Concierge Sheet

Name: ____

Spouse/Significant Other's Name: ____

Mailing Address: ____

City: ________________________ State: _____________________ Zip: _______________

Phone Numbers: YOU home: SPOUSE/SO home:

work: ____________________ work:______________________

mobile:___________________ mobile:_____________________

fax:______________________ fax:_______________________

E-mail:

You: ____

Spouse/SO:____

SPECIAL DATES	Month	Day	Gender	Name
Your Birthday				
Spouse/SO Birthday				
Child/Pet #1 Birthday				
Child/Pet #2 Birthday				
Child/Pet #3 Birthday				
Child/Pet #4 Birthday				
Wedding Anniversary				

My spouse/Significant other/Friend would consider me (please circle one)

Straight-to-the-point Outgoing & Social Steady & Dependable Cautious & Perfectly accurate

I would consider my spouse/significant other to be (please circle one)

Straight-to-the-point Outgoing & Social Steady & Dependable Cautious & Perfectly accurate

FAVORITE THINGS	You	Spouse/Significant Other	Children
Restaurant for lunch			
Restaurant for dinner			
Sport/Hobby			
Favorite Beverage			
Charity, Cause, or Church			
Dessert			
Music groups (Rolling Stones)			
Actor/Actress			
Sport team			
Author or reading subject			

How would you like to be rewarded for your referrals*?

____

Step by Step…
The Buying Process

Find a Realtor® you can trust…

The First Step…

In the home buying process is to 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…

Is to look at various homes. (Agent's name) is available by appointment at your convenience 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. (Agent's name) has extensive experience in contract negotiations. He/She 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 are "in escrow." You want to make sure every detail is handled accurately and immediately. (Agent's name) will ensure your home closes properly and on time.

Inspections

You're on 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!

Signing the Loan Documents

Finalizing the Lender's Commitment…

Be prepared to bring your checkbook to the closing procedure – the next steps you will take will be over the threshold of your new home!

Now it is YOURS!

The Next Step Will Be Into Your New Home…

After the Deed is recorded, pick up the keys and move into your new "Home, sweet Home!

GENERAL INFORMATION

Name: ____________________

Current Street Address: ____________________

City/State/Zip: ____________________

Home Phone: ____________________ Business Phone: ____________________

Email: ____________________

NEEDS ANALYSIS

Family Size: Adults: ____________________ Children:

Need-to-Have features:

Nice-to-Have features:

Area Preferred: ____________________

Price Range: From: ____________________ To: ____________________

Prefer: ______ Home _______ Condominium _____ Town home _____ Duplex/Triplex

______Other ____________________

Approximate age of Home: ____________________

Style: ____________________

Bedrooms: ____________ Bathrooms: ____________ Garage: ____________

Important Features:

____Den

____Family Room

____Formal Dining Room

____Combination Dining Room

____Wooded Lot

____Air Conditioning

____Swimming Pool

____Fireplace

____Porch

____Patio

____Workshop

____Drapes/Blinds

____Carpet

____Public Transportation

____Utility Room

____Breakfast Area

Other: ____________________

SCHOOL REQUIREMENTS

Elementary School: ____________________

Middle School: ____________________

High School: ____________________

PRESENT HOME INFORMATION

Approximate down payment available: ____________________

Source of down payment:

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.) down payment, 2.) your ability to qualify for a mortgage, and 3.) closing costs associated with your transaction.

Down Payment Requirements:

Most loans today require a minimum 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 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 you extra cash liquid and available 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 signing loan documents, unless you are able to include these in your financing. Typically, total closing costs will range between 2 - 5% of your mortgage loan. A more detailed schedule is included herein in the section detailing your closing.

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… PITI. These items are discussed in detail on the page entitled, "Predicting Your Monthly Payment (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 33-38% 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: TRW (1-800-422-4879), Trans Union (1-602-933-1200), and CSC Credit (1-800-759-5979).

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.

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 do not get forgotten.

Neighborhoods have characteristic personalities. Investigate to determine that the neighborhood in which you choose to look for a home matches your lifestyle and personality.

Scout out the Neighborhood!

It is important that you scout the neighborhood in person. You live in more than your house. Talk to people who live there. Drive through the entire area at different times of the day, morning, afternoon, evening, and late at night, as well as going during the week and on weekends. Look carefully at how well other homes in the area are being maintained; are they painted, are the yards well cared for; are parked cars in good condition, etc.

