



The Home Buying Guide

August 2014

Congratulations! The decision to buy a home is an exciting one. The experience should be enjoyable as well as get you the perfect home with the least amount of hassle.

I am devoted to using my expertise to make your transaction successful!

Purchasing a home is a very important decision. I would like to help you with honest, accurate information so you can make well-informed decisions regarding the purchase of your home. This booklet will give you an idea of what to expect during each phase of your transaction. It also contains reference pages, note pages, deadline information, etc., and is useful as a reference guide even after the transaction is closed.

Please keep this booklet during all house hunting related activities: meetings, house hunting trips, etc. Use it to take notes and to keep track of deadlines. You can even staple cards to relevant pages to keep related materials together. Making this transaction as easy as possible for you is my job. I am happy to serve all your real estate needs!





KELLER WILLIAMS REALTY

6951 Virginia Parkway, Suite 100
McKinney, TX 75071
(972) 562-8883

KELLER WILLIAMS REALTY is a full-service real estate company with over 150 full time professional agents in the McKinney Office. The firm is characterized by sales associates with a wealth of experience, backgrounds and degrees to make this truly a well rounded full service team. KELLER WILLIAMS REALTY North Collin County is the largest Real Estate Firm in the community of McKinney. Four "sister" offices of KELLER WILLIAMS REALTY which work in conjunction to our McKinney branch are located in Allen, Frisco, Plano and North Dallas. Teamwork is the concept we share.

KELLER WILLIAMS REALTY was founded in 1983 by Gary Keller and Joe Williams and has been growing ever since. Within the Dallas/Fort Worth Metroplex, there are 25 market centers and 3,900 sales associates, all of which network and cooperatively work together. This enables optimum exposure in the marketplace for sellers. KELLER WILLIAMS REALTY in McKinney is number one in volume and listed volume in the McKinney market. There are more than 700 national and international KELLER WILLIAMS REALTY market centers and over 100,000 sales associates. Keller Williams Realty is the #1 Real Estate Company in the Nation.

In Collin County Texas, Keller Williams Realty accounts for 1,400 of the 5,000 registered agents.

Besides the high experience level of the agents, another contributing factor to the success of the offices is the commitment of each individual working there. Every person is dedicated not only to personal success but to the overall success of the company. This is very evident in the spirit of cooperation that permeates the office. KELLER WILLIAMS REALTY has profit sharing within each market center which further promotes the spirit of cooperation.





Why KELLER WILLIAMS REALTY?

- **Full-Time Professionals:** KELLER WILLIAMS REALTY is made up of top, full time sales associates and supporting staff that were carefully selected to be a part of our firm.
- **Knowledgeable:** In addition to normal real estate education requirements for licensing, all of our associates have completed rigorous and continuous real estate training to keep them up-to-date on current real estate trends and information. Our training is the most comprehensive in the industry.
- **Professional Standards:** At KELLER WILLIAMS REALTY, we have a saying that goes “We don’t do that here” and we stand by it. Our standards of performance for ourselves are for your benefit and they are the highest in the industry. Our policy manual guarantees our professional standards.
- **Financing Power:** Our sales associates and staff maintain a day-to-day contact with numerous lending institutions in the area. This helps buyers find the best possible financing and helps sellers pay the least amount of sales costs. This up-to-the-second knowledge is power financing to you.
- **Pre-Qualified Buyers:** KELLER WILLIAMS REALTY works to protect buyers and sellers by obtaining pre-qualifying information on all potential buyers. This service helps buyers know if they might be qualified to purchase a new home and helps sellers know if the purchaser may be qualified to purchase their home.
- **Inventory Knowledge:** In order to be successful in working with buyers, KELLER WILLIAMS REALTY maintains a large inventory of pre-owned and new homes for sale. Our associates are always aware of the available properties throughout the area.
- **Full Service:** Our responsibility does not stop with the signing of the contract. Our associates maintain a follow-up system with: the other sales associates, loan companies, inspection services, appraisers, title companies and others. This assures you that all of the necessary paperwork and activities related to the closing of the sale are handled smoothly and with as few problems as possible.
- **Marketing Center:** Our offices are in the marketplace! From this strategic location we can professionally serve buyers and sellers better than any other real estate company.
- **7 Day Availability:** Our marketing centers are open 7 days a week. There is always a licensed sales associate available to work with buyers and sellers.
- **Total Commitment:** At KELLER WILLIAMS REALTY, our commitment to you is this: We will always strive to provide professional real estate services to the very best of our ability.





Ken Pilkenton

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OBJECTIVE:

To market properties utilizing sound planning, professional ethics, persuasive skills, and strong company support.

BUSINESS ACHIEVEMENTS:

Texas Real Estate Salesman License 1966
Outstanding Young Men of America 1977
Who's Who of Religion 1978
"Angel" Award (TV Program Producer) 1983
Associates of Arts Degree in Real Estate – Collin County Community College 1990
Texas Real Estate Broker License 1990
Collin County Commissioner Appointed by Judge Barry 1994-Current
Board of Advisors – Real Estate Dept. Collin County Community College
1994-Current / Chairman 1998-1999
Board of Commissioners – Housing Authority of McKinney 1995-1997
Board of Commissioners – McKinney Housing Opportunities Corp. 1996-Current
"Pinnacle" Office Award for Quality Service 1997
Certified Corporate Property Specialist 1997
Certified Residential Marketing Specialist 1997
Invitation to Who's Who of Business 1997
"Top 10 Office in DFW Area" 3 times
Multi-Million Dollar Producer / Top Producer in Office Numerous Months
#9 Team Award 2000
\$1 Million in 1 Month Several Months

BUSINESS EXPERIENCE:

1962-1967	General Motors Service Representative
1964-1984	Traveling Christian Music – Minister – Seminar Speaker
1985-Current	Active in McKinney Area Real Estate

