

Essential REAL ESTATE Welcomes You

**THANK YOU FOR CHOOSING TO BUY A HOME WITH
ESSENTIAL REAL ESTATE!**

We are committed to helping you achieve your real estate goals, whatever they may be. We have the knowledge and experience to get the job done and most importantly the motivation and expertise to perfect it. As a whole we have the support and tools you will need every step of the way. Individually we will be able to provide you with knowledge and strategies specific to your buying intentions. You've chosen superior customer service, and knowledgeable agents to represent you for this exciting journey. Congratulations and welcome to the family!

Michigan

LOCATION

*428 1st St
Manistee MI 49660*

WEBSITE

JennaSellsMichigan.com



**JENNA MAHONEY,
REALTOR/ ASSOCIATE BROKER**

JennaSellsMichigan@gmail.com

231-942-9334 Call or text



About Purchasing

FEES TO WORK WITH AN AGENT

I am an accredited buyers representative, which means I have taken courses to allow me to better assist buyers in the negotiating deals that meet their needs and have a proven track record of successfully helping my clients navigate the buying process. From understanding your expenses outside of the mortgage, interpreting lender conversations, coordinating and reviewing inspections, preparing and delivering purchase contracts, to coordinating closing- I will be here to assist you every step of the way. We typically charge 3-5% for buyer representation but depending on your needs and wants we will negotiate a commission compensation agreement that will make the most sense for us both.

CASH PURCHASE

When you decide to purchase a home using "cash" you can anticipate a faster closing timeline and perhaps even a more favorable price depending on the sellers motivations. Getting a certified check from your bank to close is very easy regardless if your pulling directly from a savings, checking OR a Home Equity Loan. Using a cash purchase allows you to skip the appraisal process IF you want to . You are always able to make an offer contingent on a good appraisal if you wish.

FINANCING YOUR PURCHASE

When you decide that you are going to finance your purchase you should first find a great lender to work with. Many lenders will have specific rates and options available to you. Depending on the property you are hoping to purchase, some may be more effective for you than others.

It is also important to get a pre-approval letter before you are ready to make any offers on any properties. Some sellers will want to see that before ever accepting your offer. Getting all required documents over to your lender as quickly as possible will streamline the entire process.

Your lender will tell you which fees can be paid at closing out of pocket and which you can ask the seller to contribute to; agent compensation, inspections, taxes, insurance





Agency Agreement

TYPES OF COMPENSATION

Inside the attached buyer agency agreement you will find the types of compensation that can be asked for. Typically I charge 3-5% to represent a buyer in a transaction.

To contract my services you should be prepared to pay the agreed compensation OR be prepared to request the seller to pay it on your behalf. Commissions can no longer be advertised on our MLS system so now each property you wish to look at may require a different offer strategy to make sure all of your closing expenses are covered. -- that being said many sellers are still offering compensation for the buyers agent.

CREDITS

Inside the agreement you will see a paragraph named credits-- this says that any thing that the seller has already agreed to pay will be reflected directly as a credit to your agent fees. Meaning; if the seller has already agreed to pay 3% to the buyer's agent and you have agreed to pay the 3% fee as required in the buyer agency agreement-- the agent will only make the 3% or whatever total the BUYER (you) have agreed for your agent to be compensated.

OFFERS AND CLOSING COSTS

Every offer to purchase will include the request for the seller to pay the agreed upon amount of compensation on the buyer's behalf. Some offers may be strengthened by letting the seller know you will pay your own closing costs, but it has never been unusual to ask the seller to contribute to these expenses.

It will be essential we are able to pinpoint your expected closing costs for each property prior to writing the offer. Each loan type has different requirements for what costs the seller is able to contribute to and the totals they can contribute. Getting your lender contact info to me so we can identify the perfect game plan for your offer will be the key in allowing me to help you put your best foot forward.



Inside the Agency Agreement

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Every offer to purchase will include the request for the seller to pay the buyer's agent commission agreed upon. Some offers may be strengthened by letting the seller know you will pay your own closing costs, but it has never been unusual to ask the seller to contribute to these expenses.

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Jenna Mahoney,
Realtor/ Associate Broker
231-942-9334
JennaSellsMichigan@gmail.com



Inside the Agency Agreement

LENGTH OF TIME

All contracts between you and your agent and you and the seller are negotiable. I prefer a contract duration of 3 months or more, that is the average amount of time it might take a serious buyer to find and settle into an agreement with a seller. If you think that you will take a little longer to mull over what's out there we can add to that timeframe.

