

Home Buyer Information Resource



Understanding the entire process of purchasing a home.



HOMES IN **colorado**.COM



RE/MAX
ALLIANCE



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Parker, CO 80134
303-841-0922

Each office is independently owned and operated



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[Learn more about Brian Here.](#)

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BEST IN COLORADO!

THE DENVER POST HAS NAMED **RE/MAX ALLIANCE** A WINNER OF THE COLORADO TOP WORKPLACES 2019 AWARD!

► SEE WHY AT: HOMESINcolorado.COM

Our success is made possible by our amazing agents, staff, and the wonderful clients we continue to serve year after year.



THE DENVER POST

RE/MAX Alliance Home Office
5440 Ward Rd, Arvada, CO 80002 | 303.420.5352
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TRAD 20.2



Home Buyer Information Resource

In these pages you will find information that will help you understand the process of purchasing a home. It will assist you in feeling more comfortable with one of the biggest financial investments you will make, and tell you a little about RE/MAX and RE/MAX Alliance.

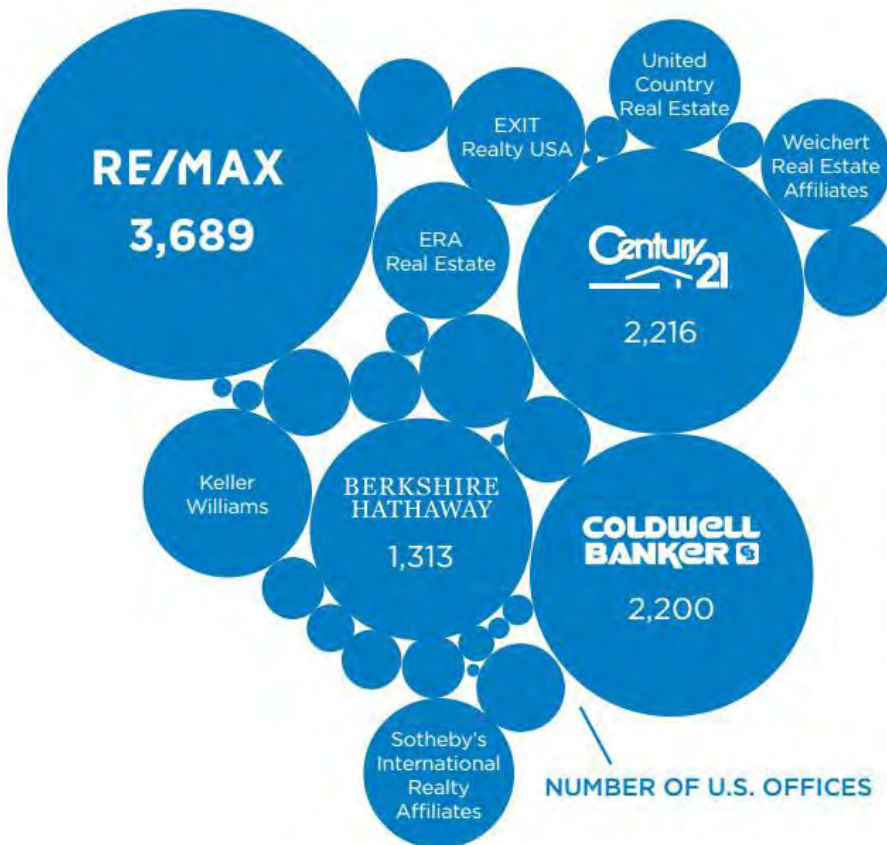
Buying a home is a major investment not only financially, but also requires a lot of your time. While it is a major commitment and responsibility, it can also be a thrilling experience and an exciting time in your life. With that said, I would like to congratulate you on your decision to buy a new home! I can assure you that I will share my knowledge and experiences to help you make an informed decision in choosing a home.

It is always a privilege to hand the homebuyers the keys to their new home and to be there for that first moment of celebrating ownership! My goal is to make your home buying process as easy, carefree, and rewarding as possible. I hope this experience will be rewarding and fun!



IS YOUR REAL ESTATE BRAND WHERE YOU NEED IT?

RE/MAX: MORE NEIGHBORHOODS, NOT JUST WEBSITES



RE/MAX offices are in more U.S. locations* than those of any other brand. They serve thousands of communities, large and small.

That's made possible by RE/MAX Broker/Owners and agents who are empowered to tailor their services to fit the needs of local homebuyers and sellers. It's not just on the Web. With so many U.S. locations, the odds are good that a RE/MAX office is part of your neighborhood.

Among the largest U.S. brokerages, RE/MAX agents outproduce the competition 2 to 1.** Worldwide, RE/MAX has real estate's largest global footprint, one that spans more than 100 countries and territories.

IS YOUR REAL ESTATE BRAND WHERE YOU NEED IT?



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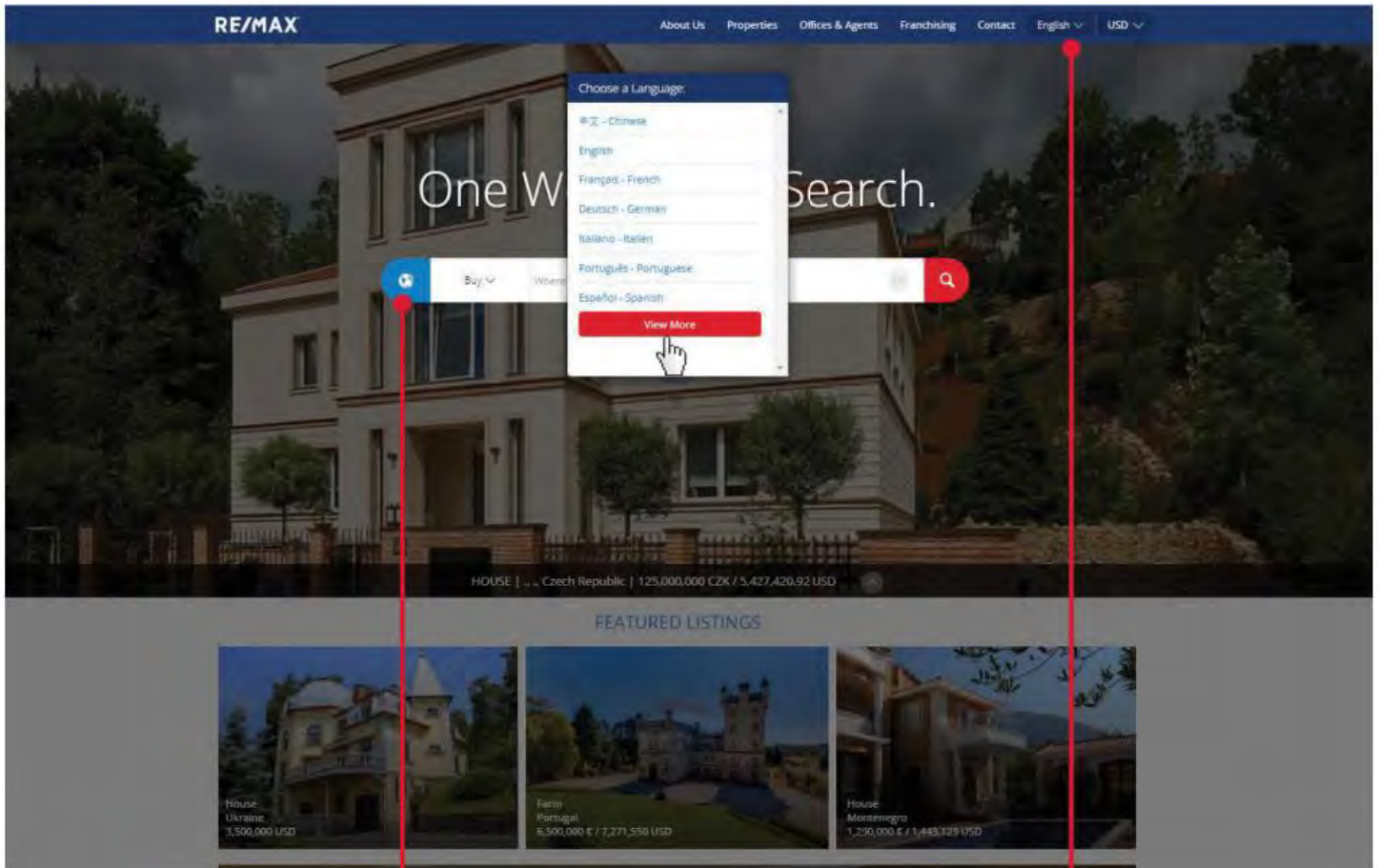
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*Office counts reported in 2017 Residential Franchise Report from Realtor Magazine including 32 U.S. real estate franchisors, based on 2016 data.

