



Your Home Buying Packet

*Putting the
Pieces
Together!*



YOUR HOME-BUYING PACKET

A Complete Guide to the Home-Buying Process

Welcome! You are about to embark on the exciting journey of finding your ideal home. Whether it is your first home or your tenth home, a retirement home or an investment property, I will make your home-buying experience fun and exciting. I can help you find the ideal home with the least amount of hassle; and I am devoted to using my expertise and the full resources of my office to achieve these results!

Purchasing a home is a very important decision and a big undertaking in your life. In fact, most people only choose a few homes in their lifetime. I am going to make sure that you are well equipped and armed with up-to-date information for your big decision. I am prepared to guide you through every phase of the home-buying process. This packet gives you helpful information during and after your transaction. Use its reference pages, note pages and agency explanations as an invaluable guide on your home-buying journey.

Please keep this packet with you during your home-buying process. There are pages that contain important phone numbers and dates and areas for notes to help you stay organized.

So let's take an exciting journey together! I look forward to meeting your real estate needs every step of the way!

Connie Taylor

Keller Williams Realty



ABOUT KELLER WILLIAMS REALTY

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

Keller Williams® Realty was founded in Austin, Texas in 1983 with the specific premise that buyers and sellers deserve the best service for their real estate needs. For more than 25 years that founding premise has been a major factor in the continued growth of Keller Williams® across North America. Two visionaries lead Keller Williams® Realty – Gary Keller, founder and Chairman of the Board, and Mo Anderson, Chief Executive Officer.

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

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

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

Win-Win, or no deal
Integrity, do the right thing
Commitment, in all things
Communication, seek first to understand
Creativity, ideas before results
Customers, always come first
Teamwork, together everyone achieves more
Trust, begins with honesty
Success, results through people



☞ Connie Taylor ☞

I credit my work ethic to my success in life. I worked as a child on a ranch with my parents and grandmother. This experience taught me basic business skills like to track cattle investments, hire the right people with work ethics, and to work as a group to accomplish a goal. In high school and college, I worked as a swimming instructor and in retail sales. This love of retailing is the reason I graduated from Texas Tech University with a degree in marketing/merchandising. After graduating from TTU, I worked in the fashion couture area of Sakowitz in Houston, TX. After marrying, Bob & I moved to San Antonio for 8 years where Bob completed a residency in cardio thoracic surgery and I worked as a buyer for Dillard's. Once we had children, I stayed home to raise them. After residency, the Taylor family moved to Amarillo, Texas. I volunteered in the community and schools until my children graduated from high school. I had always had an interest in real estate and decided this was the time to pursue this career. The professional & executive clients I have developed by putting my client's needs first have made me a highly regarded realtor in the area.

In my free time, I enjoy downhill and cross country skiing, and hiking. Naturally active, I also enjoy football, basketball, and biking.

My greatest accomplishment in life is having raised two great children. Clay is an attorney in Denver, CO and Jennifer is a hospital administrator. They are two awesome young adults!

About Connie

CONNIE TAYLOR – 806-236-1370

∞ MISSION STATEMENT ∞

I am a passionate and talented consultant dedicated to providing fiduciary real estate consulting and marketing services to my clients.

∞ VISION STATEMENT ∞

To be the Real Estate Consultant of choice.

∞ BUSINESS EXPERIENCE ∞

- Keller Williams Realty 2004-Present

∞ EDUCATION AND TRAINING ∞

- Keller Williams University Franchise Class
- Graduate REALTOR® Institute (GRI) certification
- Accredited Buyer's Representative (ABR®) certification
- EcoBroker certification
- Member NAR, TAR, AAOR
- KW Luxury Agent
- Guild Member, Institute of Luxury Marketing

∞ SECONDARY SPECIALTIES ∞

- Keller Williams Investor

∞ FAMILY ∞

- Married, Bob Taylor; 2 children, Clay and Jennifer

∞ HOBBIES ∞

- Hiking
- Skiing
- Spending time with my family
- Reading

WHY YOU NEED A REALTOR?

As a licensed real estate professional I provide much more than the service of helping you find your ideal home. Realtors® are expert negotiators with other agents, seasoned financial advisors with clients, 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 buying your home.

