

RED TAILS
REALTY GROUP



BUYER *Guide*

Home Buying Made Simple



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BUYER SERVICE PACKAGES



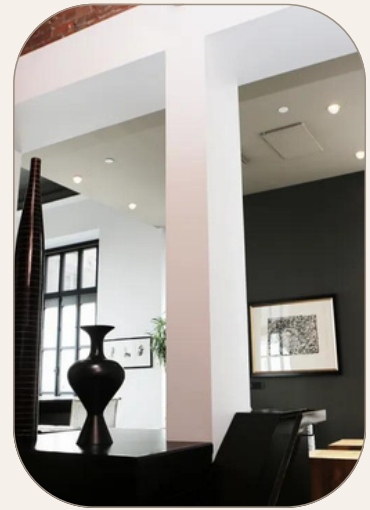
ESSENTIAL

- Buyer Consultation
- Property Search Services
- Contract Construction
- Negotiation Services
- Escrow Management
- Closing Management



ENHANCED

- Buyer Consultation
- Lender Match
- Optimized Property Search Services
- Virtual Showings
- Strategic Contract Construction
- Negotiation Services
- Escrow Management
- Concierge Services Support
- Closing Management



PREMIUM

- Buyer Consultation
- Lender Match
- Optimized Property Search Services
- Virtual Showings
- Strategic Contract Construction
- Negotiation Services
- Escrow Management
- Concierge Services Support
- Closing Management
- Local Relocation Support



TELL ME ABOUT THE HOME YOU ARE LOOKING FOR

Price Range: _____ to _____

Desired Monthly Note _____

Location/Area: _____

Move-In Date: _____

of Bedrooms: _____ # of Baths: _____

Bonus Room: _____ Office: _____

Garage: _____ Workshop: _____ Pool: _____ Basement: _____

Preferred School(s): _____

Yard/Lot Size: _____ Neighborhood: _____

Preferred Style: _____ Age of Home: _____

Other: _____

Tell me about your lifestyle. Do you like to:

☐ Entertain
☐ Camp
☐ Fish
☐ Hunt
☐ Garden

☐ Cook
☐ Build Things
☐ Renovate
☐ Sew
☐ Paint/Sculpt

☐ Repair Cars
☐ Workout
☐ Collect
☐ Decorate
☐ Other





THE HOME BUYING PROCESS EXPLAINED

1

Choose
Agent

As your agent, I start by personally sending you properties as they hit the market, customizing it so that they meet your criteria, financing options, and lifestyle.

2

Get Pre-
Qualified

- How much can you afford monthly?
- What loan program best suits your needs?
- Is your credit score where it needs to be?
- Is your debt-to-income at the right level?

3

Find Your
Home

- What kind of **home** are you looking for?
- How many bedrooms & baths?
- Are school districts important?

4

Escrow

- Contract is Accepted!
- Home Inspection Completed
- Appraisal Ordered
- Financing Finalized

5

Closing

- Final Walk-Through
- Schedule the move
- Change over utilities

6

Move In!



- Invite your family & friends to see your new home!

• Send everyone you know looking to Buy or Sell to me! I LOVE REFERRALS!



5 REASONS YOU MUST GET QUALIFIED

1. It's **required** before you can go view homes. If you are looking for a lender, I am happy to refer you to someone who can help!
2. You will **know in advance** what your monthly payments will be.
3. You **won't miss out on YOUR home** because you settled for a lower price range.
4. You can select the **best loan package** to fit your needs.
5. **Peace** of mind.

PRE-QUALIFIED vs PRE-APPROVED:

Pre-Qualification is the simple step of determining how much you can comfortably afford to purchase your new home. The lender simply checks your credit score and your debt-to-income ratio. This is the FIRST step in the loan process.

Pre-Approval is when the lender has copies of your credit report, paycheck stubs, tax returns, etc. Your information has been reviewed and you are APPROVED to purchase!



THE 10 COMMANDMENTS OF BUYING A HOME

I

Thou shalt not change jobs, become self-employed or quit your job.

II

Thou shalt not buy a car, truck or van (or you may be living in it)!

III

Thou shalt not use credit cards excessively or let your accounts fall behind.

IV

Thou shalt not spend money you have set aside for closing.

V

Thou shalt not omit debts or liabilities from your loan application.

VI

Thou shalt not buy furniture.

VII

Thou shalt not originate any inquiries into your credit.

VIII

Thou shalt not make large deposits without first checking with your loan officer.

IX

Thou shalt not change bank accounts.

X

Thou shalt not co-sign a loan for anyone.

FREQUENTLY ASKED QUESTIONS ?

