

# Buyer's Guide



CHRISTIE'S  
INTERNATIONAL REAL ESTATE  
GROUP

Breaking Down  
the Home Buying Process

*One Step at a Time*





Just a few Steps Away

from finding the  
perfect home for  
you

The PLJ Group has many years of Real Estate Experience!

As your trusted advisors, we will guide you through the home buying process, one step at a time...offering our professional experience and guidance...while providing you with an unparalleled customer experience

Remember, Experience  
is not Expensive, it is  
Priceless!

Experience Matters



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# MANAGING EXPECTATIONS

*How much home can you afford?*

The first step in the home buying process is getting **pre-approved for a mortgage** so we know what your affordability is and in which towns to focus our attention. This allows us to save time and only look at the homes that meet your criteria and budget.

**COMPETITIVE MORTGAGE RATE** We can connect you with local mortgage companies who communicate quickly and can get you the best possible rates. More importantly the PLJ Group know the ones who get the job done seamlessly and give you the personal attention you need.

**MAINTAIN YOUR CREDIT SCORE** It's important not to make large purchases during this time that could negatively affect your opportunity to secure a loan.

**Things to avoid!** purchasing furniture, a car or making large purchases with your credit card.

*ThePLJGroup.com*

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# HOME BUYING STEPS

This is meant to be illustrative in nature and all steps are not necessarily required in the chart below

1.

## Discuss Representation

Review, how we will represent you...

We'll discuss the Consumer Information Statement (CIS)

2.

## Buyer Consultation

Discuss the Process of Buying

Determine your home needs

Review Current Active Inventory

Design a Game Plan

3.

## Pre-Approval

Your offer has little weight without the documentation of a pre-approval letter. We can provide you with a list of mortgage lenders.

A Preapproval better positions your offer for acceptance by the seller.

4.

## View Homes

We will help identify them based on relevance of the criteria we established.

The PLJ Group will assist you with current market value, and keep you informed as new homes become available.

5.

## Make an Offer

We will:

- Prepare a written contract
- Review Disclosures
- Include pre-approval
- Present your offer
- Negotiate price and terms

6.

## Reach an Agreement

Upon acceptance of your offer by the seller, We will deliver the contracts to all parties.

7.

## The Attorney Review Process

At this time, you will be communicating with your attorney. Once all parties have agreed to attorney changes, (addendums) the home will be officially "**Under Contract**"

8.

## Attorney Review Is Concluded

It's time to schedule your home inspection.

Schedule all inspections on the same day, if possible and yes, the PLJ Group will be there with you!

9.

## Identify Qualified Home Inspectors

We will provide you with a list of licensed home inspectors.

You may opt to use your own Inspectors...time should be *mutually agreed upon* by both buyer, seller and realtors

# HOME BUYING STEPS

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10.

## **Mortgage Application**

Complete and provide necessary documentation to your mortgage company.

11.

## **Escrow Deposit Due**

Your sales contract defines the date for you to deliver your deposit money.

12.

## **Schedule Appraisal & Order Title**

Your mortgage representative will schedule the Appraiser

Your Attorney will order title

13.

## **Mortgage Commitment**

Once you obtain your final mortgage commitment, the focus turns to: your "to-do list".

14.

## **The Walk Through**

We will schedule a walk-through just before the closing.

This will allow you to confirm inspection items have been completed, personal items removed, and the home is "broom swept"

15.

## **Closing Costs**

Your attorney will provide you with final closing costs a minimum of 3 days prior to closing.

16.

## **Obtain Funds**

You will be required to secure bank or certified checks for the closing

Sometimes you have the option to wire money...Please be cautious and take your attorneys' advice!

17.

## **Attend The Closing**

At this time, you will meet with your attorney and the seller's attorney to transfer title into your name

...and do a lot of signing!

18.

## **Receive Keys to Your New Home!**

*Congratulations!!*

**Some Terminology you will need to know...Please ask us any questions, there are literally thousands of legal terms and real estate jargon...just ask us, we don't know all the answers, but we can get an expert who can!**

**Adjustable-Rate Mortgage (ARM)** — The interest rate is tied to a financial index making the monthly mortgage payment go up or down over time.

