not want representation from us and that you understand that we will be representing the seller.

We need to know what agency relationship you prefer prior to showing any homes to you. Please review the material we provide and decide how you would like us to work with you. We will be happy to answer any questions you may have about agency!

Thank you.



## **MORE ABOUT AGENCY: PLEASE READ CAREFULLY**

***THIS MAY BE THE MOST IMPORTANT  
PART OF THIS PACKAGE. THIS NOTICE  
IS FOR YOUR OWN PROTECTION!***

*Recent changes in North Carolina law resulted in changes that affect the way buyers and sellers are represented by real estate agents. Since the North Carolina Real Estate Commission and the North Carolina legislature know that the typical consumer does not understand these changes, they enacted certain requirements to protect you!*

*One of the most important things they did was to create a brochure called Working with Real Estate Agents. **ALL real estate agents are required by law to present this brochure to a potential client "at first substantial contact", and there is a wide difference in opinion about when that occurs.** We firmly believe that your best interests are served if you are an informed and empowered consumer from day one. If we know something that you should know, you will know it NOW. For this reason, we are including the "Working with Real Estate Agents" with this Home Buying Guide and we ask that you read it now.*

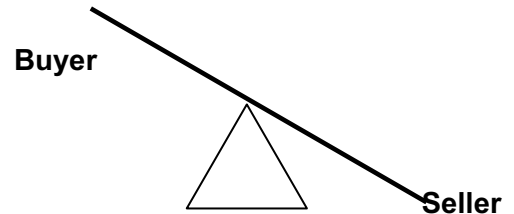
*The law also requires that we not only provide the brochure, but that we review it with you when we meet. That's exactly what we will do. In the mean time, **PLEASE DO NOT DISCLOSE ANY CONFIDENTIAL INFORMATION ABOUT YOUR REASON FOR BUYING OR YOUR WILLINGNESS TO PAY A CERTAIN PRICE** until you have chosen who will represent you in the purchase of your home! Once you have selected a REALTOR® to serve as your Fiduciary and your Exclusive Buyer Agent, you can and should freely discuss anything with him/her since you are protected much like an attorney-client privilege. We will go over this again when we meet in person!*



## AGENCY SUMMARY... Who Works for Whom?

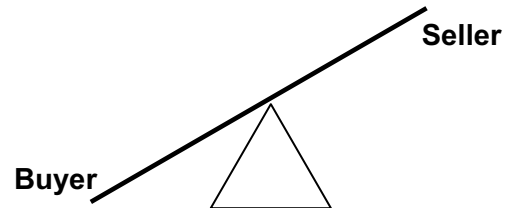
### SELLER AGENCY (SINGLE AGENCY)

Agent will represent the best interests of the seller  
Agent will owe the seller fiduciary duties  
Agent must give the buyer all material facts so that the buyer can make an educated decision



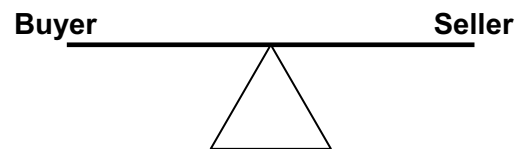
### BUYER AGENCY (SINGLE AGENCY)

Agent will represent the best interests of the buyer  
Agent will owe the buyer fiduciary duties  
Agent must give the seller all material facts so that the seller can make an educated decision



### DUAL AGENCY

Agent represents both the buyer and the seller equally  
Agent's objective is to get a mutually satisfactory agreement among all parties  
Agent gives all options to the buyer and the seller  
All parties have confidentiality. Agent may do nothing to the detriment of either the buyer or the seller  
Both the buyer and the seller have a right to counsel. Before making any decisions, both parties have the right to seek family, religious, legal, or financial counsel.



**In all relationships, as your Agent we have a duty to act honestly with both the buyer and the seller.**



# THE ADVANTAGES OF A BUYER AGENCY AGREEMENT

## **YOUR INTERESTS ARE PROFESSIONALLY REPRESENTED —**

Enlisting the services of a professional Buyer's Agent is similar to using an accountant to help you with your taxes, a doctor to help you with your health care, or a mechanic to help you with your car. If you had the time to devote to learning everything about accounting, medicine, and automotive mechanics, you could do these services yourself. But who has the time? This is why you allow other professionals to help you in their specific areas of expertise.

We will take care of the hassles of everyday real estate transactions for you. We let you concentrate on your full-time job, while we do our job. We will guide you through the home-buying process and exclusively represent your interests as we help you find a home, present your contract offer, negotiate, and close on your home!

## **YOU GET A PERSONAL SPECIALIST WHO KNOWS YOUR NEEDS —**

Just as your accountant, doctor, and mechanic understand your specific needs, your Buyer's Agent gets to know your real estate needs and concerns. This type of relationship is built through open communication at all times. Your Buyer's Agent will save you a lot of time by providing you all the details about any home before you see it. In addition, your Buyer's Agent will listen to your feedback and concerns about each home.

## **YOU WILL QUICKLY AND CONVENIENTLY GET A GREAT HOME —**

The advantage to signing a Buyer's Agency Agreement with us is that you will have professional agents working to find and secure the ideal home for you. It is nearly impossible to find a home that meets your needs, get a contract negotiated, and close the transaction without an experienced agent. You won't need to spend endless evenings and weekends driving around looking for homes or trying to search computer networks by yourself. When you tour homes with your professional Buyer's Agent, you will already know that the homes meet your criteria and are within your price range.

## **WHAT IS THE BUYER'S AGENCY AGREEMENT —**

Entering into a Buyer's Agency Agreement has countless advantages. When you sign the agreement, you are simply agreeing to "hire" a personal representative who, by law, must represent your best interests to the best of his/her ability. All of this personal service is available at absolutely NO COST TO YOU! The Seller's Agent is responsible for paying your Buyer's Agent fee. With us, you get a professional agents devoted to protecting your needs and to helping you make one of the most important investment decisions of your life -- and you don't even have to pay the fee!



