

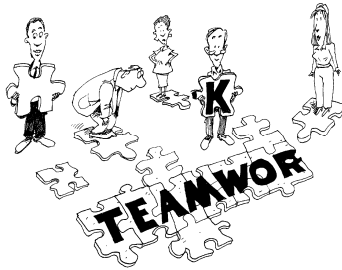


THE COMPLETE HOMEBUYER'S GUIDE

**Everything You Need To Know
To Buy a Home and
Enjoy a "Seamless Transaction"**

A rectangular advertisement for Tyson Crandell, a REALTOR®. It features a photo of Tyson Crandell, a man with glasses and a beard, wearing a dark suit and white shirt. To his left, the text reads 'Tyson Crandell' in a large, stylized font, with 'REALTOR®' in smaller text below it. Below that is the 'ONE REALTYONEGROUP' logo. At the bottom, it says 'Making peoples dream home a reality since 2005!'.

What Are The Advantages Of Working With Tyson Crandell, To Buy A Home?



Real estate is a complicated business. There are hundreds of details that must be managed on a timely basis in order to provide the quality of service that you deserve. Buying a home is certainly one of the most challenging experiences you will ever face.



You don't have to "do it alone." Tyson has the training, the know-how, and the experience to help you through each step of the process, and make the process of finding, buying, and moving into your new home as smooth, quick, and enjoyable as possible.



Our agents will provide valuable information about market trends, financing options, communities and neighborhoods, and homes for sale throughout the area. Some real estate agents steer you to just their own in-house listings. Our agents, on the other hand, offer you access to complete information about every home listed by area agents through the Multiple Listing Service, often within hours of these new listings coming on the market.



Get the advantages of using Tyson and his entire team of support network. Unlike many other agents who try to wear every hat, our team is comprised of agents with many diverse skills and experiences. Our clients are typically assigned to specialists in residential real estate accordingly, thus ensuring they are matched with the skilled and dedicated agent who is best able to serve their specific needs.

Truly a Team Effort: "Team members back each other up when someone is off, ill or on vacation. When you need to see a property or write an offer on short notice you can count on Tyson Crandell and Realty ONE Group!"



Make the Right Move With Us. (480) 593-8525 TysonCrandell.com

Our Pledge To You...

Our Buyer Clients

To provide unsurpassed service to help you buy your home at a fair market price, in the shortest time, with the least inconvenience to you, We will,

- Explain real estate agency relationships
- Maintain communications with you at all times
- Analyze your property purchase needs and desires
- Fully explain current market conditions
- Provide helpful community information such as schools & demographics
- Explain local real estate practices and procedures
- Provide information on lenders and financing alternatives
- Search the local Multiple Listing Service for suitable properties
- Coordinate appointments and show all properties of interest, whether or not the properties are **Realty ONE Group** listings (We show everything.)
- Provide relevant market data regarding fair market value of homes
- Disclose all known material defects of the property
- Discuss all relevant information with the seller's agent
- Explain the process of offer presentations
- Carefully explain and prepare purchase forms
- Present all offers to seller in a timely manner
- Strive to obtain the best possible price and terms for you
- Explain after-sale activities and responsibilities
- Deliver all required Property Disclosures to you.
- Follow-up on all post-purchase activities and contingencies
- Maintain client confidentiality at all times

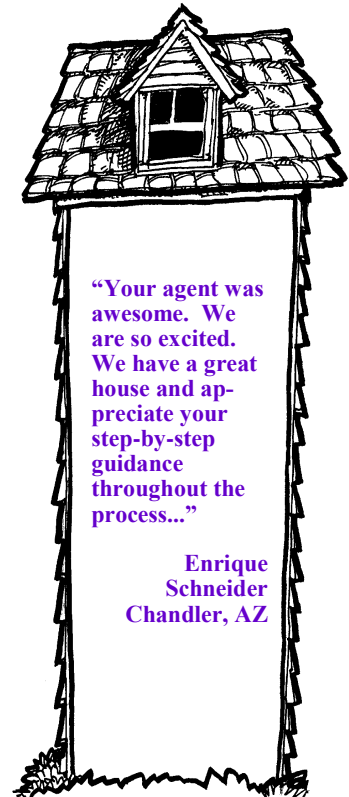
We feel so strongly about our Pledge to Buyers that we went a step further and put it in writing.



Benefits Of Working With *Tyson & Katie*

Buying a home is a complicated business. Mistakes could cost you thousands of dollars, or even worse, the missed opportunity of owning the home of your dreams. Give yourself the advantage of working with the **very best** ... work with a Buyer's Specialist and get these value-added services:

- ◆ **Highly Trained Buyer Specialists** who focus on nothing but finding the right home for you.
- ◆ **Advanced Computerized Tracking System** that instantly allows us to alert you about properties that meet your requirements as they hit the market and before most other real estate agents and buyers even know about them.
- ◆ **Expert Negotiating Skills** are our strongest asset. Through our experience gained from conducting thousands of negotiations, you are assured of receiving expert representation at every level of the sales transaction. Protect your interests by utilizing an exclusive buyer-broker contract so that you are assured our agency obligations are to you exclusively and not to the sellers.
- ◆ **A Highly Trained Team of Support Specialists** each working together as a team to make sure that all of the important details are handled expertly. Most other agents try to wear every hat and perform every task and end up doing a less than perfect job.



**Allow Us
Guide *You* in the
Right Direction**



Why Buy?

There are many excellent reasons to buy a home instead of renting. Tyson will help you understand the benefits of home ownership. Here are just a few:

Pride-of-Ownership:



Most people buy homes to have control over where they live. A survey done by the National Association of REALTORS® of 6,000 homeowners and 2,000 renters (perhaps the largest survey ever of attitudes toward home ownership) showed that 76% of owners and 66% of renters considered pride-of-ownership an important reason for buying.

Dislike Paying Rent:



Almost equal portions of owners and renters, nearly 70%, said a dislike of paying rent was an important reason to buy. Renting offers you no equity, no tax benefit, and no protection against regular rent increases. Writing a rent check is just like watching your hard-earned money fly away!

Settling Down:



More than 6 in 10 renters said “settling down” was an important reason to buy. Most people have strong “nesting instincts,” plus they want to create a solid financial base for their families.

Good Investment:

76% of owners and 69% of renters said the investment aspect of ownership was important, especially in the long term.

