HOME buyer's guide



JAMES TIDEY

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Covering Maricopa | Yavapai | Yuma Counties

TIDEY & CO
Real Estate Group

eXp REALTY

Brokered by EXP Realty
License #: SA703572000

AMERICAN TITLE SERVICE AGENCY



ABOUT YOUR REAL ESTATE PROFESSIONAL

Greetings!

As an agent who's an expert in the local area, I bring a wealth of knowledge and expertise about buying and selling real estate here. It's not the same everywhere, so you need someone you can trust for up-to-date information. I am eager to serve you. **Here are some of the things I can do for you:**

FIND YOUR NEXT HOME
You need someone who knows this area inside and out! I can work with you to find the right home at the right price for you, including all the neighborhood amenities that matter - not to mention the essential criteria you have for your ideal home.

SELL A HOME
When it's time to move, you need someone who will advertise your home, show to prospective buyers, negotiate the purchase contract, arrange financing, oversee the inspections, handle all necessary paperwork and supervise the closing. I can take care of everything you need, from start to close.

CONSULT ON HOME SELLING TACTICS
Oftentimes buyers don't visualize living in your home the way you do. I can make your home attractive to its ideal audience - which can help you get top dollar. Things like staging the home, making repairs or minor improvements, or even simply painting the walls can be the difference between a home resting on the market and one that's sold fast.

SINCERELY,

James Tidey



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MLS

AMERICAN TITLE SERVICE AGENCY CLOSING THE AMERICAN DREAM!

YOUR CONTACTS

Complete the information below for easy reference.

REALTOR®

NAME: _____

_____

OFFICE: _____

_____

CELL: _____

ADDRESS: _____

_____

_____

EMAIL: _____

AMERICAN TITLE SERVICE AGENCY ESCROW OFFICER

NAME: _____

_____

OFFICE: _____

_____

CELL: _____

ADDRESS: _____

_____

_____

EMAIL: _____

MORTGAGE LOAN OFFICER

NAME: _____

_____

OFFICE: _____

_____

CELL: _____

ADDRESS: _____

_____

_____

EMAIL: _____

OTHER IMPORTANT PHONE NUMBERS

INSURANCE: _____

_____

TERMITE/PEST: _____

_____

HOME WARRANTY: _____

_____

AMERICAN TITLE SERVICE AGENCY

WHO DOES WHAT?

BUYER'S AGENT

- Represents the buyer
- Directs buyer toward a reputable lender for loan pre-qualification
- Helps buyer find suitable property
- Guides buyer through the contract process, escrow and closing
- Reviews all property information from preliminary title reports, liens, title, legal description, restrictions and easements and advises buyer
- Coordinates inspections of the property
- Coordinates all information between buyer, lender, escrow, inspections and seller's agent
- Guides buyer through the contract process, loan, required insurance, escrow and closing
- Performs a final walk-through, with the buyer, prior to close of escrow
- Coordinates meeting with American Title Service Agency for loan and escrow document signing
- Delivers keys to the buyer after the property transaction is complete and recorded

AMERICAN TITLE SERVICE AGENCY ESCROW OFFICER

- Neutral third-party that coordinates a variety of tasks necessary to complete the transaction
- Orders commitment for title insurance, confirms recorded information, owners of record, current taxes, deed/lien information and CC&R'S of record based on information available
- Verifies all conditions are agreed upon by both the buyer and the seller
- Gathers all documentation regarding new and existing loans, inspection reports, repairs and title requirements
- Arranges for buyer and seller to sign all escrow and title documents, deeds and security instruments
- Records all documents required to transfer title from seller to buyer
- Disburses funds for existing loan payoff, inspections, demands of payment for repairs

SELLER'S AGENT

- Represents the seller
- Conducts market research to determine current market value of the property
- Lists property on MLS (Multiple Listing Service)
- Strategically markets the property gaining maximum visibility to prospective buyers
- Guides seller through the contract process, escrow and closing
- Coordinates all information between buyer, lender, escrow, inspections and seller
- Oversees inspections and any other repairs agreed upon in contract
- Coordinates meeting with American Title Service Agency for escrow document signing
- Arranges delivery of keys and transfer of equipment instructions and warranties

LOAN OFFICER

- Representative of a bank, or financial institution, recommending the buyer for a loan
- Examines buyer's financial status to pre-qualify them for a loan
- Gathers and verifies all financial documentation from the buyer
- Orders appraisal on subject property
- Submits buyer's information to underwriter for approval
- Orders loan documents to be sent to escrow for buyer's signature
- Returns documents to underwriter for final inspection (correct signatures/dates)
- Orders loan funds to be sent to escrow for disbursement and closing

WHY USE A REALTOR®?