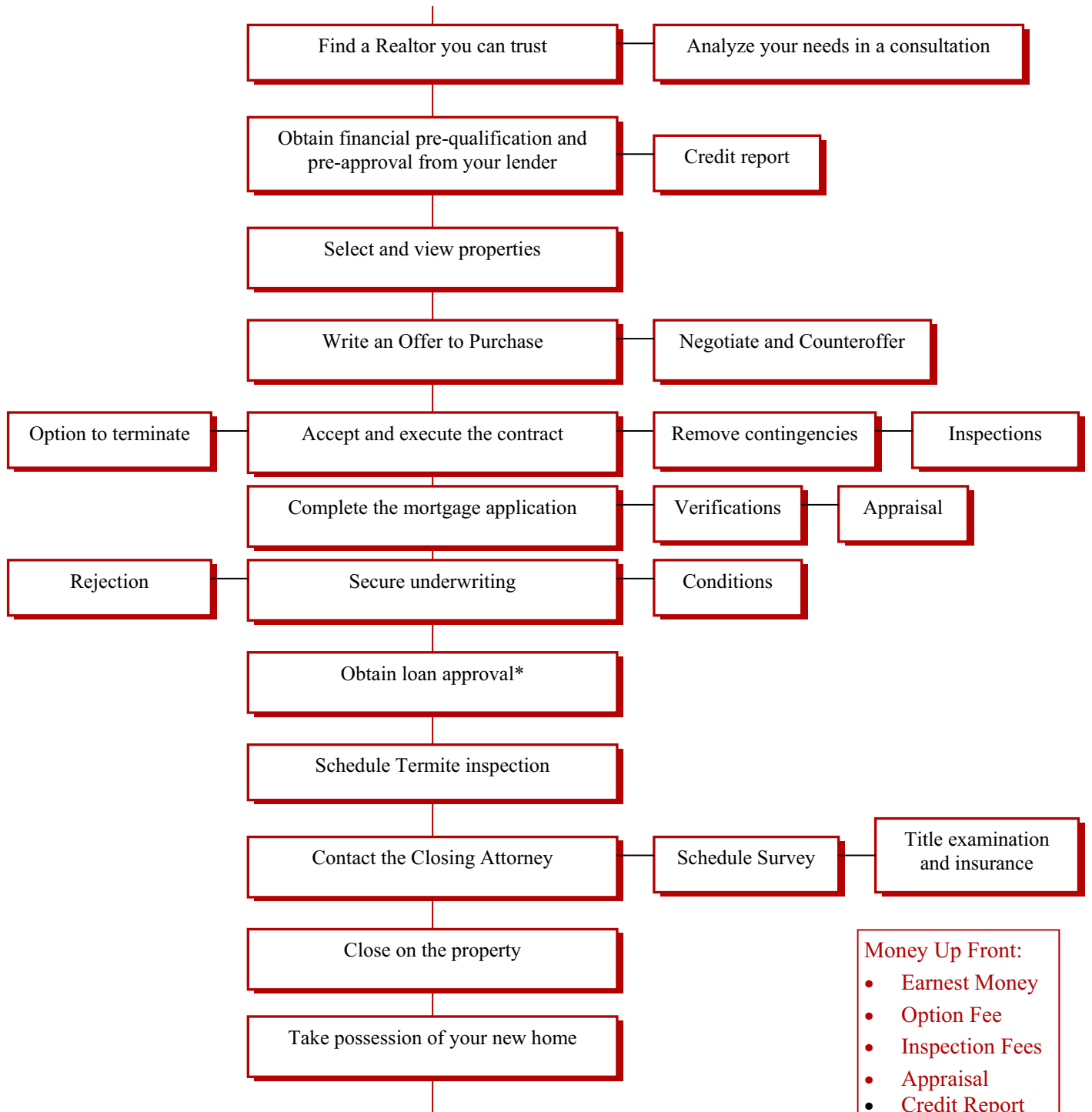
## REASONS TO BUY A HOME

1. Quality of Life
2. Tax Deductibility of Mortgage Interest
3. Tax Deductibility of Property Taxes
4. Appreciation Potential
5. Deferred Gain and Capital Gain Treatment
6. Once in a Lifetime Exclusion
7. Principal Accumulation
8. Pride in Your Home
9. No Landlord
10. Leverage (where else can you buy this size of an investment with 5-10% down)
11. The Real Cost of Renting (At \$700 per month, with a 6% rental increase per year, you will pay \$110,719 over a 10 year period.)



# THE HOME-BUYING PROCESS

We have designed this packet to assist you with the purchase of your new home. We assure you that it is our goal to provide you with the most professional and informative service available. We are always just a phone call away!



\*If not already pre-approved

- Money Up Front:
- Earnest Money
  - Option Fee
  - Inspection Fees
  - Appraisal
  - Credit Report



## WHAT EVERY BUYER SHOULD KNOW BEFORE PURCHASING

1. Property taxes and qualified interest are deductible on an individual's federal income tax return.
2. Often, a home is the largest asset an individual has and is considered one of the most valuable investments available.
3. A portion of each amortized mortgage payment goes to principal which is an investment.
4. A home is one of the few investments that you can enjoy by living in it.
5. A REALTOR® can usually show you any home whether it is listed with a company, a builder, or even a For Sale By Owner home.
6. Working through a REALTOR® to purchase a For Sale by Owner home can be very advantageous because someone is looking out for your best interest.
7. Your Real Estate professional can provide you with a list of items you'll need to complete your loan application so you'll be prepared.
8. A homeowner can exclude up to \$500,000 of capital gain tax if married and filing jointly or up to \$250,000 if single or filing separately. The home must have been the taxpayer's principal residence for the previous two years.
9. Beginning with May 07, 1997, there is no longer a requirement to purchase another home more expensive than the one sold. Homeowners are free to buy up or down with no tax consequences assuming their gain is less than the allowable amounts.
10. Ask the Real Estate professional if they are familiar with the neighborhoods where you want to live.
11. Ask the Real Estate professional whom he/she is representing in the transaction.
12. Ask the Real Estate professional what he/she will do to keep you informed.
13. Your Real Estate professional should provide you with the highest level of service and advice.



## BEFORE WE BEGIN... PRE-QUALIFICATION AND PRE-APPROVAL

Many buyers apply for a loan and obtain approval before they find the home they want to buy. Why?

Pre-qualifying will help you in the following ways:

1. Generally, interest rates are locked in for a set period of time. You will know in advance exactly what your payments will be on offers you choose to make.
2. You won't waste time considering homes you cannot afford.

Pre-approval will help you in the following ways:

1. A seller may choose to make concessions if they know that your financing is secured. You are like a cash buyer, and this may make your offer more competitive.
2. You can select the best loan package without being under pressure.

### HOW MUCH HOME CAN YOU AFFORD?

There are three key factors to consider:

1. The down payment
2. Your ability to qualify for a mortgage
3. The closing costs associated with your transaction.



### DOWN PAYMENT REQUIREMENTS:

Most loans today require a down payment of between 3.5% and 5.0% depending on the type and terms of the loan. If you are able to come up with a 20-25% down payment, you may be eligible to take advantage of special fast-track programs and possibly eliminate mortgage insurance.

### CLOSING COSTS:

You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at the final settlement, unless you are able to include them in your financing. Typically, total closing costs will range between 2-5% of your mortgage loan.

### QUALIFYING FOR THE MORTGAGE:

Most lenders require that your monthly payment range between 25-28% of your gross monthly income. Your mortgage payment to the lender includes the following items:

- The principal on the loan (P)
- The interest on the loan (I)
- Property taxes (T),
- The homeowner's insurance (I).

Your total monthly PITI and all debts (from installments to revolving charge accounts) should range between 33-38% of your gross monthly income. These key factors determine your ability to secure a home loan: Credit Report, Assets, Income, and Property Value.



# HOW MUCH CAN YOU AFFORD?

Use the following to chart to determine your monthly principal and interest payments at various interest rates for either a 15 or 30-year term.

INTEREST RATE FACTORS PER \$1,000					
Interest Rates	Term 15 Years	Term 30 Years	Interest Rate	Term 15 Years	Term 30 Years
4	7.40	4.77	8	9.56	7.34
4 ¼	7.52	4.92	8 ¼	9.70	7.51
4 ½	7.65	5.07	8 ½	9.85	7.69
4 ¾	7.78	5.22	8 ¾	9.99	7.87
5	7.91	5.37	9	10.14	8.05
5 ¼	8.04	5.52	9 ¼	10.29	8.23
5 ½	8.17	5.68	9 ½	10.44	8.41
5 ¾	8.30	5.84	9 ¾	10.59	8.59
6	8.44	6.00	10	10.75	8.77
6 ¼	8.57	6.16	10 ¼	10.90	8.96
6 ½	8.71	6.32	10 ½	11.05	9.15
6 ¾	8.85	6.48	10 ¾	11.21	9.33
7	8.99	6.65	11	11.36	9.52
7 ¼	9.13	6.82	11 ¼	11.52	9.71
7 ½	9.27	6.99	11 ½	11.68	9.90
7 ¾	9.41	7.16	11 ¾	11.84	10.09

1. Find the appropriate interest rate from the chart above.
2. Look across the column to the appropriate term to determine your interest rate factor.
3. Multiply the interest rate factor by your loan amount in \$1,000s.

## AN EXAMPLE

Interest Rate = 6 ½  
Desired term = 15 years  
Interest rate factor per \$1,000 = 8.71  
Mortgage = \$200,000  
Monthly Principal & Interest = \$1,742 (8.71 x 200)

Add your monthly insurance premium and your property tax to your principal and interest to determine your total monthly payment.

We provide this information as a guide but strongly recommend that you contact a mortgage specialist.