**Transaction sides per agent calculated by RE/MAX based on 2017 REAL Trends 500 data, citing 2016 transaction sides for the 1,705 largest participating U.S. brokerages.

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Easy to use search platform. Language & currency translations for every listing.
An easier, faster way for buyers to find your home.



Search for any RE/MAX listing around the World

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Your home's never had so many visitors

The site that's changing the game in real estate

- The first website with true global reach
- Market your home in 80+ countries and territories in 43 and 57 currencies
- Easier, faster way to sell your home

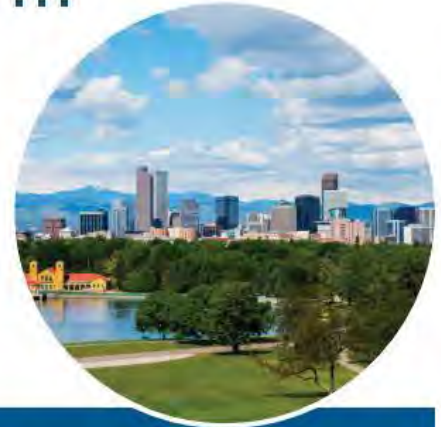
global.remax.com



RE/MAX ALLIANCE

RE/MAX Alliance is ...

- Over 900 REALTORS® and professional staff
- Colorado's largest locally owned real estate organization
- Over \$4 Billion in real estate sales annually
- 24 offices located along the Front Range from Fort Collins to Castle Rock
- A name readily recognized and respected throughout Colorado
- Quality support staff and equipment
- The leading edge of technology
- 11.18 Average Transaction Sides per Agent



RE/MAX Alliance Ranks in the Top 20 of Largest Residential Brokerage Firms in the Nation



REALTRENDS
THE TRUSTED SOURCE

The REAL Trends 500, now in its 32nd year, remains the undisputed leader in ranking the performance of residential real estate services firms. Due to the requirement of independent verification, the REAL Trends 500 is The Trusted Source for information about the performance of these firms.

A record 1,757 firms qualified this year. The results—turned in by the firms on this year's REAL Trends 500—showed that the nation's leading realty firms

outperformed the market, proving that size and leadership do matter.

Of the top 500 brokerage firms ranked, RE/MAX Alliance & Equity Group ranked 20th in residential sales transactions in 2018 with 16,097 and ranked 14th in total volume with \$7,068,623,721 in sales. They are also the only privately owned companies in Colorado & Oregon in the top 20 firms ranked.

Sales Rank	Company	State	Sales Volume	Transactions	Total Offices	Total Agents
1	NRT LLC	NJ	\$176,431,375,000	337,235	755	50,200
2	HomeServices of America, Inc.	MN	\$135,904,704,150	346,629	919	44,363
3	Compass	NY	\$45,544,757,789	34,644	181	8,874
13	RE/MAX Gold Olson & Associates	CA	\$7,094,026,504	15,256	68	1,450
14	RE/MAX Alliance Equity Group	CO	\$7,068,623,721	16,097	36	1,324
15	LIV/Sierra/Summit Sotheby's International Realty	CO	\$6,892,450,679	8,340	35	711
7	Allan Finer REALTORS	CA	\$12,085,950,408	6,843	33	1,190
8	HomeSmart International	AZ	\$12,058,264,216	36,064	44	9,435

The Top 500 is based on data received as of press time. For the most current data and to see 1,000-plus Power Broker firms ranked by both sales volume and transactions, please see the online 2019 Power Broker Report Directory at rismedia.com.

Alliance 2019 Sales & Statistics

Outstanding Agents. Outstanding Results.

Total Transactions

9,451



Total Sales Volume

\$4,414,843,339



Average Sides per Agent

11.18



Average Sale Price

\$467,130



"As an organization, we are very pleased to have ranked so high in the transactions and volume categories. These rankings are a testament to the hard work and perseverance of all our agents and the dedication of our staff throughout our organization. We are honored to be ranked in the top 500 year after year."

- Chad Ochsner, RE/MAX Alliance President, Broker/Owner

Office Locations



Arvada
303-420-5352
5440 Ward Rd.
Arvada, CO 80002



Aurora
303-693-6666
13770 E. Rice Place
Aurora, CO 80015



Boulder
303-499-9880
4770 Baseline Road
#110
Boulder, CO 80303



Castle Pines
303-865-3400
7437 Village Square Dr.
#105
Castle Pines, CO 80108



Castle Rock
303-688-2202
719 Wilcox Street
Castle Rock, CO 80104



Conifer
303-674-0090
25577 Conifer Rd.
#201
Conifer, CO 80433



Denver Central
303-757-7474
1873 S Bellaire St.
#700
Denver, CO 80222



Evergreen
303-674-9770
30480 Stagecoach Blvd
Evergreen, CO 80439



Fort Collins Downtown
970-482-1781
125 S Howes St. #120
Fort Collins, CO 80521



Fort Collins South
970-226-3990
4703 A Boardwalk Dr.
Fort Collins, CO 80525



Golden
303-277-1322
1019 8th St.
Golden, CO 80401



Greeley
970-330-5000
1275 58th Ave.
Ste. A
Greeley, CO 80634



Greenwood Village
303-773-3885
6465 S. Greenwood
Plaza Blvd. #280
Centennial, CO 80111



Lafayette
303-497-0588
109 N. Public Rd.
Lafayette, CO 80026



Longmont
303-651-3939
512 4th Ave.
Ste. 101
Longmont, CO 80501



Louisville
303-666-6500
225 S Boulder Rd.
Louisville, CO 80027



Loveland
970-669-1234
750 W. Eisenhower Blvd.
Loveland, CO 80537



Nederland
303-258-7020
286 N Bridge St.
Nederland, CO 80466



Northeast
303-420-5200
13659 E. 104th Ave
#100 Commerce City,
CO 80022



Olde Town Arvada
303-800-8439
7425 Grandview Ave.
Arvada, CO 80002



Parker
303-841-0922
18551 E. Mainstreet
Parker, CO 80134



Walnut
303-442-3180
1911 11th Street
107 Boulder, CO 80302



Wellington
970-206-8343
4006 Cleveland Ave
PO Box 157
Wellington, CO 80549



Westminster
303-420-8800
9737 Wadsworth Pkwy
Westminster, CO 80021

HomesInColorado.com

HomesInColorado.com was launched in 1998, and has rapidly grown to be the most comprehensive real estate website in the state of Colorado, providing not only sellers and buyers a wealth of information, but also creating one of the most important tools in your business.