LET ME BE YOUR GUIDE —

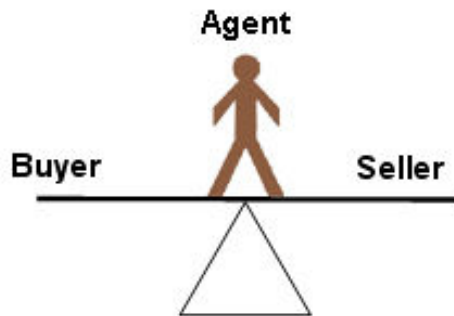
- As a knowledgeable Realtor® I can save you endless amounts of time, money, and frustration.
- As an informed Realtor® I know the housing market inside and out and can help you avoid the “wild goose chase.”
- As an experienced Realtor® I can help you with *any* home, even if it is listed elsewhere or if it is being sold directly by the owner.
- As an educated Realtor®, I know the best lenders in the area and can help you understand the importance of being pre-qualified for a mortgage. I can also discuss down payments, closing costs, and monthly payment options that suit you.
- As a well-informed Realtor®, I am an excellent source for both general and specific information about the community such as schools, shopping, and transportation - plus tips on home inspections and pricing.
- As a skilled Realtor®, I am experienced at presenting your offer to the homeowner and can help you through the process of negotiating the best price. I bring objectivity to the buying transaction, and I can point out the advantages and the disadvantages of a particular property.

And the best thing about me as your Realtor® is that all this help normally won't cost you a cent. Generally, the seller pays the commission to the Realtor®.

UNDERSTANDING AGENCY...

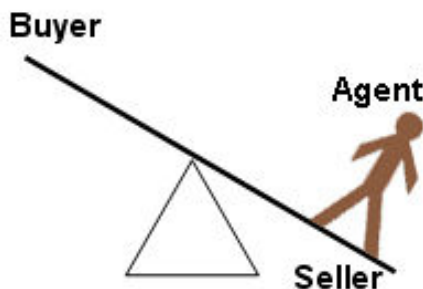
Who Works for Whom?

TRANSACTION BROKER (DUAL AGENCY)



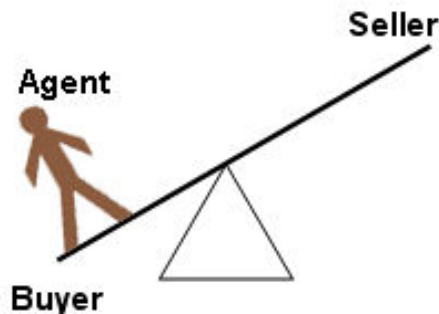
- Agent represents both the buyer and the seller equally
- Agent's objective is to get a mutually satisfactory agreement among all parties
- Agent gives all options to the buyer and the seller
- Depending on the local market, all parties may be present at contract presentation to negotiate on their own behalf
- All parties have confidentiality. Agent may do nothing to the detriment of either the buyer or the seller
- Both the buyer and the seller have a right to counsel. Before making any decisions, both parties have the right to seek family, religious, legal, or financial counsel.

SELLER AGENCY (SINGLE AGENCY)



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

BUYER AGENCY (SINGLE AGENCY)



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

In all relationships, as your agent I have a duty to act honestly with both the buyer and the seller.

ADVANTAGES OF A BUYER AGENCY AGREEMENT

YOUR INTERESTS ARE PROFESSIONALLY REPRESENTED —

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

I will take care of the hassles of everyday real estate transactions for you. I let 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 on your home!

YOU GET A PERSONAL SPECIALIST WHO KNOWS YOUR NEEDS —

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

YOU WILL QUICKLY AND CONVENIENTLY GET A GREAT HOME —

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

WHAT IS THE BUYER'S AGENCY AGREEMENT —

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

REASONS TO BUY A HOME

Quality of Life

Often, a home is the largest asset an individual has and is considered one of the most valuable investments available.

Tax Deductibility of Mortgage Interest and Property Taxes

Property taxes and qualified interest are deductible on an individual's federal income tax return.

Appreciation Potential

Even with the housing bust, Amarillo has still seen positive housing appreciation!

Deferred Gain and Capital Gain Treatment

A homeowner can exclude up to \$500,000 of capital gain tax if married and filing jointly or up to \$250,000 if single or filing separately. The home must have been the taxpayer's principal residence for the previous two years.

Beginning with May 07, 1997, there is no longer a requirement to purchase another home more expensive than the one sold. Homeowners are free to buy up or down with no tax consequences assuming their gain is less than the allowable amounts.

Principal Accumulation

A portion of each amortized mortgage payment goes to principal which is an investment.

Leverage

Where else can you buy this size of an investment with 3 ½ - 10% down?

