



HOME BUYING GUIDE



PJ Magin, CHLMS, GRI, SFR

Keller Williams Integrity Real Estate, LLC.

50 South Steele Street

Suite 700

Denver, Colorado 80209

303.921.7944

pjmagin@kwluxuryhomes.com

www.pjshouse.com



PJ MAGIN

Our homes are lifetime investments ranking highly among our client's most important financial investments. Moreover, our homes so frequently evoke personal memories of cherished family experiences that the impending sale of a home becomes an especially strenuous endeavor to my clients. It causes me to approach our task with special sensitivity, concern and professional competence.

Over and over, we at Keller Williams find that our policy of conducting a diligently prepared market analysis of the property and reviewing it in detail with the owner reduces the time spent on trial and error and leads to a faster sale, at a better price and with less inconvenience to my seller.

Thank you for this opportunity. Our presentation is a measure of the quality of service which you can expect from me until your home is sold.

MISSION STATEMENT

I base my business on honesty and trust. Helping people make a smooth transition to the next chapter of their lives. With my skills and knowledge I make it easy to get to the closing table.

EDUCATION

Rocky Mountain College of Art and Design
Bachelor of Science
Kaplan Professional School
80 hour Real Estate Course

WORK EXPERIENCE

Keller Williams Realty, Denver June 2010 - Present
RE/MAX Alliance, Westminster 2008-June 2010
RE/MAX Professionals, Lakewood 2003-2008

TRAINING COURSES

National Association of REALTORS® Ethics
Institute for Luxury Home Marketing
Contracts and Negotiations
HUD Laws and Regulations
Real Estate Marketing Principals
Seller & Buyer Mastery I & II

DESIGNATIONS

Certified Military Specialist
Certified Luxury Home Marketing
Specialist Designation (CLHMS)
Graduate Realtor Institute Designation (GRI)
Short Sales and Foreclosure Designation (SFR)

PROFESSIONAL SOCIETIES

National Association of REALTORS®

ACCOMPLISHMENTS

Certified 1st Degree Black Belt in Karate

AWARDS

Voted 2012-2014 Five Star Real Estate
Professional by 5280 Magazine
2012-14 Realtor® Round Table of
Excellence Award – Silver, Bronze
2012-14 Keller Williams Gold, Silver

SERVICES PROVIDED

Seller & Buyer Negotiations
Short Sale Negotiations
Comparative Market Analysis
Leasing Services

REFERENCES

Kat Sheldahl, Client (720) 315-1252
Sarah Coleman, Client (720) 254-1177
Jenn Morgan, Managing Broker (720) 810-2149



PJ is a fabulous Realtor! She pushed through an insane amount of obstacles with me and my husband while buying our current home. There were tons of issues with it being bank owned and with our lender, but she faced every obstacle with us and found ways to keep us on track when we had other interested buyers nipping at our heels to swoop in if our contract fell through. After a very long struggle, (none of it having to do with PJ or Keller Williams), we closed on our dream house and began our renovations to turn an old abandoned 1929 Colonial Revival home back to its fabulous glory! I can honestly say that through our ordeal, PJ is considered a friend of our family, not just an agent. She was just as invested as we were in the process. She was always keeping us posted on status of everything, and always checking in with us to see if we had questions or what else she could do to help us along. I recommend her to everyone I know! I could go on and on. I'm happy to provide additional commentary on our experience and how PJ helped us to anyone that has questions! - Sarah C.

PJ is an incredible agent. She is knowledgeable and patient. I have used PJ to buy and sell homes and would highly recommend her for either! - Candace H.

PJ was a blast to work with. She helped me sell & buy a house. I will recommend her to my friends and use her again if I am looking to buy another house. - Stephanie V.

PJ helped us find the perfect home for our family! Claire M.

PJ Magin always has the best interests of her customers at heart! She consistently follows through and will go to the ends of the earth to exceed her customers' expectations. Customer service is lacking in our world, but PJ makes you feel like you are number one. I am most impressed by PJ's honesty and incredible integrity. I wouldn't take my real estate needs to anyone but PJ Magin! - Katherine S.

