

Home Buyer Guide



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Your Real Estate Advocate

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Welcome

GETTING TO KNOW YOU

You are about to embark on the exciting journey of finding your ideal home! In an effort to serve your real estate needs with the highest level of professionalism and trust, I have developed this contact sheet to clarify the best method of communication between us. I'd also love to learn more about you, so please feel free to share! I'm devoted to using my expertise and the full resources of my office to ensure your real estate need are exceeded every step of the way! Thank you!

Name(s): _____

Current Address: _____

Cell Phone: _____ Home Phone: _____

Email: _____

Cell Phone Home Phone Email Other: _____

Birthday(s): _____ Anniversary: _____

Children's Names, Birthday(s): _____

Pet's Names, Birthday(s): _____

Important health issues I should be aware of: _____

Profession(s): _____

Interests/Activities: _____

Favorite Restaurants: _____

What qualities are you looking for in your Real Estate Broker:

Anything else you wish to share:



Granting Wishes

SHARE YOUR LIST WITH ME

Wish List

TOP 5 MUST-HAVES FOR YOUR NEW HOME
(square footage, # of rooms, school district, neighborhood)

1. _____

2. _____

3. _____

4. _____

5. _____

Price Range: _____

Moving Time Frame: 1-3 mo 3-6 mo

Additional Information:



THE Home Buying Process

A SIMPLIFIED OVERVIEW

- Find a real estate Broker you can trust
- Analyze your wants and needs in a new home
- Find a lender → discuss loan options and obtain financial pre-qualification letter
- Select properties to tour
- View selected properties, narrow down to just the right home
- Write an offer — ie: purchase & sale agreement
- Negotiate and counteroffer, if necessary
- Reach mutual acceptance → home inspection completed →
Broker sets up title and escrow
- Complete mortgage application → credit report → appraisal of property →
verifications
- Lender sends loan package to underwriting → overcome any conditions
- Obtain loan approval (if you have not already been pre-approved) →
remove contingencies
- Signing appointment → close on property
- Receive the keys to your new home!

Below is a list of items that will need money up front (cannot be taken care of at closing)

- Earnest money
- Inspection fee
- _____



The Loan Process

PRE-QUALIFIED & PRE-APPROVED

Becoming pre-qualified and pre-approved for a home loan is an important step when purchasing a home. When you are pre-qualified, interest rates are locked in for a set period of time, so you will know in advance exactly what your payments will be on the offers you choose to make. You will also know what you can and cannot afford, saving time by not looking at homes that are out of your price range. Once you have been pre-approved, the worry of getting a loan is off your shoulders, allowing you to fully concentrate on finding the right home for you and your family.

How much can I afford?

When you go through the process of pre-qualifying, your lender will look at a few variables to figure out how much you can afford. The main 3 things that will be considered are:

- How much you have for the down payment
- Your ability to qualify for a mortgage (credit score, current debt, etc.)
- The closing costs associated with your transaction
- The current interest rate will also be figured in

Most loans today require a down payment of at least 3.5%, some have a minimum of 5%. It depends on the type of loan and the loan terms. If you have a down payment of over 20% of the home price, you may be able to eliminate mortgage insurance.





The Loan Process

Continued

How do I qualify for a loan?

Most lenders will require that your monthly loan payment is below 28% of your monthly gross income. Your monthly payment will include the following items:

- The principal on the loan
- The interest on the loan
- Property taxes
- Homeowner's insurance (if any)

When applying for a home mortgage do your best to not do any of the following (it can affect your credit score and lessen your ability to buy):

- Change or quit jobs
- Buy a car or make a large purchase with a loan
- Use charge cards excessively
- Spend the money you set aside for closing
- Omit debts or liabilities from your loan application
- Make any inquiries into your credit (inquiries made by your lender are ok)
- Change banks or bank accounts
- Co-sign for a loan for anyone





Getting an Inspection

WHY IT'S IMPORTANT

What is an inspection?

An inspection is the examination of the structure and systems of a building. No matter what type of home you are purchasing you should always have the property thoroughly inspected by an experienced professional inspector.

What is included in an inspection?

A complete *visual* examination of the building. They will evaluate and report the condition of the foundation, structure, roof, heating system, central air-conditioning system, plumbing, drainage, visual insulation, walls, windows and doors. Only those items that are visible and accessible by normal means will be inspected.