Real estate transactions involve one of the largest financial investments most people experience in their lifetime. Considering the small upside cost and the large downside risk, it would be unwise to consider a purchase of real estate without the professional assistance of a REALTOR®.

BUYING POWER

If you provide a REALTOR® basic information about your savings, income and current debt, he or she can refer you to lenders most qualified to assist you in determining your buying power. Most lenders offer loan options that your REALTOR® can help you differentiate and understand.

HOME SEARCHING

Sometimes the property you are seeking is available, but not actively advertised in the market, and an investigation by your agent will reveal all available properties.

SELECTION PROCESS

REALTORS® can provide impartial perspective and data including local community information regarding utilities, zoning and schools.

EVALUATING THE PROPERTY

Evaluation of the property includes, but is not limited to; inspections for termites, dry rot, asbestos, faulty structure, roof condition, septic tank and well tests. The preliminary title report indicates ownership of the property which can be mired in a confusing status of past owners or rights of access. The title will have some limitations; for example, easements (access rights) for utilities. Your REALTOR® and Title Company can assist in resolving title issues that might cause future problems.

MARKETPLACE TRENDS

When buying or selling your home, your REALTOR® can provide up-to-date information regarding the marketplace and the price, financing, terms and condition of competing properties. These are key factors in buying or selling your property at the best price, quickly and with minimum hassle.

MARKETING

Your REALTOR® markets your property to other real estate agents, and the public, and recommends repairs or cosmetic work to enhance the sale ability of your property. Your REALTOR® acts as the marketing coordinator, disbursing information about your property to other real estate agents through a Multiple Listing Service, or other cooperative marketing networks.

ADVERTISING

Your REALTOR® will know when, where and how to advertise your property. Your REALTOR® will generally pre-screen and accompany qualified, prospective buyers through your property.

LEGAL AGREEMENTS

As a third party to the purchase transaction, your REALTOR® can help you objectively evaluate every buyer's proposal without compromising your marketing position. Your REALTOR® can help you write a legally binding, win-win agreement more likely to be successful through the process.

NEGOTIATIONS

There are a myriad of negotiating factors, including but not limited to, price, financing, terms, date of possession and the inclusion or exclusion of repairs, furnishings or equipment. The purchase agreement should provide a period of time to complete appropriate inspections and investigations of the property before you are bound to complete the purchase.

CLOSE THE SALE

Between the initial sales agreement and closing (or settlement), questions may arise. For example, a lender may require additional repairs to obtain financing or a defect in the title may be discovered. The required paperwork alone is overwhelming for most sellers. Your REALTOR® is the best person to objectively help you resolve these issues and move the transaction to closing or settlement.

Excerpts courtesy of Realtor.com

BUYER TIPS

HOW DO YOU PREPARE FOR YOUR LARGEST INVESTMENT?

Now is the time to assess your situation, motivation and bank account to determine how you can accomplish your goal of purchasing a home. You will need to consider your employment history, income, credit history, current debt, and how much it will cost you to get into a home; and that's before you even think about your wants and needs in a home.

PREPARATION

Many potential homebuyers look at homes first, then they determine how to pay for the new home. A less stressful method of buying a home is in this order:

- Find a REALTOR®
- List your wants and needs
- Shop for a mortgage lender
- Check your credit
- Calculate your down payment and closing costs
- Determine what you are able to afford
- Shop for homes

DECIDE YOUR WANTS AND NEEDS IN A HOME

What do you NEED in a home? What do you WANT in a home? What are you willing to compromise? A family of 5 might need 4 bedrooms, however, they may want an extra bedroom for guests or a home office. If school districts are important to you, make it a non-negotiable need. You may love to have a pool (want), but would settle for a home without a pool if it offered everything else you need. You may prefer a home on the corner (want), but it is not a deal breaker if you do not find it (as it is not on your need list). List your wants on one side and your needs (must haves) on the other for an easy shopping guide.