**Annual Percentage Rate (APR)** — The percent of interest that will be charged on a home loan.

**Appraisal** — A report of the estimated value of the property completed by a qualified 3rd party. This is typically done for the benefit of the buyer to ensure the property is worth what they are paying.

**Association Fee/HOA Fee** — In addition to a mortgage, certain housing communities such as townhomes have a monthly fee associated with maintaining the common areas and amenities.

**Balloon Mortgage** — A long-term mortgage loan that starts small but has a large payment due at maturity.

**Closing** — This is the final meeting where the buyer and seller sign the necessary paperwork, complete the transaction, and release/take possession of the property. Usually, the representing agents and attorneys attend.

**Closing Costs** — The buyer and seller have expenses associated with the transaction other than that of the actual cost of the home. IE, attorneys fees, inspection issues, commissions.

**Collateral** — Something of value (in this case your home) that is held to ensure repayment of a mortgage or loan.

**Commission** — A percent of the sale price of the home that is paid to the representing Brokers

**Comparables** — Homes in the area of interest that have recently sold that have similar features.

**Contingencies** — Conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. If the contingency is not satisfied the contract may be canceled.

**Counteroffer** — The response from the seller in regard to an offer.

**Debt to Income Ratio** — A lender will look at a borrower's debt versus income to determine the amount of loan they are eligible for and if they can repay their debt plus the home loan.

**Escrow** — Earnest money/Deposit is typical held by a third party until closing in "escrow" Also referred to as the time period from when the contract is written and accepted by the seller to when the home sale actually closes.

**Equity** — The difference in the market value of a home versus what is owed on the home.



**FHA** — A mortgage that is financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify.

**Fixed Rate** — The interest rate will remain the same for the entire life of the mortgage.

**Home Equity Line of Credit (HELOC)** — A loan or line of credit that is determined based on the equity or home's value after subtracting the loans owed.

**Home Inspection** — The process in which a professional inspects the seller's home for issues that are not openly apparent, then creates a report for the buyer to review.

**Home Protection Plan** — An annual service that covers the cost of repairs or replacements to items covered in the plan; items like stoves, washer/dryers, etc.

**Mortgage Insurance** — Insurance written in connection with a mortgage loan that protects the lender in the event the borrower cannot repay their loan. This is usually not required if the borrower has 20% or more for the down payment.

**Mortgage Note** — A promise to pay a sum of money at a standard interest rate during a specific term that is secured by a mortgage.

**Pre-Approval** — The process in which a buyer must provide a mortgage professional the appropriate information on income, debts, and assets that will be used to make the initial loan decision.

**Pre-Qualification** — Once approved for a loan, this is the process in which the maximum sale price, loan amount, and monthly payments are calculated for the borrower. This is not a loan approval however; it is useful to know prior to searching for a home.

**Principal** — The underlying amount of the loan which is actually borrowed.

**Property Taxes** — Taxes that are enforced by the city, town, county, and state government entities. These taxes are included in the total monthly mortgage payment and are held in escrow by the lender.

**REO** — Real estate owned properties or foreclosed properties currently owned by a financial institution such as the bank that made the loan to the previous owner

**Title** — A legal document proving current and proper ownership of the property. Also referred to as a Title Deed, this document highlights the history of property ownership and transfers.

**Underwriting** — The process in which the potential home buyer is evaluated for their financial ability to obtain and repay a loan. This normally consists of a credit check and appraisal of the property.

**VA Loan** — Loans that are given to Americans who have served in the armed forces. They are administered by the Department of Veteran Affairs.

# Let's Get Started

## YOUR WISH LIST

### *Let's Identify Your Criteria*

We will sit down together and review what you would like to have in your home, versus what you need in a home. We will use that information together with your budget to come up with a custom search that balances all the information we discussed.

The PLJ Group work hard to find homes that closely fit your needs and will present only the best options to you. As a result of our affiliation with Christie's International Real Estate, we have access to a wide network of inventory, some that have not hit the market yet! Once we narrow down to your favorites, we will schedule a very organized tour of those homes which will allow you to decide which one is the best fit for you. In the event you hear about a home, see a for sale sign, or find a property online, contact us immediately so we can schedule a private viewing for you.

## *Things to consider*

**RESALE VALUE-** Will this home be easy to sell again or is there something about the home which cannot be changed, such as location or style that will affect its "resale" value?