Pride in Your Home

A home is one of the few investments that you can enjoy by living in it.

No Landlord

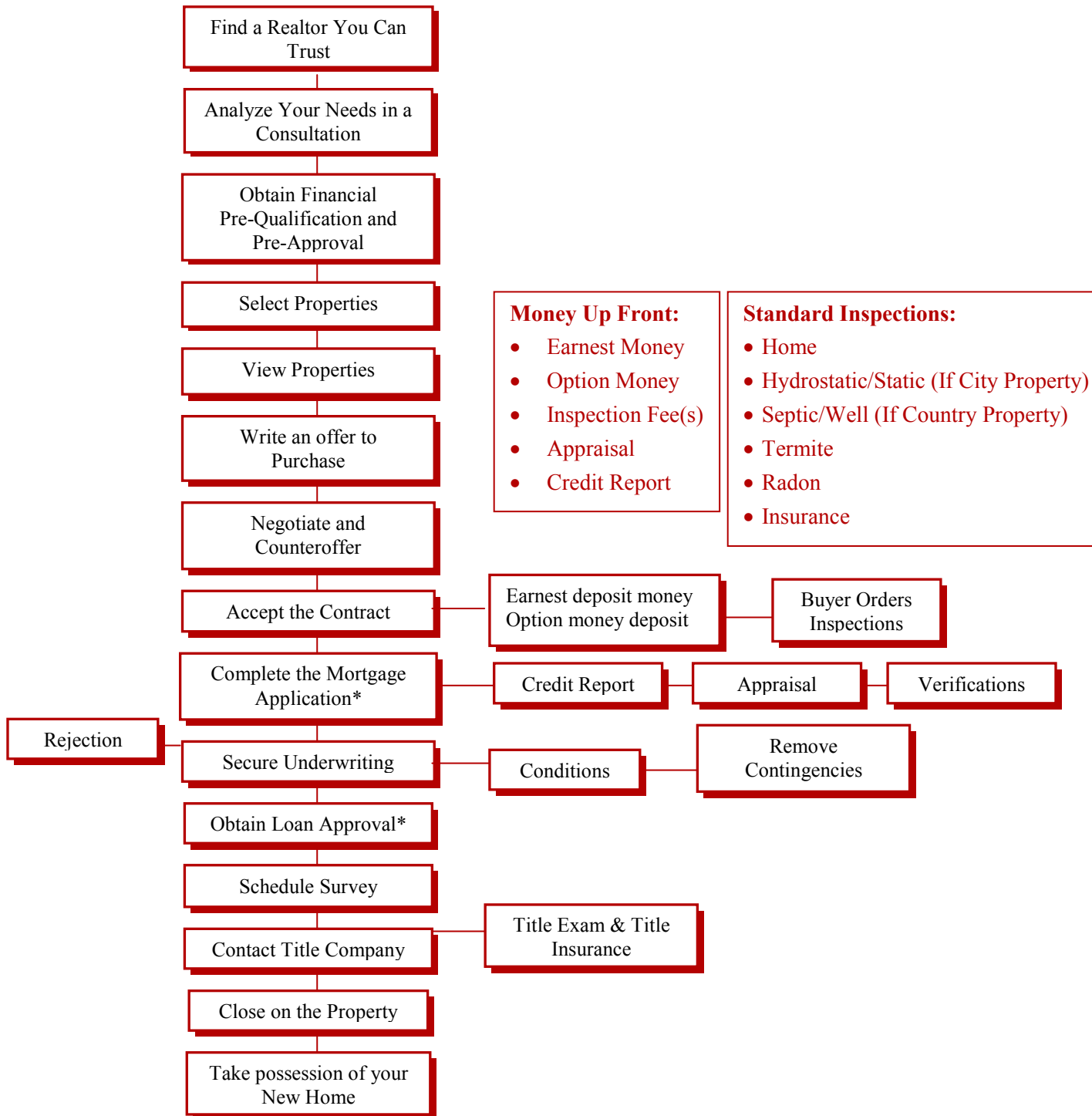
Make your own decisions about your home!

The Real Cost of Renting

At \$700 per month, with a 6% rental increase per year, you will pay \$110,719 over a 10 year period.

THE HOME-BUYING PROCESS

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



*If not already pre-approved

BEFORE WE BEGIN...

PRE-QUALIFICATION AND PRE-APPROVAL

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

Pre-qualifying will help you in the following ways:

1. You will know in advance about what your payments will be on offers you choose to make.
2. You won't waste time considering homes you cannot afford.