WHY A BUYER AGENT IS A SMART MOVE

when buying new construction

Knowledge of Builders' reputations for quality & service

We can give you valuable input on what to expect from one builder to another. We have built strong relationship with Builders in the community.

Negotiating experience & skill

Builder sales people are trained to sell product and generate the highest profit for the builder. The actual degree of negotiability and potentially negotiable elements vary widely. A trained and experienced agent negotiating for you can make a difference.

Understanding the contracts

Principals to a transaction, including Builders, have the option of writing their own contract forms (using their lawyers) in lieu of using the forms approved by the Colorado Real Estate Commission. C.R.E.C. forms are consumer oriented, while the Builder's forms favor the Builder. I frequently request contract alterations and always make sure my clients understand all of the ramifications.

Running interference when things are not proceeding as expected

It is not unusual during construction for things to happen causing delays and sometimes even unexpected (or unwanted) changes in design and/or materials. Having an interloper can be invaluable to applying pressure on the builder without sacrificing your own rapport with them.

Assessing the viability of specific models and upgrades

Depending on the neighborhood, surrounding neighborhoods, market conditions and your short or long term objectives, etc. some models and upgrades are more prudent than others. This is a conversation better had with a savvy adviser who has your best long range goals in mind.

Bonus!

Using a Buyer Agent costs you absolutely nothing! Builders are happy to co-op as part of the arrangement that Realtors agree to expose their inventory to all of our Buyers. The Cooperation pays for everything.