# LOAN APPLICATION CHECKLIST

## √ **General:**

- Picture ID with Social Security Number
- Payment to cover application fee
- Name and complete address of all landlords (past 2 years)

## √ **Income:**

- Employment history, including names, addresses, phone numbers and length of time with that company (past 2 years)
- Copies of your most recent pay stubs and W-2 form (past 2 years)
- Verification of other income (social security, child support, retirement)
- If you are self-employed: copies of signed tax returns including all schedules (past 2 years), and a signed profit and loss statement of the current year.
- If you are retired: tax returns (past 2 years)
- If you have rental property income: copies of all lease agreements

## √ **Assets:**

- Copies of all bank statements from checking/savings accounts (past 3 months)
- Copies of all stock/bond certificates and/or past statements/retirement accounts
- Prepare a list of household items and their values
- Copies of title documents for all automobiles, boats or motorcycles
- Face amount, monthly premiums, and cash values of all life insurance policies (Cash value may be used for closing costs or down payments. You need documentation from the carrier indicating cash value.)

## √ **Creditors:**

- Credit cards (account numbers, current balances and monthly payments)
- Installment loans (car, student, etc) with same details as for credit cards
- Mortgage loans (property address, lender with address, account numbers monthly payment and balance owed on all properties presently owned or sold within the last 2 years). Bring proof of sale of properties sold.
- Childcare expense/support (name, address, phone number)

## √ **Other:**

- Bankruptcy—bring discharge and schedule of creditors
- Adverse credit—bring letters of explanation
- Divorce—bring your Divorce Decrees, property settlements, quitclaim deeds, modifications, etc.
- VA only—bring Form DD214 and Certificate of Eligibility
- Retirees—bring retirement and/or Social Security Award letter



## THE TEN COMMANDMENTS

### When applying for a Real Estate Loan

1. Thou shalt not change jobs, become self-employed or quit your job.
2. Thou shalt not buy a car, truck or van (or you may be living in it)!
3. Thou shalt not use charge cards excessively or let your accounts fall behind.
4. Thou shalt not spend money you have set aside for closing.
5. Thou shalt not omit debts or liabilities from your loan application.
6. Thou shalt not buy furniture.
7. Thou shalt not originate any inquiries into your credit.
8. Thou shalt not make large deposits without first checking with your loan officer.
9. Thou shalt not change bank accounts.
10. Thou shalt not co-sign a loan for anyone.





## THE ROAD MAP TO YOUR HOME! NARROWING THE SEARCH

“If you don’t know where you’re going... you’ll probably end up somewhere else.” Taken from a book title, this quote conveys a very simple message – **To achieve an objective – make a plan!**

If you plan to buy a home soon, you will need to know “where you are going”. For a most enjoyable home-buying experience, first build a road map to your new home, a list of priorities that will lead you to your objective – a new home!

The first priority is time frame. Write down the date by which you would like to move in to your new home: \_\_\_\_\_

Keep in mind that it may take 30-90 days (or more) to locate the right home, secure financing, and complete the home-buying process.

The next priority is to develop a detailed description of the home you hope to find. The following page contains a **Home Search Criteria** form to help you distinguish between “Need to Have” features and “Nice to have” features. Be Specific. Include architectural style, number of bedrooms and baths, location, lot size, and other special requirements. Number your preferences in order of greatest importance to you.

This form, along with the information you share during our initial consultation, will enable us to narrow the home search. We will take this information and enter your requirements into the Multiple Listing Service (MLS) system. We will use our personal market knowledge to come up with a list of those homes that best meet your needs and wants.

During the home search, we will...

- Discuss the benefits and drawbacks of each home in relation to your specific needs.
- Keep you informed on a regular basis.
- Check the MLS database and with other brokers regularly for new listings.
- Prepare a list of all homes that best meet your needs and wants.
- Keep you up to date on changing financial conditions that may affect the housing marketing.
- Be available to answer your questions or offer assistance regarding your home purchase.
- Discuss market trends and values relative to properties that may be of interest to you.



# HOME SEARCH CRITERIA

## GENERAL INFORMATION

Name:			
Current Street Address:			
City/State/Zip:			
Home Phone:		Business Phone:	
Email:			

## TIME LINE INFORMATION

Deadline for Locating a Home:	Required Move In Date:
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## NEEDS ANALYSIS

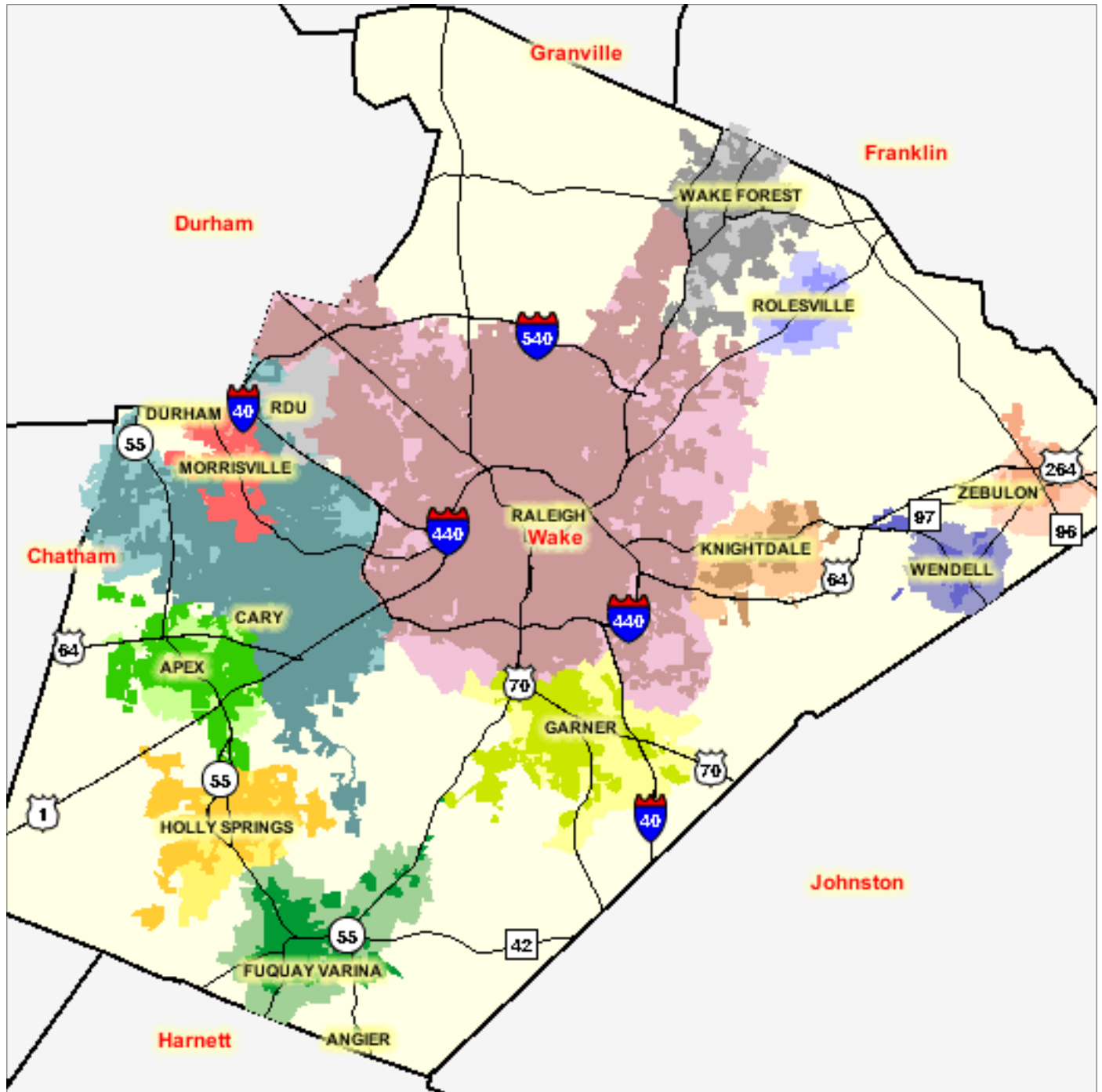
Family Size:	Adults:	Children:
Need-to-Have features:		
Nice-to-Have features:		
Area Preferred:		
Price Range: From:	To:	
Approximate Square Footage:	Style:	
Prefer:	Home	Condominium
		Town home
	Other	Duplex/Triplex
Bedrooms:	Bathrooms:	Garage:
Important Features:		Age:
<input type="checkbox"/> Den <input type="checkbox"/> Family Room <input type="checkbox"/> Formal Dining Room <input type="checkbox"/> Combination Dining Room <input type="checkbox"/> Wooded Lot <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Swimming Pool <input type="checkbox"/> Fireplace		<input type="checkbox"/> Porch <input type="checkbox"/> Patio <input type="checkbox"/> Workshop <input type="checkbox"/> Drapes/Blinds <input type="checkbox"/> Carpet <input type="checkbox"/> Public Transportation <input type="checkbox"/> Utility Room <input type="checkbox"/> Breakfast Area
Other:		

## SCHOOL REQUIREMENTS

Elementary School:	
Middle School:	
High School:	

## PRESENT HOME INFORMATION

	Sold		Listed		Not Listed
Approximate down payment available:					
Source of down payment:					



Raleigh and Surrounding Areas



## THE NEIGHBORHOOD

There are many factors to consider when selecting a neighborhood that is right for you. Below are just a few of the many factors -- You may think of others that are important to you. Please write them on your Home Search Criteria form so they do not get forgotten.

