

BUYER REPRESENTATION

A Field Guide To
Protecting Your Interests
When Buying a Home



About Me

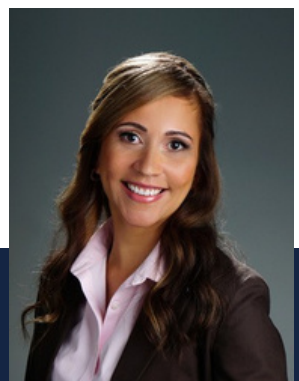
Meet Yesenia “Jessy” Soto your SouthFlorida ProfessionalRealtor. Yesenia has lived in South Florida for morethan three decades.Born in New York City her upbringing and training are responsible for the discipline, attention to detail, and follow-through she brings to her clients. Yesenia mastered classes in Florida Housing, Pricing Strategies, and Real Estate Negotiations on her way to earning her real estate license. She is both bilingual and bicultural. In her practice of real estate, she is well known for great customer service, consistent communication, and ensuring a positive experience for both buyers and sellers in every deal. She knows what it takes to successfully close a transaction.

Yesenia’s approach is direct and successful from listening to her client’s needs to matching them to the property they seek to acquire, sell, or rent. She enjoys helping individuals and families needing to buy, sell, or rent property ranging from a modest home or condominium to a residence fit for a large or extended family. Her approach is about people. She brings a compassionate sensitivity to her clients’ needs and goals.

In addition to her deep commitment to her profession, Yesenia and her husband run a non-profit organization called South Florida Sanctuary, where she and her husband provide food, clothes, and everyday items to the homeless and families in need.

A Yoga and fitness enthusiast, Yesenia enjoys meditating, reading, dancing, and spending time with her family and animals. When time permits, she enjoys travel, hiking, and movies.

Yesenia is a Real Estate Match Maker! She introduces people to homes and when they fall in love with the “ONE”, she plans the wedding!



Client Feedback



There are not enough words to describe what an amazing human Jessy is! From the moment we placed our parents home in her hands we knew that we had made the best decision! Jessy went above & beyond, very professional & even with some of my "silliest" questions she never made me feel "silly" Thank you Jessy for EVERYTHING you did for us & we cannot be more blessed to have you as our realtor ❤️

Nildy Carbocci

Jessy was the Best! From the moment we put my mother's place on the market she was available and helped us every step of the way! Jessy is patient and her guidance through this was invaluable! Will recommend her to all my friends and family!

Kelly Eure

Jessy is the most amazing realtor we could have asked for. She is sweet & compassionate. Always ready to answer any questions that may arise throughout the entire home buying process. Very knowledgeable & organized. We truly appreciated that extra level of care she provided being first time home buyers. We are beyond blessed to have had her. Thankful for all of her help finding us our forever home. Highly recommend her for all of your home buying needs!

Tess McKnight

Jessy is absolutely amazing!! Her patience, knowledge, attention to detail, and communication deserves more than just 5 stars!! She found us our dream and now forever home because she is constantly researching properties. In her search she found us a "coming soon" listing. Jessy quickly set up a showing and now we are its proud new home owners!!! Thank you Jessy for everything. We absolutely loved working with you and look forward to now listing our very loved home with you - Frank & Elena Villani

For more positive client feedback, please check this out... bit.ly/Jessysgooglereviews

10 Step Buying Process

- Evaluation, Consultation, Representation-**
- Determine A Comfortable Price Range-**
 - Evaluate Communities-**
 - Shop For and Select a Home-**
 - Property Due Diligence-**
 - Pricing and Offer Strategy-**
 - Write an Offer-**
 - Inspections-**
- Appraisal and Mortgage Conditions-**
- Closing-**



Step 1

Evaluation, Consultation, Representation

It's one of the most important decisions an individual makes in their lifetime. Not only is it a significant financial investment, the city, the state, the community, and the home one chooses are the fabric upon which lives are built. It is where friends and families are nurtured. It is where love and loss are held dear. It's where careers are made, roots are planted, and memories are captured.

Do I Need a Buyer Agent

Typically, real estate transactions involve two different agents: **one who represents the seller** and **one who represents the buyer**. The role of a buyer's agent is to act as the homebuyer's trusted advisor and advocate on their real estate journey. Their primary responsibility is to help the buyer find the home that best suits their needs and budget, ticking as many boxes as possible on their wish list.

A buyer's agent **performs several other duties as well**, including explaining necessary paperwork, assessing asking prices, drafting and submitting offers on the buyer's behalf, assisting with negotiations and coordinating the inspection and closing process. If there are any hiccups along the way, the agent can also play an instrumental role in preventing the transaction from falling apart.