Neighborhood Factors to Consider --

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

LOAN APPLICATION CHECKLIST

☑ General:

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

☑ Income:

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

☑ Assets:

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

☑ Creditors:

- Credit cards (account numbers, current balances, and monthly payments).
- Installment loans (car, student, etc.) 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.

Buyer Upfront Costs to Buy a Home

When buying a home there are certain upfront costs that you will need to budget for. These upfront costs are all related to the home buying process. The costs below are strong estimates of what you will be expected to pay.

Earnest Money
A deposit made to a seller showing the buyer's good faith in a transaction. Often used in real estate transactions, earnest money allows the buyer additional time when seeking financing. Earnest money is typically held jointly by the seller and buyer in a trust or escrow account.

Typical earnest money deposit - $500 - $1,000

Appraisal Value
An evaluation of a property's value based on a given point in time that is performed by a professional appraiser during the mortgage origination process. The appraiser is usually chosen by the lender, but the appraisal is paid for by the borrower.

Current price for an appraisal - $400

Inspection
A thorough investigation of a home by a licensed inspector to discover any issues or repairs that need to be made before buying the home. Once an offer reaches mutual acceptance

Mutual Acceptance
The point when both the buyer and seller agree on the price and terms of a deal.

Current price for an inspection - $350-$450

Higher price point homes are going to be more.

Home Owners Insurance
A form of property insurance designed to protect an individual's home against damages to the house itself, or to possessions in the home. Homeowners insurance also provides liability coverage against accidents in the home or on the property. Lenders want a year of insurance paid at or before closing.

Typical home owners insurance- $500 and up

Home owners insurance is based on appraised value of the home and land.

Down payment
A type of payment made in cash during the onset of the purchase of an expensive good/service. The payment typically represents only a percentage of the full purchase price; in some cases it is not refundable if the deal falls through. Financing arrangements are made by the purchaser to cover the remaining amount owed to the seller.

Typical down payment - 3.5% - 10% of the purchase price of the home

FHA loan financing - 3.5%
Conventional - 5.0% - 10% - typically it is 5%

Closing Costs and Escrows
Fees and expenses, over and above the price of the property, incurred by the buyer and/or the seller in the property ownership transfer. Examples are title searches, lawyers fees, survey charges, deed filings fees, and title insurance to name a few. These fees are also call settlement costs

Closing cost fees - 3.5% of the loan amount

Escrow Account
What it is and how to calculate it?

Escrow- A trust account held in the borrowers name to pay obligations such as property taxes and insurance premiums

Escrow Accounts commonly asked questions

RESPA and Escrow Accounts in General

Section 10 of the Real Estate Settlement Procedures Act (RESPA) limits the amount of money a lender may require the borrower to hold in an escrow account for payment of taxes, insurance, etc. RESPA also requires the lender to provide initial and annual escrow account statements. The additional escrow account regulations became effective in October 1997.

What is covered under RESPA

Does RESPA require borrowers to maintain an escrow account?

NO. It is the lender's decision whether the borrower must maintain an escrow account for the purpose of paying taxes and other items. The HUD regulations only limit the maximum amount that a lender can require a borrower to maintain in an account.

About Escrow Account Cushions

Does RESPA require lenders to maintain a cushion?

NO. The RESPA statute and regulations **do not require** the lender to maintain a cushion. However, since 1976 the RESPA statute has **allowed** lenders to maintain a cushion equal to one-sixth of the total amount of items paid out of the account, or approximately two months of escrow payments. If state law or mortgage documents allow for a lesser amount, the lesser amount prevails.

The accounting method generally requires borrowers to maintain lesser amount in the account than the single-item method predominately used by lenders. However, many lenders have recently increased the escrow account cushion to the maximum allowed by law.

The regulations require lenders to reduce the size of the cushion in some accounts. Unfortunately, to avoid customer disapproval, some lenders may be giving their customers the impression that the HUD regulations require them to make this increase. This is a false impression. The lender, not HUD, has chosen to increase the cushion.

Can HUD require lenders to pay interest on escrow accounts?

NO. In 1992 and 1993, legislation was introduced in Congress that would have required lenders to pay interest on escrow account balances, but it never passed. Some states do require interest to be paid on escrow account funds, but many do not.

Figuring Escrow Accounts

How do I figure how much money the lender is allowed to require in my escrow account?

HUD **cannot** figure out your own escrow account cushion and payments. Please use the following steps and example to help you estimate the amount of money you may be required to put into your own escrow account, either a new or existing account, under aggregate accounting:

1. List all the payment amounts for items that will be paid out of your escrow account, and when paid, for the next 12 months (e.g., taxes- $1200 -- $500 paid July 25 and $700 paid December 10; hazard insurance -- $360 paid September 20).

