

FREQUENTLY ASKED QUESTIONS - FAQs

IN GENERAL

How do you get paid?

When listing a property, the agent and seller agree on a commission percentage that will be taken out of the sale price. Upon closing, the listing agent and their brokerage receive a portion and pay out a portion/percentage of that total commission to the selling brokerage and agent. Each brokerage has different splits between them and their agents.

Do I really even need a REALTOR®?

That is ultimately up to you, but I of course think the answer is yes. As your agent, I look out for your best interests and negotiate on your behalf. I also have knowledge and experience in the Bozeman (and surrounding) market and can be an important resource for you regardless of whether you are buying or selling. Would you build your own house, fix your own car or treat your own illnesses? Some of you would say yes, and sometimes everything works out ok, but other times it won't. As a buyer, you are getting a FREE service, so why wouldn't you utilize it!? As a seller, a REALTOR® has access to information that will help accurately price your home as well as a much larger reach than you can achieve on your own to make sure your home gets in front of as many potential buyers as possible. We keep the process going and handle EVERYTHING that may come up.

BUYING

Should I be pre approved or pre qualified?

A pre qualification basically means you talked to your lender and based on the estimates you gave regarding your financial history, income, credit score and other required info, they can give you a ballpark of what you qualify for. A pre approval however, is stronger because they will need you to submit verification of your income, financial history, etc and will also pull your credit. If you are serious about buying a home, get a pre approval.

How long does the buying process take?

Once you are under contract, the process will usually take somewhere between 4-6 weeks before you close. How long you look at homes before going under contract can vary greatly depending on the person. You might fall in love with the very first house you look at, or you might look for a whole year.

Is there anything I should not do during the house hunting process?

Yes, for my list of dos and don'ts, see my "Dos and Don'ts" PDF on my website.

When should I make an offer?

There are two answers to this really. The general answer is "when you are ready" but in our current market, the true answer is "as soon as possible". Buying a home is a HUGE decision and you are spending a lot of money, but in Bozeman's market, waiting could mean you will miss out.

How much should I offer?

This is where having a knowledgeable agent comes in handy. Currently the median percent of list price that homes in Bozeman City Limits sold for in the past 6 months is 98.74%, but every neighborhood can vary and when inventory is low, it might not be wise to offer anything less than full price. As your agent, I can educate you on the neighborhood and market and help guide you in the right direction.

If I'm in a multiple offer situation, will I have to pay over full price?

Not always, but it could happen.

How much earnest money should I put down?

At least 1% of the sales price, but in some circumstances, it may be smart to do more. Some sellers may ask for a larger amount as well.

What happens to my earnest money?

After your offer is accepted, your earnest money will go into an escrow account held by the Title Company of the seller's choice. It stays there until the transaction closes and is then dispersed to the seller along with the rest of the funds. If the transaction terminates, you will get your earnest money back as long as you are within the dates agreed to on your buy sell agreement.

What happens if the home I'm under contract on doesn't appraise?

A few things can happen here. You can either terminate the contract and get your earnest money back (if you have an appraisal contingency in the buy sell that states what it must appraise for) or you can try to negotiate with the seller to the appraised number or a compromise in between. If you are financing, the bank/mortgage company won't want to finance for any more than the appraised value so if the seller won't come down and you really really really want the house, you will probably have to come up with the difference.

Will I get my Earnest Money back if I terminate the transaction?

It depends on when you terminate. In your buy sell agreement, there could be several contingencies you have in place (like an inspection, financing, appraisal, insurance contingency, etc). There are deadlines for each of those contingencies and if you want to get your earnest money back, you will need to terminate before those deadlines.

Should I lock in my interest rate or wait it out?

If you can get a good rate, lock it in. If the interest rate goes up, you will be glad you did. If the interest rate goes down, talk to your lender. In some situations, if the interest rate goes down enough, your lender can lock you in for a better rate.

When will I get the keys?

This is dependent on what your buy sell states. In most cases, you will close at the Title Company and then when the deed records (usually within a few hours), they will call you (or me) to let you know. At this point, you can go back to the Title Company and pick up the keys. Sometimes, other arrangements are made, but most of the time, it will be once the deed records.

What happens at the closing?

- *If you are financing, your lender any myself will be there with you. Bring your driver's license and a cashier's check made out to the Title Company in the amount your lender has told you. You will sign the deed for the property, closing statements and any financial documents your lender requires. After all the paperwork is sign, the Title Company will give you a bound copy of all the documents and you can be on your way. They will call you (or me) when the deed records and the funds from your lender are dispersed and then you can go back to pick up the keys!*
- *If it is a cash transaction, the Title Company will contact you ahead of time to see how you would prefer to disperse the funds. You will still sign the deed and closing statements, but there will usually be less paperwork if a lender is not involved. Everything else is the same as above, bring your driver's license to closing and you will pick up the keys once it records.*

Is the closing date on my contract guaranteed?