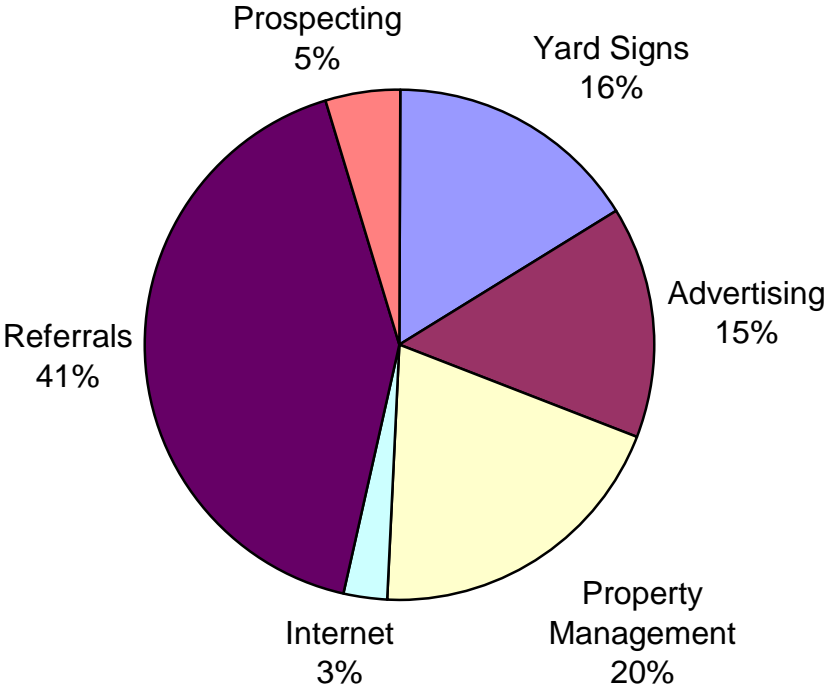
SKILLS:

Expert in residential sale/lease marketing and promotion
Knowledgeable in all aspects of real estate sales including residential, property management, leasing, investment and commercial





Where Do My Customers Come From?





Relocation Client List

A few of the many area companies I have assisted...

E. D. S.

Ericsson

Perot Systems

Raytheon

Texas Instruments

City of McKinney

McKinney Housing Authority

Nortel Networks

Delta Airlines

Burnside Heating and Air

McKinney Aerospace

United American Insurance Company

City of Plano

J. C. Penny

Anna Independent School District

Exxon-Mobile

Farm Bureau Insurance

A. G. Edwards

North Central Medical Center

McKinney Independent School District

City of Irving





Why Do You Need A REALTOR®

A REALTOR® brings a wealth of knowledge and experience to the business of buying a home. In fact, a licensed real estate professional provides much more than the service of helping you find the home of your dreams. REALTORS® are not just sales agents. They are expert negotiators, seasoned financial advisors, and superb navigators around the local neighborhood. They are members of the National Association of REALTORS® (NAR) and must abide by a Code of Ethics and Standards of Practice enforced by the NAR. A professional REALTOR® is your best resource when approaching to buy a home.

Let Me Be Your Guide

- Working with me can save you endless amounts of time, money and frustration.
- I know the housing market inside and out and can help you avoid a “wild goose chase.”
- I can help you with any house even if it is listed by another company, a builder or is being sold by the owner directly.
- I know the best lenders in the area; can help you get pre-qualified for a mortgage; and can discuss down payments, closing costs, and monthly payment options.
- I am an excellent source for general information about the community, specific information about schools, churches, shopping, transportation, plus tips on home inspections and pricing.
- I am experienced at presenting your offer to the owner and/or seller’s agent and can help you through the process of negotiating the best price. I bring objectivity to the buying transaction, and can point out advantages and disadvantages of a particular property.

And the BEST thing is that all this help normally won’t cost you a cent. Generally, the seller pays the commission to REALTORS®. However, that doesn’t affect my dedication or the spirit of teamwork that I will put into helping you find and buy the home of your dreams. After all, my success depends on your success.





Code of Ethics of the National Association of REALTORS®

The REALTORS'® Pledge of Performance and Service

The National Association of REALTORS® adopted a Code of Ethics in 1913 following the professions of medicine, law and engineering.

REALTORS® are real estate professionals who have chosen to join the National Association of REALTORS® and abide by its strict Code of Ethics. What does this mean to you? It means that any REALTOR® you work with has voluntarily agreed to abide by a Code of Ethics based on professionalism and protection of the public. REALTORS® are subject to disciplinary action and sanctions if they violate the duties imposed by the Code of Ethics.

The Code of Ethics is a detailed document spelling out the professional responsibilities of every REALTOR®. The following summary is provided for your convenience, but is not a substitute for the actual Code. Do not hesitate to ask a REALTOR® for a copy of the Code, including the Standards of Practice. The Code is your assurance of dealing with a professional having your best interests in mind.

The Code of Ethics consists of seventeen Articles and related Standards of Practice. The Code's basic principles can be summarized as follows:

Duties to Clients and Customers

- Article 1 REALTORS® protect and promote their client's interests while treating all parties honestly.
- Article 2 REALTORS® refrain from exaggeration, misrepresentation or concealment of pertinent facts related to the property or transaction.
- Article 3 REALTORS® cooperate with other real estate professionals to advance their clients' best interests.
- Article 4 When buying or selling on their own account or for their families or firms, REALTORS® make their true position or interest known.
- Article 5 REALTORS® do not provide professional services where they have any present or contemplated interest in the property without disclosing that interest to all affected parties.
- Article 6 REALTORS® disclose any fee or financial benefit they may receive from recommending related real estate products or services.
- Article 7 REALTORS® receive compensation from only one party, except where they make full disclosure and receive informed consent from their clients.
- Article 8 REALTORS® keep entrusted funds of clients and customers in a separate escrow account.





Article 9 REALTORS® make sure that the contract details are spelled out in writing and all that parties receive copies.

Duties to the Public

Article 10 REALTORS® give equal professional services to all clients and customers irrespective of race, color, religion, sex, handicap, familial status, or national origin.

Article 11 REALTORS® are knowledgeable and competent in the fields of practice in which they engage or they get assistance from a knowledgeable professional, or disclose any lack of expertise to their client.

Article 12 REALTORS® paint a true picture in their advertising and in other public representations.

Article 13 REALTORS® do not engage in the unauthorized practice of law.

Article 14 REALTORS® willingly participate in ethics investigations and enforcement actions.

Duties to REALTORS®

Article 15 REALTORS® make only truthful, objective comments about other real estate professionals.

Article 16 REALTORS® respect the exclusive, professional relationship that other REALTORS® have with their clients.

Article 17 REALTORS® arbitrate financial disagreements with other REALTORS® and with their clients.

Please remember that this is simply a general overview of the Code of Ethic's key principles. For additional information on the Code of Ethics and its enforcement, speak with a REALTOR® or contact the local association of REALTORS®.





Step by Step... The Buying Process

Find a REALTOR® you can trust...The First Step...

Find an experienced REALTOR® that you can trust and sign a Buyer's Agent Agreement. This guarantees, by the laws of the state, that your needs are met professionally and represented throughout the entire process of buying your home.

Looking for a home...The Next Step...