As a company, we strive to maintain an 'edge' by staying up to date with the latest technology, and our website is an ever growing, ever evolving component of what we do.

The History:



Community Involvement



**RE/MAX
ALLIANCE**

"As a company we are dedicated to enriching many organizations locally and globally through partnerships, volunteer efforts, and community events. Our amazing agents and staff volunteer countless hours and donate financially year after year. We work hard to give back to our local communities and organizations across the world."

- Chad Ochsner, RE/MAX Alliance President, Broker/Owner

BRIAN CHANDLER

Call **720.808.1007**



Community Involvement

Children's Miracle Network

RE/MAX Associates generated more than \$8 million in donations last year alone. Said Carolynn Bond, former liaison to Children's Miracle Network for RE/MAX International, "Our business is about more than just buying or selling homes. Our business is to care for families, and what better way to show that care and concern than to support Children's Miracle Network."

RE/MAX Alliance associates raised over \$116,000 through Honor Card, Miracle Home Programs and our Annual Golf Tournaments in 2015. RE/MAX Alliance is the number one contributing organization in the Rocky Mountain Region, where 100% of our donations stay in the local community, benefiting Children's Hospital and National Jewish Research Center.



Miracle Home® Program

The Miracle Home program enables RE/MAX Affiliates to participate in a worthy cause and have positive impact on their individual business. Agents simply pledge to make a contribution for every real estate transaction.

*Helping Coloradans to achieve
the American dream of homeownership.*



**RE/MAX
ALLIANCE**

RE/MAX Alliance
is one of the largest
CAR Foundation
contributors year over year



The Colorado Association of REALTORS®
Foundation supports housing, disaster
relief, and homeownership education
for all Coloradans.



colorado association of
**REALTORS®
FOUNDATION**

Steps in the Home Buying Process

- Meet with Lender to get pre-qualified
- Meet with me & view homes
- Select home
- Write an offer & submit earnest money
- Negotiate counter-offers
- Title search & commitment
- Obtain a home inspection
- Negotiate repairs with seller
- Complete loan process and order appraisal
- Loan package submitted to underwriting
- Loan approval
- Settlement Statement received
- Final walk-through
- Closing
- Move In

Home is where *love* resides, *memories* are created, friends are always *welcome* and *family* is forever.



Working Relationships Defined

Buyer's Agent

A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent including the buyer's financial ability to perform the terms of the transaction and if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Seller's Agent

A seller's agent (or listing agent) works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the seller.

Transaction-Broker

A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

Customer

A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

Frequently Asked Questions

- How long does the buying process take?
- How many properties does the typical buyer look at?
- When should I make an offer?
- How much should I offer?
- Should I lock in my interest rate or should I float?
- When will I get the keys?
- What happens at the closing?
- Is the closing date on my contract guaranteed?
- How much earnest money should I put down?
- What happens to my earnest money?
- Will I get my earnest money back if the contract is not accepted?
- What is the process to get my earnest money back if the contract is accepted and the home inspection finds an issue?
- How often do you find the perfect property on the first day (80-10-10 rule)
- Is there anything I should not do during the house hunting process
- What is the likelihood of a multiple offer situation?
- What monies will I need to come in with?
- How long does the home inspection take?
- Do I really need a home inspector?
- Can you recommended a home inspector or a lender?



Finances First

Your initial impression may be that I have incorrectly placed the financing segment first. Actually, I've chosen to discuss finances at the beginning for good reason: The buying experience usually goes smoother if financing has already been secured before you begin searching for your home.

Most homebuyers find that they need to at least finance part of their home purchase. So, in many respects, owning your dream home hinges on your ability to get the financing you need, in the price range you can afford.

The very first step is ensuring that you are in an optimum buying position. This entails a careful review of your financial situation.

How Much Home Can you buy?

It is likely that you have wondered how much home you will be able to buy. The best way to determine your purchasing power is to speak with a lender. However, there are several rules of thumb that will give you an approximate idea of what you will be able to spend.

Up Front Fees and Expenses

Most homebuyers understand the concept of the down payment, but that is not the only up front expense when purchasing a home. In addition to the down payment, money must be allotted for costs associated with the loan, which generally run about 3% depending upon your lender, and closing costs. As the name implies, closing costs are paid at the time you close the transaction, otherwise known as settlement. A good lender like Home Mortgage Alliance can guide you to the best loan for your purchase.

Pre-Approval

Once you select your lender, the next step is to get pre-approved for a loan. Pre-approval is not the same as pre-qualification. What's the difference between pre-qualification and pre-approval? In the world of real estate, the terms "pre-qualification" and pre-approval" are often used interchangeably. But they have different meanings.

Pre-qualification is an estimate of how much you can afford in a mortgage payment. It is based upon the information provided by the homeowner, which will later be subject to the approval process and additional information, including a credit report, appraisal, and income verification. The information provided by the borrower is not routinely verified as part of the pre-qualification process.

Pre-approval on the other hand, is a firmer commitment on behalf of the mortgage company. Obtaining pre-approval is a more formal process that includes a credit check and employment verification. During a pre-approval, the mortgage company does all the work of a full approval except for the appraisal and title search. The lender obtains a credit report to verify monthly payments on installment loans and credit cards, and to check payment history on these loans. If you've been pre-approved for a loan, you can shop for a house with more certainty and less anxiety because you'll be able to sail through the entire process without having to worry about whether the mortgage will be approved. Additionally, the seller is likely to view you as a more capable buyer. This can give you an advantage as a buyer in the marketplace, especially when the seller is considering multiple offers.

However, neither a pre-approval nor a pre-qualification means you are guaranteed a mortgage. Lenders still need to look at property appraisals, verify information, and, in many cases, re-check credit before agreeing to make a loan. Still, it's worthwhile to obtain pre-approval at the beginning of the buying process to know how much home you can afford and to avoid the headaches and embarrassment of not qualifying for a home you have under contract. If you intend to obtain a pre-approval, you should begin rounding up information that the lender will need in order to process the loan. The checklist on the next few pages may be useful to you as you compile this information.