[If you have a payment like flood insurance, which is paid every 3 years, you must project a trial balance over that 3-year period.]

- Divide this total amount by 12 monthly payments ($1560 divided by 12 = $130).
- Create a trial running balance for the next 12 months listing all payments to the escrow account and all payments out of the account, when these items are paid.
- Increase all the monthly balances to bring the lowest point in the account (December -$780) up to 0.

	pmt	dis	3) bal	4) bal
Jun	-	-	0	780
Jul	130	500	-370	410
Aug	130	0	-240	540
Sep	130	360	-470	310

Oct	130	0	-340	440
Nov	130	0	-210	570
Dec	130	700	* -780	* 0
Jan	130	0	-650	130
Feb	130	0	-520	260
Mar	130	0	-390	390
Apr	130	0	-260	520
May	130	0	-130	650
Jun	130	0	0	780

Add any cushion your lender requires to the monthly balances. The cushion may be a maximum of 1/6 of the total escrow charges (1/6 of $1560 = $260).

	pmt	dis	bal
Jun	-	-	1040
Jul	130	500	670
Aug	130	0	800
Sep	130	360	570
Oct	130	0	700
Nov	130	0	830
DEC	130	700	* 260
Jan	130	0	390
Feb	130	0	520
Mar	130	0	650
APR	130	300	780
May	130	0	910
Jun	130	0	1040

In this example, $1040 is the maximum amount the lender should require in the account. The account should fall to the cushion at least once during the year. In this example, it is in December ($260).

New Accounts -- In this example, if you settled May 15, and the first payment was due in July, $1040 would be the maximum amount you should be required to place in an escrow account. If your lender requires less than the maximum cushion, the amount would be less.

Existing Aggregate Accounts -- In this example, during escrow analysis, the lender would compare the required amount of $1040 to the actual balance in your account in June. For example:

If your balance is $1076, there is a surplus of $36. Your lender may choose to apply any surplus less than $50 to future payments, reducing your monthly escrow payment to $127, or may choose to return the surplus to you.

If your balance is $1090, there is a surplus of $50. The lender must return any surplus of $50 or more to you within 30 days of the analysis.

If your balance was $940, there is a shortage of $100. This amount is less than one month's escrow payment and the lender may ask you to pay this amount within 30 day or may spread it out over a year.

If your balance was $800, there is a shortage of $240. The lender must spread the collection over at least 12 months. If the lender spreads the shortage over 12 months, your monthly escrow payment would increase to $150.

If you have a deficiency in your account (where the lender has to use his own funds to pay a bill), you may have to reimburse the lender sooner than over 12 months. If the deficiency is less than one monthly escrow payment, you may have to repay the lender in 30 days. If the deficiency is more than or equal to one monthly escrow payment, the lender may require you to repay the amount over 2-12 months.

Variations in Escrow Accounts and Payments

My escrow account payments went up, rather than down. Why?

There could be a couple of reasons why your servicer is charging more for your escrow account. First, your bills may have gone up and the account changed to reflect that. Or, the servicer has changed the amount of cushion to the maximum amount allowed by RESPA. Check your statement from the servicer. You may also want to check your loan documents to figure out what is the appropriate cushion. If the mortgage loan documents are silent on the amount of the cushion or pre-accrual practices, then the RESPA "two month" limits apply, unless state law provides for a lower amount.

Disbursement Date

What is the disbursement date for paying escrow account items?

The disbursement date means the date on which the lender actually pays an escrow item from the escrow account. However, the lender must pay the items in a timely manner, that is, on or before the deadline to avoid a penalty. This is required as long as the borrower's payment is not more than 30 days overdue. Borrowers should review their annual escrow statement to make certain the lender did not make late payments and charge any penalties to the borrower's account. (See Homeowner Alert)

Dealing with Your Lender or Insurance Company: Taxes, Insurance, RESPA and Escrow

I got a notice from the county that my lender did not pay my taxes on time and the county is assessing a penalty. Do I have to pay this bill?

Send the bill to the lender. The lender should pay the penalty for failing to pay the taxes on time as long you were current in your mortgage payments. If the lender refuses, you may wish to follow the guidelines for filing a complaint.

Are lenders required to pay taxes on an annual basis if a discount is offered to the consumer?