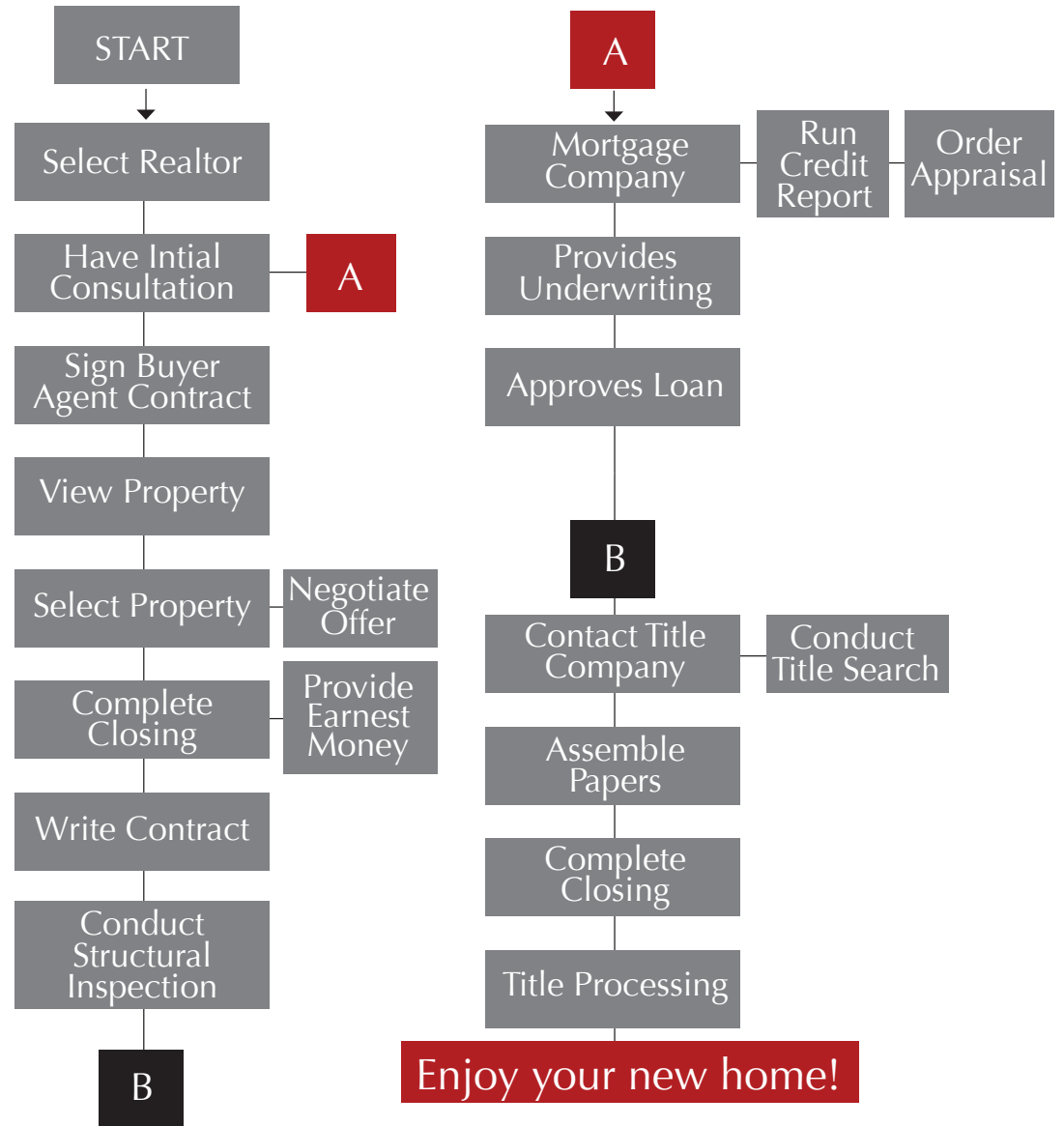
MY 10+ CUSTOMER SERVICE COMMITMENT

1. Provide you with 10+ customer service during the entire buying experience.
2. Organize and schedule your home search process.
3. Discuss the benefits and drawbacks of each home in relation to your specific needs.
4. Provide you with ongoing updates on available homes.
5. Help you to compare homes and make a decision.
6. Advise you on the terms and issues of the offer and fill out the purchase order contract.
7. Present your offer and negotiate on your behalf.
8. Coordinate and supervise the preparation of all closing documents and guide you through the closing process.
9. Help you resolve any closing issues.
10. Coordinate move-in and assist with any post closing issues.

Broker Signature _____

Date _____

THE HOME BUYING PROCESS



PRE-QUALIFY BEFORE YOU BUY

Before you begin to search for a new home, you need to determine how much you can afford. By getting pre-qualified before looking for a home, you will save yourself time, energy, and frustration because pre-qualification:

Determines How Much Home You Can Afford

Pre-qualification helps you avoid buying less home than you can afford or being disappointed if you don't qualify for as much as you had hoped.

Shows you What Your Down Payment Will Be

You will know approximately how much money you will need for your down payment and closing costs.

Lets You Know What Your Monthly Payment Will Be

You will know what your monthly payment will be for the loan without taxes and insurance, which are specific to the home you buy.

Identifies the Loan Programs for Which You Qualify

With the wide variety of loan programs now available, it is important to know those you qualify for and which will best suit your needs. The lender can also help you determine alternatives and strategies that can help you buy the home of your dreams.

In order to pre-qualify the lender needs to know the following information:

- Your employment history and income
- Your debts and obligations
- The amount and source of funds (for example savings, gifts) available for a down payment and closing costs.
- Your credit score

When you are pre-qualified by a lender, ask for a pre-qualification letter to give to your real estate agent. When you write an offer on a home, your agent will need to include your pre-qualification letter with your offer. The seller will be more likely to accept your offer when they know you are qualified to buy their home.

A pre-qualification letter from a lender is a must to present with an offer to purchase property. We will recommend lenders for you to contact for this process. Once the Purchaser's and the Seller's have agreed on the price and terms of a contract, the next step is the formal loan application. You will arrange an appointment with the lender you have chosen. A preliminary information form is completed with a loan originator. The loan originator's goal is to expedite all the necessary paperwork and information, including ordering a credit report and appraisal of the property. You will need to furnish the lender with the information as outlined in a separate sheet entitled 'LOAN APPLICATION REQUIREMENTS' on the document provided.