Look at various homes. I am available to help you find your dream home.

Your Offer...Be Careful - This is a BIG Step...

When you find your dream home, you should present a competitive offer immediately. I have extensive experience in contract negotiations. I will ensure you get just what you want for a fair price - a transaction in your best interest.

The Contract, We're Starting to Jog Now...

When the seller accepts your offer, you go "under contract." You want to make sure every detail is handled accurately and immediately. I will do everything possible to help ensure your home closes properly and on time.

Inspections, You're in the "HOME" Stretch...

Final details are handled and inspections are performed to ensure the property is "perfect" for you. Contract details are further negotiated, and we head to closing!

Now it is almost yours! The Next Step Will Be Into Your New Home...

Be prepared to bring a certified check and your drivers license to the closing.





Glossary of Real Estate Brokerage Relationships

In Texas, real estate brokers and their salespersons are required to disclose the type of working relationship they have with the customer in a real estate transaction. There are several types of relationships that are available to you. You should understand these at the time a broker provides specific assistance to you in buying real estate. Buyer's Agent, Seller's Agent and Intermediary relationships are commonly referred to as "agency" relationships and carry with them legal duties and responsibilities for the broker as well as for the buyer and seller.

Buyer's Agent

A Buyer's Agent acts solely on behalf of the buyer and owes duties to the buyer which include the utmost good faith, loyalty, and fidelity. The agent will negotiate on behalf of, and act as an advocate for, the buyer. The agent must disclose to sellers all adverse material facts concerning the buyer's financial ability to perform the terms of the transaction and whether the buyer intends to occupy the property. A separate written buyer's agreement is required that sets forth the duties and obligations of the parties.

Seller's Agent

A Seller's Agent acts solely on behalf of the seller and owes duties to the seller that include the utmost good faith, loyalty, and fidelity. The agent will negotiate on behalf of, and act as an advocate for, the seller. The agent must disclose to buyers or tenants all adverse material facts about the property known by the broker. A separate written listing agreement is required which sets forth the duties and obligations of the parties.





Intermediary Relationship

If a broker represents both the buyer as a buyer's agent and the seller as a seller's agent in the same transaction, then the broker is acting as an intermediary in that transaction. The broker acting as an intermediary:

- Shall treat all parties honestly.
- May not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner.
- May not disclose that the buyer will pay a price greater than the sales price submitted in a written offer unless authorized in writing by the buyer.
- May not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by the Texas Real Estate License Act or a court order or if the information relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under the Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under the Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of the other party.





The Advantages of a Buyer's 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. So the first advantage is pretty obvious. If you had the time to devote to learning all you need to know about accounting, medicine, and automotive mechanics, you could do these services yourself. But who has the time? You probably already have a full-time career to which you are committed to. This is why you allow other professionals to help you in specific areas of expertise.

I have devoted my time to perfecting a career in real estate service. Continuous education, market research and vast experience are combined to help you find the perfect home quickly. I will take care of all the hassles of every day real estate transactions for you. You concentrate on your full-time job, while I do my job. I will guide you through the home buying process and exclusively represent your interests as I help you find a home, present your contract offer, negotiate, and close!

You will get a great home quickly and conveniently

The advantage to signing a Buyer's Agency Agreement with me is that you will have a professional working hard to find and secure the perfect home for you when you need it. It is difficult to find a home that meets your needs, get a contract negotiated, and close the transaction without an experienced real estate consultant. I have vast computer networks to make sure you only tour homes that meet your specific needs. You won't need to spend endless evenings and weekends driving around looking for homes for sale or trying to search computer networks yourself. When you tour homes with me, you will already know that the homes meet your criteria for bedrooms, bathrooms, garage spaces, square footage, neighborhood, etc. Also, I will ensure you are looking at homes that are in the price range YOU desire.





You get a personal specialist who knows your needs

Just as your accountant, doctor, and mechanic get to know your needs through a steady relationship, I get to know your real estate needs and concerns. This type of relationship is built by open communication at all times and by touring homes with me so I get a good idea of your feedback and concerns about each home. If you try to jump from agent to agent, you will not receive the best real estate service possible, and you will be violating your agreement with me. There is nothing to gain from trying to find and tour homes on your own, and you will save a lot of time when I can tell you everything about a home before you see it.

What is the Buyer's Agency Agreement

Entering into a Buyer's Agency Agreement has countless advantages and no disadvantages. 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 to you, usually at NO COST TO YOU! The Seller's Agent is responsible for paying your Buyer's Agent fee. With me, you get a professional devoted to protecting your needs to help you make one of the most important investment decisions of your life -- and you don't even have to pay the fee!





Using a REALTOR® to Purchase a New Home

Why should I use a REALTOR® to purchase a new home?

The advantages of having me 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, and closing assistance. The builder has a professional representative watching out for the builder's needs, and you need the same expert representation.

Buying a new home is a little more difficult and time-consuming than buying an existing home. I can professionally guide you through this process. I have experience working with builders and have access to a database of information about subdivisions, floor plans, etc. I am also familiar with new home warranties and builder's purchase contracts.

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!

Is there any advantage to not using a REALTOR® to purchase a new home?

No. There is no financial advantage for you to buy directly from the builder. Builders have a "single-price" policy, meaning you will be charged the same price whether your interests are represented by a REALTOR® or not. Just as in most resale transactions, the Seller usually pays the real estate fee.

REMEMBER - the Builder requires that your REALTOR® accompany you on your first visit to the Builder's sales office, or they will NOT PAY your representative's fee!





How Much Home Can You Afford?

When you are ready to begin looking at various houses to find your dream home, you need to prepare all of the necessary materials to present to the lender. Your lender will tell you exactly what you can afford so that you do not spend time looking at “too much” home. There are three key factors that you will need to consider when determining how much home you can afford. These are 1.) The down payment, 2.) Your ability to qualify for a mortgage, and 3.) The closing costs associated with your transaction.

Down Payment Requirements:

Most loans today require a down payment of between 3% and 5% depending on the type and terms of the loan. If you are able to come up with 20-25% down payment, you may be eligible to take advantage of special fast-track programs and possibly eliminate mortgage insurance.

It is often thought that bigger is better when it comes to down payments. In many cases, this may be true. However, the arithmetic will differ from case to case. A bigger down payment means smaller monthly payments and lower interest expense for as long as you remain with a mortgage. This can be an important factor for many people. But if you can put your available funds to work for you so that they can earn more money than the interest rate on your loan, you could be dollars ahead with a smaller down payment. Also, a smaller down payment may allow you to keep extra cash available to make improvements on the house or for an emergency.