How Agents Are Paid

The listing agent is paid by the seller. The buyer agent is paid by the buyer.

That being said, if a buyer does not have the funds to pay for buyer representation, it is often possible to ask for a seller concession to pay for this on behalf of the buyer.

Cooperating agents often offer buyer agent compensation right from the start!

Therefore, it's most often possible to have your buyer representation paid for, or partially subsidized through the sale of the property.

The listing agent on the property represents the seller. It is the listing agent's fiduciary responsibility to act in the seller's best interest.

Buyer Representation Contract

What Your Realtor Agrees To:

- To be your fiduciary throughout the entire transaction.
- To guide you through the process from start to finish.
- To be an impartial advisor and to assist you in avoiding emotional-based decisions.
- Strategize with you and negotiate on your behalf for the best terms.
- Help you locate properties for sale that fit your needs.
- Visit each property you are considering to help determine suitability.
- Refer you to reliable professionals throughout the transaction.
- Listen to you and find answers to your concerns.
- Prepare and explain contracts and forms.
- Keep the transaction on schedule according to the agreed timeline.
- Ensure the property is delivered at time of closing as per the agreement.

What You Agree To:

- Loyalty in only working with your buyer agent throughout the transaction.
- Being clear in your communications throughout the process.
- Setting up all property viewings through your buyer agent.
- Notifying your buyer agent of off-market properties that you may have an interest in.
- Relaying concerns and questions to your buyer agent.
- Notifying other agents that you are represented.
- Keeping your buyer agent abreast of any issues that may affect financing or closing.
- Being candid in your intentions throughout the buying process.

The Buyer Representation Agreement



Exclusive Buyer Brokerage Agreement

1. **PARTIES:** _____ ("Buyer") grants
_____ ("Broker")

Real Estate Broker

/

Office

the exclusive right to work with and assist **Buyer** in locating and negotiating the acquisition of suitable real property as described below. The term "acquire" or "acquisition" includes any purchase, option, exchange, lease or other acquisition of an ownership or equity interest in real property.

2. **TERM:** This Agreement will begin on the _____ day of _____, _____ and will terminate at 11:59 p.m. on the _____ day of _____, _____ ("Termination Date"). However, if **Buyer** enters into an agreement to acquire property that is pending on the Termination Date, this Agreement will continue in effect until that transaction has closed or otherwise terminated.

3. **PROPERTY:** **Buyer** is interested in acquiring real property as follows or as otherwise acceptable to **Buyer** ("Property"):

(a) **Type of property:** _____

(b) **Location:** _____

(c) **Price range:** \$ _____ to \$ _____

☐ **Buyer** has been ☐ pre-qualified ☐ pre-approved by _____
for (amount and terms, if any) _____

(d) **Preferred terms and conditions:** _____

4. **BROKER'S OBLIGATIONS:**

(a) **Broker Assistance. Broker** will

- * use **Broker's** professional knowledge and skills;
- * assist **Buyer** in determining **Buyer's** financial capability and financing options;
- * discuss property requirements and assist **Buyer** in locating and viewing suitable properties;
- * assist **Buyer** to contract for property, monitor deadlines and close any resulting transaction;
- * cooperate with real estate licensees working with the seller, if any, to affect a transaction. **Buyer** understands that even if **Broker** is compensated by a seller or a real estate licensee who is working with a seller, such compensation does not compromise **Broker's** duties to **Buyer**.

(b) **Other Buyers. Buyer** understands that **Broker** may work with other prospective buyers who want to acquire the same property as **Buyer**. If **Broker** submits offers by competing buyers, **Broker** will notify **Buyer** that a competing offer has been made, but will not disclose any of the offer's material terms or conditions. **Buyer** agrees that **Broker** may make competing buyers aware of the existence of any offer **Buyer** makes, so long as **Broker** does not reveal any material terms or conditions of the offer without **Buyer's** prior written consent.

(c) **Fair Housing. Broker** adheres to the principles expressed in the Fair Housing Act and will not participate in any act that unlawfully discriminates on the basis of race, color, religion, sex, handicap, familial status, country of national origin or any other category protected under federal, state or local law.

(d) **Service Providers. Broker** does not warrant or guarantee products or services provided by any third party whom **Broker**, at **Buyer's** request, refers or recommends to **Buyer** in connection with property acquisition.

Buyer (____) (____) and **Broker/Sales Associate** (____) (____) acknowledge receipt of a copy of this page, which is Page 1 of 3 Pages.