SHOP FOR A MORTGAGE LENDER

Ask your REALTOR®, friends, family and co-workers for referrals to professionals they have used with positive results. Ask about loan fees as they vary greatly and affect your closing costs. Some loan companies charge higher origination fees and/or points with lower interest rates while others charge a small origination fee, no points and higher monthly payments. Know what is important to you, what you can afford and ask questions. Having slightly higher closing costs up front might be more attractive to you than paying a higher house payment each month or paying a few dollars more each month might help to lower your closing costs. When you know what you can afford to buy, shopping for a home is less stressful.



BUYER TIPS

CHECK YOUR CREDIT

Knowing your credit score and catching errors or misunderstandings on your report before applying for a loan, is a smart move. Look at your income versus your monthly expenses remembering to include things such as; childcare, groceries, home maintenance, phone and internet charges and automobile costs (payment/ gas/insurance etc.) when calculating your debt load. Knowing how much money you can safely afford for a house payment each month, along with how much you have saved for a down payment and closing costs, is probably the easiest way to determine how much you can spend. When you contact a lender, they can assist you with this analysis.

DOWN PAYMENT

A down payment is typically between 3% and 20% of the total cost of the home. The amount of the down payment depends on your credit history, income, the cost of the home, and the type of mortgage you choose. Most lenders want to know the source of your down payment and have restrictions regarding the amount that can come from gifts. Ask whether the loan you are applying for has a reserve requirement (a minimum amount of mortgage payments saved).

DETERMINE THE HOME YOU CAN AFFORD

Work with your loan officer and REALTOR® to determine how much home you can afford. Based on monthly income and expense ratios, your lender will provide a mortgage amount and down payment you can comfortably afford.

CLOSING COSTS

Closing, or settlement costs, are fees you pay when the loan transaction is closed and records. These include points, taxes, title insurance, escrow fees, financing costs, and items that must be pre-paid or escrowed. You will receive an estimate of closing costs from your lender after you apply for a mortgage.





Quick tips!

What is EARNEST MONEY?

Earnest money is a deposit that is presented with an offer as a show of the buyer's good faith. If the contract is accepted, the earnest money is deposited with a neutral third party, preferably American Title Service Agency, and credited to the buyer at closing.

WHAT IS ESCROW?

When finalizing the purchase or sale of a home, a neutral, third party (the escrow holder) is engaged to assure the transaction will properly close on time.

The escrow holder verifies all terms and conditions of the seller's and buyer's purchase contract and/or escrow agreement are met prior to the sale being finalized. This includes receiving funds and documents, obtaining release documents for any loans or liens that have been paid off within the transaction and assuring clear title to the property before the purchase price is fully paid.

THE DOCUMENTATION THE ESCROW HOLDER MAY COLLECT INCLUDES:

- Loan documents
- Property Tax Information
- HOA Information
- Fire and other insurance policies
- Title insurance policies
- Terms of sale and any seller-assisted financing
- Payment requests for services to be paid out of escrow funds

Upon completion of all escrow instructions, closing can take place. Outstanding payments and fees are collected and paid at time of closing covering expenses such as; taxes, homeowner association transfer fees, inspection fees, real estate commissions, title insurance and escrow fees. Title to the property is then transferred from the seller to the buyer and title insurance is issued as outlined in the purchase contract and preliminary title report.

