

# BUYER'S GUIDE

NAVIGATING YOUR JOURNEY TO HOMEOWNERSHIP



PROVIDED TO YOU BY TEEMA TITLE & ESCROW AGENCY, INC.

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## INTRODUCTION



*congrats!*

You've taken the next steps to owning a home and this guide will help you through the whole spectrum of the process.

**Now, Let's get started!**

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## WORDS TO KNOW

### **PRE-APPROVAL**

A pre-approval is the first step to obtaining a mortgage to purchase your home. The banker will perform an analysis on your income, debt, and credit-worthiness. You will need one in order to be ready to put an offer on a house.

### **OFFER**

An offer is a preliminary agreement to purchase a home, and is set between a buyer and a seller.

### **CONTINGENCY**

A contingency related to a property is when the preliminary offer is accepted, pending certain conditions set out by the seller.

### **CLOSING COST**

The closing cost is the amount that is paid, in addition to the sale price. This can include: taxes, insurance and lender expenses.

### **GOOD FAITH MONEY**

Good faith money is the balance of funds that are set aside into a trust or an escrow account to show the buyer is serious about the purchase.

### **TITLE SEARCH**

A title search will confirm that the property that is being sold in fact belongs to the seller.

### **APPRAISAL**

An appraisal is the value that is assigned to the real estate asset based on an assessment of the asset, neighborhood, market condition, and more.

### **HOME INSPECTION**

A home inspection is an official review of the real estate asset's current condition. They will help to determine if there is any work needed to be done to the property to bring it to normal working order.

### **DISCLOSURES**

The disclosures related to a property will include everything that the sellers know about the property, including any areas that need repairs.

### **CLOSING**

The closing part of the real estate sale is when the money and keys are exchanged.



# home **BUYING STEPS**



Note: This is only a high level overview of a buy-side process. For more detailed steps, please refer to your real estate agent.





# 01 FINDING A GREAT *agent*

Finding a real estate agent that you trust and feel comfortable with is as hard as finding the right house to call home. A purchase of this magnitude is a huge life decision, and you want to make sure that your real estate agent is as invested in this sale as you are.