5. **BUYER'S OBLIGATIONS:** **Buyer** agrees to cooperate with **Broker** in accomplishing the objectives of this Agreement, including:

- (a) Conducting all negotiations and efforts to locate suitable property only through **Broker** and referring to **Broker** all inquiries of any kind from real estate licensees, property owners or any other source. If **Buyer** contacts or is contacted by a seller or a real estate licensee who is working with a seller or views a property unaccompanied by **Broker**, **Buyer**, will, at first opportunity, advise the seller or real estate licensee that **Buyer** is working with and represented exclusively by **Broker**.
- (b) Providing **Broker** with accurate personal and financial information requested by **Broker** in connection with ensuring **Buyer's** ability to acquire property. **Buyer** authorizes **Broker** to run a credit check to verify **Buyer's** credit information.
- (c) Being available to meet with **Broker** at reasonable times for consultations and to view properties.
- (d) Indemnifying and holding **Broker** harmless from and against all losses, damages, costs and expenses of any kind, including attorney's fees, and from liability to any person, that **Broker** incurs because of acting on **Buyer's** behalf.
- (e) Not asking or expecting to restrict the acquisition of a property according to race, color, religion, sex, handicap, familial status, country of national origin or any other category protected under federal, state or local law.
- (f) Consulting an appropriate professional for legal, tax, environmental, engineering, foreign reporting requirements and other specialized advice.

6. **RETAINER:** Upon final execution of this Agreement, **Buyer** will pay to **Broker** a non-refundable retainer fee of \$_____ for **Broker's** services ("Retainer"). This fee is not refundable and ☒ will ☐ will not be credited to **Buyer** if compensation is earned by **Broker** as specified in this Agreement.

7. **COMPENSATION:** **Broker's** compensation is earned when, during the term of this Agreement or any renewal or extension, **Buyer** or any person acting for or on behalf of **Buyer** contracts to acquire real property as specified in this Agreement. **Buyer** will be responsible for paying **Broker** the amount specified below plus any applicable taxes but will be credited with any amount which **Broker** receives from a seller or a real estate licensee who is working with a seller.

(a) **Purchase or exchange:** \$_____ or _____% (select only one); or \$_____ or _____% plus \$_____ (select only one) of the total purchase price or other consideration for the acquired property, to be paid at closing.

(b) **Lease:** \$_____ or _____% (select only one); or \$_____ or _____% plus \$_____ (select only one) of the gross lease value, to be paid when **Buyer** enters into the lease. If **Buyer** enters into a lease-purchase agreement, the amount of the leasing fee which **Broker** receives will be credited toward the amount due **Broker** for the purchase.

(c) **Option:** **Broker** will be paid \$_____ or _____% of the option amount (select only one), to be paid when **Buyer** enters into the option agreement. If **Buyer** enters into a lease with option to purchase, **Broker** will be compensated for both the lease and the option. If **Buyer** subsequently exercises the option, the amounts received by **Broker** for the lease and option will be credited toward the amount due **Broker** for the purchase.

(d) **Other:** **Broker** will be compensated for all other types of acquisitions as if such acquisition were a purchase or exchange.

(e) **Buyer Default:** **Buyer** will pay **Broker's** compensation immediately upon **Buyer's** default on any contract to acquire property.

8. **PROTECTION PERIOD:** **Buyer** will pay **Broker's** compensation if, within _____ days after Termination Date, **Buyer** contracts to acquire any property which was called to **Buyer's** attention by **Broker** or any other person or found by **Buyer** during the term of this Agreement. **Buyer's** obligation to pay **Broker's** fee ceases upon **Buyer** entering into a good faith exclusive buyer brokerage agreement with another broker after Termination Date.

9. **EARLY TERMINATION:** **Buyer** may terminate this Agreement at any time by written notice to **Broker** but will remain responsible for paying **Broker's** compensation if, from the early termination date to Termination Date plus Protection Period, if applicable, **Buyer** contracts to acquire any property which, prior to the early termination date, was found by **Buyer** or called to **Buyer's** attention by **Broker** or any other person. **Broker** may terminate this Agreement at any time by written notice to **Buyer**, in which event **Buyer** will be released from all further obligations under this Agreement.

10. **DISPUTE RESOLUTION:** Any unresolvable dispute between **Buyer** and **Broker** will be mediated. If a settlement is not reached in mediation, the matter will be submitted to binding arbitration in accordance with the rules of the American Arbitration Association or other mutually agreeable arbitrator.

11. **ASSIGNMENT; PERSONS BOUND:** **Broker** may assign this Agreement to another broker. This Agreement will bind and inure to **Broker's** and **Buyer's** heirs, personal representatives, successors and assigns.