Closing Costs:

Don't forget to think ahead carefully. In addition to the down payment on your dream home, you will be required to pay fees for loan processing and other closing costs. These fees must be paid in full in cash at the time of the final settlement, unless you are able to include these in your financing. Typically, total closing costs will range between 2-5% of your mortgage loan. A lender will give you a Good Faith Estimate which will detail all of your closing costs.





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 four items...the PITI. These items are discussed in detail on the page entitled, "Predicting Your Monthly Payment (The PITI)." Remember, when you buy a home all interest is tax deductible, so you will qualify for a major tax advantage that will effectively increase your take-home pay. Your total monthly PITI and all debts (from installments to revolving charge accounts) should range between 33-41% of your gross monthly income. This is a general rule of thumb, but other key factors specifically determine your ability for a home loan. These factors are:

INCOME: History of employment, stability of income, potential for future earning, education, vocational training and background, and any secondary income such as bonuses, commissions, child support, etc.

CREDIT REPORT: History of debt repayment, total outstanding debt and total available credit. If you have concerns about your credit report, consider contacting one of the major credit bureaus for a copy of your file:

Experian	I-888-397-3742
Equifax	I-800-685-1111
Trans Union	I-800-888-4213

ASSETS: Cash on hand, other liquid assets such as savings, checking, CDs, stocks, etc.

PROPERTY: The home you are buying must be appraised to determine that it has adequate value and is marketable to ensure it will secure the loan. The home must also qualify for adequate homeowners insurance. A survey will also be done to make sure that the property does not have any encroachments, intrusions, etc.





Shopping For a Loan

Your choice of lender and type of loan will influence not only your settlement costs, but also the monthly cost of your mortgage loan. There are many types of lenders and types of loans you can choose. You may be familiar with banks, savings associations, mortgage companies and credit unions, many of which provide mortgage loans.

Mortgage Brokers

Some companies, known as “mortgage brokers” offer to find you a mortgage lender willing to make you a loan. A mortgage broker may operate as an independent business and may not be operating as your agent or representative. Your mortgage broker may be paid by the lender, you as the borrower, or both. You may wish to ask about the fees that the mortgage broker will receive for its services.

Government Programs

You may be eligible for a loan insured through the Federal Housing Administration (FHA) or Guaranteed by the Department of Veterans Affairs (VA) or similar programs operated by cities or states. The programs usually require a smaller down payment. Ask lenders about these programs.

Types of Loans

Loans can have a fixed interest rate or a variable interest rate. Fixed rate loans have the same principle and interest payments during the loan term. Variable rate loans can have any one of a number of “indexes” and “margins” which determine how and when the rate and payment amount change. If you apply for a variable rate loan, also known as an “Adjustable Rate Mortgage” (ARM), a disclosure and booklet required by the Truth in Lending Act will further describe the ARM. Most loans can be repaid over a term of 30 years or less. Most loans have equal monthly principle and interest payments, but the monthly escrow payments for taxes and insurance can change. The principle and interest payment can change from time to time on an ARM depending on changes in the interest rate. Some loans have short terms and a large final payment called a “balloon.” You should shop for the type of home mortgage loan terms that best suit your needs.





Interest Rate, “Points” and Other Fees

Often the price of a home mortgage loan is stated in terms of an interest rate, points and other fees. A “point” is a fee that equals one percent of the loan amount. Points are usually paid to the lender, mortgage broker, or both, at the settlement or upon the completion of escrow. Often, you can pay fewer points in exchange for a higher interest rate or more points for a lower interest rate. Ask your lender or mortgage broker about points and other fees.

A document called the Truth in Lending Disclosure Statement will show you the “Annual Percentage Rate” (APR) and other payment information for the loan you have applied for. The APR takes into account not only the interest rate, but also the points, mortgage broker fees and certain other fees that you have to pay. Ask for the APR before you apply to help you shop for the loan that is best for you. Also ask if your loan will have a charge or fee for paying all or part of the loan before payment is due (prepayment penalty). You may be able to negotiate the terms of the prepayment penalty.

Lender Required Settlement Costs

Your lender may require you to obtain certain settlement services, such as a new survey, mortgage insurance or title insurance. Your lender may also order and charge you for other settlement related services, such as the appraisal or credit report. A lender may also charge other fees, such as fees for loan processing, document preparation, underwriting, flood certification or an application fee. You may wish to ask for an estimate of fees and settlement costs before choosing a lender. Some lenders offer “no cost” or “no point” loans but normally cover these fees or costs by charging a higher interest rate.





Comparing Loan Costs

Comparing APRs may be an effective way to shop for a loan. However, you must compare similar loan products for the same loan amount. For example, compare two 30 year fixed rate loans for \$100,000. Loan A with an APR of 8.35% is less costly than Loan B with an APR of 8.65% over the loan term. However, before you decide on a loan, you should consider the up-front cash you will be required to pay for each of the two loans as well. Another effective shopping technique is to compare identical loans with different up-front points and other fees. For example, if you are offered two 30 year fixed rate loans for \$100,000 and at 8%, the monthly payments are the same, but the up-front costs are different:

Loan A – 2 points (\$2,000) and lender required costs of \$1,800 equals \$3,800 in costs

Loan B – 2 ¼ points (\$2,250) and lender required costs of \$1,200 equals \$3,450 in costs

A comparison of the up-front costs shows Loan B requires \$350 less in up-front cash than Loan A. However, your individual situation (how long you plan to stay in your house) and your tax situation (points can usually be deducted from for the tax year that you purchase a house) may affect your choice of loans.

Lock-ins

“Locking in” your rate or points at the time of application or during the processing of your loan will keep the rate and/or points from changing until settlement or closing of the escrow process. Ask your lender if there is a fee to lock-in the rate and whether the fee reduces the amount you have to pay for points. Find out how long the lock-in is good, what happens if it expires and whether the lock-in fee is refundable if your application is rejected.

Tax and Insurance Payments

Your monthly mortgage payment will be used to repay the money you borrowed plus interest. Part of your monthly payment may be deposited into an “escrow account” (also known as a “reserve” or “impound” account) so your lender or servicer can pay your real estate taxes, property insurance, mortgage insurance and/or flood insurance. Ask your lender or mortgage broker if you will be required to set up an escrow or impound account for taxes and insurance payments.





Transfer of Your Loan

While you may start the loan process with a lender or mortgage broker, you could find that after settlement another company may be collecting the payments on your loan. Collecting loan payments is often known as “servicing” the loan. Your lender or mortgage broker will disclose whether it expects to service your loan or to transfer the servicing to someone else.