WHAT ESCROW NEEDS FROM THE SELLER

- Payoff information
- Tax information for 1099 preparation
- HOA information



ESCROW & CLOSING PROCESS

the life of *an escrow*





BUYER SELECTS A REALTOR®

BUYER PRE-QUALIFIED BY LENDER

BUYER VIEWS HOMES WITH REALTOR®

BUYER SELECTS HOME AND SUBMITS OFFER

SELLER SELECTS A REALTOR®

SELLER PREPARES HOUSE FOR SHOWING & SELLING

SELLER ACCEPTS OFFER

ESCROW OPENED AT *AMERICAN TITLE SERVICE AGENCY* & TITLE COMMITMENT ORDERED

INSPECTIONS ORDERED

INSPECTION REPORTS SENT TO APPLICABLE PARTIES & REVIEWED

TITLE COMMITMENT RECEIVED & APPROVED BY **BUYER**

APPRAISAL ORDERED BY LENDER

BUYER ADVISES *AMERICAN TITLE SERVICE AGENCY* OF HOME INSURANCE COMPANY

BUYER RECEIVES FINAL LOAN APPROVAL AND CLOSING DISCLOSURE FROM LENDER

LOAN DOCUMENTS PREPARED BY LENDER & **SENT TO ESCROW**

CLOSING DOCUMENTS COMPILED BY *AMERICAN TITLE SERVICE AGENCY*

SEPARATE APPOINTMENTS SET: **BUYER & SELLER SIGN DOCUMENTS**

BUYER DEPOSITS OR WIRES REQUIRED FUNDS

LOAN DOCUMENTS RETURNED TO LENDER FOR REVIEW

AMERICAN TITLE SERVICE AGENCY ENSURES **ALL CONTRACT CONDITIONS MET**

LENDER **"FUNDS LOAN"** *(SENDS FUNDS TO ESCROW)*

DOCUMENTS RECORDED AND ESCROW **CLOSED**

AFTER RECORDING CONFIRMED, *AMERICAN TITLE SERVICE AGENCY* **DISBURSES FUNDS**



BUYER RECEIVES KEYS FROM REALTOR®

FINAL DOCUMENTS SENT TO INTERESTED PARTIES

TIPS FOR A SUCCESSFUL CLOSING

COMMUNICATE
In order for a closing to run smoothly, frequent communication with all parties involved (your REALTOR®, loan officer and escrow officer) is critical. It is important to communicate any significant changes in your life such as; job changes, new car purchases, changes to your sales price, and desired changes to the close of escrow date.

HOMEOWNER'S INSURANCE
Failure to secure Homeowner's Insurance in advance of closing is a leading cause of delays in the mortgage and closing process. Insurance should be secured as soon as possible before your scheduled closing date.

CHANGING JOBS
Your income is a crucial part of the puzzle when determining your ability to repay a loan. The underwriter looks at the stability of your job and, should you change jobs during the loan process, it could create instability in your loan profile. Contact your loan officer prior to making any career changes.

DEBT
Paying off debt may sound like the right thing to do, but the liquid assets you have may have been a determining factor in your loan approval. Contact your loan officer before making any significant changes to your debt structure. Also, avoid allowing payments to be delinquent between now and closing.

PROVIDE DOCUMENTATION WHEN REQUESTED
A delay in receiving requested information may postpone the approval and closing process. Provide all requested information in a timely manner.

LARGE PURCHASES
Your debts and cash reserves have already been assessed. Any changes to these could jeopardize your approval. Contact your loan officer prior to making any significant purchases.

AVOID MAKING MOVING PLANS TOO TIGHT
Allow a 5-7 day overlap between the scheduled close of escrow date and your moving date. If the closing date is moved for any reason, unbudgeted expenses could occur.

FINANCIAL RECORDS
Your mortgage company may have to verify information from previous bank account statements or pay check stubs such as large deposits or bonus checks. Keep information regarding transactions in and out of your bank account (especially irregular items such as a tax refund or 401(k) loan) in a convenient location. Do not place vital financial documents in storage or let movers take it.

ALLOW TIME TO GO TO THE BANK ON CLOSING DAY
The cashier's check or wired funds for closing should be made out to American Title Service Agency. Assuming your loan process went exactly as planned, you will receive your final closing figures from your escrow officer prior to your closing.



MISC INFORMATION

HOME INSPECTIONS

A standard pre-purchase inspection covers a home's major mechanical systems, electrical, plumbing, heating, cooling and its construction from roof to foundation, exterior to interior. Inspections generally do not cover soil, pools, wells, septic systems, building code violations or environmental hazards, such as lead, unless specifically requested. Repairs or remedies are negotiable - they also can derail a deal.

APPRAISALS

An appraisal is a written estimate of a property's market value completed by an appraiser. The value is based upon a market analysis of the prices of recent sales of similar properties in the area and the property's physical condition as observed during an interior and exterior property inspection.

WHY IS AN APPRAISAL NECESSARY?

Lenders use appraisals to determine the buyer's loan amount. The appraisal will be completed shortly after the buyer requests a mortgage.

APPRAISALS AND SALES PRICES

If the appraised value is higher than the sales price, there is no impact. The sales price cannot be raised. When the property appraises for a lower value than the sales price, the lower appraised value is used to determine the loan amount. To complete the sale, the buyer may have to increase the down payment to make up the difference between the appraised value and the purchase price or a new sales price may need to be negotiated.