How will you tell me about the newest homes available?

Based on your needs, I provide up-to-date information for EVERY home on the market. I constantly check the "HOT LIST", so I can be on the lookout for my clients. I will get this information to you immediately, either by phone or email, whichever works best for you.

Will you inform me of homes from ALL real estate companies or only

I will keep you informed of ALL homes that are currently available. I want to help you find your dream home, which means I stay on top of every home that's currently available on the market, regardless of which sign is in the front yard.

Can you help me find new construction homes?

Absolutely! I work with most builders and I am very familiar with each one's pricing, amenities, and quality. I am happy to get you all the information you need to make a decision. I will accompany you to all of your appointments from choosing the right floor plan to colors to closing. Using my services with a new construction home purchase, you will receive the services I offer PLUS those provided by the builder, at no additional cost.

How does For Sale By Owner (FSBO) work?

Call me first! Most FSBO's will work with an agent, even though their home is not listed. If you see a FSBO, let me contact the owner for you and make an appointment.

Can we go back through our property again once an offer is made?

Yes! In fact, I find that most buyers LOVE the home even more when they go back to see it. We still have to make an appointment with the sellers first, so please be sure to give me enough time to set it up for us.

Once my offer is accepted, what should I do?

Celebrate! I will forward the contract to your lender and schedule the inspection. You will want to schedule your move, pack items and notify businesses of your address change. I will provide you with a moving checklist to help you remember all the details. I will also give you a good faith estimate and HUD statement, which will indicate the amount you will need to bring to closing

MOVING CHECKLIST



New Telephone Number:

New Address:

Closing Date: _____

Move-In Date: _____

Electric Company: _____ Ph #: _____

Phone/Internet Company: _____ Ph #: _____

Cable/Satellite Company: _____ Ph #: _____

Gas Company: _____ Ph #: _____

Water/Sewer: _____ Ph #: _____

Trash Company: _____ Ph #: _____

Pick-up Days: _____

Alarm Company: _____ Ph #: _____

- Change of Address at Post Office
- Notified Friends & Family of New Address
- Cancelled Former Utility Services
- Notify School(s) of Intended Moving Date





GLOSSARY OF TERMS

"A" Credit- Buyers with the best credit have "A" credit and get the best interest rates from lenders

Architectural Control Committee- Committee of homeowners in a condominium complex of planned unit development (PUD) that determines what changes, modifications and additions can be made to individual units.

Adjustable-Rate Mortgage- a mortgage that permits the lender to adjust its rate periodically on the basis of changes in a specific index.

Agent- A person authorized to work on another's behalf, obligated to work in the others best interest.

Appraisal- A determination of the value of an improved property or parcel of land by a licensed, certified impartial individual.

Appreciation- The increase in the value of a property due to changes in the market conditions of other causes. The opposite of depreciation.

As Is- Buying a home in the condition it was viewed. Buyer can elect in the market conditions or other causes. The opposite of depreciation.

Balloon Mortgage- A type of mortgage where the loan amount is amortized over the entire length of the loan (30 years), but the loan comes due in a shorter time (typically 5-7 years). The balance of the loan is due in one final installment known as the balloon payment which can be paid off or refinanced.

Blue Prints- Mechanical scale drawings that lay out the specifications to size of the exact dimensions and measurements of a home, inside and out, level by level.

Broker- An agent authorized to operate their own agency. A principal broker- the sole individual who runs an office.

Budget Plan- A payment plan where a home owner pays the same amount each month based on prior usage regardless of what the actual utility usage was.

Building Code- Local regulations that control design, construction, and materials used in construction. Building codes are based on safety and health standards.

Buyers Agent- A real estate salesperson who works exclusively for the buyer but is paid commission by the seller.

Buyer Specialist- Agents that specialize in helping buyers purchase a home.

Cash Flow- The "Positive" difference between the monthly mortgage a landlord pays the bank and the monthly rent a tenant pays the landlord for a rental property. Clear Title- A title free of liens, judgment or legal questions pertaining to the ownership of the property.

Closing- The process of finalizing all the dealings associated with the purchase of a home. Title and deed transferred from the seller to the buyer.

Closing Costs- Expenses over and beyond the down payment incurred by the buyer and seller in the transferring ownership.

Commission- The fee an agent earns for the sale of a home, usually a percentage of the sales price.

Common Areas- Portions of a building, land and amenities owned or managed by an HOA or condominiums homeowners association that are used by all unit owners, who share in the the common expense and maintenance.