Mortgage Insurance

Private mortgage insurance and government mortgage insurance protect the lender against default and enable the lender to make a loan which the lender considers a high risk.

Lenders often require mortgage insurance for loans where the down payment is less than 20% of the appraised value. You may be billed monthly, annually, by an initial lump sum, or some combination of these practices for your mortgage insurance premium. Ask your lender if mortgage insurance is required and how much it will cost. Mortgage insurance should not be confused with mortgage life, credit life or disability insurance, which are designed to pay off a mortgage in the event of the borrower’s death or disability. You may also be offered “lender paid” mortgage insurance (LPMI). Under LPMI plans, the lender purchases the mortgage insurance and pays the premiums to the insurer. The lender will increase your interest rate to pay for the premiums – but LPMI may reduce your settlement costs. You cannot cancel LPMI or government mortgage insurance during the life of your loan. However, it may be possible to cancel private mortgage insurance at some point, such as when your loan balance is reduced to a certain amount. Before you commit to paying for mortgage insurance, find out the specific requirements for cancellation.

Flood Hazard Areas

Most lenders will not lend you money to buy a home in a flood hazard area unless you pay for flood insurance. Some government loan programs will not allow you to purchase a home that is located in a flood hazard area. Your lender may charge you a fee to check for flood hazards. You should be notified if flood insurance is required. If a change in flood insurance maps brings your home within a flood hazard area after your loan is made, your mortgage company may require you to buy flood insurance.





Loan Application Checklist

General:

- Picture ID with social security number of borrower and co-borrowers.
- Payment to cover the application fee.
- Name and complete address of all landlords for the past two years.

Income:

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

Assets:

- Copies of all bank statements, stock/bond certificates and/or investment and retirement account statements for the past three months.
- Prepare a list of household items and their values.
- Copies of title documents for all automobiles, boats, motorcycles, etc.
- 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.). 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 two years). Bring proof of sale of properties sold.
- Child care expense/support (name, address, phone number).

Other:

- Bankruptcy - bring discharge and schedule of creditors.
- Adverse credit - bring letters of explanation.
- Divorced - bring Divorce Decrees, property settlements, quit claim deeds, modifications, etc. for all divorces by yourself or your spouse.
- VA only - bring Form DD214 and Certificate of Eligibility.
- Retirees - bring retirement and/or Social Security Award Letter.





Your Settlement Costs

A. Specific Settlement Costs

This discusses the settlement services which you may be required to get and pay for and which are itemized in Section L of the HUD-I Settlement Statement. Following, you will find a sample of the HUD-I form to help you understand the settlement transaction.

When shopping for settlement services, you can use this as a guide, noting on it the possible services required by various lenders and the different fees quoted by service providers. Settlement costs can increase the cost of your loan, so compare carefully.

- 700. Sales/Broker's Commission: This is the total dollar amount of the real estate broker's sales commission, which is usually paid by the seller. This commission is typically a percentage of the selling price of the home.
- 800. Items Payable in Connection with Loan: These are the fees that lenders charge to process, approve and make the mortgage loan.
- 801. Loan Origination: This fee is usually known as a loan origination fee but sometimes is called a "point" or "points." It covers the lender's administrative costs in processing the loan. Often expressed as a percentage of the loan, the fee will vary among lenders. Generally, the buyer pays the fee, unless otherwise negotiated.
- 802. Loan Discount: Also often called "points" or "discount points," a loan discount point is a one-time fee imposed by the lender or broker to lower the rate at which the lender or broker would otherwise offer the loan to you. Each "point" is equal to one percent of the mortgage amount. For example, if a lender charges two points on an \$80,000 loan, this amounts to a charge of \$1,600.
- 803. Appraisal Fee: This charge pays for an appraisal report made by an appraiser.
- 804. Credit Report Fee: This fee covers the cost of a credit report, which shows your credit history. The lender uses the information in a credit report to help decide whether or not to approve your loan and how much money to lend you.
- 805. Lender's Inspection Fee: This charge covers inspections, often of newly constructed housing, made by employees of your lender or by an outside inspector. (Pest or other inspections made by companies other than the lender are discussed in line I302).
- 806. Mortgage Insurance Application Fee: This fee covers the processing of an application for mortgage insurance.
- 807. Assumption Fee: This is a fee which is charged when a buyer "assumes" or takes over the duty to pay the seller's existing mortgage loan.





808. Mortgage Broker Fee: Fees paid to mortgage brokers would be listed here.
900. Items Required By Lender to Be Paid in Advance: You may be required to prepay certain items at the time of settlement, such as accrued interest, mortgage insurance premiums and hazard insurance premiums.
901. Interest: Lenders usually require borrowers to pay the interest that accrues from the date of settlement to the first monthly payment.
902. Mortgage Insurance Premium: The lender may require you to pay for your first year's mortgage insurance premium or a lump sum premium that covers the life of the loan, in advance, at the settlement.
903. Hazard Insurance Premium: Hazard insurance protects you and the lender against loss due to fire, windstorm and natural hazards. Lenders often require the borrower to bring to the settlement a paid-up first year's policy or to pay for the first year's premium at settlement.
904. Flood Insurance: If the lender requires flood insurance, it is usually listed here.
- I000-I008. Escrow Account Deposits: These lines identify the payment of taxes and/or insurance and other items that must be made at settlement to set up an escrow account. The lender is not allowed to collect more than a certain amount. The individual item deposits may overstate the amount that can be collected. The aggregate adjustment makes the correction in the amount on line I008. It will be a zero or a negative amount.
- II00. Title Charges: Title charges may cover a variety of services performed by title companies and others. Your particular settlement may not include all of the items below or may include others not listed.
- II01. Settlement or Closing Fee: This is paid to the settlement agent or escrow holder.
- II02-II04. Abstract of Title Search, Title Examination, Title Insurance Binder: The charges on these lines cover the cost of the title search and examination.
- II05. Document Preparation: This is a separate fee that some lenders or title companies charge to cover their costs of preparation of final legal papers, such as a mortgage, deed of trust, note or deed.
- II06. Notary Fees: This fee is charged for the cost of having a person who is licensed as a notary public swear to the fact that the persons named in the document did, in fact, sign them.
- II07. Attorney's Fees: You may be required to pay for legal services provided to the lender, such as examination of the title binder. The cost of your attorney and/or the seller's attorney may also appear here. If an attorney's involvement is required by the lender, the fee will appear on this part of the form, or on lines III1, III2 or III3.
- II08. Title Insurance: The total cost of the owner's and lender's title insurance is shown here.