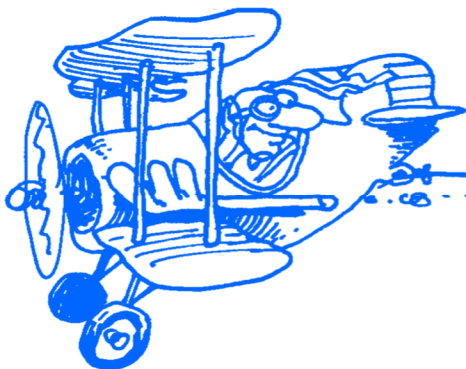
Source of Savings:



Home ownership has always been, and continues to be, the single largest source of savings for American households. Homeowners build equity and can borrow against it.

Tax Advantages:

Property taxes and mortgage interest are tax-deductible items. Talk to your tax advisor for full details.



"Your buyer specialist was absolutely wonderful to work with. I could count on him to be there for me anytime."

Bob Wright.
Chandler Heights, AZ



The Real Cost of Renting

RENTERS' RETURN ON INVESTMENT...



Based on a 6% Rental Increase Each Year, If You Now Pay ...

"Thanks everyone!
You found us our
home, not just a
house...!"
Mr. & Mrs. Mason
Gilbert, AZ

	\$1000 a month for rent today You'll Pay	\$1100 a month for rent today You'll Pay	\$1200 a month for rent today You'll Pay	\$1300 a month for rent today You'll Pay	\$1400 a month for rent today You'll Pay	\$1500 a month for rent today You'll Pay	\$1600 a month for rent today You'll Pay
This year	\$12,000	\$13,200	\$14,400	\$15,600	\$16,800	\$18,000	\$19,200
Next year	\$12,720	\$13,992	\$15,264	\$16,536	\$17,808	\$19,080	\$20,352
3rd year	\$12,796	\$14,832	\$16,180	\$17,528	\$18,876	\$20,225	\$21,573
4th year	\$13,564	\$15,722	\$17,151	\$18,580	\$20,009	\$21,439	\$22,867
5th year	\$14,378	\$16,665	\$18,180	\$19,695	\$21,210	\$22,725	\$24,239
6th year	\$15,240	\$17,665	\$19,271	\$20,877	\$22,483	\$24,089	\$25,693
7th year	\$16,155	\$18,725	\$20,427	\$22,130	\$23,832	\$25,534	\$27,235
8th year	\$17,124	\$19,849	\$21,653	\$23,458	\$25,262	\$27,066	\$28,869
9th year	\$18,152	\$21,040	\$22,952	\$24,865	\$26,778	\$28,690	\$30,601
10th year	\$19,241	\$22,302	\$24,329	\$26,357	\$28,385	\$30,411	\$32,437
Total	\$151,370	\$173,992	\$189,807	\$205,626	\$221,443	\$237,259	\$253,066

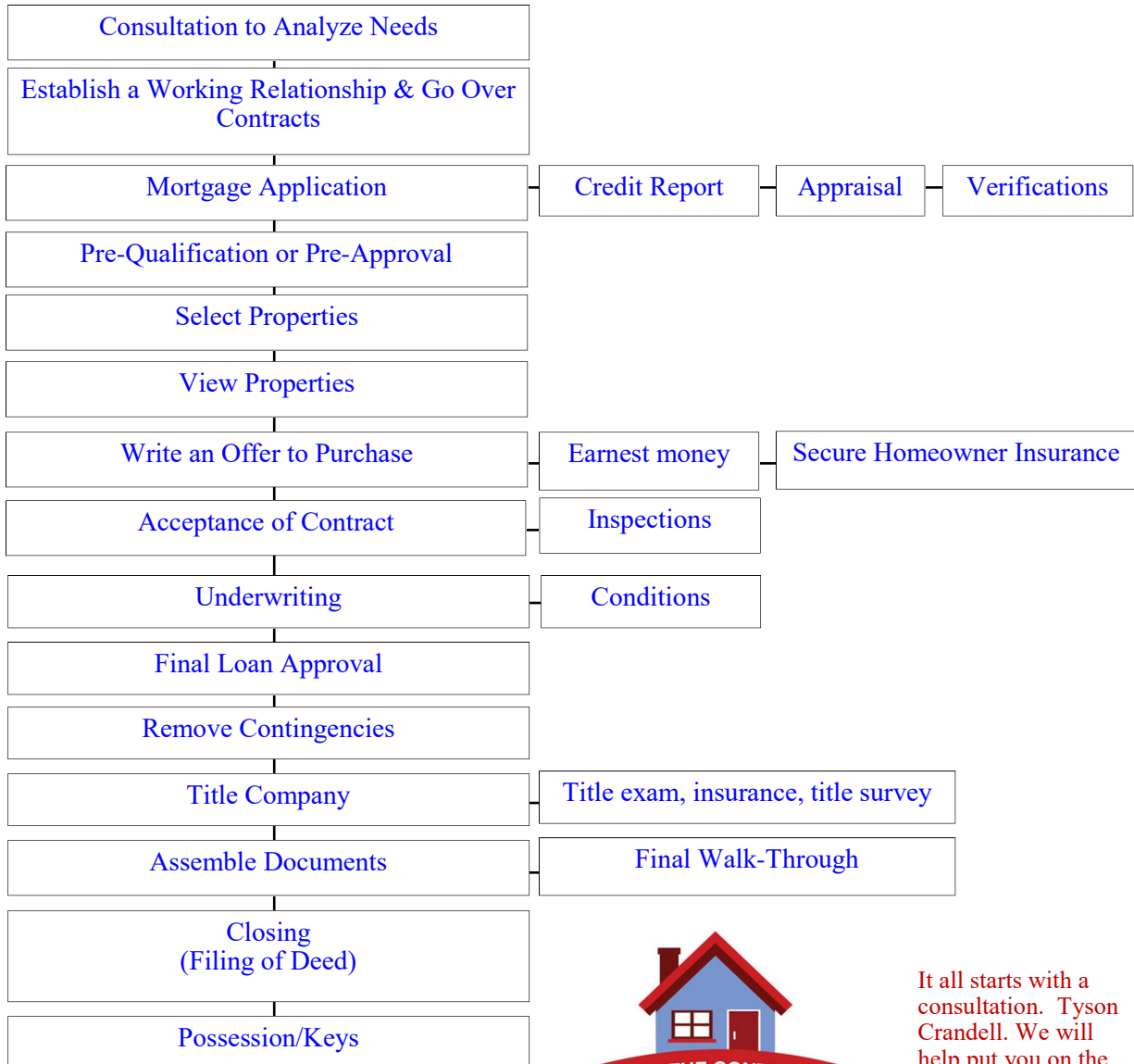
You will pay and pay and pay and pay and pay and pay and pay...