Buyer (____) (____) and **Broker/Sales Associate** (____) (____) acknowledge receipt of a copy of this page, which is Page 2 of 3 Pages.

12. **BROKERAGE RELATIONSHIP:** **Broker** will act as a transaction broker. **Broker** will deal honestly and fairly; will account for all funds; will use skill, care, and diligence in the transaction; will disclose all known facts that materially affect the value of the residential property which are not readily observable to buyer; will present all offers and counteroffers in a timely manner unless directed otherwise in writing; and will have limited confidentiality with **Buyer** unless waived in writing.

13. **SPECIAL CLAUSES:** _____

14. **ACKNOWLEDGMENT; MODIFICATIONS:** **Buyer** has read this Agreement and understands its contents. This Agreement cannot be changed except by written agreement signed by both parties.

Date: _____ Buyer: _____ Tax ID No: _____
Address: _____
Zip: _____ Telephone: _____ Facsimile: _____

Date: _____ Buyer: _____ Tax ID No: _____
Address: _____
Zip: _____ Telephone: _____ Facsimile: _____

Date: _____ Real Estate Associate: _____
Date: _____ Real Estate Broker: _____

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Request for Seller Contribution

SELLER AGREEMENT TO COMPENSATE COOPERATING BROKER ADDENDUM #310

This is an Addendum to the ☐ Contract to Purchase ☐ Purchase and Sale Agreement ("Contract"),
submitted by BUYER _____ to SELLER _____
on _____ (date) regarding the real property described as _____.

In the event this Addendum conflicts with the Contract, then this Addendum shall control.

SELLER agrees to pay the sum of [select one] \$_____ or _____% of the [select one] net/gross selling
price of the property, to the COOPERATING BROKER _____ at the
time of closing.

This Addendum is independent of and in addition to any offer of compensation made by the LISTING
BROKER to the COOPERATING BROKER.

The BUYER'S obligation to purchase pursuant to the Contract is contingent upon SELLER accepting the
terms of this Addendum.

Buyer

Date

Buyer

Date

Seller

Date

Seller

Date



Step 2

Determining a Comfortable Price Range

Most home buyers require a mortgage to buy a home. That mortgage determines how much your monthly payment will be, how much up-front money you will need to buy a home, and how much of a home you will qualify for.

Evaluate Mortgage Options

Vetting the mortgage company you will be working with is a must. Start by calling on mortgage originators who come recommended by someone who has used them before.

A great mortgage originator will cover the following:

- Current rates and what your payment will look like at different home price levels.
- How much the mortgage payment will fluctuate if rates rise before closing.
- What the mortgage payment will look like with taxes and insurance included.
- Whether you will need to pay for mortgage insurance and how much that will be.
- How much money you will need out of pocket to buy a home, including down payment and closing costs, and how much must be sourced/saved money versus gift funds.
- How much you qualify for based on your income, expenses, and credit score.
- Different mortgage programs you may qualify for.
- Any restrictions there may be in your qualifications.
- Whether a home sale contingency is necessary in your offer.



It is important to keep in mind that taxes, insurance, mortgage insurance and condo fees can dramatically affect your monthly payment.

Shop For More Than Rate

Closing costs, mandatory mortgage insurance, and downpayment requirements are all just as important as what the interest rate will be. Therefore, do not just call banks asking about their interest rates without asking about everything else. Not only do rates vary by program and down payment, they are also a byproduct of your credit score and debt-to-income ratios (your ability to repay the mortgage).



Different banks offer different mortgage programs. Therefore, it's never a bad idea to speak with more than one company to determine the best options.

Pre-Approved

Pre-qualifications and pre-approvals are how mortgage lenders determine whether your mortgage will get approved and how much mortgage you can give.

The terms pre-qualification and pre-approval are not interchangeable.

5

A pre-qualification is a mortgage approval based on self-reported information. It doesn't verify a buyer's credit score, income, or money in the bank. It's an estimate only.

A pre-approval is mortgage approval based on verified data. It uses credit reports, job data, and bank information to confirm how to approve your loan and for how much money.

A pre-approval, as opposed to a pre-qualification, makes your offer strong. It indicates that you are serious about finding and buying a home soon.

Mortgage Insurance



If you are putting less than 20% down when buying the home, you will likely need mortgage insurance which may be charged up front, monthly, or rolled into your mortgage balance. The mortgage insurance is different than homeowners insurance in that mortgage insurance protects the lender in the event of your default.

While mortgage insurance is expensive, it does give millions of home buyers the opportunity to buy real estate without the necessity for a 20% down payment.