- ❑ Copy of Purchase Sales Contract, or Offer to Purchase and all addenda, signed by the buyer and seller.
- ❑ Property information listing sheet, or Multiple Listing Service sheet.
- ❑ W2Forms
From the previous two years.
- ❑ Pay Stubs
From the most recent month.
- ❑ Employment History
Include name and address of employer(s) for the last two years, dates of employment, and income. Provide explanation of recent gaps in employment, if one month or longer.
- ❑ Social Security Number(s)
For both borrower and co-borrower(s).
- ❑ Bank Statements for Checking and Savings Accounts
From the past three months, include names, addresses, account numbers, and balances of depository institutions (banks, credit unions, and savings banks); all pages of all statements are needed, even if blank.
- ❑ Credit Information
For each open credit card account, provide the creditor name, address, account number, payment amount, and current balance; disclose any credit problems.



- **Tax Returns**
Provide previous two years' personal federal income tax returns and all schedules if you are self-employed; employed in a family business; a tradesman; receiving all or a large part of income from bonus, commission, partnership, or trust income; own rental property; or have income from an otherwise non-verifiable source, such as corporate ownership, installment sales, or tips.
- **Stocks, Bonds, and Investment Accounts**
If these are being used for your house purchase, you must supply the name and address of broker and previous three months' statements or copies of the stock certificates. A list of serial numbers and issue dates may be acceptable for verifying bonds. All pages of all statements are needed, even if blank.
- **IRA/Retirement Plan**
Approximate value of vested interest and copy of most recent statement.
- **Life Insurance Policies**
Name of insurance company, policy number, face amount, and approximate cash value of each policy.
- **Automobiles Owned**
Make and year of each automobile owned and current market value. (Evidence of clear title may be required if owned free and clear).
- **Construction Loan**
Signed construction contract with cost breakdown and builder plans.
- **Gift Letters**
If part of your down payment or closing costs is from a gift, a signed letter is needed from the donor to verify that the borrower is not required to repay the funds. Your lender may give you a copy of a form letter that you can use. Always talk to your lender prior to the movement of gift funds.
- **Other Income**
Documentation of the income received for the past 12 months if such income is used to qualify (for example, interest or dividend income).

And, if you are:

- **Renting**
Provide landlord's name, address, and phone number and/or previous 12-month rental payment history (cancelled checks and rent receipts are acceptable).

- **Self Employed**
Provide previous two years' and current year-to-date profit and loss statement and balance sheet.
- **Divorced or Separated**
Provide a copy of divorce decree or maintenance agreement, along with any amendments and a 12-month payment history of alimony/child support payments, if payments are provided or received and are needed to qualify. Be sure to provide either check stubs or copies of both the front and back of the checks.
- **A Student**
If you do not have two years of employment history due to attending school, then school transcripts or your diploma will be needed.
- **Owner of Rental Properties**
Provide federal tax returns (signed), along with a schedule of all real estate owned and the account number and address of the mortgage company that holds the properties.

In addition, if the real estate owned is:

- **Currently Rented**
Provide a copy of the current lease or rental agreement.
- **Listed for Sale**
Provide a copy of the listing agreement.
- **Sold, But Not Closed**
Provide a copy of the sales contract and escrow number.
- **Sold, Closed and Proceeds Will be Used for Down Payment**
Provide a copy of the HUD-1 Uniform Settlement Statement.
- **Affordable Housing**
Loans underwritten using liberalized guidelines under affordable housing programs may require counseling certificate or inspection certificate (or equivalent).

Estimated Buyer's Costs

Address:			

City/State/Zip:			

Buyers Cost		Additional Settlement Charges	
Sale Price	\$	Survey	\$
Down Payment	\$	Pest Inspection	\$
Amount Financed	\$	Home Warranty	\$
Other	\$	Home Inspection Fee	\$
Loan Items		Total Settlement Charges	
Loan Origination Fee	\$	Total Settlement	\$
Appraisal Fee	\$	Down Payment	\$
Credit Report	\$	Total Estimate of Buyer's Costs	\$
Additional Loan Fee	\$	Other	\$
Recording Fees		Loan Type	
Recording Fees	\$	Amount Financed	\$
Tax Stamps	\$	Interest Rate	%
Other Fees	\$	Term Years	#
Prepaid Items		Estimated Monthly Payment	
Interest	\$	Principal & Interest	
Hazard Insurance	\$	Mortgage Ins Premium	
Mortgage Insurance	\$	Taxes & Insurance	
Taxes	\$	Homeowners Assoc.	
Assessments	\$	TOTAL MONTHLY	
Other Fees	\$		
Title and Closing Charges			
Escrow, Settlement, or Closing Fee	\$	Notary Fee	\$
Title Insurance	\$	Attorney's Fee	\$

What Home is the Right Home?

How will you know when you see the house of your dreams? A common reply is always "I'll know it when I see it!" However, if you logically analyze your needs ahead of time, you'll be better equipped to make an educated decision when you have an emotional response to a house that you see. This section will help you determine and prioritize which characteristics are most important to you in a home.

Surely you have heard the common real estate theory that there are three things to consider when buying a house: "Location, location, location!" While there are other important factors to consider when choosing a home, answering the following questions will remind you how important location is in your decision:

Geography

- Will you be looking in urban, suburban, semi-rural or rural areas?
- Is the area sparsely populated, medium or high?
- Do you have a preference with regard to natural features like woods, hills, and lowland?
- Do you have a preference to be near water such as rivers, lakes, streams and ponds?

Surrounding Areas

- What are the characteristics of the surrounding areas for shopping?
- Is there a central commercial district?
- Are there any shopping malls?
- Are there any supermarket shopping centers?
- Are there department stores and drug stores?

Neighborhood Focus

- What is the general appearance?
- Are the homes well maintained?
- What are the main types/styles of homes?
- Do the homes appear to be "newer" or "older"?
- How far apart are the houses?
- How well are the lawns maintained?
- Are there many visible property enhancements such as swimming pools, fences, decks and patios or extensive landscaping?
- Are vehicles primarily parked in garages and driveways, or are they parked on the street?
- Are there emergency personnel stations (fire & police) close by?
- How close is the nearest hospital?
- What are the local ordinances in regard to pets, parking, lawns, etc.?

Schools

- Are there both public and parochial schools?
- Are they equipped to handle special needs if needed?
- How do children primarily get to school?

- What is the teacher per student ratio?
- How well do students perform on standardized test scores?
- Are there after-school activities offered?
- What type of sports programs and clubs are offered?
- What is the percentage of children that graduate?
- What is the percentage of graduating students that go onto college?

Work Issues

- How will you be commuting to work?
- How long will your commute be? Do you need to be near public transportation?

Recreation and Entertainment

- What forms of entertainment are offered?
- What types of indoor and outdoor sports facilities are available?
- Are there public parks, country clubs, and/or sports teams close by?

Community Involvement

- Is it a social area? Do they hold block parties or picnics?
- Is there a Home Owner's Association? How active are they in the community?
- Is there a PTA?
- Is there a Neighborhood Watch program in place?

Find out the answer to each of these questions, and then determine which items are important to you and which you can live without.



Selecting Your Home

When choosing the house itself, which of the following features and amenities will be included? We suggest having all members of the family mark a copy of the chart below to show their preferences and which features are most important to them. You can then compare notes and come to a consensus about which items are “must haves” and which are negotiable.