Neighborhoods have characteristic personalities designed to best suit single people, growing families, two-career couples, or retirees. Investigate to determine if the neighborhood matches your lifestyle and personality.



### Scout out the Neighborhood!

It is important that you scout the neighborhood in person. You live in more than your house.

- Talk to people who live there.
- Drive through the entire area at different times of the day, during the week and on weekends.
- Look carefully at how well other homes in the area are being maintained; are they painted, are the yards well cared for; are parked cars in good condition, etc.

### Neighborhood Factors to Consider --

- Look for things like access to major thoroughfares, highways, and shopping.
- Listen for noise created by commerce, roads, railways, public areas, schools, etc.
- Smell the air for adjacent commerce or agriculture.
- Check with local civic, police, fire, and school officials to find information about the area.
- Research things like soil and water.
- Look at traffic patterns around the area during different times of the day and drive from the area to work.
- Is the neighborhood near parks, churches, recreation centers, shopping, theaters, restaurants, public transportation, schools, etc.?
- Does the neighborhood belong to a Homeowner's Association?



# THE HOME TOUR

## Home #1

Address \_\_\_\_\_

Subdivision \_\_\_\_\_

Home is near: \_\_\_\_\_

Garage: \_\_\_\_\_

Lot: \_\_\_\_\_

### Item

Style of home \_\_\_\_\_

Bedrooms \_\_\_\_\_

Bathrooms \_\_\_\_\_

Living Room \_\_\_\_\_

Fireplace \_\_\_\_\_

Kitchen \_\_\_\_\_

Dining Area \_\_\_\_\_

Laundry Area \_\_\_\_\_

Add't rooms \_\_\_\_\_

Add't features \_\_\_\_\_

Square footage \_\_\_\_\_

### Comments

## Home #2

Address \_\_\_\_\_

Subdivision \_\_\_\_\_

Home is near: \_\_\_\_\_

Garage: \_\_\_\_\_

Lot: \_\_\_\_\_

### Item

Style of home \_\_\_\_\_

Bedrooms \_\_\_\_\_

Bathrooms \_\_\_\_\_

Living Room \_\_\_\_\_

Fireplace \_\_\_\_\_

Kitchen \_\_\_\_\_

Dining Area \_\_\_\_\_

Laundry Area \_\_\_\_\_

Add't rooms \_\_\_\_\_

Add't features \_\_\_\_\_

Square footage \_\_\_\_\_

### Comments

## Home #3

Address \_\_\_\_\_

Subdivision \_\_\_\_\_

Home is near: \_\_\_\_\_

Garage: \_\_\_\_\_

Lot: \_\_\_\_\_

### Item

Style of home \_\_\_\_\_

Bedrooms \_\_\_\_\_

Bathrooms \_\_\_\_\_

Living Room \_\_\_\_\_

Fireplace \_\_\_\_\_

Kitchen \_\_\_\_\_

Dining Area \_\_\_\_\_

Laundry Area \_\_\_\_\_

Add't rooms \_\_\_\_\_

Add't features \_\_\_\_\_

Square footage \_\_\_\_\_

### Comments



# THE HOME TOUR

## Home #4

Address \_\_\_\_\_

Subdivision \_\_\_\_\_

Home is near: \_\_\_\_\_

Garage: \_\_\_\_\_

Lot: \_\_\_\_\_

### Item

Style of home \_\_\_\_\_

Bedrooms \_\_\_\_\_

Bathrooms \_\_\_\_\_

Living Room \_\_\_\_\_

Fireplace \_\_\_\_\_

Kitchen \_\_\_\_\_

Dining Area \_\_\_\_\_

Laundry Area \_\_\_\_\_

Add't rooms \_\_\_\_\_

Add't features \_\_\_\_\_

Square footage \_\_\_\_\_

### Comments

## Home #5

Address \_\_\_\_\_

Subdivision \_\_\_\_\_

Home is near: \_\_\_\_\_

Garage: \_\_\_\_\_

Lot: \_\_\_\_\_

### Item

Style of home \_\_\_\_\_

Bedrooms \_\_\_\_\_

Bathrooms \_\_\_\_\_

Living Room \_\_\_\_\_

Fireplace \_\_\_\_\_

Kitchen \_\_\_\_\_

Dining Area \_\_\_\_\_

Laundry Area \_\_\_\_\_

Add't rooms \_\_\_\_\_

Add't features \_\_\_\_\_

Square footage \_\_\_\_\_

### Comments

## Home #6

Address \_\_\_\_\_

Subdivision \_\_\_\_\_

Home is near: \_\_\_\_\_

Garage: \_\_\_\_\_

Lot: \_\_\_\_\_

### Item

Style of home \_\_\_\_\_

Bedrooms \_\_\_\_\_

Bathrooms \_\_\_\_\_

Living Room \_\_\_\_\_

Fireplace \_\_\_\_\_

Kitchen \_\_\_\_\_

Dining Area \_\_\_\_\_

Laundry Area \_\_\_\_\_

Add't rooms \_\_\_\_\_

Add't features \_\_\_\_\_

Square footage \_\_\_\_\_

### Comments



## WORKING WITH HOME BUILDERS



### WHY USE AN AGENT TO PURCHASE A NEW HOME?

The advantages of having an agent help you purchase a new home are the same as those for purchasing a resale home...

- Knowledge of the market
- Help in finding the perfect home quickly
- Expertise in contract writing/negotiation
- Closing assistance.

The builder has a professional representative watching out for his/her needs, and you need the same expert representation.

Buying a new home is a little more difficult and time-consuming than buying a resale. I can professionally guide you through this process.

It is very important that your interests be professionally represented when you are entering into a contract for a semi-custom or build-to-suit home. These transactions are complex and the contract details must be exact in order to protect you and to ensure you get exactly the home you want!

***REMEMBER – the Builder generally requires that your Agent accompany you on your first visit to the Builder's sales office, or they will NOT PAY your representative's fee!***



## **BUILDER QUESTIONS**

1. How long have you been in business?
2. In what areas have you built?
3. What sets you apart from other builders?
4. What type of warranty program do you offer?
5. What are your fees for building a home (fixed price, costs plus management fee)?
6. How do you charge for extras?
7. Who supervises your construction?
8. How long have your trade people been working with you?
9. How often will we be updated on the progress of the home?
10. How often, during the week, are you at the job site? The superintendent?
11. Who will I be dealing with during construction?
12. Will that person have the authority to make final decisions?
13. How many hours per week do you and your supervising staff participate in continuing education within the home building industry?
14. Do you belong to a local trade association? If yes, which one(s)?  
In what activities are you involved?
15. Can you provide a list of references, including homeowners, suppliers, subcontractors, and consultants such as architects and engineers?
16. Have you ever been sued and won, sued and lost; or are there any suits currently pending?  
If yes, please explain.
17. Do you have any liens against any of the properties that you have built?
18. Have you ever filed for bankruptcy protection?



## MAKING AN OFFER



Once you have found the home you wish to purchase, you will need to determine what offer you are willing to make for the home. It is important to remember that the more competition there is for the home, the higher the offer should be – sometimes even exceeding the asking price. Remember, be realistic. Make offers you want the other party to sign!