**LOCATION-** Is the home in a desirable location, is it close to the things that are important to you such as schools, access to transportation and shopping?

**SIZE-** Is the square footage appropriate for your current and future needs?

**CONDITION-** Are you looking for "move-in ready" or would you consider a "fixer-upper"?



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## Time to make an Offer and start Negotiations

### Fair Market offer

We will prepare a CMA (Comparative Market Analysis) on the home to give you the facts on what other homes with similar features are selling for. Together we will review the details, so you are able to make an educated decision on your initial offer. You will tell us what you are willing to pay and we will work diligently to get you the best possible end result.

### Details

Once we have executed the contracts. We will present your offer along with your preapproval letter, to the listing agent. The seller may choose to accept, reject or counter your offer. We will guide you through the negotiation process. Once the terms have been agreed upon, the seller will sign the contract and the documents will be sent to you and your attorney for review.

### Deposit Money

Within a specified time, noted in your contract, your escrow deposit money should be delivered to the seller's attorney for deposit in a trust account to be held in escrow until closing and will be applied to your down payment upon title transfer.

### Congratulations!

We are now ready to move to the next step, "contract-to-close". We will schedule your inspections at this point. Until things are finalized, it is possible that additional changes may be considered. We will be there every step of the way to guide you through any challenges that may arise.





# *Contract to Close*

You are now "Under Contract"! There are many steps that need to take place before you get the keys to your dream home. Our team will help you navigate all the critical pieces such as inspection, appraisals, and mortgage concerns so you can experience a stress free and seamless transaction. We will always be available to answer your questions and keep things moving toward your closing.

**Home Inspection** This is your opportunity to learn about the systems in the home. Some things may come up, for example the AC may need service or a faucet may have a drip, we will review the report together and determine if there is anything major we want the seller to address.

**Appraisal** The mortgage company will send an appraiser to appraise the value of the home. This will ensure the loan can move forward. Simultaneously, you will be required to provide financial documents to your lender.

**Clear Title** Together with your lender, your attorney will be working with the title company to ensure the home has a clear title.

**Final Walk Through** We will schedule an appointment within 10 days of closing to determine if the requests for repair were completed and that the home is in the same condition as it was when we made our offer.



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# Almost Home



## Closing Costs

- Down payment
- Loan Application Fee
- Attorney fee
- Deed recording fee (Detailed costs provided by your attorney)



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# *Closing to do list*

- *Confirm Commitment with lender*
- *Change of address*
- *Change utilities into your name*
- *Change utilities of current residence*
- *Arrange for movers*
- *Obtain Homeowners Insurance*



# Buyer's Approximate Closing Costs

## LEGAL AND TITLE COSTS

- 1. Attorney Fee
- 2. Survey
- 3. Recording Fees for Mortgage and Deed
- 4. Title Search/Title Policy
- 5. Title Insurance

Mortgage Costs  
 \$600 to \$ 900  
 \$450 to \$ 650  
 TBD By Your Lender

## Mortgage Costs

- 1. Application Fee
- 2. Appraisal Fee
- 3. Points (if applicable) Fee paid to lender to "buy down" interest rate on mortgage

**Always, Always, call for a good faith estimate on all fees, Attorneys, Realtors, Home Inspectors, Moving Companies**

## INSPECTION COSTS

- 1. Home Inspection...\$400-\$1200
- 2. Radon Inspection...\$60-\$300
- 3. Wood Destroying Insect...\$500- \$2000
- 4. Oil Tank Scan (Well and Septic...300-\$750 inspection where applicable)

\*These figures are general guidelines to aid buyers. These figures are based on estimates of New Jersey fees and are subject to errors and omissions and change without notice

## LEGAL AND TITLE COSTS

\$900 to \$1,800  
 \$450 to \$ 800  
 \$300 to \$ 400  
 \$250 to \$ 500

Fees can vary based on location size of home and topography...always wise to get a few estimates and referral

Ask For Rate Schedule

All information provided herein has been obtained from sources believed reliable, but may be subject to errors, omissions, change of price, prior sale, or withdrawal without notice. Christie's International Real Estate and its affiliates make no representation, warranty or guaranty as to accuracy of any information contained herein. You should consult Your advisors for an independent investigation of any properties.

***We Believe that our clients are best served by the Team, and that Collaboration leads to the best decisions!***



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