WITH NOTHING TO SHOW EXCEPT RENT RECEIPTS

Make the Right Move With Us. (480) 593-8525 TysonCrandell.com

Home Buying Process At A Glance

Here's a quick-glance chart
outlining the home buying process

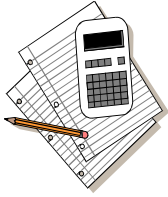


It all starts with a consultation. Tyson Crandell. We will help put you on the road to owning your own home.



The best part is getting the keys to your new home!

Make the Right Move With Us. (480) 593-8525 TysonCrandell.com



Taking The First Big Step - Getting Financially Qualified!



The initial consultation will help you determine the type of home that meets your needs and fits within your budget. To do so, he or she will need to discuss your financial situation with you to determine the price range that will be affordable and comfortable for you. It is important for both your agent and your lender to know:



How much cash you intend to use toward down payment and closing costs.



Your annual gross income (before taxes).



The length of time with your current and previous employers.



Your monthly payments on long-term debts and credit card balances.



Child care expenses and/or alimony, if any.



Whether or not there have been any bankruptcy or credit problems.

The information you provide will be held in strict confidence.



The Bottom Line...Speak With a Lender First!

Your agent will recommend that you meet with a lender before house-hunting to determine specific issues such as loan interest rates, expected closing costs and total required amount of cash to close, as well as the price range for which you qualify.



Items Needed For A Loan Application



Employment and Income Verification

- Employment addresses for several years
- Gross monthly income (before deductions)
- W-2's, if available
- Proof of pensions, retirement, disability or Social Security
- Proof of income from rentals, investments, etc.
- Year to date pay stub
- If self-employed:
 - 1040 tax returns for past two years
 - Current year profit and loss statement

Creditors and Debt Disclosure

- Each creditor's name, address and type of account
- Account numbers
- Monthly payments and approximate balances
- Amount of child care expenses



Banking

- Names and addresses of all banking institutions
- Account numbers for all accounts
- Type of accounts and present balances

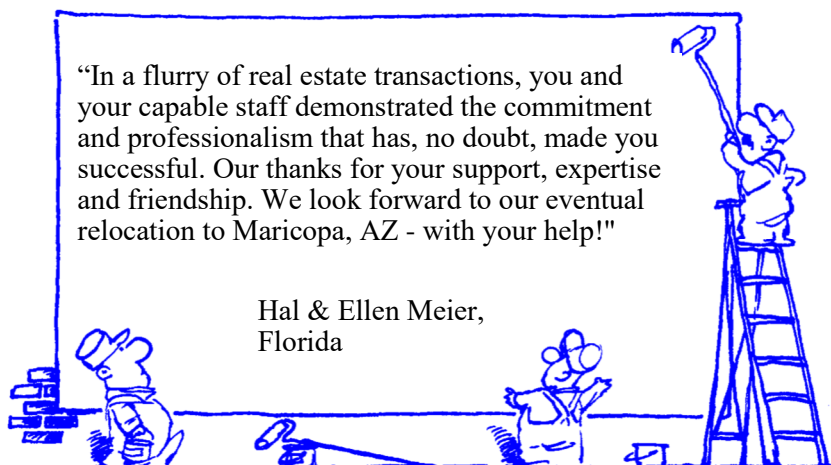
Miscellaneous

- List of assets in stocks, bonds, land
- Life insurance cash value (documented if used as cash down payment)
- Copy of sales contracts, if applicant is selling a home
- Social Security numbers for all parties
- Certificate of Eligibility and DD-214 if Veteran
- Cash or check to pay for application fee



"In a flurry of real estate transactions, you and your capable staff demonstrated the commitment and professionalism that has, no doubt, made you successful. Our thanks for your support, expertise and friendship. We look forward to our eventual relocation to Maricopa, AZ - with your help!"

Hal & Ellen Meier,
Florida





Mortgages At a Glance



Mortgages used to be simple. You made a down payment on the house of your dreams and borrowed the balance at a fixed rate of interest, promising to pay it back in regular monthly payments over a period of years.

Today you must make choices. Do you want the traditional 30-year fixed rate mortgage with its guarantee of unchanging monthly payments? Perhaps a fifteen-year loan would be better? Or would you prefer an adjustable rate mortgage with monthly payments that can rise and fall in accordance with an index reflecting economic conditions?

Below is a brief synopsis and the pros and cons of some of today's most popular mortgage loans

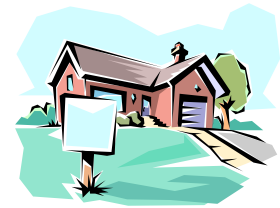
TYPE	DEFINITION	ADVANTAGES	DRAWBACKS	COMMENTS
30-YEAR FIXED RATE	A long-term loan in which principal and interest are amortized over 30 years; both interest rate and amount of monthly payment remain unchanged for life of the loan.	<ul style="list-style-type: none">• Considerable tax benefits, especially in early years.• Payments never rise, regardless of inflation.	<ul style="list-style-type: none">• Slow equity build-up.	<ul style="list-style-type: none">• The most common mortgage in the U.S, a particularly good investment
15-YEAR FIXED RATE	As above but payback period is 15 years.	<ul style="list-style-type: none">• Usually lower interest rate than 30-year.• Faster equity build-up.• Less interest paid out over life of loan.	<ul style="list-style-type: none">• Higher monthly payments.• Less tax-deductible interest.	<ul style="list-style-type: none">• An excellent option for middle aged and older buyers
ARM (Adjustable Rate Mortgage)	A mortgage whose rate changes over time according to terms specified by the lender, based on a specified index.	<ul style="list-style-type: none">• Low initial interest rate, sometimes below market.• Payments may decrease over time.	<ul style="list-style-type: none">• Payments may increase over time.• Mortgage balance may increase	<ul style="list-style-type: none">• Good option for buyers whose income is expected to rise when rates are expected to drop.
FHA/VA MORTGAGE LOANS	Government-insured or guaranteed mortgages that can make purchase more affordable than conventional loans.	<ul style="list-style-type: none">• Little or no down payment required.• Marginally better rate than conventional 30-year mortgages.	<ul style="list-style-type: none">• Lower limits on the maximum that can be borrowed.• VA requires current or past military service.	<ul style="list-style-type: none">• Good option for first time buyers with little to invest in a down payment.