When should I have the property inspected?

The best time to consult an inspector is after you've made your offer on the property. Normally your real estate contract will allow for a period of time to inspect the property. Be sure this clause is in the contract, making your purchase contingent upon the findings of a professional inspection.

Can a property/home fail an inspection?

No, a professional inspection is simply an examination into the current conditions. It is not an appraisal or municipal code inspection, therefore an inspector will not pass or fail a building.





Getting an Inspection

continued

Why should I get an inspection?

Since purchasing a home is a very large investment, it is very important you know exactly what to expect in terms of needed repairs and maintenance. Even newer homes can have structural issues. Fresh paint can hide serious structural problems. By getting an inspection you will have a clearer understanding of the property and will be able to make a more confident decision.

Do I really need a professional inspector?

Most of them have inspected hundreds of homes in their careers and know exactly what to look for.



How much does an inspector cost?

Most inspection fees vary geographically as do the cost of houses and living. Do not let the cost be a factor in deciding whether or not to get an inspection. You may save many times the inspection cost if you are able to have the seller fix the repairs needed before you buy.

How do I find a qualified inspector?

Referrals are always a great way to go when looking for a professional. If you know of someone who has bought recently and was satisfied with their inspector's performance, ask for their inspector's contact information. You can also ask your lender or real estate agent. They will definitely have someone to refer you to.



What is Escrow?

HOW DOES IT WORK?

What is Escrow?

Escrow is an impartial third party in which documents and funds are deposited by buyers, sellers and lenders to facilitate the closing for a real estate transaction. As a fiduciary player in the transaction, escrow is required to follow mutual written instructions from all parties.

Escrow will coordinate with the buyer, seller and lenders to obtain required signatures on all documents, work closely with the title officer to clear liens and encumbrances against the property, and record the documents with the county.

Why Do I Need an Escrow?

An escrow assures all parties to a transaction that no funds are delivered and no documents are recorded until all conditions in the transaction have been met.

How Do I Open an Escrow?

Opening an escrow is the first step in the closing process. Generally, to open an escrow, the parties to a transaction deliver to an escrow company the earnest money check and the purchase and sale agreement, which outlines the transaction and provides the closing date, contingencies and financing details. Anyone involved in a transaction can "open the escrow", but generally your real estate agent will do so. In the case of a for-sale-by-owner or FSBO, the buyer, the seller or both may open the escrow.

Who Sets the Closing Date?

The buyer or seller may select the closing date, but both buyer and seller must agree to it. The purchase and sale agreement may state the closing date as "Closing to occur on or before August 20th, 2011." In most cases, closing occurs 30, 60 or 90 days from the date a purchase and sale agreement is signed.

What Do Closing Costs Include?