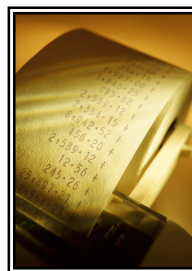
Pre-approval will help you in the following ways:

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

HOW MUCH HOME CAN YOU AFFORD?

There are three key factors to consider:

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



DOWN PAYMENT REQUIREMENTS:

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

CLOSING COSTS:

You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at the final settlement, unless you are able to include them in your financing. Typically, total closing costs will range between 3-10% of your mortgage loan.

QUALIFYING FOR THE MORTGAGE:

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

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

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

HOW MUCH CAN YOU AFFORD?

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

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

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

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

Add your monthly insurance premium and your property tax to your principal and interest to determine your total monthly payment. **I am providing this information as a guide. I strongly recommend that you contact your mortgage specialist.**

LOAN APPLICATION CHECKLIST

General:

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

Income:

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

Assets:

- Copies of all bank statements from checking/savings accounts (past 3 months).
- Copies of all stock/bond certificates and/or past statements/retirement accounts.
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 2 years). Bring proof of sale of properties sold.
- Childcare expense/support (name, address, phone number).

Other:

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

THE TEN COMMANDMENTS

When applying for a Real Estate Loan

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

THE ROAD MAP TO YOUR HOME!

NARROWING THE SEARCH

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

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

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

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

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

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

During the home search, I will...

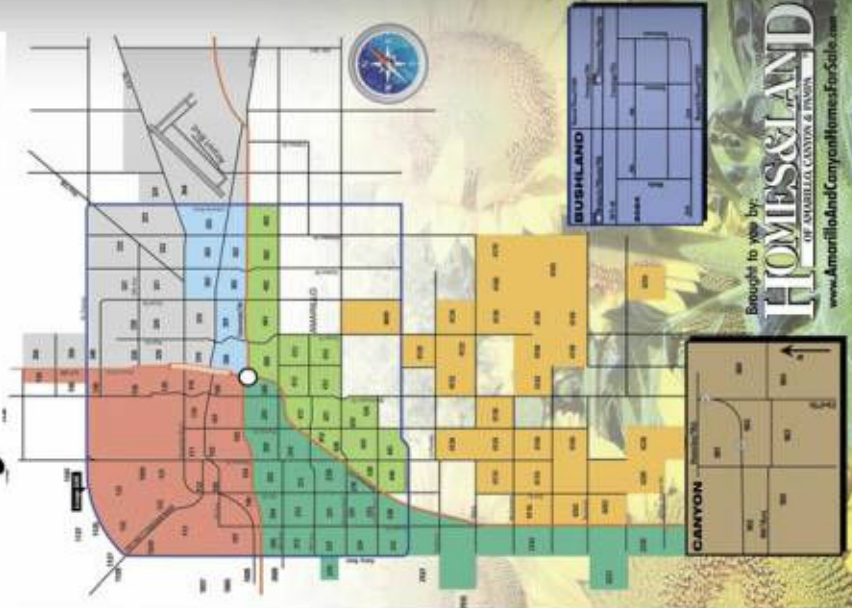
- Discuss the benefits and drawbacks of each home in relation to your specific needs.
- Keep you informed on a regular basis.
- Check the MLS database and with other real estate professionals regularly for new listings.
- Prepare a list of all homes that best meet your needs and wants.
- Keep you up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

HOME SEARCH CRITERIA

GENERAL INFORMATION	
Name:	_____
Current Street Address:	_____
City/State/Zip:	_____
Home Phone: _____	Business Phone: _____
Email: _____	
TIME LINE INFORMATION	
Deadline for Locating a Home:	_____
Required Move In Date:	_____
NEEDS ANALYSIS	
Family Size: _____	Adults: _____ Children: _____
Need-to-Have features:	_____
Nice-to-Have features:	_____
Area Preferred:	_____
Price Range: From: _____	To: _____
Approximate Square Footage:	_____
Prefer: _____ Home _____ Condominium _____ Town home _____ Duplex/Triplex _____	
Other _____	
Approximate age of Home:	_____
Style:	_____
Bedrooms: _____	Bathrooms: _____ Garage: _____
Important Features:	
____ Den	____ Porch
____ Family Room	____ Patio
____ Formal Dining Room	____ Workshop
____ Combination Dining Room	____ Drapes/Blinds
____ Wooded Lot	____ Carpet
____ Air Conditioning	____ Public Transportation
____ Swimming Pool	____ Utility Room
____ Fireplace	____ Breakfast Area
Other: _____	
SCHOOL REQUIREMENTS	
Elementary School:	_____
Middle School:	_____
High School:	_____
PRESENT HOME INFORMATION	
_____ Sold _____ Listed _____ Not Listed	
If not sold or listed, may I have a cooperating broker assist you?	_____
Approximate down payment available:	_____
Source of down payment:	_____