Step 3

Evaluate Communities

- Commuting distance & access to transit
- School Reports
- Crime
- Community Services
- Sensory Considerations (airports, trains, farms)
- Area Home Prices & Property Taxes

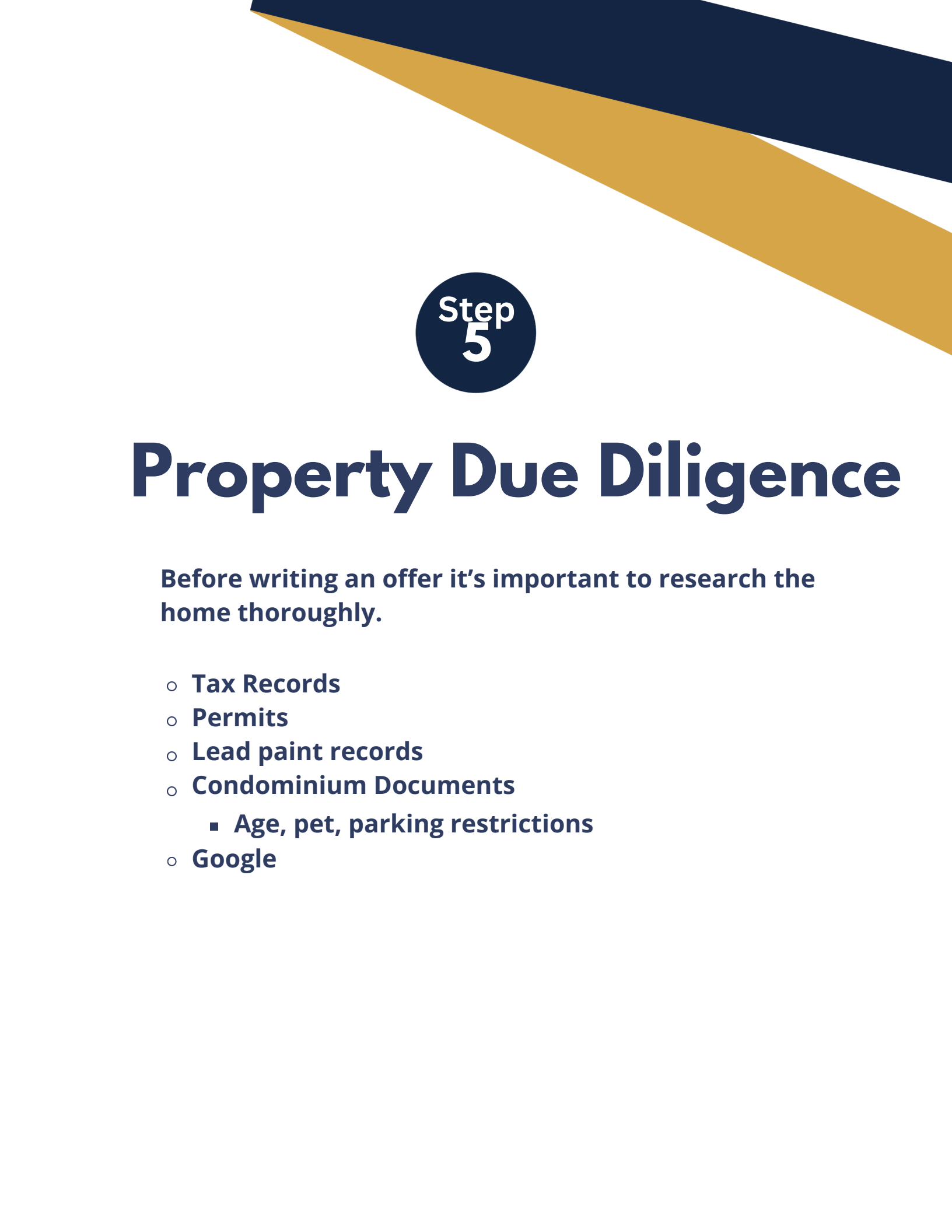
**Step
4**

Shop For Your Home

**The absolute best way to shop for real estate is
through my website...**

www.palmbeacheshomeliving.com

- **Real-time property updates**
- **Add or change your search criteria**
- **Narrow your search**
- **Search by school district**
- **See upcoming Open Houses**



Step 5

Property Due Diligence

Before writing an offer it's important to research the home thoroughly.