The information you provide the lender is strictly confidential. The application generally takes place at the lender's place of business or at your Realtor's office. All people who will be on the title as new owners should be present. The application normally takes about one hour. At this time you will be required to pay in advance for your credit report and the appraisal. The credit report is ordered through a credit reporting agency and will cost between \$5 and \$65. The appraisal is required by the lender to determine that the amount of the loan does not exceed the value of the property. The cost usually ranges between \$200 and \$500. These are, normally, the only charges required by the lender prior to closing. Your loan originator understands your concerns and is there to help with the approval of your loan. Feel free to ask questions at the loan application about anything that you do not fully understand. Also, you will receive a 'GOOD FAITH ESTIMATE OF CLOSING COSTS' at this time so you won't have any surprises at the time of closing. Total time from loan application to loan approval averages between 20 and 45 days or more, depending upon the loan type, market conditions, and/or the complexity of verifying the borrower's information and qualifications.

WHAT TO PREPARE BEFORE YOU APPLY FOR A LOAN

Lenders require a lot of documentation. It is a good idea to start collecting some of the documents you will need beforehand. To save yourself time and frustration during the loan process, start gathering all the documentation listed below as soon as possible.

For Your Residence History

- ✓ Your previous addresses for the last 2 years and how long you lived at each address.
- ✓ If you rent, your landlord's name and phone number for each residence you rented.

For Your Employment History:

- ✓ Names and addresses for all your employers for the last 2 years.
- ✓ The dates you worked at each place of employment
- ✓ A letter explaining any gaps in employment in the last 2 years
- ✓ Original pay stubs for the last 30 days
- ✓ Two years of W-2s
- ✓ Two years of 1040's and all schedules
- ✓ Year-to-date profit and loss statement and balance sheet (if self-employed)\Transcripts or a diploma if you were a student during the last 2 years.
- ✓ Copy of the most recent retirement, pension, Social Security, or disability check, (if applicable).

For All Savings, Checking, or Investment Accounts:

- ✓ Name and address for each financial institution and the account numbers.
- ✓ The current balance or value of individual accounts
- ✓ Three months of bank statements
- ✓ Three months of IRA, KEOUGH, 401K or profit sharing statements

For Personal Property You Own:

- ✓ The net cash value of your life insurance
- ✓ The make, year, and value of your automobiles
- ✓ The value of your furniture and other personal property

For Real Estate You Currently Own:

- ✓ Property address
- ✓ The estimated market value, outstanding loan balance, and monthly payment amount.
- ✓ Copies of all mortgage payments for the last 12 months if you have an Owner-Carry loan. If paid by check, copy front and back.



MORTGAGE LENDERS

Universal Lending	Brett Popish	(303) 668-5891
Cherry Creek Mortgage	Tom Schreiner, CML	(720) 200-6857
Public Service Credit Union	Jon Biggerstaff	(303) 639-2236

*This is a partial list of lenders available to finance home loans.
This list is provided only as a convenience.*

PRECAUTIONS AND THINGS TO CONSIDER DURING THE LOAN PROCESS

There are four major things to avoid doing before applying for a mortgage loan and during the course of the loan process. Any one of these can greatly impact your ability to qualify for a mortgage loan. Avoid doing any of the following until AFTER your loan has closed.

Do Not Change Jobs

Changing jobs before or during the loan process can create a real problem in your qualifying for a loan, particularly if that new job is in a different line of work or at a lower rate of pay. During the loan process, it can delay the loan process because your employment must be verified.

Do Not Switch Banks or Move your Money Around

Leave your money right where it is until your loan closes. Moving your money to a new bank or even into a new account can wreak havoc with the verification process. If you choose to move your money, please be prepared to provide additional paperwork to document the transfers.

Do Not Pay Off Bills

Your Loan Officer will advise you if you need to pay off bills to help your qualify for a loan. They will also advise you on how to pay off bills so that you have the evidence you need for each pay off. Some loans require that you have a reserve savings account. In some cases it is better to have some outstanding debt and a savings account rather than no debt and no savings.

Do Not Make any Major Purchases

Many borrowers make the mistake of buying a new car, furniture, or appliances without realizing the impact it can have on their ability to qualify for a mortgage loan. A new, large monthly payment can affect the amount of loan for which you qualify and, if made during the loan process, can make it extremely difficult to get your loan approved. Remember, even “six months same as cash” or “one year same as cash” purchases affect your ability to qualify for a new home loan.