Comparable Properties- Used for comparative purposes in the appraisal process and in picking a list price of a home; also known as a CMA. Comparables are properties similar to the property under consideration. They have size, location, and amenities and have recently been sold within the last year. They help determine the fair market value of a property.

Contingency- A provision included in the purchase agreement that states certain events must occur or conditions be met for the contract to be valid and the transaction to close.

Contract- Written agreement to do or not to do specific things an a real estate transaction.

Conventional Mortgage- A type of mortgage made by lending institutions where the buyer pays at least 5% of the purchase price as a down payment at closing.

Counteroffer- Counter responses or proposal that makes changes to terms in the original purchase agreement.

Credit Report- A report of all your debt information compiled by an independent agency. The credit report shows all outstanding debt as well as a record of payment on outstanding debts.

Default- Failure to make payment on a loan or mortgage.

Defect- Any problem, flaw or deficiency in a home or its improvements. Major defects are items that are addresses during the inspection process of the transaction.

Depreciation- A decline in value of a property; the opposite of appreciation.

Discount Points- A lenders tool to lower the interest rate. Buyers can buy down their rate by paying a discount point (usually 1% of the loan amount) to lower their monthly payment.

Down Payment- Money paid by the buyer for the purchase of a home at the time of closing; typically 0%-20% of the sales price, depending on the loan program you are using.

Earnest Money- Deposit made when an offer to purchase is written; shows buyers' sincerity and ability to purchase. Amount is typically 1-2% of the sales price, held in a non-interest bearing account by the listing broker until closing.

Easement- A right of way giving persons other than the owner access to or over a property. For example, utility and drainage easements.

GLOSSARY OF TERMS

Encumbrance- Anything that effects or limits the fee simple title to a property, such as mortgages, leases, easements, mechanics liens or restrictions.

Escrow Account- Accounts in which the lender holds the borrower's monthly escrow payments to pay for expenses such as property taxes and homeowners insurance.

Equity- The financial interest or cash value of your home minus the current loan balance and the costs incurred to sell the home.

Fee Simple- The greatest possible interest of ownership a person can have in a property.

FHA Mortgage- A loan guaranteed by the federal government-

Federal Housing Administration- A small down payment is made (3.5% of sales price), mortgage insurance is required, and a one-time FHA premium is charged to the buyer and rolled into the mortgage.

Fiduciary Responsibility- The relationship that exists when an individual or company represents someone else.

First Right Contingency- A sales contract where the buyer stipulates that he wants to buy a home subject to his current home selling.

First Mortgage- A mortgage that is the primary lien or debt against a property.

Fixed- Rate Mortgage- A type of mortgage where the interest rate is fixed for the life of the loan.

Flood Insurance- Insurance that compensates for physical property damage resulting from flooding. It is required by properties located in federally designated flood areas.

Foreclosure- A legal process where a mortgaged property is seized because of failure to make payments.

FSBO- "For Sale By Owner"; A home that is offered for sale without the services of a real estate agent. Many FSBO's will happily work with an agent.

Gift Letter- A required letter by lender if buyer received a down payment from a family member or a friend as a gift.

Homeowners Association- A nonprofit association of home owners that manage the common areas of a community or condo.

Home Warranty- A type of insurance to protect owners from expensive home repairs. Most plans cost around \$545-\$600 (with a deductible) and cover all major mechanical systems and appliances for one year. They are especially useful for older homes. Can usually be renewed annually.

House Poor- When a buyer has bought a home at the uppermost level of his price range and has stretched himself so far financially that he can barely make mortgage payments.

Income Debt Ratios- The percentage the lender of your monthly income compares to your monthly debt.

Interest Rate- The percentage the lender charges you for borrowing money.

Investment Property- A property not occupied by the buyer but leased out to tenants. Investors own these properties to make money, or gain appreciation in the home's value.

Lien- a legal claim against a property that must be paid when the property is sold.

Listing Specialist- Agents that primarily focus on listing homes and not working with buyers. Buyer specialists are agents that specialize in helping a buyer purchase a home.

Loan-To-Value Ratio- Used by lenders to describe how much a borrower has financed in a property in relation to how much the borrower put down.

Lock-In- Guaranteeing a certain interest rate for a period of time. Most lenders will offer a 60 day lock without a fee. You can sometimes receive a better rate when using a 30 day lock, but you must close within the "lock" period.

Low Ball Offer- An offer considerably lower in price than the seller's asking price.

Maintenance Fee- A fee charged by condo associates, co-ops, or HOA's for the upkeep of the common areas in the neighborhood.

MLS- A computerized database of the past and current homes for sale in the specific geographic area. Homes that are listed with real estate companies are entered into the database system. Agents share this information with the buyers to help them find a home.