To communicate your interest in purchasing a home, we will present the listing agent with a written offer. When the seller accepts an offer and it is communicated to the buyer or the buyer's agent it becomes a legal contract.

When you write an offer you should be prepared to pay an earnest money deposit. This is to guarantee that your intention is to purchase the property.

After we present your offer to the listing agent it will either be accepted, rejected, or the seller will make a counter offer. This is when we will negotiate terms of the contract if necessary.

The step-by-step contract procedure for most single-family home purchases is standard. The purchase agreement used is a standard document approved by our local Board of Realtors.

The purchase agreement or contract constitutes your offer to buy and, once accepted by the seller, becomes a valid, legal contract. For this reason, it is important to understand what is written on the contract offer.



# NEGOTIATING AND PROCESSING THE SALE

## **During the selling process, as your buyers agents, we:**

1. Establish and explain guidelines prior to presentation.
2. Present all offers to you... as quickly as possible.
3. Review the contract with you.
4. Keep you up-to-date on current market activity, which may affect the strength of the offer.
5. Ensure that all parties in all transactions are treated fairly and with honest consideration.
6. Make certain there is compliance with disclosure laws and ordinances.

## **You should be aware that after the contract is signed, as your buyers agents, we:**

1. Insure that all parties involved have copies of all documentation pertinent to the transaction.
2. Deliver the check for the earnest money to the the broker-in-charge and obtain the receipt.
3. Order all necessary inspections.
4. Note all contingencies and attempt to remove them within the time limit provided or get an extension of time, if needed.
5. Keep you abreast of buyer's loan application and the progress of the appraisal on your home.
6. Be present during the inspection and keep you informed of their findings.
7. Coordinate the execution of any required repairs.
8. Arrange any required termite treatment and obtain certificate.
9. Verify survey has been ordered and completed.
10. Work with the buyer's agent and with the closing attorney to insure all requirements are met in order to close.
11. Have closing papers drawn before closing so that if any problems arise, we can solve them.
12. Coordinate the closing and move-in dates so that they are as convenient to both parties as possible.



## BEHIND THE SCENES

### WHAT HAPPENS NEXT?

Now that you have decided to buy your home, what happens between now and the time you legally own the home? A Closing Attorney may handle the following items. NOTE: in different parts of the country attorneys, lenders, escrow companies, title companies and other persons who are independent of Closing Attorneys perform some or all of these functions.

A signed contract starts the process once it is received at the Closing Attorney's office and at the Lender's office. Your Buyer's Agent will be on the phone frequently during the course of the transaction to be sure everything is moving ahead to Closing.

Earnest Money – The earnest money is deposited into a Trust account, at the Listing Agent's office or, in some cases, at the Buyer's Agent's office.

Loan Application—Once you submit the loan application to the Lender, it is usually subject to a credit check, an appraisal, and sometimes, a survey of the property. Before Closing, the Lender sends loan package to the Closing Attorney, detailing the loan. The Lender also sends him the money to fund the loan.

Tax Check – What taxes are owed on the property? The Closing Attorney contacts the various assessor-collectors.

Title Search – The Closing Attorney gathers copies of documents from various public records: deeds, deeds of trust, various assessments and matters of probate, heirship, divorce, and bankruptcy are addressed.

Examination – The Closing Attorney's verification of the legal owner and debts owed.

Document Preparation – The Closing Attorney prepares appropriate forms for conveyance and settlement.

Settlement – A Closing Attorney oversees the closing of the transaction in which the seller signs the deed, you sign a new mortgage, the old loan is paid off and the new loan is established. Seller, Realtors, attorneys, surveyors, the title insurance company, and other service providers for the parties are paid. Title insurance policies will then be issued to you and your lender.

Title Insurance - There are two types of title insurance:

- Coverage that protects the lender for the amount of the mortgage,
- Coverage that protects the your equity in the property.

Both you and your lender will want the security offered by title insurance. Why?

Title agents search public records to determine who has owned any piece of property, but these records may not reflect irregularities that are almost impossible to find. Here are some examples: an unauthorized seller forges the deed to the property; an unknown, but rightful heir to the property shows up after the sale to claim ownership; conflicts arise over a will from a deceased owner; or a land survey showing the boundaries of your property is incorrect.

For a one-time charge at closing, title insurance will safeguard you against problems including those event an exhaustive search will not reveal.



# HOME WARRANTY PROTECTION

## NEW HOME WARRANTIES —

When you purchase a newly built home, the builder usually offers some sort of full or limited warranty on things such as the quality of design, materials, and workmanship. These warranties are usually for a period of one-year from the purchase of the home.

At closing, the builder will assign to you the manufacturer's warranties that were provided to the builder for materials, appliances, fixtures, etc. For example, if your dishwasher were to become faulty within one year from the purchase of your newly built home, you would call the manufacturer of the dishwasher – not the builder.

If the homebuilder does not offer a warranty, BE SURE TO ASK WHY!

## RESALE HOME WARRANTIES —

When you purchase a resale home, you can purchase warranties that will protect you against most ordinary flaws and breakdowns for at least the first year of occupancy. The warranty may be offered by either the Seller, as part of the overall package, or by the Realtor. Even with a warranty, you should have the home carefully inspected before you purchase it.

A home warranty program will give you peace of mind, knowing that the major covered components in your home will be repaired if necessary. Ask me for more details about home warrant packages.

### WARRANTY INFORMATION

Company Name:	_____	Contact:	_____
Address:	_____	Phone:	_____
	_____	Fax:	_____
Policy Number:	_____	Policy Value:	_____
Coverage:	_____	Duration:	_____



# HOME INSPECTION

If you are purchasing a resale property, we highly recommend that you have a professional home inspector conduct a thorough inspection. The inspection will include the following:

- Appliances
- Plumbing
- Electrical
- Air conditioning and heating
- Ventilation
- Roof and Attic
- Foundation
- General Structure

The inspection is not designed to criticize every minor problem or defect in the home. It is intended to report on major damage or serious problems that require repair. Should serious problems be indicated, the inspector will recommend that a structural engineer or some other professional inspect it as well.

Your home cannot “pass or fail” an inspection, and your inspector will not tell you whether he/she thinks the home is worth the money you are offering. The inspector’s job is to make you aware of repairs that are recommended or necessary.

The seller may be willing to negotiate completion of repairs or a credit for completion of repairs, or you may decide that the home will take too much work and money. A professional inspection will help you make a clear-headed decision. In addition to the overall inspection, you may wish to have separate tests conducted for termites or the presence of radon gas.

In choosing a home inspector, consider one that has been certified as a qualified and experienced member by a trade association.

We recommend being present at the inspection. This is to your advantage. You will be able to clearly understand the inspection report, and know exactly which areas need attention. Plus, you can get answers to many questions, tips for maintenance, and a lot of general information that will help you once you move into your new home. Most importantly, you will see the home through the eyes of an objective third party.



# WHAT IS A REAL ESTATE CLOSING?

## WHAT IS A REAL ESTATE “CLOSING”?



A “closing” is where you and I meet with some or all of the following individuals: the Seller, the Seller’s agent, a representative from the lending institution and a representative from the title company, in order to transfer the property title to you. The purchase agreement or contract you signed describes the property, states the purchase price and terms, sets forth the method of payment, and usually names the date and place where the closing or actual transfer of the property title and keys will occur.

If financing the property, your lender will require you to sign a document, usually a promissory note, as evidence that you are personally responsible for repaying the loan. You will also sign a mortgage or deed of trust on the property as security to the lender for the loan. The mortgage or deed of trust gives the lender the right to sell the property if you fail to make the payments. Before you exchange these papers, the property may be surveyed, appraised, or inspected, and the ownership of title will be checked in county and court records.

At closing, you will be required to pay all fees and closing costs in the form of “guaranteed funds” such as a Cashier’s Check. Your agent or escrow officer will notify you of the exact amount at closing.