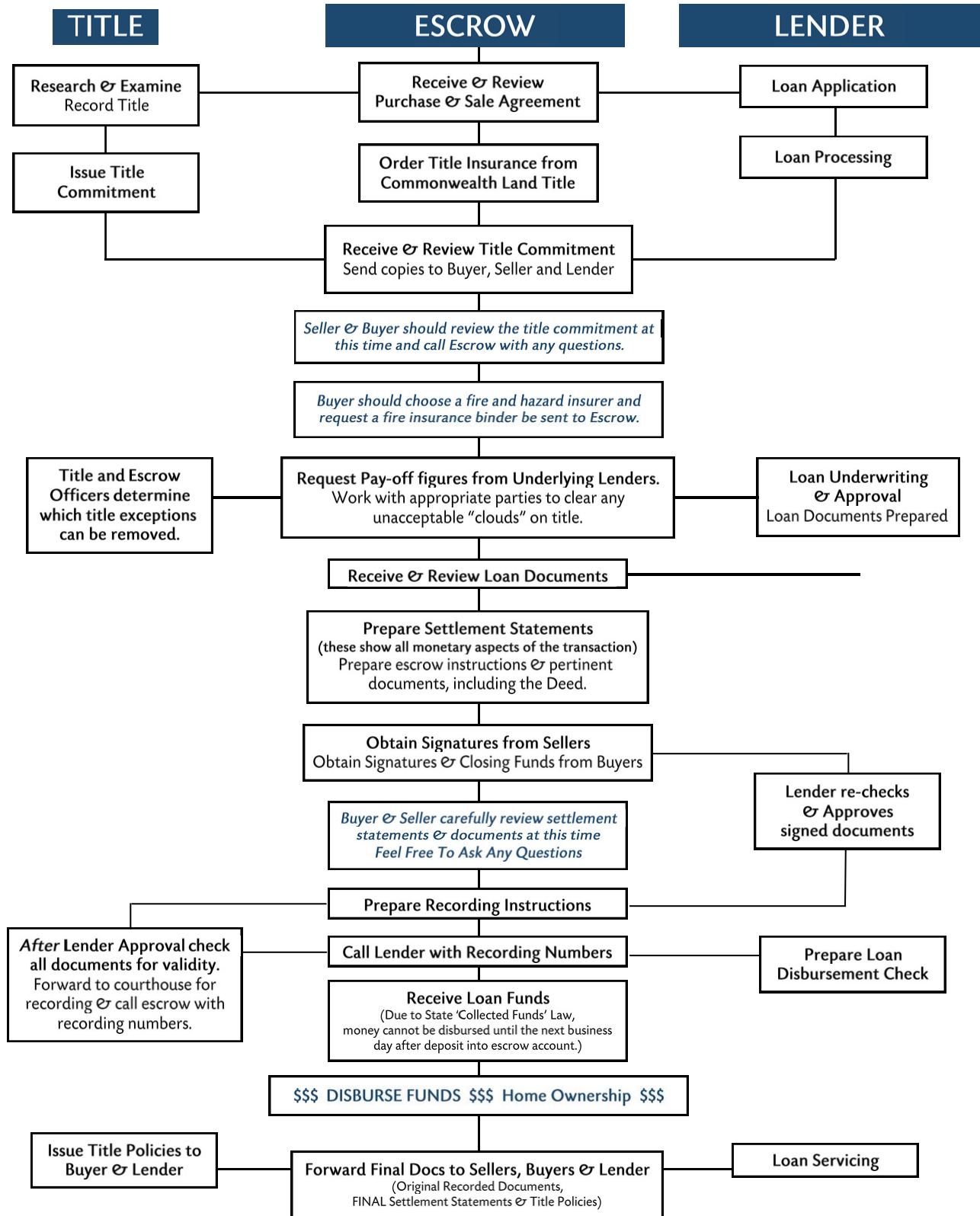
The closing costs will include title search fees, taxes, notary fees, loan fees, escrow fees, recording fees, reconveyance fees, the real estate sales commission, and other miscellaneous charges. We've included a Guide to Closing Costs so you know what you will likely be paying for.

Who Chooses the Escrow Company?

The parties involved in the transaction decide which escrow company will close the transaction. Although it is very common for your real estate agent to recommend an escrow closer, the parties have the right to choose an escrow closer they feel is competent and experienced. The law prohibits escrow companies from paying referral fees to real estate agents, to protect the parties' right to select their own escrow closer.



Life of an Escrow





A GUIDE TO Closing Costs

The table below shows the typical fees paid by a buyer and seller in a real estate transaction. If you have further questions, please don't hesitate to contact us!

Seller is responsible for...	Buyer is responsible for...
Owner's title insurance policy*	Lender's title insurance policy*
1/2 escrow fee*	1/2 escrow fee*
Excise Tax*	Recording fees
Real estate commissions*	Surveys
Utility payoffs	1st year fire insurance
Loan balances	1st year flood insurance (if applicable)
Doc preparation fees - power of attorney, etc.	Doc preparation fees - quit claim deed, etc.
Miscellaneous fees (i.e. wire, courier, signing fees)	Miscellaneous fees (i.e. wire, courier, signing fees)
Pro-rated property taxes	Pro-rated property taxes
Home warranty (depends on contract)	Home warranty (depends on contract)
Homeowner's Association Fees including:	Homeowner's Association Fees including:
Pro-rated association dues	Pro-rated association dues
Resale certificate / miscellaneous fees	Transfer fee / capital contribution
FHA/VA financing... other seller fees may apply	Property inspection
	Pest inspection
	Lender Fees including:
	Appraisal
	Credit report
	Loan origination fee*
	Loan interest*
	Private mortgage insurance*

*Fees determined by sales price and/or loan amount.

Payment of fees above can be negotiated within contract.