NO. The Department published a rule in the Federal Register in January 1998. The rule clarifies what a lender should do when a taxing jurisdiction offers a choice of payment on an installment basis or an annual basis. If there is a discount to the consumer when disbursing on an annual basis or there is an additional charge for disbursing on an installment basis, the lender may disburse on an annual basis. Otherwise, the lender should disburse tax payments on an installment basis. The borrower and the lender may mutually agree to another disbursement basis or date. The Department encourages lenders to follow the preference of the borrower.

What steps should I take if the lender does not pay my hazard insurance on time or at all and my insurance is canceled?

Lenders are required by Section 6 to make escrow account disbursements on time. If a lender fails to do so, a borrower may bring a private law suit under this Section. Therefore, if you incur any damages due to the lender's negligence, you may wish to consult an attorney.

You should also contact your lender immediately and send a copy of the bill. Some lenders list a special address and/or FAX number for insurance and tax bills. Keep checking with the insurance company to make certain the bill is paid. You may wish to pay the insurance company directly to avoid cancellation of your policy and then seek a refund from your lender. Keep copies of all your correspondence and payments. If you incur any damages due to the lender's negligence, you may wish to consult an attorney.

I got a notice that my hazard insurance has been canceled. My lender force-placed hazard insurance with a different company and it costs a lot more. Can a lender do this?

As long as your mortgage payment is not more than 30 days late, Section 6 of RESPA requires the lender to make escrow payments, for taxes, insurance, etc., in a timely manner. You should write to your lender and complain. If your lender does not refund the difference or otherwise resolve your complaint satisfactorily, you may wish to file a complaint with HUD or the Consumer Protection Office of your State Attorney General's Office. You may also wish to consult an attorney.

What steps should I take if I think the lender is requiring too much money in my escrow account?

First, figure out the maximum amount RESPA allows to be required in your escrow account from the example. If you still believe your lender is requiring too much money, you should contact your lender for an explanation.

Section 6 of RESPA provides that borrowers may make a "qualified written request" to the lender concerning the servicing of their loan account. The request should not be included with the monthly mortgage payment. The lender must acknowledge the complaint within 20 business days and must resolve the complaint within 60 business days by correcting the account or giving a statement of the reasons for its position. If you do not get a satisfactory answer from the lender, you may wish to file a complaint with HUD. You should continue to make your mortgage payment during this time.

Loan Costs

Loan Fees - Direct Loan Costs

Most people need to obtain a mortgage loan to pay for their home. There are often fees associated with obtaining a loan such as the ones listed below. These fees include ones paid directly to the lender or the lender's designated payee.

Title and Closing Charges

These fees cover the administrative costs of a title search, title examination, issuance of the title commitment/binder and final title insurance policy(ies.) Also included would be charges for conducting the closing/settlement/escrow. You are free to select the company to conduct your closing/settlement/escrow, and to shop for the best pricing.

Settlement/Closing Fee -A fee must be paid to a settlement agent who has prepared documents, calculated figures, and oversees proper execution of closing documents. This fee is often split between buyer and seller but can be negotiated as part of the sales contract.

- **Abstract of Title, Search, Title Examination, Title Insurance Commitment or Binder** - In order to ensure that there are no pre-existing problems with your property, a title insurance professional must perform a title search and produce documentation on the home's title. In some places, one or more of these charges will appear separately on the HUD-1 and in other places they may be included within the title insurance premium. When a mortgage loan is involved, there may also be added charges for special endorsements that will accompany the lender's title policy.
- **Document Preparation** - Some settlement agents charge for the cost of preparing legal papers such as the mortgage, deed of trust, note or deed and/or other loan and title documentation. If a lender charges a document preparation fee, it will typically appear in the Loan Fees/Direct Loan Costs section of the HUD-1.
- **Notary Fee** - Because there are legal documents involved, a licensed notary is required to acknowledge the fact that the proper people signed these official documents in their presence. Notaries often charge a fee for their services.
- **Attorney fees** - Both the homebuyer and the seller might have their own legal representation to prepare and record legal documents. Frequently, however, where an attorney is acting as a settlement agent, there may only be one involved in the closing. Who pays for those services is a matter of contract negotiation but is often handled like fees paid to any other settlement agent/title agent.
- **Title Insurance** - There are two kinds of title insurance policies: Loan and Owner's policies. The cost for the Loan Policy is based on the loan amount and the cost for the Owner's Policy is based on the sales price of the home. Who pays these one-time fees at closing varies from state to state. Ask your settlement agent how it is handled in your area. In some circumstances, discounts may be available (such as a "reissue rate" or "reissue credit") when the property has recently been insured by a title insurer. Be sure to ask if you are entitled to any discounts.