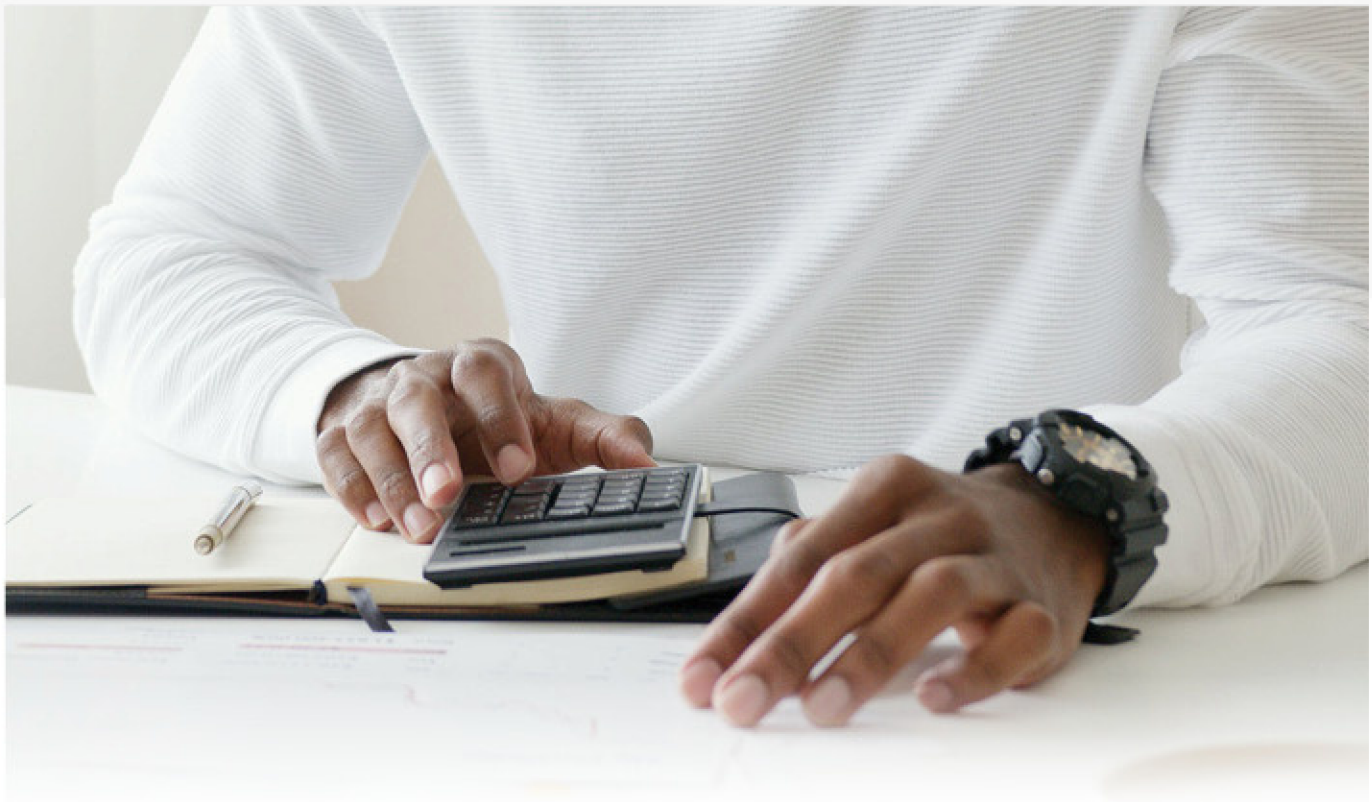
## *quick note*

Any questions that pop up during the home buying process is okay to ask!

Agents have access to a wide variety of resources that is not readily available to the public. They can help you determine the best price and time to sell.

With collective experience and expertise, agents can help you negotiate the best price for your home. Agents also must undergo annual training and compliance to ensure that they are up to date on any changes in legal or administrative paperwork.

Your real estate agent is dedicated to helping you in answering any questions that arise from this process. We treat you, how we would like you to treat us!



## 02 THE FINANCIALS

### **DETERMINE YOUR BUDGET**

It is recommended that you stay within a budget of 3-5 times your annual income when purchasing a new home. When determine your mortgage, don't forget other factors like: down payment, legal fees, taxes, home inspection costs, appraiser costs, and renovation costs.

### **HOW MUCH IS THE DOWN PAYMENT?**

A down payment ranges on average from 3.5% to 20% of the Purchase Price. Have a discussion with your banker to determine what works best for your scenario.

### **CREDIT SCORE CHECK**

Your banker will likely perform a credit check prior to approving a mortgage loan and that determining your interest rate. The most ideal range will be 620 or above.

*note*

The better your score, the lower the interest rate will be toward the total mortgage cost.

## PRE-APPROVAL

Obtaining a pre-approval on your mortgage will help you in many ways. First, it will help you determine your budget, and help you stay within your means. Second, it shows the seller that you are serious about purchasing a home, and that you have the funds necessary to complete the purchase.

Although, if you are pre-approved for a loan, it does not mean that you will be guaranteed this amount in your final mortgage cost. You will still have to be approved for a mortgage after you have submitted an offer. It is important not to make any significant purchases or alter your credit score in any way during this time.



## what TO AVOID DURING THE LOAN PROCESS

### DON'T CHANGE JOBS

A job change may result in your loan being denied, particularly if you are taking a lower paying position or moving into a different field. Don't think you're safe because you've received approval earlier in the process, as the lender may call your employer to re-verify your employment just prior to funding the loan.

### AVOID CHANGING BANKS

or moving your money to another institution after the lender has verified your funds at one or more institutions, the money should remain there until your escrow closes.