Common Terms

PURCHASE & SALE AGREEMENTS

The following offers brief "explanations" of intent and main points of the paragraphs within the purchase & sale agreement (NWMLS Form 21). They are for clarity purposes only and may not be totally inclusive of all points within the paragraph.

Purchase Price:

This paragraph is saying that you (the buyer) have the funds in the bank to handle the closing costs and down payment and are not relying on any other source of funds like stocks or gift money from a relative. Is this the case for you? If the answer is no, proceed to next paragraph. If the answer is yes, then language needs to be included that offer is subject to this condition.

Earnest Money:

The essence of this paragraph is to inform you that I am required by law to deposit your earnest money check within 2 days after receipt or mutual acceptance into a trust account. This differs of course, if you ask for a deferred EM. If the EM is \$10,001 or higher, the buyer has the option to place it into an interest bearing account or pooled trust account. There is a fee to set up an interest bearing trust account and depending on the amount of money and the time until closing, it is not always beneficial for the buyer to do this because the interest earned can be very small and not enough to cover the set up fees.

Included Items:

This paragraph lists the items that are included in the sale and the seller is required to leave. Let's read the list together and see if you can think of anything else you may want to include in your offer. Add anything else that you want on to the blank addendum.

Condition of Title:

This paragraph states that the seller is to provide clear marketable title at closing. Also, since we do not have the legal description until we obtain the title report, this paragraph allows the legal description to be inserted later. CC&R's, easements and encroachments, mineral rights etc. not affecting the material value or buyer's reasonable use of the property does not cause title to be unmarketable.

Title Insurance:

This paragraph authorizes seller to allow your lender to order title insurance at seller's expense. Also a copy of the title report will be sent to you. If the title cannot be made insurable, your earnest money will be refunded to you and contract will terminate. If buyer requests an extended coverage policy it is at buyer's expense unless negotiated otherwise.

Closing:

Closing is when the deed is recorded and the funds are available to the sellers. Typically you will sign documents a couple of days prior to closing. It also says you are entitled to the keys to the property on the possession date.

Possession:

This is the date you are allowed to actually take possession of the property. Seller also agrees to maintain the property in its present condition, except for normal wear & tear. Note: Possession is 9:00pm unless you specify otherwise. Be exact.

Closing Costs and Prorations:

The main part of this paragraph states that the buyer and seller will each pay 1/2 of escrow costs and any current taxes, interest, or other annual dues of costs as applicable. They will be prorated between the buyer and the seller to the closing dates. It also provides that the seller will pay all utility charges up to closing date and that you will pay for your loan costs. If FHA or VA, closing costs differ. Read carefully. If 22k is requested, include in your offer & have seller complete this addendum.

Sale Information:

Simply means that the agents are required to report this sale to the multiple listing service. That you and the seller authorize all persons connected with this transaction; like the lender or appraiser, title company or escrow company, to provide what- ever information or documents that are needed and requested by the agents regarding this sale.

FIRPTA Tax Withholding at Closing:

This is a seller's paragraph. It states that escrow will require seller to sign a form that they are not a foreign person and therefore withhold and pay the required amounts to the IRS.



Home Maintenance CHECKLIST

WHEN YOU FIRST MOVE IN

- Review the locations of all shut-off valves in your home with each family member
- Locate and show your family how to shut off the main breaker in your electrical panel and how to flip on any circuits that might have overloaded
- If you have small children, safety proof your house before you move in (if possible) with safety plugs, etc.
- Clean fan/exhaust for stove-top/range, microwaves and bathroom

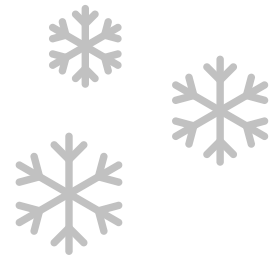
FALL

- Replace furnace filter at the beginning of fall - if it's especially cold check and replace every month
- Have your heating system serviced
- Have your chimney serviced and cleaned. Check for any missing mortar and for debris that could be an obstruction
- Clean your gutters and downspouts throughout the fall to prevent blockage.
- Make sure your thermostat works properly before the cold weather hits
- Check crawlspace/basement for signs of flooding after the first heavy rainfall
- Check all outdoor lights
- Put new batteries in your flashlights and make sure they can be easily found
- Check and repair any window cracks in weather stripping or caulking
- Insulate pipes and outdoor water spouts
- Make sure air vents are not blocked by snow or leaves
- Be sure storm doors latch properly to protect against high winds