House Style				
No. of Levels				
No. of Bedrooms				
No. of Bathrooms				
Gourmet Kitchen				
Formal Dining Room				
Breakfast Nook				
Super Master Bath				
Walk In Closets				
Fireplace				
Basement				
Garage				
Porches				
Fenced Yard				
Large Yard				
Storage Room/Shed				

Once you've gone through the process of deciding on your home's features and amenities and sized up the neighborhood characteristics that are most important to you, there is one more task to undertake: Prioritize! Chances are that you may have to “trade in” one or more features to take advantage of others. That's why it's important to prioritize the “must haves”—the features and characteristics that you don't want to compromise or trade in no matter what. Then you'll have a definite picture in your mind of what you're looking for, and you'll be able to make logical choices when the time comes to decide if “this” is the home for you.

Home Comparison Checklist

Make several copies of this checklist and fill one out for each home you visit. Comparing your ratings later will be easy!

Address: _____								
The Home	Good	Average	Poor	Schools	Good	Average	Poor	
Square footage				Age/condition				
# of bedrooms				Reputation				
# of baths				Quality of teachers				
Floor plan				Achievement test scores				
Closet/storage space				Play areas				
Basement				Curriculum				
Fireplace				Class size				
Exterior appearance				Busing distance				
Lawn/yard space				Convenience To	Good	Average	Poor	
Fence				Supermarket				
Patio or deck				Schools				
Garage				Work				
Energy efficiency				Shopping				
Roof: age				Child care				
The Neighborhood	Good	Average	Poor	Hospitals				
Appearance/condition				Doctor/dentist				
Noise Level/traffic				Recreation/parks				
Safety/Security				Restaurants/entertainment				
Age mix of inhabitants				Church/synagogue				
Pet restrictions				Airport				
Parking				Highways				
HOA				Public transportation				
Fire protection				Other	Good	Average	Poor	
Police								
Snow removal								
Garbage service								

Can You Represent Me In a For Sale By Owner Situation?

A homeowner trying to sell his home himself is usually doing so in hopes of saving some money by not paying the listing commission.

Like any other transaction I can help you negotiate the terms of an offer, order a title commitment, arrange for an inspection and closing.

Many times a homeowner will work with an agent, even though his home is not listed, if an agent brings him a buyer.

If you should see a home "For Sale By Owner" and want the advantages of my services, please allow me to contact the homeowner and set the showing appointment.



Why Should I Use an Agent to Purchase a Home From a Builder?

The advantages of having me help you purchase a new home are the same as those for purchasing a resale home. I can provide you with valuable insight into the new construction industry, help you find the perfect home or home builder more quickly, negotiate the price and terms based on the quality and amenities of the property.

The builder has a professional real estate representative who watches out for his or her best interests, and you need and deserve the same expert representation watching out for yours.

Buying a new home is a little more difficult and time-consuming than buying a resale home. I can guide you through this process. Having spent years working with builders, RE/MAX Properties, Inc. has a rapport with local builders.

It is very important that your interests be professionally represented when you are entering into a contract for a semi-custom or a build-to suit home.

These transactions are complex and the contract details must be exactly in order to protect you and to ensure that you get exactly the home you want!

Many times a homeowner will work with an agent, even though his home is not listed, if an agent brings him a buyer.

If you should see a home "For Sale By Owner" and want the advantages of my services, please allow me to contact the homeowner and set the showing appointment.



Make Sure the Builder Knows You're Working with a Real Estate Professional.

Many builders will require that you give up your right to representation if you visit their model homes without an agent on the first visit. Therefore, please call me if you would like to look at some model homes, so you are given the representation you deserve! The builder will pay the buyer's agent's fee just like the seller pays in other real estate transactions.

If you happen to be out driving and see a model home that you want to check out, give them a copy of my business card and fill out their "registration" form with your name and mine. Call me right away and tell me if their homes interest you so we can discuss the benefits of that particular builder and community.

The builder will pay the buyer's agent's fee just like the seller pays in other real estate transactions.



Negotiating A Contract

Now that you've found your dream home, what is the next step?

First, we'll sit down and work up an offer, otherwise known as a contract. You will want to review it carefully to be sure it states your terms exactly, how much you want to offer, and any applicable contingencies. Once you, as the buyer, and the seller reach an agreement and sign an offer reflecting that agreement, you have a legally binding contract.

Before we get out the pens and pencils, it is important to be aware of the possible scenarios that can arise while negotiating with a seller: The seller can accept your offer, reject your offer, or execute a counter offer. Don't be surprised if you and the seller initially do not see eye-to-eye on every issue. The seller may deliver back to you a counter offer modifying certain terms that were not acceptable. Typical counter offers include modifications of the purchase price, closing date, possession date, and/or inclusions, although any term(s) of the contract can be countered. You will then have to decide whether the new terms will be acceptable to you.

Generally, you are in a stronger bargaining position if you have already been pre-approved for a mortgage, are not selling a house at the same time, and have not loaded your offer with contingencies. If we are experiencing a "seller's market," you may have to offer at least the list price and possibly more to come in at the top among multiple buyer offers. Your offer will need to be accompanied by earnest money as well as a letter from your lender indicating your qualification to purchase. Earnest money typically equals between 1% and 3% of the purchase price. Not only does earnest money indicate your sincere interest in buying but also is often necessary for a contract to be legally binding. Your earnest money will be credited to you at closing or returned to you if the contract is terminated in accordance with its terms.

When an agreement is reached on all the issues, and both the seller and you as the buyer have signed the offer, you are both under a legally binding contract. The search is over and now it's time to take the necessary steps to ensure the smooth and successful closing: 1) order title insurance; 2) hire a professional home inspector; and 3) order an appraisal.



Home Inspections and Why You Should Obtain One

Home inspections are a routine part of nearly every residential purchase, whether a resale or a new-construction home. It's important to make sure you know exactly what you're buying. A thorough home inspection greatly reduces the possibility of unpleasant surprises later. Having the property inspected is the buyer's right and responsibility. The cost varies depending on the size and features of the property.

RE/MAX Alliance recommends the following minimum standards when choosing an inspector:

- Membership in ASHI (American Society of Home Inspectors) and adherence to its Standards of Practice and Code of Ethics.
- Errors & Omissions Insurance.
- Written report at the time of inspection.

After Finding Your Home: The Home Inspection

Your inspection report should include the following:

- Foundations, basements and structures.
- Basement floor and walls, proper drainage and ventilation, evidence of water seepage.
- Exterior siding, windows, and doors.
- Porches, patios, decks and balconies.
- Roof type, material and condition, including gutters and downspouts.
- Interior plumbing system.
- Hot-and-cold water system, the waste system and sewage disposal, water pressure and flow, and hot-water equipment.
- Electrical system including type of service, number of circuits, type of protection, outlet grounding and the load balance.
- Central heating system - energy source, type of cooling equipment, capacity, and distribution.
- Interior walls, ceilings, floors, windows, and doors.
- Stairways, cabinets, and countertops.
- Attic, including structure, insulation, and ventilation.
- Fireplace - chimney, damper, and masonry, and all functionality and components of a gas insert.
- Garage - doors, walls, floor, opener.
- Built-in appliances; dishwasher, range, microwave, refrigerator and washer and dryer, if included.
- Ground slope away from foundation, condition of walks, steps, and driveway.
- Radon levels (if you choose to pay the additional cost for the test).
- Most have vivid photos and tips for home maintenance.