## WHAT IS AN ESCROW ACCOUNT?

An escrow account is a neutral depository held by your lender for funds that will be used to pay expenses incurred by the property, such as taxes, assessments, property insurance, or mortgage insurance premiums which fall due in the future. You will pay one-twelfth of the annual amount of these bills each month with your regular mortgage payment. When the bills fall due the lender pays them from the special account. At closing, it may be necessary to pay enough into the account to cover these amounts for several months so that funds will be available to pay the bills as they fall due.



## MOVING



**CONGRATULATIONS!** You have closed on your new home and now you are ready to move! The next few pages contain tips and checklists so that your move is as organized and effortless as possible. Think about your move as a series of small projects that you can begin while your home is under contract. Your move will progress as your contract and closing progress. That way, when the day comes to physically move your belongings, most of the details will be taken care of.

### **Keep detailed records – some moving expenses are tax deductible!**

Keep detailed records of all moving expenses if your move is job related. Many expenses, including house-hunting trips, are tax deductible. If your move is 35 miles or more from your home, you can deduct your family's travel expenses, including meals and lodging; the cost of transporting furniture, other household goods and personal belongings; food and hotel bills for up to 30 days in the new city if you have to wait to move into your new home; and the costs associated with selling your old home or leasing your new home.

Note: There is a ceiling on deductions which is outlined in detail in the IRS's Publication 521, "Tax Information on Moving Expenses," available free from the IRS offices.



# MOVING TIPS

• <b>Tips in General</b>	• <b>Tips for Children</b>	• <b>Tips for Pets</b>
<ul style="list-style-type: none"> <li>• Save all receipts! Some of your moving expenses are tax deductible.</li> <li>• Figure out how much your time, energy and mental health are worth – then consider hiring movers, house cleaners, carpet cleaners, so on. Moving is stressful enough without adding other tasks and projects.</li> <li>• Don't be afraid to say "no" to social gatherings and meetings prior to and during your move. You can get caught up with your social life after you have settled into your new home.</li> <li>• Look to the future as you decide what items to sell, give away, donate, throw, or recycle. By being future-oriented and moving only those items that fit into your future (plus a few items of sentimental value) you will lighten your load.</li> <li>• Pack boxes to 50 pounds or less.</li> <li>• Pack heavy items into their own smaller boxes and put lighter items into larger boxes. Do not pack all your books in one box!</li> <li>• Don't move flammable, corrosive, explosive items such as paint, gasoline, ammunition.</li> <li>• Place china in plastic bags and stack plates upright on their sides, not flat.</li> <li>• Label boxes that contain fragile items with large red lettering.</li> <li>• Number the boxes and keep a list of what's in them and which room the box goes into. Pack by room – do not combine items from different rooms into one box.</li> <li>• Reinforce the bottom of boxes with heavier items for added strength.</li> </ul>	<ul style="list-style-type: none"> <li>• Do not put children, even teenagers, in charge of preparing, moving, or keeping track of pets.</li> <li>• Remember that even though you have lived in a home for a few years, for a young child it is nearly a lifetime!</li> <li>• Avoid moving during school. Ideally, move 1-3 months before a new school year begins.</li> <li>• Show them the home you've purchased. If this cannot be done, ask for a video or photographs.</li> <li>• Keep talking to them about what's going on. Young children and busy teenagers are not always paying attention when you tell them important information.</li> <li>• Assure them that you won't forget their friends. Have a good-bye party where their friends autograph a t-shirt and write their addresses on index cards.</li> <li>• Make a scrapbook of photographs of the old home, neighborhood, school, church, friends, family and going away parties.</li> <li>• Give each of your children a notebook and an inexpensive camera so they can document the move – deputize them as "Family Reporters."</li> <li>• Do not throw, sell or give away their things. Let them decide what they want to get rid of.</li> <li>• Let them select and price the items they want to sell at a yard sale. Give them their own table for their goods and let them help at the cash table.</li> <li>• When packing, give them their own boxes that they can decorate.</li> <li>• Invite their new friends into your home.</li> </ul>	<ul style="list-style-type: none"> <li>• Do what you can to take your pet with you – he/she has bonded with you, beloved owner and is a part of the family.</li> <li>• Purchase a sturdy pet carrier that your pet can't chew through. Keep an eye on your pet when he/she is in the pet carrier as some animals will hurt themselves trying to claw or chew their way out. The last thing you need is a trip to the veterinarian while you're trying to settle into your new home!</li> <li>• Limit the amount of food that you feed your pet in case he/she gets sick while moving. Always provide lots of water – especially in hot climates.</li> <li>• Talk to your vet about prescribing a tranquilizer. He/She will ask for your pet's age, weight and state of health. You <b>MUST</b> give the tranquilizer to your pet about one hour before the excitement begins; otherwise, it won't work.</li> <li>• After you arrive at your new home, put your pet in a bathroom and close the door so that he/she does not run away while your family or movers are going in and out of the house.</li> <li>• Give your pet lots of attention during the first couple weeks of settling into your new home. Watch how much he/she eats and keep an eye on his/her stools and urine. Quite often, the stress of moving can affect your pet's immune system and cause a bladder infection, digestive problems, or even some form of dermatitis.</li> <li>• Keep your pet indoors or in a fenced area more than usual in case he/she tries to run away and return back to your previous home.</li> </ul>



# MOVING CHECKLIST

<ul style="list-style-type: none"> <li>• <b>2 Months Before Moving</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>1 Month Before Moving</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>2 Weeks Before Moving</b></li> </ul>
<ul style="list-style-type: none"> <li>• Reduce the number of items that need to be moved – throw, donate, give away, or sell.</li> <li>• Create a <u>portable</u> file or binder with pockets for documenting your moving plans, saving receipts, storing estimates and quotes, writing down measurements and so on. Attach this checklist to the front cover.</li> <li>• Decide whether to move, clean and make repairs yourself or hire professionals. Call three companies to get estimates.</li> <li>• Gather or purchase boxes, packing materials, tape, large felt markers, scissors, bright colored labels, plastic sandwich bags (for small items), large plastic freezer bags, plastic grocery bags, a pocket knife and ropes.</li> <li>• Make travel arrangements: airline, hotel, car rental. Be sure to mention that you are bringing pets, if that's the case.</li> <li>• Gather all of your legal, medical, dental, financial, vehicle and insurance records in a safe and accessible place. Gather owner's manuals that you might need to set up computers, home theatre systems and complex appliances. Do all of this now in case you need to order copies of missing documents.</li> <li>• Purchase insurance coverage for valuables.</li> <li>• Schedule the movers or a rental truck.</li> </ul>	<ul style="list-style-type: none"> <li>• Get enough traveler's checks for traveling and for the first couple weeks when you're getting settled.</li> <li>• Contact your insurance agent to transfer coverage to your new address (life, health care, personal belongings, etc.). Make sure all coverage is in force while you are moving.</li> <li>• Begin depleting canned and frozen foods.</li> <li>• Go to your bank and find out what you need to do to transfer funds. Discuss branch options and arrange for check cashing in your new location. Remember that online accounts often take 2-4 weeks to set up.</li> <li>• Make arrangements for canceling or changing newspapers, lawn service, diaper service, pool service, day care, utilities, telephone, cable television, trash, gas, water, etc.</li> <li>• File a forwarding address with your post office.</li> <li>• Start packing the things you don't use, such as off-season clothes, decorations and so on.</li> <li>• Get your vehicles tuned up.</li> <li>• Send clothing, bedding, drapes to the dry cleaner.</li> <li>• Back up important computer files.</li> <li>• Plan your yard sale: labels, tables, a rod for clothes, money for making change.</li> <li>• Get all your prescriptions re-filled.</li> </ul>	<ul style="list-style-type: none"> <li>• Sign up for utilities, telephone and Internet service at your new home.</li> <li>• Call friends and family and recruit for help.</li> <li>• Have your yard sale.</li> <li>• Close or transfer your bank accounts.</li> <li>• Confirm travel arrangements.</li> <li>• Check your medications to ensure that you have enough for the next 60 days.</li> <li>• Confirm your new address with your: <ul style="list-style-type: none"> <li>- doctor, dentist, therapist, specialists</li> <li>- veterinarian</li> <li>- accountant, lawyer, financial advisor, broker</li> <li>- cable company</li> <li>- telephone, utilities, Internet service provider</li> <li>- bank</li> <li>- accountant</li> <li>- insurance companies</li> <li>- credit card companies</li> <li>- magazines and newspaper</li> <li>- state and federal tax authorities</li> <li>- employers, co-workers, friends, family</li> <li>- professional organizations</li> <li>- school, college, alma mater</li> <li>- church</li> <li>- book store, video store, book club</li> <li>- real estate agent</li> </ul> </li> <li>• Clean your house, if necessary.</li> </ul>