How To Be A Good Buyer

- Give us as much information up front as you can on your wants, needs, children, financial picture, likes, dislikes, “must haves” and “don’t wants”.
- Come and look during the week if possible ... we can get so much more done (on week-ends, the sellers are home, relatives visit, TV’s are on, buddies are over watching the game, teens are sleeping in and Saturday and Sunday mornings are non-working times for some sellers).
- Bring measurements of big furniture items, fabric swatches, etc. PLEASE consider (just consider) the possibility of putting the 12’ pool table in the rec. room instead of the living room if everything else about the house is perfect.
- Talk as we look around. Really let us know what works & what doesn’t, what concerns you, what questions you have, express your joy and your fears. Buying is as much emotion as logic. Please be as emotional as you need to be to get what you really want. You won’t offend us ... It’s not our homes we’re looking at!
- Let everyone know (friends, other agents, etc.) that we are your “Buyer’s Agent”. Give them all our phone number so they can call us if they know of or see something you might like. The best thing about looking with one agent is “Your Buyer’s Agent will help you find the best home for you”, rather than try to “sell you before someone else does”.
- Go ahead and listen to all of the pluses and minuses that everyone you know has expressed about the different areas, schools, neighborhoods ... but don’t be over-influenced (everyone thinks their alma mater is the best). Check out all the facts before you decide. Your needs and thumbprints are probably different than anyone else’s - together we’ll tailor our search for you and your family!
- Schedule coming in to look as far in advance as possible. If you have to sell first before you buy, let’s talk! We’d hate for you to come in, find the perfect house, then not be able to buy because you have to sell your old home first.



Viewing Available Homes For Sale



Now that you're pre-qualified you will want to start looking at homes. **Tyson** will discuss with you a variety of options available to you. Some buyers want to be personally escorted to each home, some prefer to drive by first. You and your agent will discuss which approach is best for you.

After your initial counseling appointment, we will have a good idea of your wants, needs, price range, and preferred location and will enter your requirements into our special software program. Every day we will email a list of homes tailored just for you. We will make arrangements to show you those homes that appear to meet your desires.

As you walk through each home, make notes of those that appeal to you. It is easy to forget details. Often there will be a brochure available for you in these homes to help you recall details as you and your agent review your home visits later.

Don't be surprised if the first home you see is the perfect one for you! Likewise, don't get discouraged if none of those you visit the first day are what you want. We are committed to finding the house you will want to call "home" and will work diligently until you find it. Usually, your agent will be able to find 3-5 homes that best fulfill the desires you've expressed rather quickly. From these you may very likely find a home you will want to buy.





When We've Found The Right Home...

We will:

- ◆ Strategically prepare an Offer-to-Purchase Agreement and negotiate all counter offers until agreement is reached.
- ◆ Provide you with copies of all the documents involved in the Purchase Agreement.
- ◆ Assist you in selecting the best financial institution to handle your mortgage and work closely with the lender during the course of your transaction.
- ◆ Coordinate the necessary inspections of the property to evaluate the major elements of the home and negotiate any repairs necessary to insure your safety.
- ◆ Remain in regular contact with you throughout the duration of the offer and escrow process to answer any questions you have and guide you through any challenges that may arise.



First-time homebuyers listen to their agent explain a purchase contract.



Our TEAM Mission Statement

Committed to creating a positive impact on the lives of our clients through excellence, integrity and continuous improvement

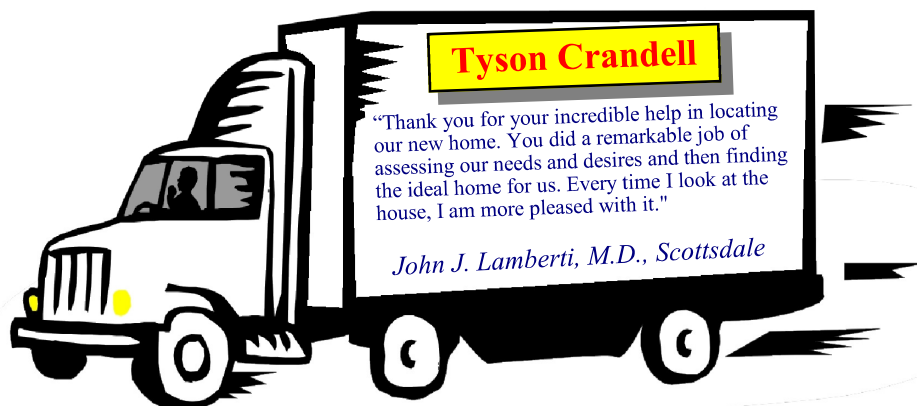
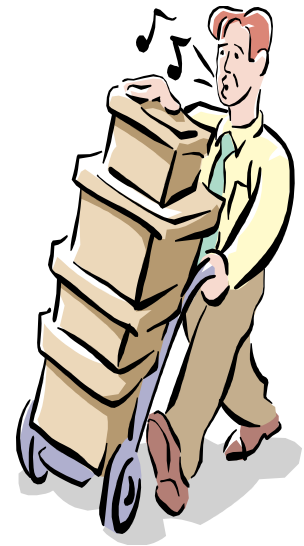
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GOING THE EXTRA MILE ...

Once you have purchased your new home through us, we would like to welcome you into our exclusive “Special Services Division.”

- ♦ Some free moving boxes.
- ♦ A free gift basket for your new home.
- ♦ A free home welcoming wine tasting event for you, your friends & Family.
- ♦ A free voucher for your next seasonal Christmas tree.



Make the Right Move With Us. (480) 593-8525 TysonCrandell.com

The Life of an Escrow

It all begins with the offer and acceptance skillfully negotiated by the real estate agents representing Buyer and Seller

The Buyer (s)

- ◇ Tenders a written offer to purchase (or accepts the seller's counter = offer) accompanied by a good faith deposit amount.
- ◇ Applies for a new loan, completing all required forms and often prepaying certain fees such as credit report and appraisal costs.
- ◇ Approves and signs the escrow instructions and other related instruments required to complete the transaction.
- ◇ Obtain insurance on the property.
- ◇ Approves the preliminary title report and any property disclosure or inspection report called for in the purchase agreement.
- ◇ Approves and signs loan documents and fulfills any remaining conditions contained in the contract, lender's instructions and/or the escrow instructions.
- ◇ Deposits funds necessary to close the escrow.

The Lender

(When applicable)

- ◇ Accepts the new loan application and other related documents from the Buyer(s) and begins the qualification process.
- ◇ Orders and reviews the property appraisal, credit report, verification of employment, verification of deposit(s), preliminary title report and other related information.
- ◇ Submits the entire package to the loan committee and/or underwriters for approval. When approved, loan conditions and title insurance requirements are established.
- ◇ Informs Buyer(s) of loan approval terms, commitment expiration date, and provides a good faith estimate of the closing costs.
- ◇ Deposits the new loan documents and instructions with the escrow holder for Buyer's approval and signature.
- ◇ Reviews and approves the executed loan package and coordinates the loan funding with the escrow officer.