If you cannot avoid doing one of the four things listed (even if you have been pre-qualified), contact your Loan Officer first. They can help you by re-qualifying you if necessary and advising you of your options.

A **HOMEOWNER'S INSURANCE POLICY**, also referred to as Hazard Insurance will be required to be brought to, and paid for at closing. This is true in absolutely all cases when financing of any type is involved. Even if you are paying cash for the home, and no one is requiring the insurance, it would be foolish not to protect your investment with a Homeowner's policy. There are many variables to consider in choosing which insurer and which policy best meets your individual needs and preferences. These variables should be carefully discussed with your insurance agent before selecting the policy you'll employ. Your Realtor will assist you in this process as well, if you wish.

For most of us, our home is our most valuable possession and our primary concern when we buy Homeowner's Insurance.

What does Homeowner's Insurance Cover?

Homeowner's Insurance generally covers damages to your home for: FIRE, SMOKE, WINDSTORM, EXPLOSION, TORNADO, HAIL, AIRCRAFT, VANDALISM, VEHICLE DAMAGE, LIGHTNING, ACCIDENTAL DISCHARGE OR OVERFLOW OF WATER OR STEAM, COLLAPSE, RIOTS, CIVIL COMMOTION, GLASS BREAKAGE (DWELLING ONLY), FALLING OBJECTS, THEFT. Verify these coverage's with your insurance agent & policy. Limitations may apply.

How much do I insure my home for?

Your home should be insured for 100% to replacement value, determined by using a Residential Building Cost Guide, calculated by your insurance agent.

What is dwelling replacement cost protection?

If you update the coverage on your dwelling and keep it as close to 100% of it's replacement as possible, then this provision allows your insurance to pay FULL replacement or repair – even if you fall short of the 100% coverage. This feature usually provides an extra measure of protection from financial disaster.

How is my personal property covered?

Your personal property is calculated by a percentage of what your house is insured for (usually 70% of the house amount). Additional coverage for jewelry & collectables may be purchased.

Is this also replacement coverage?

In some policies this coverage is automatic, but in others it is an additional coverage that costs a little extra. Your agent can tell you which type of policy you have.

Is this also mortgage life insurance?

NO. This insurance just covers your home and the personal belongings inside the house.

Besides our families and our health, there is nothing more important than the roof over our heads. It is our home, our shelter, our retreat. It is a haven where our family grows; a place to go when the sun sets, or the storm threatens. It is our most valuable asset, holding everything we hold most dear. That is why we need to protect our homes – to preserve the quality of life we cherish.

FINDING A HOME FOR YOU!

After your initial interview, we will have a fairly complete idea of your wants, needs, price range and location and will enter your requirements in the Multiple Listing (MLS) computer. From the thousands of listings in it's inventory, the computer will find a complete list of homes tailored just for you. We will make arrangements to show you those that seem the most suitable (i.e., condition, terms, etc.).

As you approach these homes, notice the condition of the roof, foundation, paint and landscaping. Observe the neighborhood – the condition of the other homes. Is the home on a busy street? Is there suitable parking? Are the schools close by? As you walk through the homes, feel free to open cabinets and closets if you wish. Most often the Sellers will be absent, but should they be present, they will understand your need to examine the home carefully. If the home appeals to you, make notes. It is easy to forget details. Often there will be a brochure available for you to take along to help you recall the home as you review your tour.

A list of MLS abbreviations, explaining the inclusions can be found in this package. If the appliances are to be included, check their condition.

Don't be surprised if the first home you see is the perfect one for you, and don't be discouraged if none of those you visit the first day are what you want. We are committed to finding the one that you will want to call "Home", and will work diligently until you find it!



DETERMINING VALUE

Value is a function of many things.

Location, Location, Location . . .

Locations above or below average should be compensated by price. Use sold data to determine if an appropriate price adjustment was made when the property was listed.