LOCATION

Amarillo and Canyon area map



NORTHWEST

- 100 Plominas
- 101 Biscuits
- 103 Sunset/Westview
- 104 Arroyo
- 105 Country Club II / Arroyo
- 106 Owners
- 107 Ridgeview Medical Center
- 110 Wild Horse Lake
- 111 San Jacinto
- 112 West Hills
- 113 Quail Creek
- 120 North Heights
- 122 Lakeside Terrace / LaPaloma
- 123 Westhill
- 130 Thompson Park
- 133 The Woodlands
- 140 Pleasant Valley West
- 150 River Road West
- 1004 Walnut Hills
- 1028 Indian Hills
- 1037 Eagle Tree
- 1039 Toncacha
- 1064 Buckhorn North
- 1065 Two Deer Park
- 107 Mesquite Acres
- 109 River Road West / Country
- 111 Rolling Hills
- 112 West Side Gardens
- 113 Broadway Acres
- 118 Appaloosa
- 119 Choptank Hills
- 125 Cliffside
- 127 Bishop Hills
- 129 Tozoso Hills
- 137 Tozoso Hills
- 145 Tierra Grande
- 1396 Valle De Oro
- 2054 Bushland South

SOUTHWEST

- 200 Oliver Fields / AC
- 201 Wolfen
- 202 Lawrence Park
- 203 Olson
- 204 Belmar
- 205 Puckett West
- 206 Home Depot
- 210 Repurchase / Moys
- 211 Puckett
- 212 Sleepy Hollow
- 213 Sakura
- 214 Western Plateau
- 220 City Park
- 221 Colonias
- 222 Colonias West
- 223

SOUTHWEST

- 230 Glendale
- 231 Southpark/Windor
- 233 Encino
- 234 Hillside Terrace
- 235 Westover
- 240 Westover Village
- 241 1-27 Theater
- 250 L-40 West Acres
- 2026 Coulter Acres
- 2039 Christy
- 2070 Grey Hawk
- 2127 Boothright Trw
- 2133 Sherman Acres / Back Acres
- 2141 Lake Ridge
- 2224 Dove Landing
- 2227 Dove Prairie / Eagle Point
- 2230 High Country Estates
- 2330 Umbarger
- 2380 Canyon North
- 2438 Canyon Country Club

NORTHEAST

- 300 Santa Fe Station
- 301 Fairgrounds
- 302 Serrita
- 303 Big Texan North
- 3104 A. R. Glenn
- 3123 River Road Gardens
- 3125 North Loop Village
- 3136 Mesilla Park
- 3165 Golden Acres
- 304 Amarillo Airport
- 310 Stockyards
- 320 North Amarillo
- 321 Martin Road
- 322 Enbridge
- 323 Whiteaker East
- 324 Folsom Acres
- 330 Headset
- 331 Mesa Verde
- 332 Park Terrace
- 340 Pleasant Valley East
- 350 River Road East

SOUTHEAST

- 400 Ross Post Office
- 401 Larneddale
- 402 Oakdale
- 403 Big Texan South
- 410 McCarty
- 411 Southtown North
- 412 Gables
- 413 Tradewinds
- 414 Woodhill Acres

SOUTHEAST

- 420 S. Georgia / Shores
- 421 Southtown South
- 430 Crabman
- 431 Western Business Park
- 433 Fairbridge / Pleasant Run
- 440 Hollywood
- 441 City View
- 450 Rosdell High
- 4038 Merrido / Creekview
- 4049 Grand Ave Estates
- 4051 Lanesome Dove
- 4114 Western Estates
- 4118 Canyon Ridge
- 4119 Lakeside Estates
- 4128 South Fork
- 4130 Sandown Acres
- 4132 Holiday South
- 4133 Osage Acres
- 4134 Southland Acres
- 4135 McMurtry Acres
- 4136 Green Area Farms
- 4139 Branch Acres South
- 4142 Hamilton Farms
- 4144 Tangipaino Estates
- 4145 Mesatierra Park
- 4148 Timbercreek Canyon
- 4149 Palisades
- 4160 Richland Acres
- 4165 Lake Templewood
- 4170 River Falls
- 4180 Pullman Acres
- 4203 Rockwell Acres
- 4209 White Fence Farms
- 4230 Palo Duro
- 4238 Deer Ridge
- 4255 The Canyons
- 4273 Sunday Canyon