Many people do not like to enter into any commitments (myself included) so our first agency agreement will be a "tour only" agreement which states we are using a 3 week window to see if we are a good fit to work together. If at any time you wish to move on to another agent you just have to let me know and we will draft a release according to the terms of our agreement.

We will be able to continue your pursuit to purchase together by simply extending the agreement, which can be done in person or electronically.

SIGN AND RETURN

Before I can show you property I need you to review the attached Buyer agency agreement and return it to me signed. If you have any questions please do not hesitate to reach out to me directly at the number below.

TEMPORARY TOUR AGREEMENTS

For any temporary tour agreements we ask you leave a \$50 deposit prior to showing. This will be given back to you as a credit at closing if you pursue a purchase with myself or another agent in my office or otherwise sacrificed as compensation for the agent's time who showed you the property. Temporary tour agreements can be extended into traditional buyer agency agreements which are typically 3 months or longer depending on your purchase timeline. You can contact my office at 231-299-1180 to leave your payment information

RELEASE

If for some reason you elect to be released from the contract you will be responsible for whatever hourly fee we have agreed upon for the showings and allotted time spent together on your purchase pursuit.



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Loan Types

THINGS TO ASK YOUR LENDER

CONVENTIONAL LOAN

Most lenders will require a credit score of 720 or higher to be able to purchase conventionally. You can use a conventional loan to purchase a home or vacant land, although not all lenders will loan on vacant land. This loan type will require an appraisal to be done, which will need to meet a certain percentage of the amount your asking you lender for. Conventional financing will require a down payment of 10-20% on average. If you have to ask for sellers' concessions, 3% of the purchase price is the max allowed for Conventional Financing.

RURAL DEVELOPMENT

A Rural Development or USDA loan has specific income limitations and is specific to single family residences only. This type of financing requires NO down payment and closing costs can be rolled into the loan. The pay back period here is longer than average which allows for a lower monthly payment and a 2.5% fixed interest rate. Not every lender will have this option available to you.

VA LOAN

A VA loan offers veterans of the armed forces an option to purchase with 0% down. As a stipulation of that a buyer may be required to ask for seller's concessions. VA loans are more lenient with credit score requirements, however they have many requirements for the home your purchase, similar to FHA.

- What are your interest rates?
- Will my rate be "fixed"?
- What will my monthly payment be?
- Will I have to ask for sellers concessions?
- How can I pay my agent?

FHA & FHA 203(K)

FHA requires only a 3.5% down payment, a credit score above only 580 and often offers better interest rates. The FHA requirements for the home are much lengthier than a conventional loan.

- Heat source MUST be "self maintaining"
- NO chipping paint/ Cracked windows
- NO major repairs needed
- Specific requirements for mobile homes

All of which the appraiser will assess when he conducts his inspection.

FHA 203(k) is a rehab loan which will allow you to purchase a "fixer upper" and will give up to \$30,000 towards the renovations, however you MUST hire a contractor for the work, there will be a significant amount of paperwork and it will take longer to "close". Not every lender will have this option available.

FHA will allow you to ask for up to 6% sellers concessions.

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***Seller's Concessions refers to a portion of the sale price a seller has to contribute towards a buyers "closing costs". If a buyer does not have enough funds to make up their "down payment" or cover the initial loan or agent fees they may ask for the seller to contribute. Your lender will know exactly what you need to ask for.

Though I aim to provide you with reliable and accurate information, it is important to understand I am not a mortgage lender. Every loan will have requirements specific to the individuals applying for them. Loan rates and requirements are always evolving and it is important to confirm all information with your lender.

Inspections

SURVEY

When you purchase a property you will have the right to request a survey at your expense or ask the seller to provide it for you. A survey is beneficial if the property lines are not already clearly marked and especially if there are any concerns of encroachment. The cost can be up to \$2000 depending on the property size and it's important to consider the sellers take on providing that when putting together an offer.

PROFESSIONAL HOME INSPECTION

A professional home inspector will come in and show you all the things "wrong" with the place you are about to purchase in a very detailed report, complete with photos. Checking every outlet, the attic and foundation, faucets and any areas of concern for an possible defects. This helps ensure you are not getting in over your head with repairs.

WELL AND SEPTIC INSPECTION

Some counties will require a well and septic inspection, if applicable, in order to close the sale. Manistee County is one of them that requires the inspection if there is a well or septic in place. This inspection is typically paid for by the seller (can be up to \$700). These are big ticket items in the sale and it is important they function properly and if not you are at least aware of any defects.