Condition

Same as location. Sellers will often make obvious repairs if asked for within the offer to buy or condition can be cited as reason for lower price offer. The inspection provision will protect you from latent defects. Consult your Realtor to strategize the purchase offer relative to concerns about the property's condition.

Style

Different styles command different prices per square foot. Some have greater overall demand than others or appeal to different types of buyers. Some styles are more expensive to build than others or require larger land resources thereby discouraging developers. These supply and demand factors have significant impact on prices.

Utility

Beware of Functional Obsolescence. A home which lacks characteristics which are basic or widely expected, i.e. a 4 bedroom home with only 1 bath, should be priced lower by at least the cost of adding (a bathroom) without diminishing the utility of the rest of the living space. Other such elements are garages, basements, dining rooms, yards, etc.. These factors are much more significant in the mid-to-upper price range homes.

CONTRACT TO PURCHASE

In negotiating the purchase of your new home, the initial step will be to instruct your agent to make an offer to purchase. This offer must be in writing and accompanied by an earnest money check to show good faith and a prequalification letter from your lender. The offer will include:

- 1) The amount you are willing to pay.
- 2) Financing terms.
- 3) Any personal property specifically included or excluded.
- 4) Title Insurance commitment date.
- 5) Closing and occupancy date.
- 6) Any contingencies, including obtaining of financing and building inspections.

Buyer and Seller agree on terms, the Buyer immediately notifies the lender of contract acceptance and arranges for building inspections. Your agent will assist you in these processes.

EARNEST MONEY DEPOSIT

So you will not be placed in an uncomfortable position when you offer to purchase a home, an understanding of the earnest money deposit is of the utmost importance.

At the time a written offer on a property is initiated, you will be required to include a personal check, cashier's check or cash. The amount deposited will be kept in the trust fund account of the listing real estate company and not turned over to the Seller. This money represents your sincerity in the attempt to purchase and is fully refundable if the offer is not accepted, or if your loan is not approved. You should anticipate paying anywhere from \$3,000 to \$10,000 or more for earnest money, depending on the price of the home. This earnest money will be deposited in an escrow account, and will be credited to you at closing as part of your down payment and/or closing costs.

TITLE INSURANCE

When property is sold or refinanced, the lender and/or Buyer needs a preliminary title report to see exactly what liens and encumbrances are against the subject property. Items that a preliminary title report shows:

- 1) Easements of record, if any.
- 2) Restrictions, covenants and conditions.
- 3) Liens and/or judgments, if any.
- 4) Exact vested owner of record.

When the sale of the subject property is final, and the title company has recorded the necessary documents, they then will issue a policy of title insurance to the new lender and the buyer showing clear title to the property.

Buyers should investigate and consider additional endorsements to the title policy which may or may not involve additional expense. These endorsements provide added protection to the Buyer sometimes, the Seller other times, and in some cases other parties such as lenders and lien holders.

HOME INSPECTIONS AND THE REASONS YOU SHOULD OBTAIN ONE

As a prospective home buyer, are you sophisticated in identifying problem areas in your potential new home? Most of us aren't knowledgeable in identifying potential problem areas. You are in the process of making a very large investment – maybe the largest investment you'll ever make. For just a small investment now, you may save substantial money in the future. Can you afford to not have a professional home inspector survey the premises for the integrity of the internal and external components of the dwelling? Here are a few areas that home inspectors look at:

STRUCTURAL

Many home inspection organizations have set standards on certain areas of the home that the home inspector looks at to determine the integrity of the essential internal and external structural components. Home inspectors are not structural engineers but can identify visual defects in these areas requiring immediate repairs.

ELECTRICAL

Do the outlets all work? Does the house use fuses or is there a breaker box? Are there any visible signs of fraying on the wiring?

PLUMBING

Are there any leaks or annoying drips? Are all of the mechanical systems and fixtures working properly?

BUILT-IN APPLIANCES

Are they functioning properly?

SAFETY HAZARDS

Home inspectors are not environmental specialists, but they can identify many safety hazards or dangerous conditions.