# MOVING CHECKLIST

<ul style="list-style-type: none"> <li>• <b>1 Week Before Moving</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Day Before Moving</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Moving Day</b></li> </ul>
<ul style="list-style-type: none"> <li>• Fill the car up with gas. Check the fluids in your engine. Check the air in your tires.</li> <li>• Pack a “survival kit” of clothes, medication, special foods, toiletries and cosmetics to get you through moving day.</li> <li>• Pack “getting settled boxes” of clothes, bedding, towels, medication, dinnerware, special foods, pet food, toiletries, office products and detergents to get you through your first week in your new home. Make sure the boxes are clearly labeled and put into the moving van last.</li> <li>• Order your traveler’s checks.</li> <li>• Pack your suitcase. If flying, make sure you have your tickets.</li> <li>• Finish packing all your boxes, except those bare essentials that you need for your final week.</li> <li>• Do laundry. Pack all the clothes you will not need until after the move.</li> <li>• Call your veterinarian to get a mild tranquilizer for your pet. You must give your pet the tranquilizer about one hour before the “chaos” begins; otherwise, the tranquilizer will not work.</li> <li>• Disassemble and pack computers, the home theatre system, fixtures, artwork, lawn furniture, grills, tools, files, etc.</li> <li>• Clean your home one last time – including the oven, refrigerator, pool, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Confirm that telephone, utilities and Internet service has been activated at your new home.</li> <li>• Pad the corners and stairways of your home.</li> <li>• Lay down old rugs and sheets in the entry and hallways to protect floors.</li> <li>• Put all of these items in one place or in marked boxes so they do not get lost in the move:               <ul style="list-style-type: none"> <li>- keys to your new home</li> <li>- purse, wallet, checkbooks, traveler’s checks</li> <li>- car keys, sunglasses</li> <li>- map of your new town</li> <li>- directions to your new home</li> <li>- moving company’s telephone number</li> <li>- cash and traveler’s checks</li> <li>- documentation from the sale of your home</li> <li>- insurance policies and agent’s phone number</li> <li>- personal planner/calendar</li> <li>- prescriptions</li> <li>- over-the-counter medications; e.g. aspirin</li> <li>- back-up computer files</li> <li>- personal hygiene items</li> <li>- cold/flu medicines</li> <li>- medical equipment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Give your pet a tranquilizer one hour before the chaos begins. Stop feeding your pet food four hours before it’s time to travel; provide water.</li> <li>• Separate the items that are going into the moving van from the items you will take in your car or on the plane.</li> <li>• Supervise the movers.</li> <li>• Walk through your home one last time to ensure that you have not forgotten anything. Look in cabinets, drawers and behind doors.</li> <li>• Walk through your home again to ensure that it is clean.</li> <li>• Hit the road!</li> <li>• When you arrive in your new home, show the movers where everything goes. Check everything to ensure that it arrived and is not damaged before you sign ANYTHING. Open boxes and check valuable items, such as artwork, silver, jewelry, etc.</li> <li>• Find your “getting settled boxes” and unpack them first.</li> <li>• Make sure your pet has food and water.</li> </ul>



# NEW HOME CHECKLIST

## √ Heating System:

- Check filters every month
- Have annual system maintenance service done one month before the heating season.

## √ Electrical System:

- To prevent power outages, limit the number of appliances plugged into one circuit.

## √ Air Conditioning:

- Check filters every month.
- Have annual system maintenance service done one month before the air-conditioning season begins.
- Keep the condensing unit free of debris.

## √ Microwave:

- Do not use pans or dishes that are metal or have metallic trim.
- Only use mild soap and/or baking soda to clean the interior. Abrasive cleaners or scouring pads can damage the lining.

## √ Refrigerator:

- Clean the interior shelves, shell and gaskets every three months.
- Once a year, clean the coils on the back or underneath.

## √ Range/Oven:

- To avoid damaging the burners, do not use extra-large/heavy cooking pots and pans.
- If you have a self-cleaning oven, do not use any other method to clean it.

## √ Dishwasher:

- Mineral deposits on the heating elements can be cleaned with vinegar.
- Be sure dishes don't block or damage the spray arm.

## √ Garbage Disposal:

- To clean the disposal, push a full tray of ice cubes through it while running cold water.
- Always remember to run water during use and for at least 2 minutes after you finish. This prevents stoppages.

## √ Washer/Dryer:

- Clean the lint screen after each load of clothes has been dried and the unit is empty.

## √ Trash Compactor:

- Replace the deodorant supply regularly to prevent odors.



## GLOSSARY

**ACCEPTANCE:** The date when both parties, seller and buyer, have agreed to and completed signing and/or initialing the contract.

**ADJUSTABLE RATE MORTGAGE:** A mortgage that permits the lender to adjust the mortgage's interest rate periodically on the basis of changes in a specified index. Interest rates may move up or down, as market conditions change.

**AMORTIZED LOAN:** A loan, which is paid in equal installments during its term.

**A.P.R. (ANNUAL PERCENTAGE RATE):** A term used in the Truth in Lending Act. It represents the relationship of the total finance charge (interest, discount points, origination fees, loan broker, commission, etc.) to the amount of the loan.

**APPRAISAL:** An estimate of real estate value, usually issued to standards of FHA, VA, and FHMA. Recent comparable sales in the neighborhood is the most important factor in determining value. This should be contrasted against the home inspection.

**APPRECIATION:** An increase in the value of a property due to changes in market conditions or other causes. The opposite of depreciation.

**ASSUMABLE MORTGAGE:** Purchaser takes ownership to real estate encumbered by an existing mortgage and assumes responsibility as the guarantor for the unpaid balance of the mortgage.

**BILL OF SALE:** Document used to transfer title (ownership) of PERSONAL Property.

**CLOSING STATEMENT (HUD1):** A financial statement rendered to the buyer and seller at the time of transfer of ownership, giving an account of all funds received or expended.

**CLOUD ON TITLE:** Any condition that affects the clear title to real property.

**COMPARABLE SALES:** Sales that have similar characteristics as the subject property and are used for analysis in the appraisal process.

**CONTRACT:** An agreement to do or not to do a certain thing.

**CONSIDERATION:** Anything of value to induce another to enter into a contract, i.e., money, services, a promise.

**DEED:** Written instrument, which when properly executed and delivered, conveys title to real property.

**DISCOUNT POINTS:** A loan fee charged by a lender of FHA, VA or conventional loans to increase the yield on the investment. One point = 1% of the loan amount.

**EASEMENT:** The right to use the land of another.

**ENCUMBRANCE:** Anything that burdens (limits) the fee title to property, such as a lien, easement, or restriction of any kind.



**EQUITY:** The value of real estate over and above the liens against it. It is obtained by subtracting the total liens from the value.

**ESCROW PAYMENT:** That portion of a mortgagor's monthly payment held in trust by the lender to pay for taxes, hazard insurance, mortgage insurance, lease payments and other items as they become due.

**FANNIE MAE:** Nickname for Federal National Mortgage Corporation (FNMA), a tax-paying corporation created by congress to support the secondary mortgages insured by FHA or guaranteed by VA, as well as conventional home mortgages.

**FEDERAL HOUSING ADMINISTRATION (FHA):** An agency of the U.S. Department of Housing and Urban Development (HUD). Its main activity is the insuring of residential mortgage loans made by private lenders. The FHA sets standards for construction and underwriting but does not lend money or plan or construct housing.