- Tax Records
- Permits
- Lead paint records
- Condominium Documents
 - Age, pet, parking restrictions
- Google

Zillow - Let's Get Real



Many home buyers believe that online sites like Zillow offer the best real estate search capabilities, and that is simply not true. Here is what you need to know about Zillow:

- **The search does not update real-time.** You could fall in-love with a home on Zillow only to find out that it went Under Agreement last week.
- **You can't narrow your search down like you can on my RealScout search tool.** Zillow isn't in the business of helping you find a home, they are in the business of selling your name to real estate agents.
- **You are not contacting the listing agent.** Many buyers call the agent who is listed on Zillow thinking they are calling the listing agent. The agent Zillow advertises on the listing is the agent who is paying to advertise.
- **Zestimates are highly inaccurate.** Never write an offer on a home based on Zillow's opinion of value.
- **You will be inundated by sales calls.** Zillow is in the information sharing business. Therefore, when you shop on Zillow you will be called by many real estate agents and loan officers who pay Zillow for the lead.

Nationally, the Zestimate has a median error rate of 7.9 percent according to their website. On a \$500,000 house, that amounts to a \$37,500 variation in value. In some neighborhoods, the Zestimate can be even further off.

Visiting Open Houses

Clarity is Kindness. It is very important to disclose to other real estate agents if you have signed a contract with a buyer agent who will be representing you. Most often, the agent hosting the open house represents the seller. In other words, their fiduciary responsibility is to the seller of the home, and nobody else. Sometimes, however, the agent is hosting the open house with the expectation of finding new buyers that they can represent. By disclosing to the host of the open house that you are represented by a buyer agent, that host will no longer try to sell you their services, and you will be given the opportunity to tour the home.

Helpful hints:

- If you know in advance that you will be visiting the open house, please call or text me and I can call ahead and let the agent know you are represented.
- If you like the home and are interested in making an offer, call and text me right away so that there is time to complete due diligence on the property prior to the offer process.

I can send you a list of upcoming open houses prior to each weekend and it is my pleasure to notify the agent hosting the open house to let them know that you will be attending and that you are represented.

Off Market Properties

Occasionally, buyers find homes that are not listed in the Multiple Listing Service. These are homes that are For Sale, but are not marketed on traditional real estate search portals. Here are some potential off-market home opportunities:

- Properties that are For Sale By Owner
- Family members who are selling
- Estate sale
- A Co-worker selling a home

Call me if you are interested in seeing or placing an offer on an off-market property. Gather as much information on the owner as possible, including their name and phone number, and I will reach out to arrange a showing.

5

Buyer Beware. Sometimes off-market homes are not listed by a real estate agent because the home is priced above market value. That is why it's so important to work with your buyer agent.



Step 6

Pricing & Offer Strategy

Prior to writing an offer we will evaluate the pricing of the property and I will talk to the listing agent to find out what offer terms might help get your offer accepted.

- Review comparables
- Determine if there are competing offers

Bidding Wars

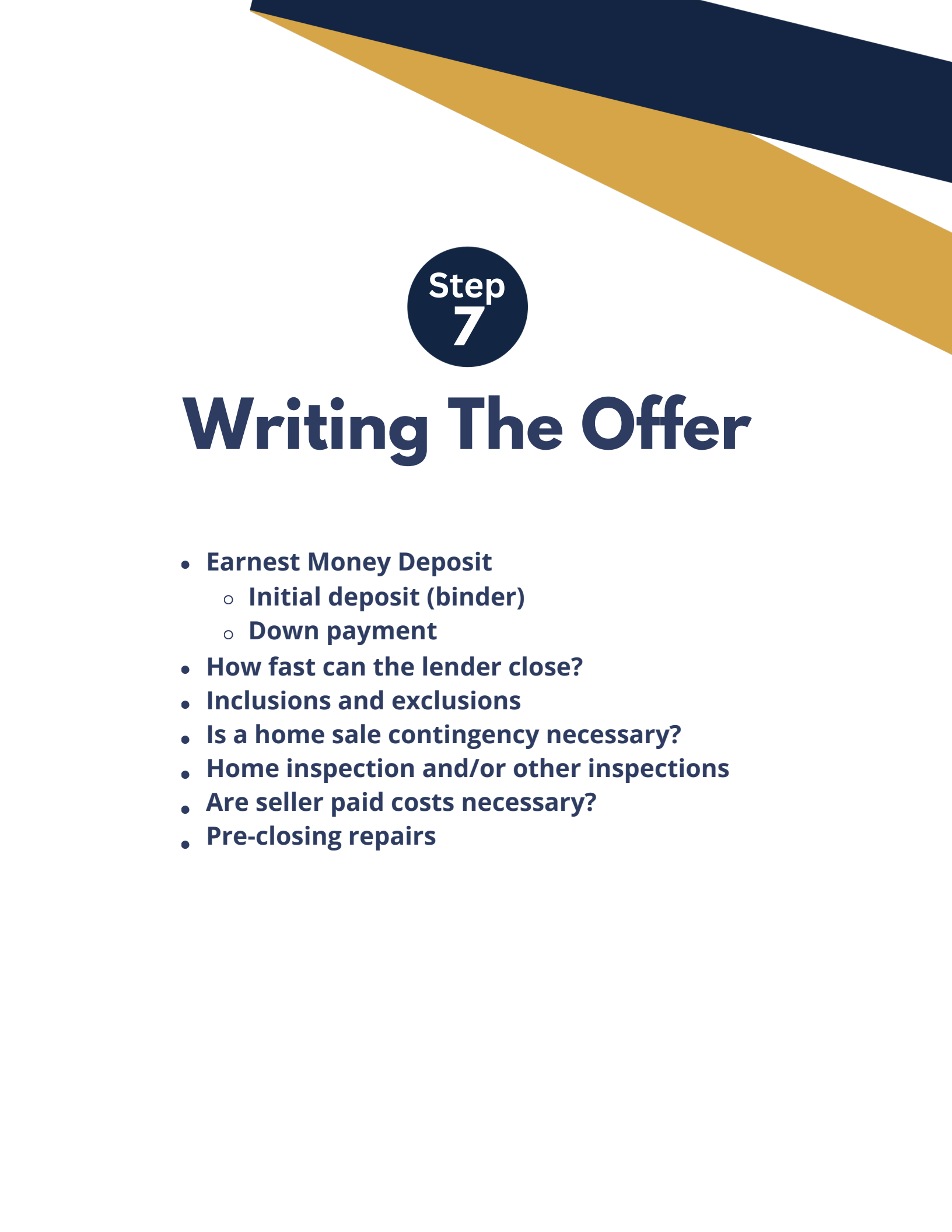
If you are obtaining a mortgage, it's important to understand that the amount the bank will finance is based on the lower of the price or the appraised value.