The Escrow Officer

- ◇ Receives an order for escrow and title services.
- ◇ Orders the preliminary title report and examination on the subject property from the title company.
- ◇ Acts as the impartial "stakeholder" or depository, in a fiduciary capacity, for all documents and monies required to complete the transaction per written instructions of the principals.
- ◇ Prepares the escrow instructions and required documents in accordance with the terms of the sale.
- ◇ With authorization from the real estate agent or principal, orders demands on existing deeds of trust and liens or judgments, if any. For assumption or subject to loan, orders the beneficiary's statement or formal assumption package.
- ◇ Reviews documents received in the escrow: preliminary title report, payoff or assumption statements, new loan package and other related instruments. Reviews the conditions in the lender's instructions including the hazard and title insurance requirements.

The Life of an Escrow Continued

The Escrow Officer Continued

- ◇ Presents the documents, statement, loan package(s), estimated closing statements, and other related documents to the principal(s) for approval and signature, and requests the balance of the Buyer's funds.
- ◇ Reviews the signed instructions and documents, returns the loan package and requests the lender's funds.
- ◇ Receives the proceeds of the loan(s) from the lender(s).
- ◇ Determines when the transaction will be in position to close and advises the parties.
- ◇ Assisted by title personnel, records the grant deed, deed of trust and other documents required to complete the transaction with the County Recorder and orders the title insurance policies.
- ◇ Closes the escrow by preparing the final settlement statements, disbursing the proceeds to the Seller, paying off the existing encumbrances and other obligations. Delivers the appropriate statements, funds, and remaining documents to the principals, agents and/or lender(s). Agents rely on the Escrow Officer's coordination of documents, loans, title, and inspections to close the transaction on time.

The Seller (s)

- ◇ Accepts Buyer's offer to purchase and initial good faith deposit to open escrow.
- ◇ Submits documents and information to escrow holder, such as: addresses of lien holders, tax receipts, equipment warranties, home warranty contracts, and any leases and/or rental agreements.
- ◇ Approves and signs the escrow instructions, grants deed and other related documents required to complete the transaction.
- ◇ Orders inspections, receives clearances, and approves final reports and/or repairs to the property as required by the terms of the purchase agreement.
- ◇ Fulfills any remaining conditions specified in the contract and/or escrow instructions; approves the pay off demands and/or beneficiary's statements.
- ◇ Approves any final changes by signing amendments to the escrow instructions or contract.

Title Company

- ◇ Receives an order for title service.
- ◇ Examines the public records affecting the real property and issues a preliminary title report.
- ◇ Determines the requirements and documents needed to complete the transaction and advises the escrow officer and/or agents.
- ◇ Reviews and approves the signed documents, releases, and the order for title insurance prior to the closing date.
- ◇ When authorized by the escrow officer, records the signed documents with the County Recorder's office and prepares to issue the title insurance policies.





Understanding Closing Costs



There are several fees that you will need to pay to different parties during the course of your home purchase. Some are paid “up front” and some are paid at the close of escrow. We may be able to negotiate with the seller to pay some of these costs; others must be paid by you and cannot be paid by the seller under any circumstances. Here are some of those costs, bearing in mind that there may be others depending on your specific circumstances.

- ♦ **Loan Application Fee:** Fee charged by lender to offset fixed costs related to mortgage loan processing such as appraisal, credit report, and underwriting.
- ♦ **Loan Origination Fee:** This is generally computed at 1% of the mortgage amount.
- ♦ **Loan Points:** Each point is equal to 1% of the mortgage amount. Points are used by the lender to adjust the yield on the mortgage when it is sold to an investor. By paying more points, the borrower may obtain a lower mortgage interest rate.
- ♦ **VA Funding Fee:** Applicable on VA loans only. The fee is due at closing or may be added to the loan amount and financed.
- ♦ **Underwriting Fee:** Usually included in the application fee; however, practices vary from lender to lender.
- ♦ **Homeowner's Insurance:** One year's premium is typically due in advance at time of closing.
- ♦ **Mortgage Insurance:** Insurance often required by the lender when the down payment is less than 20%. In the case of loan default, this insurance reduces the lender's loss.
- ♦ **Pre-payables:** The lender may require that the buyer prepay, through escrow, any of several types of recurring monthly expenses that a homeowner normally pays. These may include property taxes, home hazard insurance and mortgage interest charges. The lender may require prepayments of such expenses to be adjusted at close of escrow.
- ♦ **Escrow Fee:** Fees charged by the escrow company for administrative escrow services performed from the point of contract through closing.
- ♦ **Title Insurance:** Provides protection for lenders and homeowners against financial loss resulting from legal defects in the title.
- ♦ **Recording Fees:** Fees charged by state or municipal entities for entering the closing documents into the public record.
- ♦ **Transaction Coordinator Fee:** Payable at the close of escrow, this is the only fee a buyer client pays directly to Keller Williams Realty. In many cases the seller will pay for this and some additional closing costs as stated in the top paragraph.. However it just depends on what type of real estate market we are working in at the time. This fee pays for our escrow coordinator who will be handling the myriad details and paperwork involved in your sale, thus freeing up your agents to work directly with you to show property, negotiate transactions and sell homes.

Such
a Deal!!

Understanding The Purchase Contract



Now that you have found the home you wish to own and your Buyer Specialist Tyson Crandell have explained to you all of the relevant paperwork, it is time to get serious! In negotiating the purchase of your new home, the initial step will be to make an offer to purchase. This offer must be in writing and accompanied by an earnest money check to show good faith.



The offer will include:

1. The amount you are offering to pay
2. Financing terms
3. Any personal property you wish to be included
5. Closing and occupancy date
6. Other contingencies, including inspections
7. Any other conditions that are important to you.

The offer will be written on a standard contract form used by most Arizona real estate agents. If the initial offer is not accepted by the seller, further negotiations are conducted on “Counter Offer” forms. When buyer and seller finally agree on terms, an “escrow” is opened and the parties immediately commence work to complete the contingencies of the contract and close the transaction.