CANYON

- 901 Hamley Hills
- 902 Westside
- 903 Hidden Val / Orig Town
- 904 E Canyon

Brought to you by:

HOMES & LAND

OF AMARILLO CANYON & PLAINS

www.AmarilloandCanyonHomesForSale.com

WORKING WITH HOME BUILDERS



A REALTOR can usually show you any home whether it is listed with a company, a builder, or even a For Sale By Owner home.

WHY USE AN AGENT TO PURCHASE A NEW HOME?

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

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

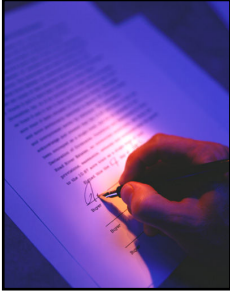
The builder has a professional representative watching out for his/her needs, and you need the same expert representation.

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

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

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

MAKING AN OFFER



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

To communicate your interest in purchasing a home, we will present the listing agent with a written offer. When the seller accepts an offer it becomes a legal contract. When you write an offer you should be prepared to pay an earnest money deposit. This is to guarantee that your intention is to purchase the property.

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

The step-by-step contract procedure for most single-family home purchases is standard. The purchase agreement used is a standard document approved by the Texas Real Estate Commission.

The purchase agreement or contract constitutes your offer to buy and, once accepted by the seller, becomes a valid, legal contract. For this reason, it is important to understand what is written on the contract offer. Feel free to request a blank one at any time, and I'd be more than happy to send you one and go over it with you to make sure you understand this important document.

BEHIND THE SCENES

WHAT HAPPENS NEXT?

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

Earnest Money – An agreement to convey starts the process once it is received at the Title Company. Once you submit the loan application, it is usually subject to a credit check, an appraisal, and sometimes a survey of the property.

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

Title Search – Copies of documents are gathered from various public records: deeds, deeds of trust, various assessments and matters of probate, heirship, divorce, and bankruptcy are addressed.

Examination – Verification of the legal owner and debts owed.

Document Preparation – Appropriate forms are prepared for conveyance and settlement.

Settlement – An Escrow Officer oversees the closing of the transaction: seller signs the deed, you sign a new mortgage, the old loan is paid off and the new loan is established. Seller, Realtors, attorneys, surveyors, Title Company, and other service providers for the parties are paid. Title insurance policies will then be issued to you and your lender.

Title Insurance - There are two types of title insurance:

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

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

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

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

CONTRACT CHECKLIST

<input checked="" type="checkbox"/>	<input type="checkbox"/>	Order Termite Inspection
	<input type="checkbox"/>	Order Home Inspection
	<input type="checkbox"/>	Notify Landlord (If Needed)
	<input type="checkbox"/>	Order Insurance Policy
	<input type="checkbox"/>	Transfer Utilities
	<input type="checkbox"/>	Order Telephone Service
	<input type="checkbox"/>	Make final walk through
	<input type="checkbox"/>	Schedule appointment with movers
	<input type="checkbox"/>	Make extra keys/change locks
	<input type="checkbox"/>	Order extra home services (cable, satellite, internet, etc)
	<input type="checkbox"/>	Order new checks
	<input type="checkbox"/>	Change driver's license/credit cards

HOME WARRANTY PROTECTION

NEW HOME WARRANTIES —

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

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

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

RESALE HOME WARRANTIES —

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

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

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

HOME INSPECTION

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

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

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

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

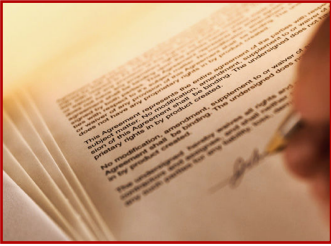
The seller may be willing to negotiate completion of repairs or a credit for completion of repairs, or you may decide that the home will take too much work and money. A professional inspection will help you make a clear-headed decision. In addition to the overall inspection, you may wish to have separate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

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

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

WHAT IS A REAL ESTATE CLOSING

WHAT IS A REAL ESTATE “CLOSING”?



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

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

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

WHAT IS AN ESCROW ACCOUNT?

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