No, but we will do our best to stick to that date. If you are financing, things could be held up on the lender's side that could delay closing. Sometimes. everything works out so well that you are able to close early if you want to (and the seller wants to).

What monies will I need to come in with?

Your lender will tell you the exact amount you will need to bring. It will need to be a cashier's check made out the Title Company. If you are paying in cash, they will contact you ahead of time to see how you prefer to pay and then provide the correct instructions.

How long does a home inspection take?

The inspection itself will take 2-3 hours depending on the inspector. The walk through is after the inspection and when we walk through the property with the inspector so they can relay their findings. This can take between 30 minutes to an hour.

Should I have a home inspection? Even on new builds?

YES. Absolutely yes, I will never say you shouldn't have an inspection. It is worth every penny. Regardless of the age of the home, you should always get a home inspection. New construction doesn't mean perfect construction so yes to new builds as well.

Can you recommend an attorney, home inspector or a lender?

I can recommend all of those. Email/call/text me and I will send you a list of recommendations. I am required to give you at least 3 to choose from. You can also see a list of lenders on my [website](#) (Real Estate → Buying → Mortgage Lenders). I can also provide recommendations for house cleaners, moving companies, financial advisors, etc.

SELLING

Do I only put damages and repairs on the Owner's Property Disclosure?

Think of it this way- If you were buying your house, what would you want to know? Damages and repairs are of obvious things a buyer would want to know, but if you have taken great care of your home, put all of those maintenance items in there as well. You can never disclose too much. If you don't disclose something that could be a deal breaker for a potential buyer, you may end up finding yourself in a lawsuit after closing. Nobody wants that, so it is better to have a buyer terminate early than to have to deal with a lawsuit later.

Should I list my house at a high price and come down?

No. If you want to sell your home, pricing it right is vital to reaching the optimum number of buyers. The first two weeks are very important for marketing a home and price is a key factor.

Should I lock up my valuables?

If you would be more comfortable doing so, then yes. In order to access your property, the buyer's agent will need to present in order to access the keys via lockbox. While REALTORS® follow a Code of Ethics and many clients are very trustworthy, we don't have eyes in the back of our heads and things could happen. Better to be safe than sorry if the item is important to you.

Why doesn't you market valuation match Zillow?

Simply put, Zillow doesn't know everything. Montana is a non-disclosure state meaning Zillow doesn't know what homes are selling for in Montana. It messes with the algorithm and very rarely produces an accurate number. You can read more about it at: <https://www.zillowgroup.com/news/chronicles-of-data-collection-ii-non-disclosure-states/>

What should I do to prepare to sell my home?

Remove the excess and clean! How you live in a home and how you sell a home are two different things. Decluttering, cleaning and having good curb appeal are the big ones. For a more detailed list, you can go to my [website](#) (Real Estate → Selling → Things To Know).

How long does a listing agreement contract last?

This varies, but I wouldn't recommend anything under 6 months. For homes under \$1 million, I would prefer a year long contract. If the home is over \$1 million, I would hope for closer to 18 months since homes in that price range can take longer to sell. Ultimately, you and your agent need to come to an agreement.

Can I cancel the contract?

If you are unhappy with my level of service, I will try to remedy the situation in any way possible, but I don't want to force a client to stay in a contract if it is not in their best interest. If you want to cancel the contract and your reasoning is appropriate, I am happy to cancel.

What happens if the appraisal is lower than the agreed sale price in the contract?

A few things can happen here. The buyer may elect to terminate the contract and get their earnest money back (if they have an appraisal contingency in the buy sell that states what it must appraise for) or they may try to negotiate with you to the appraised number or a compromise in between. If they are financing, the bank/mortgage company won't want to finance for any more than the appraised value so if you won't come down and they really really really want the house, they will probably have to come up with the difference. In most cases, if the house doesn't appraise for the agreed upon sales price, and you don't have a backup offer that is strong, it may be in your best interest to negotiate. It's a case by case basis.

What are all these contingencies in the offer I just received?

In the Buy Sell Agreement you will usually see, there are several contingencies. Contingencies are a way for the buyer to terminate the contract and get their earnest money back if things aren't to their level of satisfaction.

- *Inspection Contingency: There are quite a few boxes that can be checked here and usually are. This states that if they perform any of the inspections they choose and are not happy with what was found, they can elect to terminate or negotiate the repairs with you.*
- *Financing Contingency: If they are unable to obtain financing for the amount agreed upon, they can get out of the contract.*
- *Appraisal Contingency: If the home doesn't appraise for at least the purchase price or another number listed in the offer, they can choose to terminate.*
- *Title Contingency: If there are any items in the Title Commitment they are unsatisfied with, they can elect to terminate.*
- *Insurance Contingency: They have to be able to get home insurance at a rate that they can afford.*
- *"This offer contingent upon...": There are two blank sections where a buyer could write in just about anything. This is where you would see something like the buyer having to get their current home under contract prior to closing on yours.*

Have a question that wasn't covered? Just ask! I'm always adding questions and if you are asking, someone else probably will too.