  You also have the option of purchasing a policy with expanded coverage. It's called the Homeowner's Policy and it covers more things than the Owner's Policy. Ask your local title company for an explanation of the expanded Homeowner's Policy so you can decide which policy is the best one for you.

Recording/Government Filing Fees

Buying a home is not only a big investment, it is also a matter of public record. The property information and the loan information are required to be filed at the county courthouse or other local government recording office.

- **Recording Fees** - The recording fee is paid to a government body which enters an official record of the change of ownership.
- **Transfer Taxes, Document or Transaction Stamps** - These are government charges based on the amount of the mortgage and, often, also on the purchase price. Depending on your location, there could be a city, county or state tax involved, or some combination.

Other, Miscellaneous Charges

- **Survey Fee** - Lenders and title insurers often require a surveyor to conduct a survey of your property to define the property size and boundaries and to see if any part of the building or other improvements are "encroaching" on a neighbor's yard — or the other way around. They are also looking to see if there are any setback violations or other material matters that are considered problematic.
- **Inspection Fees** - When homes are sold an inspection is often recommended and in some cases the contract may even be contingent upon an acceptable inspection report. This fee covers the cost of an inspector to check the dwelling for any structural problems or issues. Frequently, this is a sales contract term imposed by the homebuyer to obtain an accurate assessment of the condition of the property. The work is done prior to closing but the fee is often collected at closing. There are several inspections that a future homeowner might want to request and a lender might require. These could include pest inspections (termites and other wood-destroying organisms), lead paint inspections (for structures built before 1978), roof inspections, water/well certifications, structural or mechanical inspections, or additional specific inspections based on the property type and location.

Predicting Your Monthly Payment (PITI)

Your monthly payment (PITI) is the sum of four items – the principle on the loan (P), the interest on the loan (I), property taxes (T), and homeowner's insurance (I). To predict your monthly payment for a 30-year fixed rate loan, use the following table to determine the principal and interest part of the payment. Simply divide the loan amount by 1,000 and then multiply that figure by the appropriate interest rate factor from the table below. To that sum add 1/12th of the amount of your yearly taxes and 1/12th the amount of your yearly insurance.

For example: If your mortgage loan amount is $150,000 and the interest rate is 12%, your monthly "PI" would be:

$$\frac{\$150{,}000}{1{,}000} = 150$$

150 x 10.29 = $1,542.50

Then add your monthly insurance premium (approximately $25-$75) and your property tax to your principal and interest and this is your monthly payment.

PRINCIPAL AND INTEREST PAYMENT TABLE

If your interest is:	Your PI Factor is:
6.00%	6.00%
6.50%	6.32%
7.00%	6.65%
7,50%	6,99%
8.00%	7.34%
8.50%	7.69%
9.00%	8.05%
9.50%	8.41%
10.00%	8.78%
10.50%	9.15%
11.00%	9.52%
11.50%	9.90%
12.00%	10.29%
12.50%	10.67%
13.00%	11.06%

Hazard Insurance covering your home for its contract value is required by your mortgage lender. You are at liberty to choose any insurance company and agent you wish. Ask your agent to quote you a policy for insurance

All property owners must pay general real estate taxes. These taxes are also called "ad valorem" taxes because the amount of the taxes varies, according to the value of your property. General real estate is levied for the operations of various governmental agencies and municipalities. Other taxing bodies may include school districts, drainage, water, sanitary, and recreation districts.

Each agency or municipality determines how much money is needed for the budget. They receive these funds through mills levied against properties in their counties. The state limits how much the mill levy can increase each year without voter approval. Each mill is equal to one-thousandth of one dollar ($.001) of assessed value or $1 for every $1,000 of assessed value.

The actual tax is calculated by multiplying the assessed value by the current mill levy. General taxes are a lien against your home as of January 1st, the year of the tax, even though they are not due until the following year.

Properties are valued or assessed by the county assessor. The land and buildings are usually assessed separately. The assessed value is approximately 12-15% of the true value (percentage value is determined by state law). If an owner feels the assessed value of their property is incorrect, they can present their objection through the local taxing authority on an annual basis.

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, negotiate these in your contract offer. A professionally conducted home inspection followed by a written evaluation is becoming 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, **make sure your inspector is a member of CREIA (California Real Estate Inspectors' Association) and ASHI (American Society of Home Inspectors).**

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.

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 overall 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 and 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 $300 to $500. Your agent may not be at the inspection, so notify (Agent's name) after the inspection is completed.

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.