WINTER

- Replace furnace filter every month during winter
- Check to make sure you have adequate amount of fire extinguishers (at least 1 per floor, 1 in garage)
- Test all smoke and carbon monoxide detectors in your house and replace batteries if needed (vacuum them as dust or spider webs can prevent them from properly functioning)
- Stock up on bottled water and snacks in case of power outages
- Turn ON gas furnace pilot light
- Check the locks on all windows and doors to ensure they are working properly
- Clean bathroom fan
- Make sure air vents are not blocked by snow or leaves
- Make sure your refrigerator door seals are airtight.
- Clean drains in dishwasher, sinks, bathtubs and shower stalls
- Check electrical cords, plugs and outlets with all indoor and outdoor seasonal lights to ensure fire safety
- Clean your gutters and downspouts again at the end of winter





Home Maintenance CHECKLIST

SPRING

- Replace the furnace filter once during spring
- Have fireplace and chimney cleaned and serviced
- Check security alarm systems and replace batteries if needed
- Clean all windows and screens. Repair any holes or replace screens if needed.
- Examine the foundation walls for cracks, leaks or signs of moisture
- Cut back trees and shrubs from your house walls if needed
- Check the ac for evidence of leaks or condensation
- Clean refrigerator coils - this will keep your energy costs down
- Clean fan/exhaust for stove-top/range, microwaves and bathroom



SUMMER

- Replace the furnace filter once during summer
- Deep clean carpet, rugs and upholstery
- Check security of indoor and outdoor guardrails and handrails
- Lubricate garage door hardware
- Inspect electrical service lines for secure attachment where they enter the house
- Clean out dryer vent (including tubes that exit the home and outside vent)
- Check and replace damaged caulking and weather stripping around windows and doorways
- Seal off any holes in the exterior that could be an entry point for small pests



OTHER - special for my home

Years of Experience, Credentials to Back Them Up



As a Master Certified Negotiation Expert, I have been trained in advanced negotiating tactics and approaches. This training enables me to approach your negotiations with confidence and professionalism. Your real estate negotiations will be handled with skills such as strategic planning, conflict resolution, leading to less stress, and better results.



When you hire an ABR® before you look for a home, you'll be served, not sold. I love to earn your business and your interests become my interests. With me, you'll be working with a Broker who has gone the extra mile by completing specialized training in delivering the best in buyer representation services. Plus, a REALTOR® who has an ABR® Designation also has an established track record, with proven experience in representing the concerns of home buyers and negotiating on their behalf.

What Clients Are Saying

"Joni is a first rate Real Estate Professional that is a cut above her contemporaries. Our firsthand experience with her as our representative for both sale and purchase of our home(s) showed her understanding of the market at both a regional and neighborhood level. Her assistance in staging our home for sale helped us come to market fully ready to show the home at its best and realize its best pricing potential. As our agent for buying our next home she was thorough and communicative beyond expectation. She maintains relationships with other service and financial professionals that help take the stress out of the home buying & selling experiences. Finally, Joni's ethical conduct is exemplary in her field. Her clients need not worry about their interests being fairly and professionally represented when they choose to work with her." - Jon H.

"Working with Joni as my real estate agent was extremely rewarding. She is a rare agent whose primary focus is her client's best interest first and foremost. She works tirelessly to ensure her clients have all the education and resources available to them to make the best possible decision." - Brian S.



Not every Real Estate Agent is a REALTOR®.

Only real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® (NAR) can call themselves REALTORS®. With over one million members, the NAR is America's largest professional association and is involved in all aspects of the residential and commercial real estate industries. As a REALTOR® I pledge to abide by the NAR's strict Code of Ethics, which is based on professionalism and protection of the public. Only REALTORS® are held accountable for their ethical behavior.



A Seniors Real Estate Specialist® is experienced and knowledgeable in meeting your specific needs and that can make all the difference in the world. A Senior Real Estate Specialist is a real estate agent who is uniquely qualified to assist the 50+ market in housing sales and purchases. The SRES® Designation is only awarded to realtors who have additional education to how on to help seniors and their families with later in life real estate transactions.

