BUYERS GUIDE

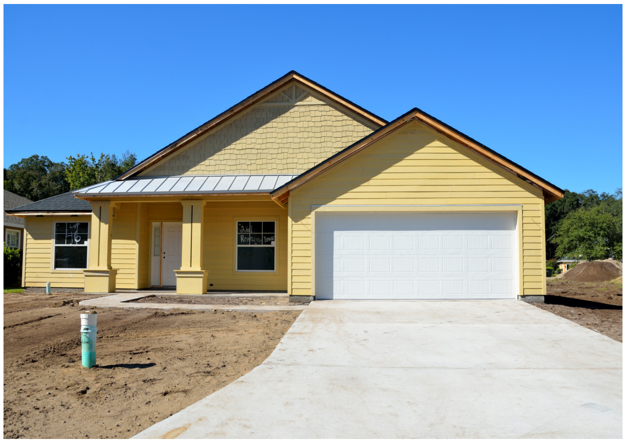
WHY YOU SHOULD OWN A HOME

IN THIS MARKET

1. Tax Benefits
2. Appreciation
3. Equity
4. Savings
5. Predictability
6. Freedom
7. Stability

FACT:

- On average, homeowners have a net worth 80 times HIGHER than that of renters.



PROCESS BEFORE BUYING A HOME

1. Agent meets with buyer.

To best serve you, I will sit down with you to discuss your criteria for your home and how I can provide my best resources to help you with the buying process

2. Buyer gets pre qualified or pre approved by loan officer.

Getting pre qualified or pre approved gives you a better understanding of how much you can afford and how to proceed with buying a home.

3. Agent shows properties to buyers.

With my KW app and custom MLS search tool, you will be able to find properties on the market that fits your criteria. Once you have found properties you would like to see, we can schedule some time to go preview the home.

NEGOTIATION PROCESS

4. Submitting an offer.

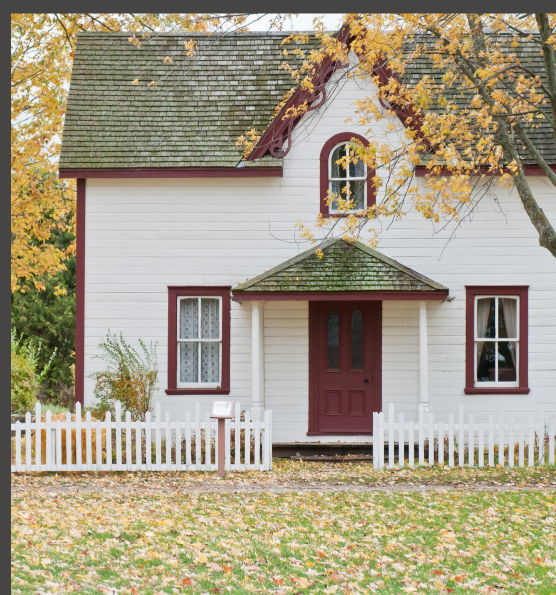
Once you have found a home you love, my team and I can prepare the offer and submit it to the listing agent.

5. Negotiations

The listing agent and seller can reject, counter, or accept your offer. In this step, I would negotiate the best terms for you that win the offer.

6. Executed Contract

Once all parties have agreed on offer terms, we have an executed contract. You will be introduced to the title company and we will start the under contract process.



UNDER CONTRACT PROCESS

1. Option Period

During this period, you will have the negotiated amount of days on the contract from the executed date to perform any inspections for the home. You will those days to negotiate repairs with the seller. You will also deliver the earnest money, which is credited towards your down payment, and option money during this period. If you decide to terminate, you will get a refund of your earnest money but will loose your option fee.

2.Title Company & Lender

The title company will contact you for docuemnts that need to be completed or actions to take during this process. They will open title, complete a title examination, and issue a title commitment to make sure title is clear and free of liens. The lender will make loan application and send out verifications. The credit report is ordered during this time.

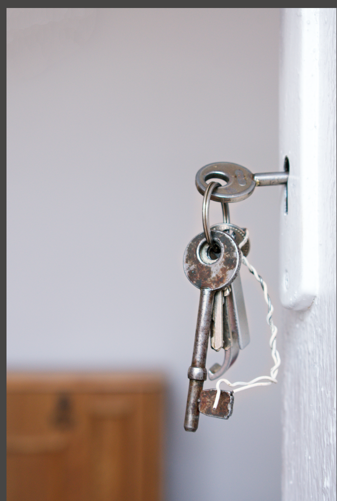
3. Appraisal

To make sure you are not overpaying, the lender will order an appraisal. If the appraisal comes back lower than the sales price, you can negotiate terms like lower sales price.

CLOSING

4. Clear to close.

Once the lender has given buyer approval, both parties are clear to close. Closing are arranged at the title company with the closing officer. 1-3 days before closing, you and your agent will schedule a final walkthrough to make sure everything is satisfactory for move in.