- I109. Lender's Title Insurance: The cost of the Lender's policy is shown here.
- I110. Owner's (Buyer's) Title Insurance: The cost of the owner's policy is shown here.
- I200. Government Recording and Transfer Charges: These fees may be paid by you or by the seller, depending upon your agreement with the seller. The buyer usually pays the fees for legally recording the new deed and mortgage (line I201). Transfer taxes, which in some localities are collected whenever property changes hands or a mortgage loan is made, can be quite large and are set by state and/or local governments. City, county and/or state tax exempt stamps may have to be purchased as well (lines I202 and I203).
- I300. Additional Settlement Charges:
- I301. Survey: The lender may require that a surveyor conduct a property survey. This is a protection to the buyer as well. Usually the buyer pays the surveyor's fee, but sometimes this may be paid by the seller.
- I302. Pest and Other Inspections: This fee is to cover inspections for termites and other pest infestation of your home.
- I303-I305. Lead-Based Paint Inspections: This fee is to cover inspections or evaluations for lead-based paint hazard risk assessments and may be on any blank line in the I300 series.
- I400. Total Settlement Charges: The sum of all fees in the borrower's column entitled "Paid from Borrower's Funds at Settlement" is placed here. This figure is then transferred to line I03 of Section J, "Settlement Charges to Borrower" in the Summary of Borrower's Transaction on page I of the HUD-I Settlement Statement and added to the purchase price. The sum of all of the settlement fees paid by the seller are transferred to line 502 of Section K, Summary of Seller's Transaction on page I of the HUD-I Settlement Statement.

Paid Outside of Closing (POC): Some fees may be listed on the HUD-I to the left of the borrower's column and marked POC. Fees such as those for credit reports and appraisals are usually paid by the borrower before closing/settlement. They are additional costs to you. Other fees such as those paid by the lender to a mortgage broker or other settlement service providers may be paid after closing/settlement. These fees are usually included in the interest rate or other settlement charges. They are not an additional cost to you. These types of fees will not be added into the total on line I400.





B. Calculating the Amount You Need At Settlement

The first page of the HUD-I Settlement Statement summarizes all the costs and adjustments for the borrower and seller. Section J is the summary of the borrower's side of the transaction and Section K is the summary of the seller's side of the transaction. You may receive a copy of the seller's side, but it is not required.

Section 100 summarizes the borrower's costs, such as the contract cost of the house, any personal property being purchased and the total settlement charges owed by the borrower from Section L.

Beginning at line 106, adjustments are made for items (such as taxes and assessments) that the seller has previously paid. If you will benefit from these items after settlement, you will usually repay the seller for that portion of the cost.

Section 200 lists the amount paid by the borrower or on behalf of the borrower. This will include the deposit of earnest money you put down with the agreement of sale, the loan(s) you are getting and any loan you may be assuming.

Beginning at line 210, adjustments are made for items that the seller owes (such as taxes and assessments) but for which you as the borrower will pay after settlement. The seller will usually pay you or credit you this portion at settlement.

Section 300 reflects the difference between the gross amount due from the borrower and the total amount paid by/for the borrower. Generally, line 303 will show the amount of cash the borrower must bring to settlement.

C. Adjustments to Costs Shared By Buyer and Seller

At settlement, it is usually necessary to make an adjustment between buyer and seller for property taxes and other expenses. The adjustments between buyer and seller are shown in Section J and K of the HUD-I Settlement Statement.

The borrower is given credit for this amount at the settlement and the seller will pay this amount or count it as a deduction from sums payable to the seller.

Similar adjustments are made for homeowner association dues, special assessments, etc., although the billing periods for these may not always be on an annual basis. Be sure you work out these cost sharing arrangements or "pro-rations" with the seller before the settlement.





Don't Get Swept Away When Shopping

When touring homes you will find that there are many beautiful homes on the market. There are two things you must do before looking at homes.

First, find out from your lender how much you qualify to spend on the home. It is very easy to become excited about features found in homes out of your price range. Before you get your heart set on that big, tree-shaded colonial on the hill, you need to pin down your financial details. Only then will you know what you can afford.

Second, complete this list below. Please take a moment to decide what features are "Requirements" (location, number of bedrooms, eating space, architectural style, garage, etc...) and which features are "Extras" (fireplace, walk-in closets, wet bar, pool, siding, vaulted ceilings, deck, landscaping, etc...). There are many different features in homes that range from necessary to luxury. It is easy to get caught up in the excitement of a beautiful home loaded with amenities. It is important that you select a home that truly meets all or most of your requirements first and foremost!

As you tour homes, check back to this list to make sure the home meets your requirements. The extras should only come into play when you make your final decision between homes that meet all or most of your requirements.

REQUIREMENTS

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

EXTRAS

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____





Choosing the Right Neighborhood is as Important as Choosing the Right House!

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 Requirements List so they are not forgotten.

Neighborhoods have characteristic personalities designed to best suit single people, growing families, two-career couples, or retirees. Investigate to determine that the neighborhood in which you choose to look for a home matches your lifestyle and personality.

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?





Factors In Fair Market Value

A number of factors are considered to arrive at Fair Market Value:

- Location: Proximity to recreation, shopping, schools, etc., and desirability of surrounding community
- Condition: How well the property has been maintained
- Improvements and additions: Structural features, amenities, house and lot size
- Market direction
- Financing trends
- Price trends
- Year-to-date trends
- Current market conditions
- Total number of homes on the market
- Number of homes for sale in the neighborhood
- Average neighborhood price range
- Number of nearby competing properties
- Average list-to-sales price ratio
- Average market time
- Supply and demand: Current proportion of buyers and sellers





Five Items To Negotiate In An Offer

Price

Terms

Inclusions

Possession

Contingencies

We'll work through all of these together!

That's My Commitment to You!





Whenever An Offer To Purchase A Property Is Presented...

As your representative, I will be present. Together we will discuss all aspects of the offer to purchase your property including such details as:

- Earnest money deposits
- Approximation of Buyer's cost at closing
- Price and terms
- Personal Property (Items Not included as a part of the sale)
- Type of financing
- Title transfer and possession date

From Contract Acceptance To Closing...

I will be there to coordinate the entire transaction. And, I will guide you through the final steps of the transaction which may include:

- Ensuring you have received all documents pertinent to the transaction
- Keeping you informed of all inspections and reports
- Making sure all contingencies are met or removed within the time limits provided
- Answering any questions the appraiser may have
- Following-up on financing





How to Choose a Good Inspection Company

Is an inspection necessary?