Earnest Money Deposit

When you write an offer, you will be required to make a good faith deposit. The deposit should be made payable to the escrow company that will be used in the transaction and **will not** be turned over to the seller. *This money represents your sincerity to purchase* and is returned to you if the offer is not accepted. **This earnest money will be credited to you at closing as part of your down payment and/or closing costs.**

Title Insurance

When property is sold or refinanced, the lender and/or buyer needs a preliminary title report to see exactly what liens and encumbrances are recorded against the property. Items that a preliminary title report may show include:

1. Easements of record
2. Restrictions, covenants and conditions
3. Liens and/or judgments
4. Exact vested owner of record
5. Legal description
6. Property tax information

Closing The Sale

When the sale of the subject property is final and the title company has recorded the necessary documents, it issues a policy of title insurance to the new lender and the buyer showing clear title to the property. The buyer subsequently receives a recorded Grant Deed confirming ownership, and the seller receives the monetary proceeds of the sale.



The Home Inspection and Inspection Reports



It's easy to make sure the home you've chosen is a smart buy. By having a home inspection, the home's vital systems are checked. A home inspection allows you to purchase your home with confidence. Tyson Crandell will help you set one up after escrow is opened. **Please understand** that a home inspection is meant to detect structural and other significant defects, not cosmetic ones. Do not be concerned with peeling wallpaper or cracked light switch plates, for example.

I Tyson Crandell will explain how to negotiate repair issues based on the findings in the inspection report.

Items on your inspection report will include:

FOUNDATIONS AND STRUCTURES; Proper drainage and ventilation, evidence of water seepage.

EXTERIOR SIDING, WINDOWS, DOORS; Exterior walls, porches, decks and balconies, and garage.

ROOF; Roof type, condition and material, condition of gutters and downspouts.

INTERIOR PLUMBING SYSTEM; Hot and cold water system, waste system and sewage disposal, water pressure and flow, and hot water equipment.

ELECTRICAL SYSTEM; Type of service, number of circuits, type of protection, outlet grounding, and the load balance.

HEATING SYSTEMS; Energy source, type of cooling equipment, capacity, and distribution.

INTERIOR WALLS, CEILINGS, FLOORS, WINDOWS AND DOORS - Stairways, cabinets, and countertops.

ATTIC; Structural, insulation, and ventilation.

FIREPLACE; Chimney, damper, and masonry.

GARAGE; Doors, walls, floor, opener.

APPLIANCES; A wide range of built-in and other home appliances and smoke detectors.

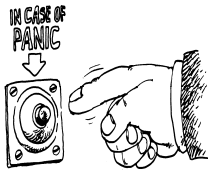
LOT AND LANDSCAPING; Ground slope away from foundation, and condition of walks, steps, and driveway.



The Pest & Termite Inspection



The seller **normally** pays for a pest inspection report. Tyson & Katie will explain in detail how to these reports and will discuss the possible repair of certain items recommended by the report.



Home Warranty Insurance Gives "Peace of Mind"



Tyson will try to negotiate a home warranty plan on your behalf to be paid for by the seller. This important insurance coverage will provide you with added peace of mind after you move into your new home. If the seller does not provide a home warranty policy, you may purchase one yourself. I will explain how to do this and provide you with a list of reputable home warranty firms from which to choose a policy.



Why a home warranty program is so important to your peace-of-mind:

If you're buying a home, your expenses only begin at closing. Often, people have renovations to make or furniture to buy and so on. So the last thing you want is to have to spend additional money for repairs due to unexpected mechanical or other system failures within the new home. And even the most thorough professional home inspection won't pinpoint when the dishwasher's useful life will end or when the water heater will spring a leak!

Benefits when you're the buyer: Your home is one of the biggest investments of your life. Why take chances? Be covered against the expense of an unexpected repair or replacement for a full year after closing, less a nominal deductible or service call charge. A good home warranty plan can give you the protection you need.

The costs for a home warranty are very reasonable. Standard policies usually cost around \$280 - \$375 for a year and cover the basic systems of the house. Add-on riders can cover appliances, pools and spas, air-conditioning and roof leaks, for example. For older homes, especially, a full-coverage home warranty policy may be one of the best investments a buyer negotiates in the sale. Most policies are renewable for continuous protection.

Toll-free, 24-hour claim service: What could be easier when something goes wrong than making a single, toll-free phone call? When you do have a claim you simply call a service representative and, in turn, they will notify a contractor in your area who contacts you for an appointment. When the contractor arrives at your home you simply pay the deductible and the home warranty policy pays the rest!



Your Home and Insurance

A new home... a new beginning. For many people who buy a house, the purchase cost may be the largest single investment they will ever make. Therefore, go forward cautiously, and protect yourself and your investment from the perils that may lie ahead.

MORTGAGE CANCELLATION INSURANCE

- △ Mortgage cancellation insurance is a life insurance policy to pay off the balance on your home mortgage, thus leaving your dependents with a deed, not a debt. It is usually a declining-term policy, adjusted to the declining balance on your mortgage. It's one way of guaranteeing that your family won't lose their home if the bread-winner should prematurely die.

TITLE INSURANCE

- △ The title to your new home may be recorded in the official records in your county courthouse, but that does not necessarily mean it's secure! Most home buyers may not be aware of it, but you can actually lose everything you have invested in your house without being hit by a hurricane or a tornado! Deeds for real estate parcels sometimes are not as clear-cut as they should be. So when you buy a home, your mortgage lender may require that you not only buy home-owner's coverage, but title insurance as well.
- △ The purpose of title insurance is to protect you against a financial loss if it is discovered later that your title, or documentation of ownership to the property, is somehow defective. Sometimes, these defects do turn up. They may be years old, and involve all sorts of situations, such as a previous owner's failure to satisfy a judgment or a mortgage on the property.
- △ Insurers research all aspects of a title using archives before they issue a policy. That means your chance of buying a defective title is relatively slim. It also means that any defects the insurer discovers that increase the chance of loss will normally be spelled out. Once the title insurance policy is issued, the title company assumes losses resulting from loop-holes and flaws in the title it failed to find. Of course, the insurer's liability is limited to the amount specified in the policy.
- △ The premium normally is a modest, one-time fee, usually paid at the time you purchase the house. Modest or not, the policy could be as valuable to you as the deed to your home. So, whatever you do, don't forget it or mislay it. Keep it with the deed in your safe deposit box, or have your attorney keep it with his copy of your will and any other important papers.

HOMEOWNER'S INSURANCE

- △ Well... now that you have bought the house, and the title is clear, you will need homeowner's insurance.
- △ Basic homeowner's policies provide coverage for the homeowner against specific named perils which are listed in your policy. While most basic policies cover the homeowner against 11 perils, most broad form policies cover those 11 perils plus 6 others.
- △ Most homeowner's policies cover not only the dwelling, but other structures on the same property such as a garage, tool shed or pool house.
- △ Most personal belongings including furniture, appliances, clothing, and other possessions, also are covered for their actual cash value (their original cost minus an amount subtracted for depreciation) at the time of loss.