MISCELLANEOUS

Other items may or may not be included in a standard home inspection. Some of these may be; septic systems, roofs, drainage problems, wood decks, patios or other exterior structures. Be sure and verify which, if any, of these items are included in your home inspection. Home inspectors provide a unique customer service in identifying existing problems, should there be any, and assisting in promoting and facilitating communication with the home seller. There are many home inspection companies to choose from. Please contact your Agent for a list of recommended inspection companies.

WE RECOMMEND THAT YOU ALWAYS OBTAIN A GENERAL HOME INSPECTION AS WELL AS SURVEYS AND INSPECTIONS IN SPECIALIZED AREAS BEYOND THE SCOPE OF THE GENERAL HOME INSPECTION.

Please acknowledge our recommendation for you to obtain an independent home inspection.

Buyer

Date

Buyer

Date



FAIR HOUSING

CIVIL RIGHTS OF 1866

The Federal Civil Rights Acts of 1866 states that, "all citizens of the United States shall have the same right, in every state and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold and convey real and personal property." This act makes it illegal to discriminate on the basis of RACE or NATIONAL ORIGIN in the sale, rental, or holding of all kinds of real property, both residential and commercial, and personal property.

FAIR HOUSING

The Federal Fair Housing Act prohibits discrimination based on RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP (both physical and mental), and FAMILIAL STATUS (families with children under 18 living with parents, a guardian or other persons with the consent of the parent; a pregnant woman; or someone seeking custody). This federal law covers residential buildings and land intended for residential occupancy, but does not cover commercial property. *Regulations: 24 DFR Parts 14, 100, 103-110, 115, and 121; architectural standards 24 CFR Chapter I, appendices II and III.*

EQUAL CREDIT OPPORTUNITY ACT

The Federal Equal Credit Opportunity Act makes it unlawful to discriminate in the granting of credit on the basis of RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, MARITAL STATUS, AGE, or because income comes from a public assistance program. *(15 USC 1961 et seq.)*

COLORADO LAWS

"Housing" includes both residential and commercial property. The Colorado Fair Housing Law prohibits discrimination based on RACE, CREED*, COLOR, RELIGION, NATIONAL ORIGIN, ANCESTRY*, SEX, MARITAL STATUS*, FAMILIAL STATUS (families with children under 18 living with parents, a guardian or other persons with the consent of the parent) or HANDICAP, EITHER PHYSICAL OR MENTAL. *(CRS 24-34-501 et seq., 24-34-301 et seq., 24-34-801 et seq. and Regulations: 3 CCR 708-1, 202.2, 60.1, 60.3, 80.1 and 80.11.)*

**Note: Creed, ancestry and marital status are not found in the Federal Fair Housing Act. Also note that housing providers may discriminate on the basis of marital status if they are complying with local zoning ordinances.*

CLOSING...CONGRATULATIONS!

Your Realtor has succeeded in finding you that special home. Your loan has been approved and, finally, the time has arrived! Now what happens?

The place and time of closing is arranged by the listing office and confirmed with all involved parties. The final figures are tallied and your agent informs you of the exact amount you will need to bring to closing. This must be in the form of cashier's check or certified check MADE OUT TO YOU. At the closing, the check will be endorsed over to the title company and they in turn will disburse the funds to ensure that there are no claims against the property except that of the lender who holds your loan.

There will be several forms to be signed by Sellers, Buyers, and the listing agent. These forms will be explained to you in detail. Feel free to ask questions about anything that is not clear to you. Relax! These are standard forms designed to protect you as well as the Seller and the Lender. As your Realtor I will be there to guide you through this last step, and you may bring your attorney if you desire. When everything is completed, the Seller will provide you with a key to your new home.

POSSESSION

The contract usually provides the Seller with 3 or 4 days to vacate the property. It is important that you contact the public service company, in advance, to give them your name and credit information so that the utilities will continue to be on. The title company will order the water meter reading and pay the Seller's final water bill. The title company will also have the water put into your name.

GOOD LUCK!

At best the Home Buying Process is complicated. We hope this handbook has taken some of the mystery out of it for you. With the help of your Keller Williams Realtor the process will be handled smoothly and efficiently.