**FHA INSURED MORTGAGE:** A mortgage under which the Federal Housing Administration insures loans made, according to its regulations

**FIXED RATE MORTGAGE:** A loan that fixes the interest rate at a prescribed rate for the duration of the loan.

**FORECLOSURE:** Procedure whereby property pledged as security for a debt is sold to pay the debt in the event of default.

**FREDDIE MAC:** Nickname for Federal Home Loan Mortgage Corporation (FHLMC), a federally controlled and operated corporation to support the secondary mortgage market. It purchases and sells residential conventional home mortgages.

**GRADUATED PAYMENT MORTGAGE:** Any loan where the borrower pays a portion of the interest due each month during the first few years of the loan. The payment increases gradually during the first few years to the amount necessary to fully amortize the loan during its life.

**INVESTOR:** The holder of a mortgage or the permanent lender for whom the mortgage banker services the loan. Any person or institution that invests in mortgages.

**LEASE PURCHASE AGREEMENT:** Buyer makes a deposit for future purchases of a property with the right to lease the property for the interim.

**LOAN TO VALUE RATION (LTV):** The ratio of the mortgage loan principal (amount borrowed) to the property's appraised value (selling price). Example – on a \$100,000 home, with a mortgage loan principal of \$80,000 the loan to value ratio is 80%.

**MORTGAGE:** A legal document that pledges a property to the lender as security for payment of a debt.

**MORTGAGE INSURANCE PREMIUM (MIP):** The amount paid by a mortgagor for mortgage insurance. This insurance protects the investor from possible loss in the event of a borrower's default on a loan.

**MORTGAGOR:** The borrower of money or the giver of the mortgage document.

**NOTE:** A written promise to pay a certain amount of money.

**ORIGINATION FEE:** A fee paid to the mortgagee for paying the mortgage before it becomes due. Also known as prepayment fee or reinvestment fee.



**PRIVATE MORTGAGE INSURANCE (PMI):** See Mortgage Insurance Premium.

**PROMISSORY NOTE:** A written contract containing a promise to pay a definite amount of money at a definite future time.

**REALTOR:** A member of local and state real estate boards, which are affiliated with the National Association of Realtors (NAR).

**RENT WITH OPTION:** A contract, which gives one the right to lease property at a certain sum with the option to purchase at a future date.

**SECOND MORTGAGE/SECOND DEED OF TRUST/JUNIOR MORTGAGE OR JUNIOR LIEN:** An additional loan imposed on a property with a first mortgage. Generally, a higher interest rate and shorter term than a "first" mortgage.

**SEVERALTY OWNERSHIP:** Ownership by one person only. Sole ownership.

**SURVEY:** The process by which a parcel of land is measured and its area ascertained.

**TENANCY IN COMMON:** Ownership by two or more persons who hold an undivided interest without right of survivorship. (In event of the death of one owner, his/her share will pass to his/her heirs.)

**TITLE INSURANCE:** An insurance policy which protects the insured (purchaser or lender against loss arising from defects in the title).



## ABOUT KELLER WILLIAMS REALTY

Often, we judge the caliber of people by the company they keep – this is why I would like to tell you a little bit about Keller Williams Realty and my office within the Keller Williams system.

Keller Williams® Realty was founded in Austin, Texas in 1983 with the specific premise that buyers and sellers deserve the best service for their real estate needs. For more than 17 years that founding premise has been a major factor in the continued growth of Keller Williams® across North America. Two visionaries lead Keller Williams® Realty – Gary Keller, founder and Chairman of the Board, and Mo Anderson, Chief Executive Officer.

Because each Keller Williams® Market Center has grown within its respective community, Keller Williams® real estate agents have intimate knowledge of each community's character, mood, and growth potential. Due to the fact that the majority of Keller Williams® Associates live in the communities and neighborhoods they serve, they are eager and capable of tackling unique challenges that families encounter when selecting new homes.

At Keller Williams® Realty, we are Real Estate Consultants. We are not agents. We are not salespeople. What this means is that we build fiduciary relationships with our clients. A fiduciary is someone who represents your best interests.

We are a profit sharing company where associates are in partnership relationships with the owners; this means that everyone at Keller Williams® Realty wants your home to sell because everyone benefits.

The Keller Williams culture is based upon a belief system that is summed up by this acronym: WI4C2TS:

**W**in-Win, or no deal

**I**ntegrity, do the right thing

**C**ommitment, in all things

**C**ommunication, seek first to understand

**C**reativity, ideas before results

**C**ustomers, always come first

**T**eamwork, together everyone achieves more

**T**rust, begins with honesty

**S**uccess, results through people



## **ABOUT THE POLING TEAM: Art and Linda**

The Poling Team serves together to provide a high level of personalized service in buying and selling a home.

Art brings to the table years of experience in management in a number of fields. He has managed large and small construction projects ranging from log homes to a large performing arts facility. Most recently, he served in Information Technology as a Vice President for Willow Valley, a resort and retirement community in Pennsylvania and as a Director of IT for a software development company in Raleigh (TogetherSoft) that was sold to Borland Software.

His diverse background includes leadership, coaching, problem solving and strategic planning. He has a reputation for being a problem solver, an excellent communicator and a successful project manager who controls costs.

Linda has lived in nine states, and moved 33 times. As a result, looking for the next move has become the “real-state” of her life. She is a teacher and a help. She introduces sensitivity and order into intense situations, and her investigative skills find solutions for even the most difficult situations.

Art and Linda look forward to actively and successfully promoting your interests in finding or selling a home or in making a real estate investment for income.

Please consider us friends and real estate professionals committed to serving the real estate needs of our neighborhood and community. Allow us to help you reduce the stress and solve the problems with the purchase of your first home, the challenges of a move, or your investments in real property.

It is our pleasure to serve and to be part of your journey.





# LET'S ADHERE TO "THE PLAN"

A successful real estate transaction hinges on numerous details involving due dates that must be met so that you can move into your dream home on time.

## Date

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**Loan Application**

**Home Inspection date and time.**

**Termite Inspection date and time**

**Other inspection dates and times**

**Written notice due – all items from the inspection that you wish to be fixed.**  
(Keep in mind you may or may not be buying a new home)

**Negotiation of inspection complete**

**Order Home Insurance**  
(You are required to arrange for insurance coverage and to inform your mortgage company of your agent's name and phone number.)

**Loan Commitment Letter due to Seller**

**Transfer Utilities**

**Order Cable and Telephone Service**

**Schedule appointment with movers**

**Make extra keys / change locks**

**Final Walk-through**

**Closing Date**

Please note: During the loan and home buying process, you will be asked to supply documentation, respond to phone calls requesting information, schedule dates into your calendar, etc..

Please respond quickly to these requests so that your transaction doesn't encounter any problems.



## Your Realty Team Roster

The following is a roster of the members of YOUR real estate team. Please keep this book with you throughout the home-buying process. It is also very helpful if you keep it for future reference.

Name	Company Name and Address	To Contact
<b>Real Estate Agent:</b> <b>Art &amp; Linda Poling</b>	Keller Williams Realty	Art's cellular: (919)795-3717 Linda's cellular: (919) 280-0036 Email Art: Art Poling@kw.com Email Linda: LindaPoling@kw.com Fax: (919) 882-9013 Website: <i>www.PolingTeam.com</i>
<b>Mortgage Lender:</b>		<b>Phone:</b> <b>Email:</b> <b>Fax:</b>
<b>Loan Officer:</b>		<b>Phone:</b> <b>Email:</b> <b>Fax:</b>
<b>Insurance Agent:</b>		<b>Phone:</b> <b>Email:</b> <b>Fax:</b>
<b>Home Inspector:</b>		<b>Phone:</b> <b>Email:</b> <b>Fax:</b>
<b>Movers:</b>		<b>Phone:</b> <b>Email:</b> <b>Fax:</b>
<b>Termite Company:</b>		<b>Phone:</b> <b>Email:</b> <b>Fax:</b>
<b>Other:</b>		<b>Phone:</b> <b>Email:</b> <b>Fax:</b>

***Thank you for calling on Art and Linda Poling  
and the Keller Williams Team for assistance  
with your home-buying process.***