Make the Right Move With Us. (480) 593-8525 TysonCrandell.com



During The Weeks and Days Leading Up To The Closing

By now you will be very excited as your purchase transaction moves through escrow. It is indeed an exciting and fast-paced experience which *requires your time and attention to details* to ensure that everything is done on time and in accordance with the purchase contract. Please understand that you are not merely an “observer” of the escrow process but a very “active participant.” *You will be required* to attend inspections, visit our office and other offices, sign many different documents at different times, obtain financial and other personal documents to submit to escrow, and attend a final walk-through inspection.

Nothing will go wrong, we promise: When you hire Tyson Crandell to represent you, absolutely nothing will go wrong during your transaction. Buying a home is really a very straightforward business transaction and when you are represented by 's most successful real estate team; absolutely nothing will go wrong. From start to finish, we've got every possible gremlin contained and you can sleep at night knowing that absolutely nothing can go wrong with your deal.

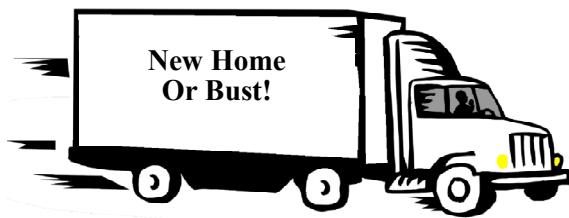
Oops, we mean something will go wrong: The above was just a test...to see if you're reading this manual. The truth is, something always goes wrong... sometime... eventually... something little... something big... sometimes a deal killer... sometimes within minutes of signing the contract... sometimes within minutes of closing the deal. But you can bet the rent... or bet the mortgage you're about to assume... in fact, you can bet every last penny you will ever earn, inherit, or find in your lifetime...that *something will go wrong* during your escrow.

You can count on us to keep you posted of all challenges as they arise and to help solve them in a timely and professional manner. In a nutshell, that is what we *Tyson & Katie* are all about. It's about vast shared experiences in addressing and solving thousands of challenges that arise during escrow and in closing sales where other agents have failed.

It's all about satisfying contingencies: A real estate contract is all about satisfying “contingencies.” When we say a seller and buyer “perform” we mean they are doing what each promised to do in the contract. Sales are “contingent,” or depend on each party fulfilling certain promises, such as the buyer obtaining a loan, the seller fixing a leaking roof, the down payment coming from Uncle Bill, or the seller being able to buy another house, for example. As each contingency is satisfied, the sale moves closer to the closing. The goal is to satisfy all the contingencies and close the deal on time, as agreed to in the purchase contract.

The last few days are the most hectic as your loan officer completes all of the loan funding arrangements and you conduct your final walk-through of the property. You should have all of your moving arrangements confirmed and you must be available to attend our offices, or other offices as required, to sign last minute papers. *It is very important* that you tell your friends and work associates of your escrow so that you can freely attend these meetings as needed.





Make A Moving Checklist... For A Smoooooth Move!

After you have opened escrow, **assume that your sale will close and plan accordingly!** Your moving checklist will include many of the items listed below plus many others specific to your family situation. Be sure to keep a calendar handy and mark your moving agenda right onto your calendar!



PLAN AHEAD BY:

Get estimates from several moving companies or truck rental companies, depending on how you plan to make the move. Arrange any special movers, such as for an expensive piano, or to disassemble a pool table or above-ground swimming pool, for example. Purchase moving insurance. Your mover's liability for lost or damaged goods will not equal the replacement cost of your possessions.

Transfer your bank accounts. They will be happy to open your accounts by mail.

Obtain your children's school records to make for an easier transfer.

Draw up a floor plan to show where your furniture should be placed. This will help avoid confusion for you and your movers.

Pay existing bills and close out local charge accounts.

Record expenses incurred during your house-hunting trips. You will also want to save your moving expense receipts (if the move is employment-related) for tax deductions.

DON'T FORGET TO:



- ◆ Cancel or transfer deliveries, newspaper, garbage collection, etc. Coordinate the transfer of gas, electric, water and sewer with the next occupant of your old home, as well as with the previous owner of your new home, so as to avoid lapses in service and possible reconnect fees.
- ◆ Gather all valuables, jewelry and important papers to take with you personally.
- ◆ Have the car serviced for the trip.
- ◆ Get refunds from your present utility and phone companies and arrange for service at your new home.
- ◆ Change these addresses: Post office, charge accounts, subscriptions (at least two weeks in advance), relatives and friends, national and alumni organizations, church, mail order clubs (books, tapes, catalogues), firms with which you have time payments, past employer in order to receive your W-2 form, etc.
- ◆ Save your old address labels to speed up your change of address forms.



Buying a home is an exciting experience. Unfortunately, many homebuyers' dreams turn into nightmares simply because buyers sign contracts and other documents without having a clear understanding of what they're signing. There are lots of uncommon words and phrases which can confuse even the most experienced homebuyer. **You need to learn the jargon!** The following words and phrases are common to the real estate industry. You can become a more informed participant by learning these words:



Preliminary Report: A

Title
summary

GOBBLEDYGOOK...GOBBLEDYGOOK...GOBBLEDYGOOK

Gobbledygook \ noun: *generally unintelligible jargon*

of the public records relating to the ownership of a particular piece of land. It represents a short legal history of an individual piece of property, and traces the ownership of that property from the time of the first recorded transfer to present.

Acceptance: Consent to an offer to enter into contract.

Adjustable-rate mortgage (ARM): A mortgage that allows the interest rate to be changed periodically.

Agency: A legal relationship in which an owner-principal engages a broker-agent in the sale of property or a buyer-principal engages a broker-agent in the purchase of property.

Amortization: The gradual repayment of a mortgage by periodic installments.

Annual percentage rate (APR): The total finance charge (interest, loan fees, points) expressed as a percentage of the mortgage amount.

Appraisal: An evaluation of a piece of property to determine its value or loan amount for the lender.

Appreciation: Increase in value due to any cause.

Assessed value: The valuation placed on property by a public tax assessor as the basis for property taxes.

Assumable mortgage: An agreement whereby the buyer assumes responsibility for a mortgage owed by the seller.

Balloon mortgage: A mortgage where the amount financed is not fully amortized over the period of the loan. When the loan becomes due, a large sum or “balloon” payment is required to satisfy the mortgage.

Bridge loan: A short-term mortgage made until a longer-term loan can be made; it’s sometimes used when a person needs money to build or purchase a home before the present one has been sold.

Broker: A person licensed by a state real estate commission to act independently in conducting a real estate brokerage business.