You have the right to request an inspection of any property you are thinking of purchasing by a professional inspector of your choice. You should always exercise your option to have the physical condition of the property and its inclusions inspected. Many of the more severe and expensive problems such as mechanical, electrical, structural, and plumbing are not noticeable to the untrained eye. If repairs are needed, you may be able to re-negotiate with the seller. A professionally conducted home inspection followed by a written evaluation is standard procedure in home buying because of increased buyer awareness and savvy.

Are inspectors licensed?

Since an increasing number of buyers are requesting property inspections, there has been a rapid increase in the number of people entering the inspection field. The State of Texas *does* require testing and licensing of inspectors whom all use standard reports.

What does an inspection entail?

A qualified inspector will follow Standards of Practice in conducting their inspection. The inspection consists of a physical inspection of the home with the purchaser present, followed by a written report detailing their findings. They report on the general condition of the home's electrical, heating, and air systems, interior plumbing, roof, visible insulation, walls, ceilings, floors, windows, doors, foundation, and visible structure. The inspection is not designed to criticize every minor problem or defect in the home. No home is perfect. It is intended to report on major damage or serious problems that require repair for the well being of the home and that might require significant expense. In Texas, a special concern is expansive soils. They can be destructive when water causes these high clay content soils to swell and exert upward pressure on foundation and driveway slabs. If improperly constructed, these structures can crown up in the middle.





More Inspection Information...

Buyer education is necessary

The primary purpose of the inspection is to educate the buyer to make an informed purchasing decision. The inspector should allow and even encourage the buyer to attend the home inspection. A good home inspector knows how the home's many systems and components work together and how to minimize the damaging effects of sun and water. The buyer's attendance of the inspection provides them with an over all idea of possible future repair costs and maintenance routines. This is valuable information, which could increase the life span, and perhaps the future selling price of the home.

Continuing education is important for inspectors

A competent home inspector is familiar with the latest construction materials, home building techniques, and professional equipment. Consumers should research whether prospective home inspectors actively monitor the changes in construction and real estate in order to keep their business practices current and professional. Members must meet annual continuing education requirements for this purpose.

Time and fee guidelines for the inspection

The time necessary to properly inspect a home, as well as the fee charged by an inspector, varies according to market location, the size, age of the home and the individual inspection company. However, you can expect that it will take an average of two to three hours to competently inspect a typical one-family, three-bedroom home, with an average cost of \$250 to \$500.

Beware of false claims

Consumers must be cautious in evaluating some of the claims made by people hoping to fill the growing demand for home inspection services. Many new companies request only an application fee. Some claim to offer certification but do not require exams or proven credentials. Still others boast engineering licenses as assurance of competence, even though the engineering license has nothing to do with home inspecting.

Inspection extras

Some inspectors may be qualified to provide other types of services with their inspection that go beyond the scope of the ASHI standards.





Home Warranty/Residential Service Contract 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 Residential Service Contracts

When you purchase a resale home, you can purchase a residential service contract that will protect you against most ordinary flaws and breakdowns for the first year of occupancy. You may, at your cost, renew the coverage for additional time after the first year is over. The Seller, as part of his overall package, may offer a residential service contract. If the Seller is not offering a residential service contract, Buyers may request in the contract, that the Seller provide them one, to ensure the buyer against covered defects in the home. Even with a residential service contract, you should have the home carefully inspected before you purchase it.

A home residential service contract will give you peace of mind, knowing that the major covered components in your home should be repaired if necessary. But remember that it is not a guarantee. Ask us for more details about residential service contracts.

WARRANTY/RESIDENTIAL SERVICE CONTRACT INFORMATION:

Company Name: _____
 Address: _____
 Contact _____ Phone Number _____ Fax Number _____
 Policy Number _____ Coverage _____ Exp. Date _____





Why Title Should Be Insured

Title insurance is a major expense when buying or selling real estate. I want you to know where your money is going and why it is being spent.

- A defective title may take away not only the house but also the land on which it stands. Title insurance protects you against such loss.
- A deed or a mortgage in the chain of title may be a forgery.
- A deed or a mortgage may have been signed by a person under age.
- A deed or a mortgage may have been made by an insane or an incompetent person.
- A deed or a mortgage may have been made under a power of attorney after the death of the principle and would, therefore, be void.
- A deed or a mortgage may have been made by a person other than the owner, but with the same name as the owner.
- A testator of a will might have had a child born after the execution of the will, a fact that would entitle the child to claim his share of the property.
- A will may have been revoked by the testator after it's execution.
- A conveyance of heir-at-law of a person supposed to have died without a valid will may be defeated by subsequent discovery and probate of a will.
- An heir or other person presumed dead may appear and recover the property.
- A judgment or levy upon which the title is dependent may be void on account of some defect in the processing.
- Unless you have the title insured, you cannot be sure you will never suffer loss through title disputes.
- Title insurance helps speed negotiations when selling.
- Title insurance can eliminate delays and technicalities when passing title on to another person.
- If your title is defeated you are reimbursed.
- The title company assumes the risk. You will have free defense in court.
- Claims constantly arise due to marital status and validity of a divorce.





FHA Basic Property Guidelines

- Paint Surfaces – Any defective (peeling) paint surfaces must be scraped and repainted with at least 2 coats of paint. Paint chips cannot be left on the property.
- Flooring – Torn, badly worn or soiled flooring must be replaced. Badly worn hardwood flooring must be refinished.
- Crawl Space – HUD prefers 18 inches crawl space however, less crawl space is acceptable if there is proof of adequate space to maintain plumbing and electrical sources under the house. (A Structural Engineer's report may be required if crawl space is less than 18 inches).
- Roof – The roof must have at least 2 years remaining economic life. If there are any indications of needed roof repairs, current or previous leaks, a roof inspection will be required.
- Windows – All windows must open and close properly. Any cracked panes must be replaced.
- Railing for Steps – If there are 3 or more step stringers then a railing will be required.
- Utilities – All utilities at the subject property must be connected at the time of the appraiser's appointment.
- Grading and Drainage – Water must have a positive flow away from the parameter of the foundation and no water pooling in the yard.
- Well, Individual Water Supply and Septic System – If water source is from a private well, a well water test must be provided. If the source is provided by a community water source, provide proof of service. If the subject property is on a septic system, a septic inspection will be required.
- Pest Inspection – Required on all government loans within 60 days of the loan closing.
- New Construction – The guidelines are basically the same however a 10 year warranty or 3 phase inspections are also required.
- Manufactured Homes – A Structural Engineer's report is required

** Please use this information as a general reference only. This material is not intended to be used as a replacement for the HUD handbook.