Your home inspector may recommend a more detailed examination of a something by a licensed contractor, like the roof, furnace or foundation.

You might question the necessity of an inspection on a new built home. However, realize that even though city inspectors have passed certain phases of the construction process according to building code and the home has received a certificate of occupancy, there could be numerous small items that you'll discover later that you wish someone had pointed out to you. There is also the possibility that the city inspector missed something.

Inspections

Depending on the type of property, the following are possible inspections conducted on residential real estate:

- Physical Inspection – plumbing, heating, electrical, interior, exterior, etc.
- Radon Gas Test
- Sewer Line Test/Scoping
- Mold and Other Substances
- Methamphetamine
- Lead Based Paint
- Roof Inspection/Certification Test
- Structural Inspections
- Soil Testing
- Well/Water Testing

Note: *The Seller must allow the Purchaser to conduct any tests that the Purchaser may request.*



The Appraisal

Once you have determined that there are no defects on title and all inspection concerns have been resolved, it is time to order an appraisal.

An appraisal is an estimate of the value of a property, made by a qualified professional called an appraiser. An appraisal of the property you're going to purchase is as important as your credit history in obtaining a mortgage, and it is also a critical factor in determining the size of the loan the bank or mortgage company will approve. After all, the property you are purchasing serves as collateral for the loan. Although the primary goal of the appraisal is to justify the lender's investment, it also protects you from overpaying. The lender usually hires the appraiser and charges the buyer a fee for the service. Sometimes this fee must be paid to the lender at the time the appraisal is ordered.

You will be refused a mortgage, or offered a smaller amount on the mortgage, if the appraisal falls short of the amount you wish to borrow. Your contract will be contingent on whether the property's appraisal comes in at or above the purchase price you and the seller have agreed upon.

If possible, you will want to complete your home inspection prior to ordering the appraisal. There is no sense in paying an appraisal fee if issues resulting from the inspection cause the contract to be terminated.

Understanding Title Insurance

What Is Title Insurance?

A Title Insurance Policy is a guarantee by a title company that a thorough investigation of the title to the property has been conducted and that you have been notified of any outstanding claims to the property. The title insurance company reports any defects in the title in the form of a Title Commitment so that these matters can be corrected. It is important that you know of all claims on the property and have them resolved and declared removed prior to you taking title to the property.

The Title Commitment will carefully detail what items of encumbrance are not covered by the policy. You can either get these items resolved or bow out of the transaction. Title insurance covers matters that occurred before the policy's effective date but were discovered later. Your policy will detail what is covered, what is not covered, and the effective date.

Title insurance is issued by the title company when they are certain the property is free from all liens, encumbrances, interests, etc., and the insurance guarantees such. This is so the title can be legally transferred to the buyer to be used as security for the lender's funds. This is why title insurance is required by the lender. Your lender has an interest in knowing that you and the lender are the only parties with claims to the property.

The title insurance company thoroughly searches the public records to uncover any unpaid taxes, mortgages, judgments against previous owners, easements, and other court actions or recorded documents that can affect title to the real estate. The insurance also provides protection against any defect in the public record such as forgery, similar names, error in the records, etc., and protest against any undiscovered or unrecorded claims that may arise in the future.

When title insurance is issued, the title-insurance company accepts the responsibility for any and all claims on the property prior to your purchase if they do not find the claim or call it to your attention prior to your purchase of the property. That responsibility includes defending your title in court, if necessary (at their expense), or bearing the cost of settling the claim (if it proves valid) in order to perfect your title and keep you in possession of your property.

Unlike other forms of insurance, the original premium is your only cost as long as you or your heirs own the property. There are no annual payments required to keep your Owner's Title Policy in force.

Title insurance protects you twice—it notifies you of claims against the property and insures you against any future claims on hidden items.

Why Title Insurance Is So Important

To understand why a title search is so important, you must understand the nature of real estate. Real estate has always been considered a person's most valuable possession. It is so basic a form of wealth that many special laws have been enacted to protect ownership of land and the buildings that stand on the land. The owner who is selling the property has extremely strong rights, as do his/her family and heirs. Also, there may be others who have "rights" in the property you are going to buy. These may be governmental bodies, contractors, or any other individuals who have perfectly proper unpaid claims against the property. Unscrupulous owners may have taken out a second mortgage on the home prior to closing.


Anyone who has such a claim in the property you are buying is, in a sense, a part-owner. The property may be sold to you without the knowledge of other parties who have claims against the property. Without a title check conducted by the title-insurance company, you know nothing about such claims at the time you buy. All such claims remain attached to the real estate you are purchasing and not to the previous owners. The title company will notify you of all liens, encumbrances, and interests in the property so that these can be resolved by the current owners prior to the sale. Proof of a "good" title—a title free of any liens, encumbrances, or interests—is important because otherwise you are liable for the claims.

Title-insurance policies are standard. Owner's policies usually do not cover one or more of the following matters (often referred to as "Standard Exceptions"), unless an additional premium is paid and/or extra investigative work or a survey is done and the necessary evidence is furnished to the title company. When the evidence is furnished and the insurance coverage is given, this is frequently referred to as "Extended Coverage."

The Standard Exceptions are:

- Claims of people who turn out to be living in the house (such as prior owner's tenants or someone living without your knowledge on your property) if their presence there isn't a matter of public record.
- Boundary-line disputes.
- Easements or claims of easements not shown by public records.
- Unrecorded mechanic's liens (claims against the property by unpaid home-improvement contractors).
- Taxes or special assessments left off the public record.

Other important exclusions from coverage include zoning, environmental protection laws, matters arising after the effective date of the policy, and matters created, suffered, or assumed by the insured.



Without a title check conducted by the title-insurance company, you know nothing about such claims at the time you buy.