Mortgage- A legal document that pledges a property to the lender as security for payment of debt.

Move-In Condition- A home in such excellent condition structurally and mechanically, in addition to being clean and tastefully decorated, that no work needs to be done.

Good Faith Negotiating- Two parties engaging in a fair, open negotiation where both parties genuinely seek resolution that benefits both sides.

Hazard Insurance- Insurance coverage that compensates physical damage to a property from fire, wind, vandalism or other hazards. Also known as homeowners insurance.

Home Inspection- A thorough examination that evaluates the structural and mechanical condition of a property. It is written in the sales contract as a contingency by the buyer and is performed by a licensed professional. The cost of an inspection ranges from \$235- \$345 depending on what is inspected and the size of the home.

GLOSSARY OF TERMS

Origination Fee- A fee paid to a lender for processing a loan application and originating the loan from start to close; usually one percent of the loan amount.

PITI- The total monthly payment made on a home that includes the principal and interest payments on the mortgage, the property tax escrow payment and homeowners insurance escrow payment.

Power of Attorney- A legal document that authorizes another person to act on ones behalf and sign legal documents.

Pre-Approval- Supplying a lender with all pertinent financial and personal details before you start looking for a home. Lenders give a definite commitment that a borrower will be approved for a loan.

Pre-Qualified- Supplying the lender with a portion of financial and personal details before you start looking for a home. Lenders give an estimate or educated guess that a borrower will be approved for a loan.

Price Differential- (LP:SP ratio) The statistical difference between the listing price and the average actual sales price in an area

PUD- Planned unit development, a project or subdivision that include common property that is owned and maintained by a homeowners association for the benefit and use of the individual PUD unit owners.

Purchase or Sales Agreement- A written contract signed by the buyer and seller stating the terms and conditions under which a property is to be sold.

Proration- A division of fees in an exact manner, usually to a certain date. For example, property taxes, and homeowners association dues are paid according to who lived in the home up to the day prior to closing.

Radon- A naturally occurring radioactive gas found in some homes that in sufficient quantities can be hazardous to the homeowners health. Visit www.epa.gov for more information.

Recorder- The public official who keeps record of transaction that affect real property in an area. Sometimes referred to as recorders office or county clerk.

Rent Back- A term to describe sellers who stay in the home after closing takes place. The seller pays the buyers, rent to remain in the property for an agreed upon amount of time.

Repair Allowance- Money given from the seller to the buyer in lieu of any repairs being done to the property.

Sales Status- Active, Pending, Sold, Withdrawn, Expired: Active means a home is on the market for sale. Pending means a purchase agreement has been accepted on a property, but the transaction has not been yet closed. Sold homes have already closed. Withdrawn means the home was taken off the market, usually by the seller, and is no longer for sale. Expired means the house down not sell during the six-month listing period.

Second Mortgage- A mortgage that has a lien position subordinate or behind the first mortgage. Also known as a credit line or a home equity line of credit.

Sellers Disclosure- A form required by most state in which the seller must disclose any known defects or problems of the home.

Sellers Market- When market factors favor home sellers so they have strong leverage when dealing with buyers. A buyers' market is when the market conditions favor the buyer. Time of season, interest rates, the number of homes on the market, the economy and trends within the real estate industry whether a market is a buyers' market, a sellers' market, or the playing field is level.

Settlement Statement- A document that provides an itemized listing of all funds that are payable at closing from the buyer and seller including the closing costs and the down payment amount and the net proceeds the seller receives at closing.

Spec Home- These homes are constructed by builders even though there is no buyer under contract to buy the house. Also known as inventory homes.

Subdivision- A large piece of land divided into several plots on which individual homes are built.

Survey- An examination of a property's boundaries to find out the quantity of land, location of improvements, and other information pertinent to the subject property. The surveyor created a map drawing of the legal boundaries of the property.

Tenants Rights- A property that is rented by a tenant and is sold subject to the tenants right as set forth in the tenants lease. It is the tenants home until the term of the lease expires, even if the lease period ends months after the sale and closing of the home.

Title- A legal document stating a persons right to ownership of a property.

Title Company- A company that specialized in examining and insuring title in real estate.

Title Insurance- Insurance that protects the lender (lenders policy) and the buyer (buyers policy) against loss arising from disputes over ownership of a property or legal claims against the property.

Under Appraising- When a home appraises for LESS than the sales price written in the Purchase Agreement.

Underwriting- The process of evaluating a loan to determine whether the loan is a good risk.

Zoning- Laws that establish how a property can be used and what codes must be followed for construction.