HOME WARRANTIES

Home warranties offer advantages to both the buyer and seller. Offering a home warranty gives the buyer a sense of security, knowing that they are protected after buying the property by paying only a deductible for certain repairs or replacement of major mechanical systems in the home such as heating, air conditioning and major appliances. There are a variety of plans available and American Title can provide you with information on the options, costs and providers in your specific area.

BENEFITS OF HOME WARRANTY TO THE SELLER

- Warranty coverage for your major systems and built-in appliances
- Protects your cash flow
- Puts a complete network of qualified service technicians at your service
- Low deductible



HOUSE HUNTING

SHOP FOR HOMES

After your REALTOR® has reviewed your wants and needs in a home, they will compile a list of houses to show you. Keep track of the features you like of each home and when you are ready, make a strong, competitive offer. It is possible for the home you are interested in to have multiple offers submitted on the same day. Making your offer with the least amount of contingencies, showing you are a qualified buyer and offering a substantial earnest money deposit (which can be used toward your down payment) can assist with your offer being accepted. Be prepared to write a contract on a different home if your offer is not accepted and/or be ready to look at different homes. The right home for your family is out there; however, it may take patience and perseverance to find it.

WHY BUY A RESALE/PRE-OWNED HOME?

Housing styles have changed over time and you might favor more traditional layouts and features. Older houses and neighborhoods may have more character and charm. The trees are full-grown and the neighbors can tell you all about your new hometown.

OTHER ADVANTAGES INCLUDE:

- More land than newer properties due to changes in land-use patterns
- Established, more convenient metro areas rather than outlying suburbs
- The existing home can be a base for building a unique property through modernization or expansion
- Resales tend to be less expensive than new properties as they include items such as blinds, ceiling fans and landscaping
- Resale homes may have lower property tax rates; check with your REALTOR®
- Owners are not usually required to pay for the local bonds that are associated with new development such as for schools, parks, road or transportation improvements
- More traditional layouts such as formal living and dining rooms
- Buyers can usually purchase a larger home, for the same money, with a resale rather than a new construction build

WHY BUY A NEW HOME?

You may be considering a new home because you love the idea that you can be a home's very first owner. Everything is new and shiny, the neighbors are probably also just moving in, and you can customize the floor plan and colors. Buying a new home can be fun and exciting.

HERE ARE SOME OTHER ADVANTAGES:

- New homes are built with new materials and appliances, therefore, less maintenance is required
- More safety features and fewer health hazards to conform to current building codes
- Many homebuilders offer warranties, or are required by statute, to protect against issues that may develop over time
- The home's major appliances include manufacturers' warranties
- Modern architecture and layouts such as great rooms, larger closets, and additional bathrooms
- Insulated well, use energy star windows, more efficient heating and cooling equipment
- Made with materials requiring less maintenance
- Easier to customize than resale homes due to the ability to choose many details ranging from floor plans and paint colors to faucets and light fixtures
- Wired with new technologies in mind such as pre-wiring for high-speed Internet connections, extra cable or satellite outlets and surround sound speaker systems

New homes and resale homes offer significant, but very different, advantages. The selection process should be focused on finding the property that will best meet the needs of you and your family.



MOVING CHECKLIST

old RESIDENCE

Preparing For The Move

- ❍ Leave existing keys & garage openers
- ❍ Defrost refrigerator
- ❍ Pet transportation

Address Change

- ❍ Bank accounts
- ❍ Subscriptions
- ❍ Post office
- ❍ Credit cards

Utilities

- ❍ Gas
- ❍ Electric
- ❍ Water
- ❍ Cable/Satellite/Internet
- ❍ Garbage pickup

Documents To Obtain

- ❍ Medical records
- ❍ Dental records
- ❍ School transcripts
- ❍ Veterinary records

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new RESIDENCE

Address Change

- ❍ Ask post office to hold mail for your arrival

Utilities

- ❍ Gas
- ❍ Electric
- ❍ Water
- ❍ Cable/Satellite/Internet
- ❍ Garbage pickup

Schools, Licenses, Services

- ❍ Register children for school
- ❍ Register to vote
- ❍ Register car
- ❍ Driver's license

Medical Services

- ❍ New doctor
- ❍ New dentist
- ❍ New veterinarian

NOTES





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IF YOU KNOW ANYONE IN THE MARKET TO BUY OR SELL REAL ESTATE, PLEASE LET ME KNOW. I WOULD BE HAPPY TO TAKE GREAT CARE OF THEM.

I AM NEVER TOO BUSY FOR YOUR REFERRALS!

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