Building codes: State and local laws that regulate the construction of new property and the rehabilitation of existing property.

Buyer Broker Contract: This is an exclusive agreement between you and your agent. This contract allows your agent by law to negotiate on your behalf and protect your best interests; without this contract your Buyer’s specialist is just a sub agent of the seller.

Cap: The maximum amount an interest rate or monthly payment can change, either at adjustment time or over the life of the mortgage.

Closing: The final step in the sale and transfer of ownership of a property. The title is transferred from the seller to the buyer and the proceeds of sale due to the seller are paid.

Closing costs: Fees and expenses, not including the price of the home, payable by the seller and the buyer at the closing (i.e., real estate commissions, title insurance premiums, and inspection, appraisal, recording, and escrow fees).

Closing Statement: A financial statement rendered to the buyer and seller at the time of transfer of ownership, giving an account of all funds received or expended.

Cloud on the title: Any condition which affects the clear title to real property.

Comparables: Properties similar in size and character to the one being bought or sold.

Condominium: Individual ownership of a unit with common ownership.

Consideration: Anything of value to induce another to enter into a contract (i.e. money, services, a promise).

Contingency: A condition that must be satisfied before a contract is binding.

Contract: An agreement between two or more parties to do or not to do a certain thing, under specific circumstances. Real estate contracts must be written to be enforceable.

Conventional mortgage: A fixed rate, fixed-term mortgage.

Grant Deed: A legal document conveying title to a property from one party to another.

Default: When a borrower fails to make timely payments on a mortgage, he is said to be in default.

Department of Housing and Urban Development (HUD): A U.S. Government agency established to implement certain federal housing and community development programs.

Disclosure laws: State and federal regulations which require sellers to disclose conditions, or known defects, in or affecting the property.

Earnest money: The deposit a buyer tenders with an offer-to-purchase.

Easement: A right by one party to use the land of another.

Encroachment: A condition that limits the interest in a title to property such as easements.

Equity: The value of real estate over and above the liens against it. It is obtained by subtracting the total liens from the value.

Equity mortgage: A mortgage based on the borrowers' equity in their home rather than on their credit worthiness.

Escrow: The placement of money or documents with a third party for safekeeping pending the fulfillment or performance of a specified act or condition.

Federal Housing Administration (FHA): An agency within the Department of Housing and Urban Development (HUD) that administers loan guarantee programs and loan insurance programs to make more housing available.

Fannie Mae: Nickname for Federal National Mortgage Corp. (FNMA), a tax-paying corporation created by Congress to support the secondary mortgages insured by FHA or guaranteed by VA, as well as conventional home mortgages.

FHA Insured mortgage: A mortgage under which the Federal Housing Administration insures loans made, according to its regulation, by approved lenders.

Fixed-rate mortgage: A loan that fixes the interest rate at a prescribed rate for the duration of the loan.

Foreclosure: Procedure whereby property pledged as security for a debt is sold to pay the debt in the event of default.

Freddie Mac: Nickname for Federal Home Loan Mortgage Corp. (FHLMC), a federally controlled and operated corporation to support the secondary mortgage market. It purchases and sells residential conventional home mortgages.

Investor: The holder of a mortgage or the permanent lender for whom the mortgage maker services the loan. Any person or institution that invests in mortgages.

Lease purchase agreement: Buyer makes a deposit for the future purchase of a property with the right to lease the property in the interim.

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

Loan-to-value ratio: The relationship between the amount of a home mortgage and the total value of the property. Lenders may limit their maximum mortgage to 80-95 percent of its value.

Lock-in rate: A commitment made by lenders on a mortgage loan to “lock-in” an interest rate pending mortgage approval. Lock-in periods vary.

Market value: The highest price a buyer will pay for a property and the lowest price the seller will accept in a free and open real estate marketplace.

Mortgage: One type of document used to make property the security for the payment of a loan.

Mortgage broker: An individual or company that obtains mortgages for others by finding lending institutions, insurance companies, or private sources to lend the actual money to purchase a home.

Mortgagee: The lender of money or the receiver of the mortgage.

Mortgagor: The borrower of money or the giver of the mortgage document.

Negative amortization: An increase in the outstanding balance of a mortgage resulting from the failure of periodic debt service payments to cover required interest charges on the loan.

Note: A written promise to pay a certain amount of money.

Origination fee: A fee or charge for work involved in the evaluation, preparation and submission of a proposed mortgage loan.

Pre-payment penalty: A fee paid to the mortgagee for paying the mortgage before it becomes due.

Private mortgage insurance (PMI): Insurance issued to a lender by a private company to protect the lender against loss on a defaulted mortgage loan. Its use is usually limited to loans with high loan-to-value ratios. The borrower pays the premiums.

Promissory note: A written contract containing a promise to pay a definite amount of money at a definite future time.

REALTOR® and REALTOR®-Associate: Registered collective membership marks that identify real estate professionals who are members of the National Association of REALTORS® and who subscribe to its strict Code of Ethics.

Rent with option: A contract which gives one the right to lease property at a certain sum with the option to purchase at a future date.

Savings bank: A financial institution organized to hold individual depositors' funds in interest-bearing accounts and to make long-term investments, such as home mortgage loans.

Second mortgage/Second deed of trust/Junior mortgage or Junior lien: An additional loan imposed on a property with a first mortgage. Generally a higher interest rate and shorter term than a “first” mortgage.

Survey: The process by which a parcel of land is measured and its area ascertained.

Tenancy in common: Ownership by two or more persons who hold an undivided interest without right of survivorship. (In the event of the death of one owner, his/her share will pass to his/her heirs.)

Title defect: An outstanding claim or encumbrance on property that affects marketability.

Title insurance: Protection for lenders and homeowners against financial loss resulting from legal defects in the title.

Veterans Administration (VA): A government agency that provides services for eligible veterans of the armed forces. Among other programs, it guarantees mortgage loans made by private lenders to veterans.

Variance: A special suspension of zoning laws to allow the use of property in a manner not in accord with existing laws.

Zoning restrictions: Local municipal ordinances that classify property according to specific uses such as single family, residential, commercial, industrial, multi-family, etc.

A FINAL WORD!

I have had a lot of fun writing this Homebuyers' Guide and Workbook! We have a lot of fun doing what we do...helping people like you realize the American Dream of owning a home. We hope you will choose Me and Keller Williams Team to represent you along the way because your most important decision, hands-down, is to choose a reliable, competent and trusted real estate agent. Anything less and you may find yourself in the same boat as our friends below.

Thank you for choosing TysonCrandell for your real estate needs.