The Closing

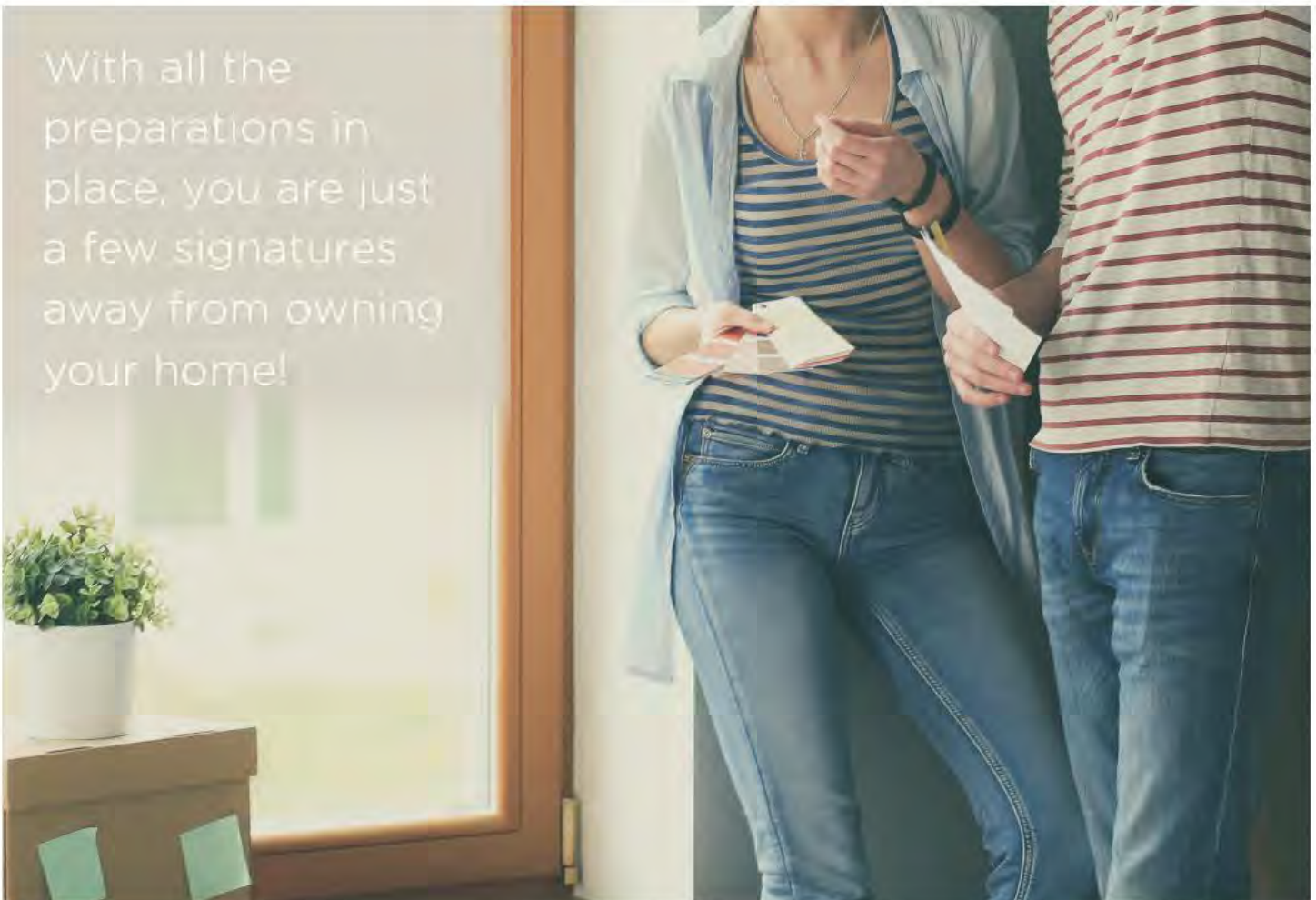
After the searching for a home is done, the negotiations have been completed, the house has been inspected, and the mortgage has been applied for and committed to, the focus suddenly turns to the closing, which may also be called "settlement."

Closing is the legal transfer of ownership of the home from seller to buyer. It is a formal meeting that most parties involved in the transaction will attend. Closing procedures are usually held at the title company. Your closing officer will coordinate the signing of documents and the collection and disbursement of funds.

In order to ensure a smooth closing you will want to spend some time preparing for the big day:

- You may want to conduct a "walk-through" of the home prior to closing. This will give you an opportunity to see that the condition of the home is the same as it was at the time of contract. Additionally, you will be able to ensure that any repairs agreed to by the seller, based on the inspection, have been completed.
- Prior to closing, you will have obtained a homeowners insurance policy and provided this information to your lender and/or closing agent.
- Before closing, the closing agent will provide you with a Settlement Statement or a HUD-1. These documents will contain a detailed description of all costs associated with the transaction, including the exact dollar amount you will need to bring to closing. Prior to closing, you will go to the bank to obtain a cashiers or certified check in this amount. This check can be made out to yourself and endorsed over to the title company at closing. You will also be required to bring your driver's license.

With all the preparations in place, you are just a few signatures away from owning your home!



Things To **NOT** Do

- Don't quit or change your job
- Don't buy any large ticket items (five dollars or more!)
- Don't make "David Copperfield" deposits (all funds need to be traceable)
- Don't talk to Sellers directly (loose lips sink ships)
- Not getting a gift letter and a bank statement for funds
- Not telling the person who is giving you the gift that you will probably need a gift letter and some proof
- Not telling me if you are allergic to animals
- Not being honest with the lender about child support, alimony, wage garnishments or other payroll reduction
- Making a major purchase (like \$5.00 or more)
- Getting advice from a buying committee that has not purchased in the last year (the rules change almost daily)
- Waiting to see everything else that is on the market
- Don't trash the property in front of the owners
- Calling the other agent on "For Sale" signs
- Attending open houses and new construction without me
- Not telling me if you have a house to sell
- Delaying paperwork because you are irritated by the number of request from the Mortgage Company
- Finding a lender on the internet that offers a 0.001 interest rate
- Not realizing it is possible to find what you are looking for the very first day you go out (this does happen ...)
- Going home to sleep on it (in a hot market, if you sleep on it, you might not get to sleep in it)
- Waiting to find the absolute PERFECT house. You will always be limited by income, zoning, inventory at the time, and/or legislation and or property taxes.
- 80/10/10 Rule: if you find a house that has 80% of what you are looking for, 10% of things you can change and 10% of things you can live with, it's a keeper.
- Do not co-sign for even a candy bar!
- Don't schedule a vacation before closing (especially a cruise)
- Don't order Direct TV, Cable, Telephone or any utility that will pull a credit report unless you want to write to the mortgage company a letter of explanation
- Don't change your name during the mortgage process
- Not being up front with your loan officer
- Not realizing the clock starts ticking from the time the loan officer get the contract, not the date it was written)
- Need a letter of explanation
- Unreasonable expectations
- Not getting a home warranty
- Giving away your negotiation power by speaking in the house (always assume you are being recorded)
- Posting your real estate thoughts on social media sites (If you are savvy, this can easily be viewed)
- Not getting a home inspection
- Not being FULLY approved BEFORE you go looking (nothing hurts as much as finding the house you love and you lose it when someone else beats you to it because you were not completely ready)
- Believing what you see on HGTV and reality television (the majority of that stuff is scripted)
- Not telling me what is MOST important to you
- Calling at the last minute to cancel appointments
- Using a 100% Online Lender
- Not telling your lender if you lose your job before closing
- Do not go window shopping and let people pull your credit
- If it can't be written on the front page of the contract because its being done "under the table", it is probably mortgage fraud
- Do not look at a short-sale if you need to move immediately
- Do not consider a short-sale if you need to be in control of the process
- You will not be told how much money to bring to closing until the day of your closing and many times only hours or minutes before the closing
- The dates on your contract could change multiple times
- You will become anxious or nervous
- You will become irritated or annoyed about frequent and last minute paperwork request, with seemingly impossible deadlines
- The buyer will negotiate 2-5 times on this transaction. They will negotiate the purchase price, the inspection, potentially the appraisal, the final walk-thru
- You will want to tell your friends and family about your experience on social media sites - Don't!
- The Mortgage company will most likely pull another credit report on you days before or even the day of closing

Moving Checklist

Notify of your Change of Address:

- Post Office
- Credit Card Companies
- Friends and Relatives

Notify Government offices:

- City/County Tax Assessor
- Department of Motor Vehicles
- Social Security Administration
- State/Federal Tax Bureau (IRS)
- Veterans Administration

Moving Arrangements:

- Inventory valuables, and plan how to move them
- Reserve moving service 1 month out
- Purchase moving insurance
- Check with insurance on coverage of life, car and goods in transit
- If moving into an apartment, find out if there are moving day restrictions
- Pack an essentials box
- Prepare appliances for move
- Measure furniture and doorways, stairways, elevators to ensure fit
- Plan a garage sale
- Return library books or any rentals

Utilities: For both current and future locations, transfer, cancel, or set up new service, and get refunds for any deposits made.