PEST INSPECTION

Some loan types will require a pest and insect infestation inspection. (Usually under \$100) If your lender requires this it will most often be at your expense.



It is your right to waive or conduct any inspections on the property you wish to purchase within 10 days of the offers acceptance, so long as they are not requirements of the county you are purchasing in. As a Realtor I encourage all of my clients at minimum to get the home inspection done by a professional and the well and septic for peace of mind, regardless of who has to pay for it.

Choosing a Home

SEARCHING FOR HOMES

Knowing your pre-approval amount is important when choosing which homes to go see. Occasionally a seller may be "willing to negotiate" but seeing homes way out of your price range is not practical. It is also important to consider your lists of MUSTS and WANTS when compiling a list of homes you'd like to see. Your Realtor can get you set up with a search on the Multiple Listing Service (MLS) they are part of to help streamline the process but it is important to stay subscribed to Zillow, Realtor.com or other property search engines to be sure you are seeing even listings not on your agents MLS system.

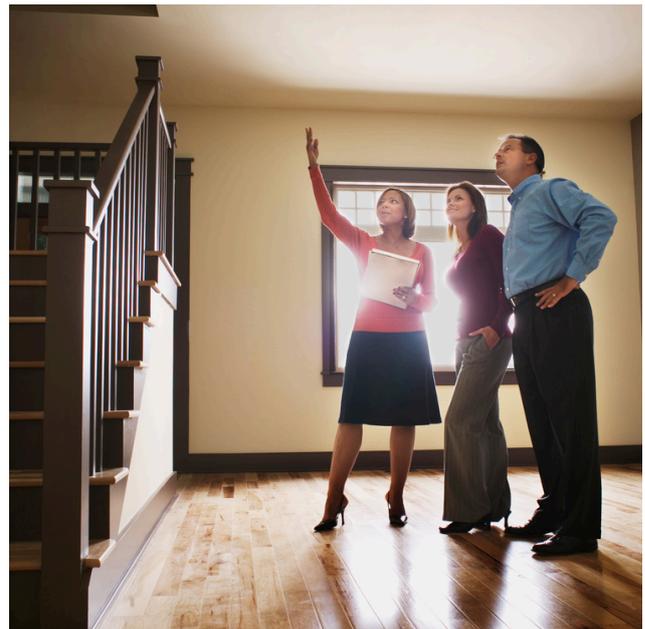
SCHEDULING SHOWINGS

Remember, your agent wants you to see everything that catches your eye, but they will also want to be sure it is an appropriate option for you and your financing situation. If your loan type does not allow for chipping paint and the home you are about to see will require paint to be fixed your agent may want to confirm with the seller they are willing to allow the buyer to make those corrections to the home prior to closing BEFORE taking to you see the property.

SHOWINGS

With Covid-19 restrictions now lifted anyone is able to accompany you on a showing. It is important to be courteous and mindful when entering someone's home as showings can feel very invasive to a seller.

It is also important to the seller and your agent you arrive on time as some homes can be booked ALL DAY with showings. One hiccup in timing can ruin the day for everyone.



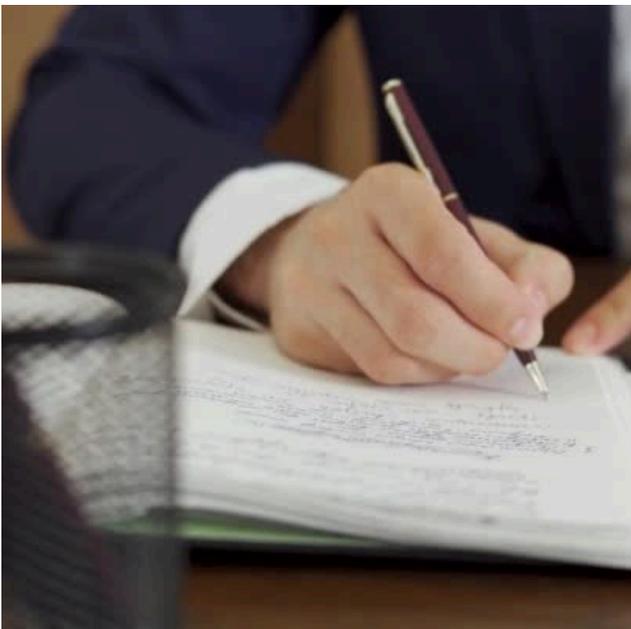
You're Ready to Write an Offer

YOU HAVE A PRE-APPROVAL

Your lender has given you the go ahead to make an offer within a certain price range. They've provided you with the loan type and specific terms and you know exactly what you need to ask for. Providing this along with your lenders contact info to your Realtor is important as they will work hand in hand to bring the sale to a close smoothly.