If maximum financing is necessary, one must be careful not to make an offer above the likely appraisal value for the home.



Sometimes the best deals are the houses that have been sitting on the market for a little bit of time. Often, these sellers are more negotiable in their terms.





Step 7

Writing The Offer

- Earnest Money Deposit
 - Initial deposit (binder)
 - Down payment
- How fast can the lender close?
- Inclusions and exclusions
- Is a home sale contingency necessary?
- Home inspection and/or other inspections
- Are seller paid costs necessary?
- Pre-closing repairs

Rejected Offer

If your offer is rejected, your binder deposit will be returned (or not cashed at all). A rejected offer sometimes means that the seller has accepted another offer and sometimes means that they simply are not interested in the terms of your offer. There are several options we may be able to consider if our offer is rejected:

- Re-submitting an offer with different terms
- Back-up offer
- Resuming the home search

As your agent, I will converse with the listing agent to find out what the options are if your offer is rejected. As well, I will ask for verification that the offer was presented to the owner.

Accepted Offer

Once the offer is accepted, we will review all the contingency dates. These are the dates by which we must notify the seller of the property if we are not moving forward on the home. The typical contingency⁵ dates include:

- Home inspection
- Mortgage
- Home Sale

Sometimes the seller has contingency dates too. For example, the seller may have a suitable housing contingency where they must find another home by a certain date or forfeit your offer.



Step 8

Inspections

The home inspection is a great opportunity to get to know the mechanicals of a home. Every home will require maintenance and repairs and the inspection will help you estimate the inevitability of replacing important systems.

Beyond the Home Inspection

There are many potential inspections buyers may consider when purchasing a home. The type of inspections one selects will depend on the property but also on who is buying it.

- Lead paint
- Mold
- Radon
- Well/Water
- Septic system
- Electrical
- Foundation/structural
- Termite
- Roof
- Pool

The home inspection contingency gives you the opportunity to get to know the property beyond its aesthetics.

Too Many Repairs

As a reminder, every single home will need some amount of work eventually. However, if a home inspection has you worried about the amount of cost of repairs that will be needed, there are several options you can take, assuming that you have negotiated for a home inspection contingency. Here are some of the options:

- Accept the property as is
- Ask the seller to make the repairs prior to closing.
- Ask the seller to lower the price
- Ask for an extension on the inspection contingency to get a second opinion

Sometimes there is no choice but to have a repair made prior to closing as some mortgage programs won't allow the sale if there's peeling paint, missing handrails, or broken windows.



Appraisal & Mortgage Conditions

Once you are satisfied with the inspection, we will move forward with finalizing the purchase agreement, which will be submitted to the mortgage company. The mortgage company will order an appraisal on the home and may ask you for updated mortgage paperwork such as more recent paystubs or bank statements.