Now, Let's CLOSE Your Transaction!

What is a Real Estate “Closing?”

A “closing” is the meeting with the Buyer, Seller, and their agents (optional), a representative from the lending institution (optional) and title company wherein the actual transfer of title to the property occurs. The purchase agreement or contract you have 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. This meeting is also referred to as the settlement.

The Title Company transferring ownership of the property to you will prepare a new deed. 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.

What Should I do to Prepare for the Closing?

As previously mentioned, you should have already conducted any inspections, etc. you wish to have done on the property.

There are two kinds of title insurance. A lender or mortgagee's title insurance policy protects only the lending institution. Lenders require this type of insurance and require the borrower to pay for it. That does not mean that the borrower will receive its protection. An owner's policy is necessary to protect the owner against loss.

You will also 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 prior to closing.

What is an Escrow Account?

An escrow account is a neutral depository for funds that will be used to pay expenses incurred by the property, such as taxes, assessments, property insurance, or mortgage insurance premiums which come 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 come due, the lender pays them from the funds you have deposited into your escrow 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. You may also be required to refund items prepaid by the Seller. For example, if the Seller has paid the special assessments or taxes for that year, you may be required to refund the value of the months remaining in the year when you take possession of the property. An escrow fee is usually charged to set up the account.





A Moving Sale

A garage, yard, patio or moving sale is a great way to trade unwanted items for hard cash that you can use to offset your moving expenses.

Here are some proven pointers that will help you organize your sale:

- Check for any restrictions or permits that may be required.
- More is always better, so consider having a joint sale with one or more neighbors or friends.
- Weekends and Friday mornings are the best time to have your sale, but avoid holidays because many people go out of town or have commitments elsewhere.
- Hold the sale in a convenient place, like a garage or driveway so that people can see what is available for sale and they can easily come and go.
- To display what you've got, move your kitchen table out to the driveway if necessary, or use sawhorses with boards across them to make a table. Larger items can be placed about on the ground. Arrange items as you would in a store.
- Have enough cash on hand to make change. Price items in multiples of five (\$.25, \$.50, \$.75, \$2.50, etc.) to make giving change easy.
- Price the items cheaply enough to sell, because whatever you don't sell, you will either have to move with you or give away. A little is better than nothing.
- To advertise the sale, post signs around your neighborhood on telephone poles and at local grocery stores and laundromats. As well, run a small classified ad in your local newspaper. On Friday and Saturday mornings, some people read these exclusively. Make sure your signs and ad give the date, time and location.
- Post a "Cash Only" sign, and accept checks only from people you know.





A Moving Checklist

Address Change

- Post office, give forwarding address
- Charge accounts, credit cards
- Subscriptions (notice requires several weeks)
- Friends and relatives

Bank

- Transfer funds, arrange check cashing in new city
- Arrange credit references
- Empty safe deposit boxes

Insurance

- Notify company of new location for coverage: life, health, fire and auto
- Interim coverage if you are occupying home after closing

Utility Companies

- Gas, electric, water, telephone, garbage, cable tv, satellite and internet
- Get refunds on any deposits made

Delivery Services

- Laundry, newspapers, food services

Medical, Dental and Prescription Histories

- Ask doctor and dentist for referrals
- Transfer needed prescriptions, eyeglasses and x-rays
- Obtain birth records, medical records, etc.

Automobiles

- Verify requirements for auto licensing

Schools

- Find out the schools your children will attend and have their records transferred

Pets

- Ask about regulations for licensing, vaccinations, tags, etc.





And Don't Forget To:

- Empty freezer or use foods then defrost freezer and clean refrigerator
- Have appliances serviced for moving
- Check with your moving counselor concerning the following: Insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method, time of expected payment, and phone numbers where they can reach you
- Empty gasoline from lawn mower and discard any cleaning fluids that are flammable. The movers will not allow them to be packed.
- Label boxes that you will need right away
- Plan for special care needs of infants or pets
- Plan to have your car serviced for the trip

On Moving Day:

- Make hotel reservations if you are traveling for more than one day or you have to wait for the movers to arrive
- Take a local phone directory with you
- Carry enough cash or travelers checks to cover the cost of moving services and expenses until you make banking connections in the new city
- Carry jewelry and important documents yourself, or use registered mail
- Plan for transporting pets, they are poor traveling companions if unhappy
- Let close friends or relatives know the route and schedule you will travel including overnight stops; use him or her as a message headquarters
- Double check closets, drawers, shelves and cabinets to be sure they are empty
- Make sure everything is out of the attic
- Leave old keys needed by the new owner with your agent or the title company

At Your New Address:

- Arrange for someone to be at your new home when the moving van arrives
- Inspect everything before you sign your moving receipt and find out how many days you have to claim any possible damages
- Check on utility services
- Check pilot light on stove, water heater and furnace and have appliances checked
- Ask the post office for the mail they may be holding for your arrival
- Visit city offices and register to vote
- Register you car within five days after arrival in the state or a penalty may have to be paid when you get your new license plates
- Obtain an inspection sticker and your transfer motor club membership
- Apply for a new state driver's license
- Register children in school
- Arrange for medical services: doctor, dentist, veterinarian, etc.





Let's Adhere to "The Plan" To Secure Your Dream Home Quickly!

A successful real estate transaction hinges on numerous details involving deadlines that must be met so that you can move into your dream home as soon as possible. *Please respond quickly to these requests so that your transaction does not encounter problems.*

TO DO:

Loan Application (Application fee is due at this time): _____

Sellers Disclosure must be signed: _____

Set Inspection date and time: _____

Written notice due of all items from inspection that you wish to be repaired:

Negotiation of inspection repair items completed: _____

Title Commitment due: _____

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

Loan Approval _____

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. . . .





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.

Keller Williams Realty
Ken Pilkenton
6951 W. Virginia Pkwy., Suite 100
McKinney, TX 75071
972-562-8883 – Office
972-562-9490 - Fax
972-949-2322 – Voice Mail
kenpilkenton@kw.com

Mortgage Co./Loan Officer: _____
Phone: _____ Fax: _____
Address: _____

Inspection Co./Inspector: _____
Phone: _____ Fax: _____

Appraisal Co./Appraiser: _____
Phone: _____ Fax: _____

Insurance Co./Agent: _____
Phone: _____ Fax: _____
Address: _____

Title Co./Escrow Agent: _____
Phone: _____ Fax: _____
Address: _____

Moving Co./Contact: _____
Phone: _____ Fax: _____