### DON'T MAKE ANY LARGE PURCHASES

A major purchase that requires a withdrawal from your verified funds or increases your debt can result in your failing to qualify for the loan. A lender may check your credit or re-verify funds at the last minute, so avoid purchases that could impact your loan approval.

### DON'T PAY OFF EXISTING ACCOUNTS UNLESS THE LENDER REQUESTS IT

If your Loan Officer advises you to pay off certain bills in order to qualify for the loan, follow that advice. Otherwise, leave your accounts as they are until your escrow closes.





## 03 FINDING YOUR *home*

### WHEN YOU BEGIN HOME TOURS:

- Take photos as you go on home tours so you remember the layout and the feel of each house you visit.
- Pay attention to features of the property that are fixed such as the neighborhood, the lot size, and the orientation of the home. Don't pay too much attention to the colors of the walls or the furniture.
- Be sure to check out the small details like the light switches, water features, and appliances to make sure everything works.

*quick note!*

Be sure to make a list of your must haves, wants, and don't cares. As you go through the viewings, make sure you check off all your must haves.



## 04 MAKING & NEGOTIATING AN OFFER



**Once you find the house you love, be prepared to make an offer.**

Your agent will discuss earnest money, inspections, and other contract details. Make your offer competitive by considering the seller's preferences.

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Quick closing, flexibility with move-in dates, or offering to cover some closing costs can make your offer stand out. Remember, the key to successful negotiation is preparation, clear communication, and flexibility.

## 05 GOING OVER THE *inspection*

Make sure that you allow for an inspection to be completed prior to the closing of the sale. It is important to know as much about your home as possible.

If anything serious comes out of the inspection, you have an option to back out of the agreement, or gives you more negotiating power.

Feel free to ask your inspector to take pictures and be descriptive in their report. You can also ask for a meeting with the inspector to better understand their findings.



## 06 APPRAISAL & LOAN APPROVAL

An appraisal is an unbiased estimate of the fair market value of the home. Your lender will request an appraisal to secure your home loan. Estimated cost \$500

Other checks you should run prior to finalizing the purchase of your new home:

1. Appraisal 2. Property title search

Your banker will also want a formal appraisal of the home prior to issuing your loan.

**Also, be sure to purchase home insurance for your new property!**

The lender will review any and all financial information forms prior to granting the loan.

They will review details like:

- Your income
- Credit score
- Employment status

*note*

Earnest Money is money paid to the title company to confirm contract and open escrow.

# 07 SCHEDULE YOUR MOVE

It's important to keep in mind and on track the timing of when you purchase your home and some things you will want to keep in mind closer to your move date: **Movers | Renovators/contractors | Utilities Cleaners & Move out details**



## CLOSING ON THE *home*

Closing is the final step for you to become the legal owner of your home. You will take a final walk-through just before closing to assure that negotiated work has been completed and everything is in working order.

The closing process itself requires a lot of paperwork and patience. **Be prepared with your government issued photo ID, cashier's check and any other documents required by the title company or loan officer.**



### REMAINING COSTS

Closing costs can make up about 3 – 6% of the loan amount.

The seller could pay for part or all of your closing costs. Just be aware that your negotiating power can depend heavily on the type of market you find yourself in.

*note*

Don't forget to re-key all the locks and change the garage door opener code when the property is officially yours.

*congratulations* ON YOUR NEW HOME!





# LIFE OF AN *escrow*



1

## **YOUR ESCROW OFFICER – OPENS ESCROW**

where all funds and documents to close the home are set aside. You may have to make a deposit of earnest money, which eventually goes toward closing costs and/or purchase price.



2

## **THE ESCROW OFFICER – ORDERS A TITLE COMMITMENT**

a promise to provide title insurance for your property. A title search is performed of the public record pertaining to your property, and the title commitment is issued.