REVIEW SELLERS DISCLOSURES

The seller will provide you with a Sellers Disclosure Form which will include many details of the property you are purchasing. Commonly used for residential purchases, although you may find some agents provide for vacant land as well.



SELLERS MARKET

We are in what is being referred to as a sellers market. This means that there are more buyers currently than there are homes to purchase, which can create a very competitive situation for buyers. I will help you put together the strongest possible offer for your situation, using tools and strategies some agents do not commonly employ. These tactics have been proven to work and will likely benefit you in the purchase of your home.

YOUR OFFER INCLUDES

All the specifics of your purchase will be included in your offer. Your type of financing, the terms of your purchase, the inspections you will require, the anticipated closing date, AND how your buyer's agent will be compensated.

It is important to remember a Purchase Agreement is a legally binding document. I am not an attorney and should you feel you need legal advice you need to seek a professional's assistance. I am here to assist you with the purchase but you have the right to have your attorney review any and all documents prior to executing them.

Your Offer is Accepted!!

EARNEST MONEY DEPOSIT

In your offer we will determine what your "earnest Money Deposit" or EMD will be. The EMD is typically 1% of the entire sale but could be \$1000 or less. The EMD must be in the form of a check and is most often submitted to the buyer's agent's office. We also use a very secure electronic EMD program called "Earnnest" which has a \$15 convenience fee which you may use as well.

ORDER TITLE WORK

I will order title work from a title company which will ensure the property is free and clear of any liens and will determine that the sellers we are in contract with have the rights to sell the property. The title company of choice will prepare the deed for us and we will sign all closing documents at their location.

CONDUCT ANY INSPECTIONS

In the purchase agreement you are given a 10 day opportunity to conduct any inspections. It is important to get these ordered promptly. In many cases I am able to schedule these for you.

LENDER ORDERS APPRAISAL

Once the appraisal is scheduled and completed your lender may need a couple weeks to "tie up loose" ends on your paperwork. They will have teams extensively review all aspects of the loan.

CLEAR TO CLOSE

Once all contingencies have been met and your lender has had the opportunity to review and confirm all details we will be able to close the sale. The title company and lender will work together to provide us with final closing statements.

CLOSING DAY

The title company will select a date that works for all parties and you will be responsible to bring a Cashier's Check or other certifiable funds with you to closing. This is considered your "cash to close" which your agent and lender will confirm with you prior. The check must be made out to the title company we are working with. Wiring will also be an option, however it is important to NEVER blindly send money via wire.



TYPES OF OWNERSHIP IN REAL PROPERTY

- **Tenants In Common**

An undivided ownership in real estate by two or more persons. The interest need not be equal, and, in the event of the death of one of the owners, no right of survivorship in the other owner exists. Where title is acquired by two or more persons as tenants in common, the deed should recite the respective interests of each, by words such as the following: "to A and B, as tenants in common, each as to an undivided one-half interest." If the respective interests are not set forth in the instrument of acquisition or otherwise shown of record, there is a presumption that their interests are equal. A conveyance by a tenant in common of the undivided interest that he has passes the identical interest of such grantor in the whole property. If title is vested of record in A as to an undivided one-third interest, a deed from A describing an undivided one-third interest in the common property passes all his interest in the land, and his grantee becomes a tenant in common with B.

- **Joint Tenants**

The hallmark of Joint Tenancy is that two or more people hold title to property; each having an undivided interest; each entitled to possession; which interest passes to the surviving joint tenants upon the death of a joint tenant (and not that tenant's heirs); and the conveyance of that interest acts to terminate the joint tenancy as to that interest resulting in tenants in common.

- **Joint Tenants With Full Rights Of Survivorship**

The same as a regular joint tenancy, except that survivorship cannot be severed by a conveyance. Survivorship may only be destroyed by an act of all the parties. A joint tenancy with full rights of survivorship is created by a conveyance to A and B, where A and B are not married, "as joint tenants with full rights of survivorship."

- **Tenants By The Entirety**

Tenants by the entirety is recognized and is presumed in transfers of real property to husband and wife. A transfer to a husband and wife designed to create a different form of tenancy should negate the above presumption, i.e., "...and not as tenants by the entirety." A husband or wife may convey property held by the entirety only to the other spouse and, if both convey or encumber, they must do so in the same instrument. In the event of the death of one, the survivor owns the property without probate.