- Water
- Gas/Electric
- Trash
- Cable TV
- Phone

Transfer bank accounts:

- Checking
- Savings
- Safe Deposit Box

Leave with your REALTOR/Landlord:

- Keys
- Necessary legal documents
- Important information about your home

Cancel or Transfer Memberships:

- Church
- Clubs
- Membership Services like Netflix
- Subscriptions
- Newspapers
- Civic Organizations
- Home Care Services
- Home Delivery Services

Notify insurance companies:

- Health
- Life
- Auto

Obtain medical records:

- General Practitioner
- Dentist
- Optometrist
- Other Doctor
- Pharmacy (fill prescriptions)

Other records:

- School records for kids
- Legal records
- Veterinarian records

Preparing for a long distance move?

- If shipping your car, remove any valuables from it
- Arrange for moving equipment parking
- Pack for travel
- Book hotel if needed
- Make sure pets have ID tags, or any necessary vaccinations
- Check to see if your will must be rewritten when moving across state lines



Glossary

Adjustable Rate Mortgage (ARM): A mortgage with an interest rate that changes over time.

Adjustment Period: The length of time between interest rate changes on an ARM. For example, a loan with an adjustment period of one year is called a one-year ARM, which means that the interest rate can change once a year.

Amortization: Repayment of a loan in equal installments of principal and interest, rather than interest-only payments.

Annual Percentage Rate (APR): The total finance charge (interest, loan fees, and points) expressed as a percentage the loan amount.

Assumption of Mortgage: A buyer's agreement to assume the liability under an existing note that is secured by a mortgage of deed of trust. The lender must approve the buyer in order to release the original borrower (usually the seller) from liability.

Balloon Payment: A lump sum principal payment due at the end of some mortgages or other long-term loans.

Binder: Sometimes known as an offer to purchase or an earnest money receipt. A binder is the acknowledgement of a deposit along with a brief written agreement to enter into a contract for the sale of real estate.

Cap: The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of the mortgage.

CC & R's: Covenants, conditions, and restrictions. A document that controls the use, requirements and restrictions of a property.

Certificate of Reasonable Value (CRV): A document that establishes the maximum value and loan amount for a VA guaranteed mortgage.

Closing Statement: The financial disclosure statement that accounts for all the funds received and expected at the closing, including deposits for taxes, hazardous insurance, and mortgage insurance.

Condominium: A form of real estate ownership where the owner receives title to a particular unit and has a proportional interest in certain common areas. The unit itself is generally a separately owned space whose interior surface (walls, floors and ceilings) serve as its boundaries.

Contingency: A condition that must be satisfied before a contract is binding. For instance, a sales agreement may be contingent upon the buyer obtaining financing.

Conversion Clause: A provision in some ARM's that enables you to change an ARM to a fixed-rate loan, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed-rate mortgages. This conversion feature may cost extra.

Cooperative: A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy right to shareholders by means of proprietary leases or similar arrangements.

Certified Residential Broker (CRB): To be certified, a broker must be a member of the National Association for Realtors, had five years experience as a licensed broker and have completed five required Residential Division courses.

Due-On-Sale Clause: An acceleration clause that requires full payment of a mortgage or deed of trust when the secured property changes ownership.

Earnest Money: The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.

Escrow: A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties instructions and assumes responsibility for handling all of the paperwork and distribution of funds.

FHA Loan: A loan insured by the Insuring Office of the Department of Housing and Urban Development: the Federal Housing Administration.



Federal National Mortgage Association (FNMA):

Popularly known as Fannie Mae. A privately owned cooperation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages insured by FHA or granted by the VA, as well as conventional home mortgages.

Fee Simple: An estate in which the owner has unrestricted power to dispose of the property as he wishes, including leaving by will or inheritance. It is the greatest interest a person can have in real estate.

Finance Charge: The total cost a borrower must pay, directly or indirectly, to obtain credit according to Regulation Z.

Graduated Payment Mortgage: A residential mortgage with monthly payments that start at a low level and increase at a predetermined rate.

Graduate, Realtors Institute (GRI): A professional designation granted to a member of the National Association of Realtors who has successfully completed fifteen courses covering Law, Finance and Principles of Real Estate.

Home Inspection Report: A qualified inspector's report on a property's overall condition. The report usually includes an evaluation of both the structure and mechanical systems.

Home Warranty Plan: Protection against failure of mechanical systems within the property. Usually includes plumbing, electrical, heating systems and installed appliances.

Index: A measure of interest rate changes used to determine changes in an ARM's interest rate over the term of the loan.

Joint Tenancy: An equal undivided ownership of property by two or more persons. Upon the death of any owner, the survivors take the descendant's interest in the property.

Lien: A legal hold or claim on property as security for a debt or charge.

Loan Commitment: A written promise to make a loan for a specified term.

Loan-To-Value Ratio: The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraised value.

Margin: The number of percentage points the lender adds or the index rate to calculate the ARM interest rate at each adjustment.

Mortgage Life Insurance: A type of term life insurance often bought by mortgagors. The coverage decreases as the mortgage balance declines. If the borrower dies while the policy is in force, the debt is automatically covered by insurance proceeds.

Negative Amortization: Occurs when monthly payments fail to cover the interest cost. The interest that isn't covered is added to the unpaid principal balance, which means that even after several payments you could owe more than you did at the beginning of the loan. It can also occur when an ARM has a payment cap that results in monthly payments that aren't high enough to cover the interest.

Origination Fee: A fee or charge for work involved in evaluating, preparing, and submitting a proposed mortgage loan. The fee is limited to 1% for FHA and VA loans.

PITI: Principal, interest, taxes and insurance.

Planned Unit Development (PUD): A zoning designation for the property developed at the same or slightly greater overall density that conventional development, sometimes with improvements clustered between open, common areas. Uses may be residential, commercial or industrial.

Point: An amount equal to 1% of the principal amount of the investment or note. The lender assesses loan discount points at closing to increase the yield on the mortgage to a position competitive with other types of investments.

Prepayment Penalty: A fee charged to a mortgager who pays a loan before it is due. Not allowed for FHA or VA loans.

Private Mortgage Insurance (PMI): Insurance written by private companies protecting the lender against loss if the borrower defaults on the mortgage.

Purchase Agreement: A written document in which the purchaser agrees to buy a certain real estate and the seller agrees to sell under stated terms and conditions. Also called a sales contract, earnest money contract, or agreement for sale.

Realtor: A real estate broker or associate active in a local real estate board affiliated with the National Association of Realtors.

Regulation Z: The set of rules governing consumer lending issued by the Federal Board of Governors in accordance with the Consumer Protection Act.

Tenancy in Common: A type of joint ownership of property by two or more persons without the right of survivorship.

Title Insurance Policy: A policy that protects the purchaser, mortgagee or other party against losses.

VA Loan: A loan that is partially guaranteed by the Veterans Administration and made by a private lender.

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