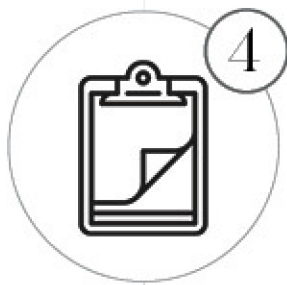


3

## **HOME INSPECTOR & LOAN OFFICER**

To ensure your future home is worth as much as you've offered, your lender orders an appraisal. At this point, you can hire a home inspector if you want to further assess the condition of the property. Your lender may also request additional documents.





4

#### **ESCROW OFFICER**

The title company receives the loan documents from your lender, and your escrow officer prepares the remainder of the closing documents.



5

#### **ESCROW OFFICER - BUYERS & SELLERS**

You and the Seller have separate appointments to sign the documents and the title company's office. Be sure to bring your ID and cashier's check (or ask your escrow officer for wiring instructions) to pay the remainder of the purchase price and any closing costs.



6

#### **THE TITLE COMPANY**

The title company ensures all conditions of the contract are met, records the documents, closes the escrow, and disburses funds.



7

#### **YOUR REAL ESTATE AGENT**

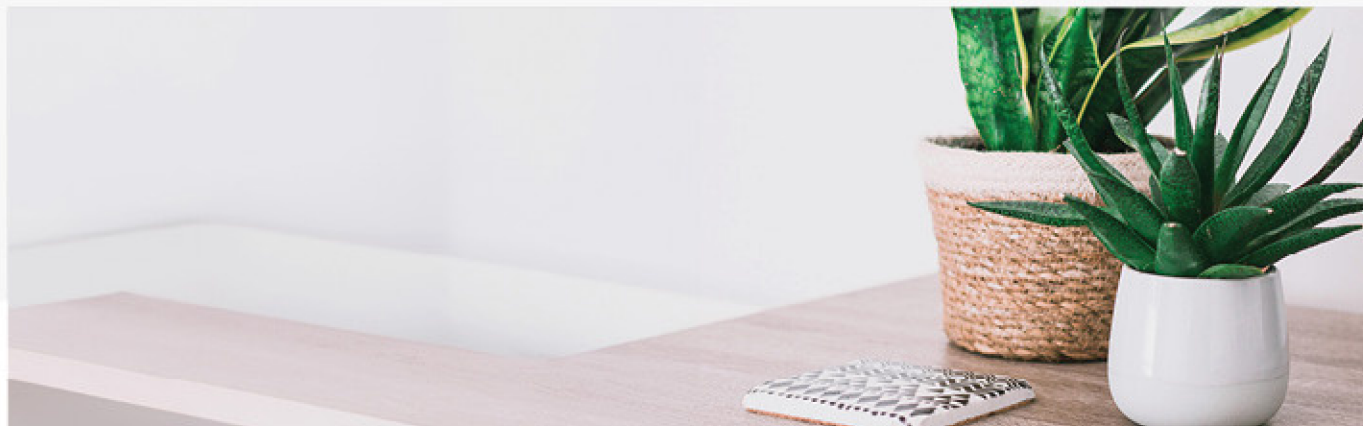
will provide you the keys to your new home, and your title company provides you title insurance policy!



# GETTING HOME TITLE IN *arizona*

Deciding how you will hold title on your property is important and can be dependent on your specific situation. There are multiple ways to hold title in Arizona, so becoming familiar with each way before making a decision is very beneficial as you can figure out what's best for you. Here are the different options:

 COMMUNITY PROPERTY	 COMMUNITY PROPERTY With Right Of Ownership	 JOINT TENANTS OR TENANTS IN COMMON	 JOINT TENANTS With Right Of Ownership
Requires a valid marriage between two persons	Requires a valid marriage between two persons	Parties need to be married; may be more than two tenants	Parties need to be married; may be more than two joint tenants
Each spouse holds an undivided one-half interest in the estate	Each spouse holds an undivided one-half interest in the estate	Each tenant in common holds an undivided fractional interest in the estate. Can be disproportionate; E.G.: 20% and 80%, 60% and 40%, etc.	Each joint tenant holds an equal and undivided interest in the estate, unity of interest
One spouse cannot partition the property by selling his or her interest	One spouse cannot partition the property by selling his or her interest	Each tenant's share can be conveyed, mortgaged, devised to a third party	One joint tenant can partition the property by selling his or her joint interest
Requires signatures of both spouses to convey or encumber	Requires signatures of both spouses to convey or encumber	Requires signatures of all tenants to convey or encumber the whole	Requires signatures of all joint tenants to convey or encumber the whole
Each spouse can devise (will) one-half of the community property	Estate passes to the surviving spouse outside of probate	Upon death, the tenant's proportionate share passes to his or her heirs by will intestacy.	Estate passes to surviving joint tenant outside of probate
Upon death, the estate of decedent must be "cleared" through probate, affidavit, or adjudication	No court action required to "clear" title upon the first death	Upon death, the estate of decedent must be "cleared" through probate, affidavit, or adjudication	No court action required to "clear" title upon the death of joint tenant(s)
Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death	Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death	Each share has its own tax basis	Deceased tenant's share is entitled to a "stepped up" tax basis as of the date of death



# IMPORTANT *contacts*

## EMERGENCY SERVICES

Fire / Police / Ambulance ..... 911  
Poison Control..... 602-253-3334  
Gas Leak..... 602-271-4277

## LAW ENFORCEMENT

Phoenix Police Dept..... 602-262-7626  
Scottsdale Fire Dept..... 480-312-8000  
Scottsdale Police Dept..... 480-312-5000  
Maricopa County Sheriff's Dept. ... 602-876-1853  
Rural/ Metro Fire Prevention ..... 480-945-6311  
Animal Control/ Licensing..... 602-506-7387

## CITY INFORMATION

Chandler ..... 480-782-2220  
Gilbert ..... 480-503-6000  
Phoenix City Hall ..... 602-262-6659  
City of Scottsdale ..... 480-312-6500  
Tempe..... 480-967-2001  
City of Glendale ..... 623-930-2000  
Litchfield Park City Hall..... 623-935-5033  
City of Peoria ..... 623-773-7340  
Avondale City Hall..... 623-333-1000

## EMERGENCY SERVICES

Phoenix Children's Hospital..... 602-546-1000  
Scottsdale Mem. Hospital..... 480-282-4000  
Physician Referral Service..... 602-252-2844

## UTILITY COMPANIES

Arizona Public Service (APS)..... 602-371-7171  
Salt River Project..... 602-236-888  
Southwest Gas..... 877-860-6020  
AmeriGas..... 623-937-9227

## CABLE TELEVISION

Cox Communications ..... 623-594-1000  
Direct TV (New Service) ..... 855-837-4388  
Dish Network (New Service) ..... 888-656-2461

## TRASH/SEWER

Waste Management ..... 480-357-7280  
Right Away Disposal..... 480-983-9101  
Recycling..... 602-268-2222

## AUTOMOBILE INFORMATION

Motor Vehicle Department ..... 623-932-9466  
Emissions Testing..... 602-470-4646  
Auto License Plates..... 602-255-0072

*note*

Be sure to highlight  
the most important  
information and save to  
your mobile contacts!





# ABOUT YOUR *Team.*



## TITLE & ESCROW DONE RIGHT.

With over 50 collective years of experience in the real estate industry, TEEMA Title is a premier Title & Escrow Agency providing Title Insurance, Escrow and Settlement services throughout Arizona. TEEMA was founded on the philosophy that you, our customers, are our single most important asset. Your success is our success, and it's TEEMA's mission to provide a focused array of concierge style services to help you get there. We leverage the most innovative technologies available alongside some of the brightest, most forward-thinking minds in the industry. Whether you're a consumer, borrower, lender or realtor - you can rest assured knowing TEEMA is the Title and Escrow team you can count on!



**TEEMA TITLE & ESCROW AGENCY, INC.**

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