The Appraisal

The appraisal is conducted by an independent third party appraiser who is evaluating the value of the property on behalf of the bank. Usually, the bank has a great interest in your home as an asset because it's the collateral for the loan they are granting you. On occasion, homes appraise for less than what a buyer is willing to pay. There are several alternatives a buyer can take when a home does not appraise:

- You can put more money down
- Ask the seller to agree to a lower price
- Meet in-between where seller lowers price and buyer puts more down
- Back out of the sale and start the home buying process over

The appraisal is extremely important if you are financing the purchase of the home. This is why we evaluate the pricing prior to writing an offer.

Preventing Mortgage Declines

There are many ways in which a buyer can unexpectedly be declined for a mortgage because of decisions made during the home buying process. Here are some decisions that should **not be made** without talking to me and/or your mortgage team first:

- Buying a car
- Financing furniture (even if it's free for several years)
- Co-signing a debt for a friend or family member
- Moving money between accounts
- Depositing large sums of money
- Changing jobs
- Quitting a job
- Not paying a bill

The mortgage company will re-evaluate your ability to pay the mortgage multiple times up until closing. Any little change in credit, income, employment or assets can put you at risk.

Home Owner's Insurance

Many buyers wait until the week prior to closing to shop for insurance. The home purchase is too big of an investment to leave the insurance to happenstance. Shop with multiple vendors and shop early in the transaction. Here are some of the factors that will go into determining insurability and the price of insurance:

- Age of roof
- Age of home
- Climate considerations
- Proximity to ocean
- Flood zones
- System mechanicals
- Owner's pets
- Owner's credit worthiness



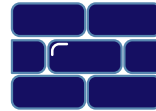
Step 10

Closing

Of course, this is the best part of the entire transaction. It is the day that the home becomes yours. There are many things that must be done leading up to the closing table.

Final Walk Through

- Test all lights
- Check garage doors
- Turn Heat/AC on and off
- Check hot water
- Garbage disposal/fans
- Check appliances
- Look at the windows
- Ensure rooms are empty
- Inspect yard and landscaping
- Visually look at roof
- Test outlets
- Turn sinks on and flush toilets
- Inspect ceilings, walls, floors
- Make sure shed/garage are empty



The intent of the walk through is to ensure the home is being delivered as per the agreement.

Closing Documents

Closing Disclosure: Also known as a CD, the **Closing Disclosure** outlines all the terms of your loan, so you know exactly what you're getting when you sign your mortgage. By law, home buyers must receive a copy of the Closing Disclosure at least 3 business days before closing.

Loan Application: When you first applied for a loan, you **completed an application**. Before you close, you'll receive a new copy of that initial loan application you filled out. You'll review and sign your original application. Please make sure you also review all of the application information to ensure it's still correct.

The Note: A mortgage note legally binds you to repay the mortgage. The mortgage note includes the amount, interest, payment dates, terms and information on what will happen if you fail to make payments. The mortgage note is securitized with the mortgage, which means that if you default, your house will be sold to repay the debt.

Mortgage or Deed of Trust: A mortgage or a deed of trust is a type of security instrument, and which one you'll encounter depends entirely on the state where you live. The difference becomes important if there's a mortgage default. If you default on a mortgage, foreclosure usually requires a court order. A deed of trust doesn't.

The mortgage or deed of trust legally securitizes your property as collateral for the mortgage. In other words, signing the document means you're agreeing to use your house as collateral.

This document is recorded along with the deed in the county recorder's office, which shows the lender owns an interest in the property up to the loan's outstanding balance. Essentially, it gives the lender the right to foreclose or sell the home at any time if you don't make your payments.

Closing Documents

Initial Escrow Statement: An initial escrow statement outlines the payments on taxes and insurance that will come from your escrow account during the first year of your mortgage. Your escrow account is used to make payments on your behalf. An escrow account may or may not be required.

Title Commitment: This document shows who owns the home and any liens or other clouds on the title.

Deed: A deed details everything about the property. It transfers the title from the seller to the buyer and is signed by the seller. The deed will be recorded and made public upon closing. Therefore, if anyone were to look up the deed on your home, they would find that you took the title from the previous owner, and now you own the property.

There are several additional documents that will need to be signed at closing as well. This is a partial list of important documents you will become acquainted with.

Every Closing is a New Chapter



And Then They Lived Happily Ever After





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Thank You

I appreciate that you have entrusted me with this important life decision. I will work diligently to ensure that you understand the process fully and I'll guide you through each of the important steps along the way.

Your dream home is awaiting you. Let's go find it.