LIST OF SERVICE PROVIDERS

COMPANY	SERVICE	CONTACT	MORE INFORMATION
A-1 Home Inspections	Inspections	Carmine Lombardo	720-690-0567
AAA Survey	Survey Company		303-519-7015
Accurate Lead Testing	Lead Based Paint Testing		970-224-4923
Carpentry/Remodeling	Carpentry/Remodeling	Doug Ryan	303-435-0050
Coyle Structural Inspections	Structural Inspections	Michael Coyle P.E.	303-745-5209
Crystal Clear Window Washers	Window Washing	Gary Rose	303-931-6850
Economy Floor Covering	Flooring	Barrie McDonald	303-908-2962
Elite Insurance Group, LLC	Insurance	Christy Mitchell	303-720-8049
Haymaker Services	Handyman Services	Bobby Haymaker	720-278-8241
Masonry		Scott Mosser	303-406-3068
Northstar Staging	Staging for Sale	Tina Bebe-Clark	303-472-3897
Now Heating & Air	HVAC	Sam Johnstone	303-521-8790
People Helpers	Professional Organizer	Luann Pesonen	303-902-7891
RDS Environmental	Radon Mitigation		303-444-5253
See Inside Sewer Scope	Sewer Scoping	Dan Echols	720-936-3279 www.seeinsidesewerscope.com
Stellar Electrical Services	Master Electrician	Yurii Wong	303-974-8858
SVM Staggs Morris, LLP	Real Estate Attorney	Matt Dillman	303-796-2626
Taylor Made Garage Doors	Garage Doors	Russ Taylor	303-287-7177
Thompson Tax Service	Tax Services	Charles Thompson	303-532-9038 thompson.charles@comcast.net
The Radon Guys	Radon Detection	Brad Creed	720-369-4063



GLOSSARY OF TERMS

ACCEPTANCE: Consent to an offer to enter into contract.

ADJUSTABLE RATE MORTGAGE: A loan that allows the lender to adjust the borrower's interest rate and payments at prescribed times and with prescribed limits.

AMORTIZED LOAN: A loan which is paid off 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 standard of FHA, VA, FHMA. Recent comparable sales in the neighborhood are the most important factor in determining value.

APPRECIATION: Increase in value due to any cause, but usually inflation.

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: 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 THE TITLE: Any condition which affects the clear title to real property.

COMPARABLE SALES: Sales which 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 OR 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.

EARNEST MONEY: Initial deposit made by the purchaser of real estate as evidence of good faith.

EASEMENT: A right to use the land of another.

ENCUMBRANCE: Anything which 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.

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.

EXCHANGE: The trading of an equity in a piece of property for equity in another.

FANNIE MAE: Nickname for Federal National Mortgage Corp. (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): The Federal Government agency which administers FHA insured loans.

FHA INSURED MORTGAGE: A mortgage under which the Federal Housing Administration insures loans made, according to its regulation, by approved lenders.

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.

GLOSSARY OF TERMS

.....continued

FREDDIE MAC: Nickname for Federal Home Loan Mortgage Corp. (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.

JOINT TENANCY: A type of joint ownership of property by two or more people with the right of survivorship. Requires the four unities of time, title, interest and possession.

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

LOAN TO VALUE RATIO (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: One type of document used to make property the security for the payment of a loan.

MORTGAGE INSURANCE PREMIUM (MIP): The consideration paid by a mortgagor for mortgage insurance either to FHA or a private mortgage insurance (PMI) company. This insurance protects the investor from possible loss in the case of a borrower's default on a loan.

MORTGAGEE: The lender of money or the receiver of the mortgage document.

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

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

ORIGINATION FEE: A fee or charge for work involved in the evaluation, preparation and submission of a proposed mortgage loan.

PREPAYMENT PENALTY: A fee paid to the mortgagee for paying the mortgage before it becomes due. Also known as pre-payment 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 the 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.

PJ Magin, CHLMS, GRI, SFR

Keller Williams Integrity Real Estate, LLC

50 South Steele Street

Suite 700

Denver, Colorado 80209

303.921.7944

pjmagin@kwluxuryhomes.com

www.pjshouse.com

9/27/2015