5. Closing

During closing day, you will need to bring a valid ID and anything else needed for the closing. You will sign required documents and wire funds. The seller will deliver the deed.

6. Funding

Once the seller receives the sale proceeds, the buyer receives possession of the property. The utilities will need to be transferred in the buyers name.

BUYERS COSTS

- Down Payment
- Application Fee
- Appraisal Fee
- Credit Check Fee
- Origination/Underwriting Fees
- Title Insurance
- Title Search Fee
- Homeowners Insurance
- HOA Fees (If Applicable)
- Survey (If needed)

Closing costs for a buyer can range from 2%-5% while a sellers closing cost ranges from 5%-10%.

NET SHEET

A net sheet is an estimated amount that the buyer must pay when buying a home. This can be drafted by a title company.

GLOSSARY

ANNUAL HOUSEHOLD INCOME

Collective income from everyone in your household before taxes or other deductions are taken, investment income or dividends, Social Security benefits, alimony, and retirement fund withdrawals.

APR

APR refers to the annual percentage rate, which is the interest rate you'll pay expressed as a yearly rate averaged over the full term of the loan. APR includes lender fees in the rate, so it's usually higher than your mortgage interest rate.

APPRAISAL

A written justification of the price paid for a property, primarily based on an analysis of comparable sales of similar homes nearby.

APPRAISED VALUE

An opinion of a property's fair market value, based on an appraiser's knowledge, experience, and analysis of the property. Since an appraisal is based primarily on comparable sales, and the most recent sale is the one on the property in question, the appraisal usually comes out at the purchase price.

CLOSING COSTS

Generally 2 to 5 percent of the purchase price include lender fees, recording fees, transfer taxes, third-party fees such as title insurance, and prepaids and escrows such as homeowner's insurance, property taxes, and HOA fees.

CLOSING DISCLOSURE

A document that provides an itemized listing of the funds that were paid or disbursed at closing.

DEED

The legal document conveying title to a property.

DOWN PAYMENT

A cash payment of a percentage of the sales price of the home that buyers pay at closing. Different lenders and loan programs require various down payment amounts such as 3 percent, 5 percent, or 20 percent of the purchase price.

EARNEST MONEY DEPOSIT

Also known as an escrow deposit, earnest money is a dollar amount buyers put into an escrow account after a seller accepts their offer. Buyers do this to show the seller that they're entering a real estate transaction in good faith.

ENCUMBRANCE

Anything that affects or limits the fee simple title to a property, such as mortgages, leases, easements, or restrictions.

EQUITY

A homeowner's financial interest in a property. Equity is the difference between the fair market value of the property and the amount still owed on its mortgage and other liens.

ESCROW

Putting something of value, like a deed or money, in the custody of a neutral third party until certain conditions are met.

HOMEOWNERS ASSOCIATION FEE (HOA)

A fee required when you buy a home located within a community with an HOA that typically pays for maintenance and improvements of common areas and may include the use of amenities.

HOMEOWNER'S INSURANCE

Insurance that provides you with property and liability protection for your property and family from damages from a natural disaster or accident. Lenders usually require borrowers to buy homeowner's insurance.

HOME WARRANTY

A contract between a homeowner and a home warranty company that provides for discounted repair and replacement service on a home's major components, such as the furnace, air conditioning, plumbing, and electrical systems.

LENDER FEES

Part of the closing costs of a home purchase and may include an application fee, attorney fees, and recording fees. The lender's underwriting or origination fee is usually 1 percent of the loan amount.

LOAN TYPES

Mortgages have different terms ranging from 10 to 30 years and are available with fixed or adjustable interest rates. Your lender can discuss down payment, insurance, credit requirements, and other specifics of various loan types.

MONTHLY DEBT

The minimum payment on credit card debt; auto, student, and personal loan payments; and alimony or child support. Rent or mortgage for a property that you will pay after your home purchase must also be included.

MORTGAGE

A loan from a bank, credit union, or other financial institution that relies on real estate for collateral. The bank provides money to buy the property, and the borrower agrees to monthly payments until the loan is fully repaid.

MORTGAGE INSURANCE

Insurance that protects the lender and repays part of the loan if the borrower defaults and the loan can't be fully repaid by a foreclosure sale. Usually required on loans with less than a 20 percent down payment.

PROPERTY TAXES

Typically imposed by local governments on real property including residential real estate. The tax rate can change annually, and the assessed value of your property is usually recalculated annually.

PREPAIDS

Prepaids are expenses paid at the closing for bills that are not technically due yet, such as property taxes, homeowner's insurance, mortgage insurance, and HOA fees.

THIRD-PARTY FEES

Any closing costs charged by someone other than your lender, typically including fees for an appraisal, a property survey, a title search, owner's and lender's title insurance, and sometimes an attorney.