



Buyer's Guide



THE PROCESS | IDENTIFYING YOUR GOALS
FINANCIAL PARAMETERS

Getting Started

Getting Started

Purchasing a home is often one of the most important financial transactions of your life. You are not only choosing a new place to live, but making a substantial investment and creating a significant asset. My role is to provide you with the support, market knowledge and negotiation skills I've honed throughout my business career navigating the competitive real estate market.

I have prepared this handbook to help familiarize you with some of the more common terms you are likely to encounter, as well as provide you with an overview of both the process and components of a successful transaction. Before starting the home search, we can discuss your timeline, price range, needs, preferences, and other parameters for a property that will suit you, your lifestyle and goals. We'll review options in property type, architectural style, neighborhood, amenities, and financing. We'll review current market conditions and trends, and how they will affect your search. We'll discuss how we can work together most effectively and the steps you can take to make the process successful.

You can rest assured that you will receive the utmost care, attention, hard work, and professionalism. I love what I do and my success is entirely dependent upon your satisfaction. I promise to provide unparalleled service and to follow the highest ethical standards.

Thank you for providing me the opportunity to support you in this exciting journey.

The Home Buying Process

1

Considerations

Needs, Wants, and Priorities
Purchase Timeline
Financial Parameters and Costs
Buyer-Agent Relationship

2

Preparation

Financing Pre-Approval
Assess Market Conditions and Values
Explore Property Types
Neighborhood Pros and Cons

3

Search

Listing Information Review
Home Tours and Open Houses
Exploring Options/Learning the Market
Find the Home You Wish to Buy

4

The Offer

Review Property Documents
Comparative Market Value Analysis
Negotiation of Best Terms and Price
Offer Acceptance

5

Escrow

Create Timeline of Events
Open Escrow Account
Buyer Good-Faith Deposit
Preliminary Title Report

6

Due Diligence

Lender Appraisal
Property Inspection & Investigation
Review of Disclosures and Reports
Removal of Contingencies of Sale

7

Week Before Closing

Final Walk-Through
Review and Sign Closing Documents
Buyer Final Deposit
Funding of Loan

8

Day of Closing

Recordation of the Deed
Close of Escrow
Delivery of Keys
Move In

GETTING STARTED

Identifying Your Goals

We will meet to discuss your timeline, price range, needs, preferences, special circumstances and other criteria for the property that will best suit you, your lifestyle, and goals. We'll review options in property type, neighborhood, architectural style, amenities, and more.



GETTING STARTED

Financial Parameters

Loan Pre-Approval: Financing your purchase begins by reviewing your options with a qualified mortgage professional. I can provide a list of great lenders I've worked with successfully to help you with a loan pre-approval so that you fully understand your financing options and costs associated with the purchase.

Assess Market Conditions & Value: We'll also look at current market conditions and trends and how they will affect your search.





SEARCH TOOLS | FEEDBACK
MARKET KNOWLEDGE | OPEN HOUSES

Property Search

Property Search

Online Search Tools: Many people start with Zillow/Trulia, but these may not be your best sources. I'm often able to access off-market listings as well as more timely data by taking advantage of our company's private network, my personal contacts, and other industry and subscription-based services.

Feedback: Each time you see a property, consider how it might work for you and then let's discuss your thoughts. The more we communicate about what works and what doesn't, the better chance we have of getting you what you want.

Market Knowledge: As you share properties of interest with me, I will share with you my thoughts on the value of the property. I can offer insight into the neighborhood, the current market climate, and specific nuances of the property.

Viewing Houses Virtually: Increasingly, homes are also available to tour virtually whether through Zoom calls, Facebook Live events, or other services. 3D tours such as Matterport also provide a more immersive experience of the home than traditional photos.

Broker's Tours: I may not always be able to see the homes on the weekend with you, but it's important to give me your thoughts so I can tour the homes on the weekly Broker's tour. If there are any you've missed, this is a great time to catch up. I also explore other ways to connect with agents and learn about homes on the market. Among other resources, the proprietary Sotheby's International Realty Exchange network allows me to connect with other high-performing agents across the region and state to learn about new listings.

Saturday and Sunday Open Houses: Many homes will be open during weekend open houses. It's important that you make time to see homes on the weekend.

Open House Strategy and Etiquette: Open houses are the agent's first impression of you. Let the agents know I am representing you, and feel free to share any positive feedback you have about the home. Save your concerns for me to address with the agent directly. Agents will remember you come offer time, and leaving a positive impression can help.



MAKING AN OFFER | DUE DILIGENCE
CLOSING COSTS

Contract & Due Diligence

CONTRACT & DUE DILIGENCE

Making an Offer

Comparative Market Analysis: I will put together a comparative market analysis to help you determine how much to offer on the property.

Offer Strategy: We will discuss possible offer strategies to give you the best shot at getting your property.

Negotiate the Best Terms and Price: I will work hard to negotiate the best possible price and terms for your purchase based on our agreed upon offer strategy.

Get Offer Accepted.



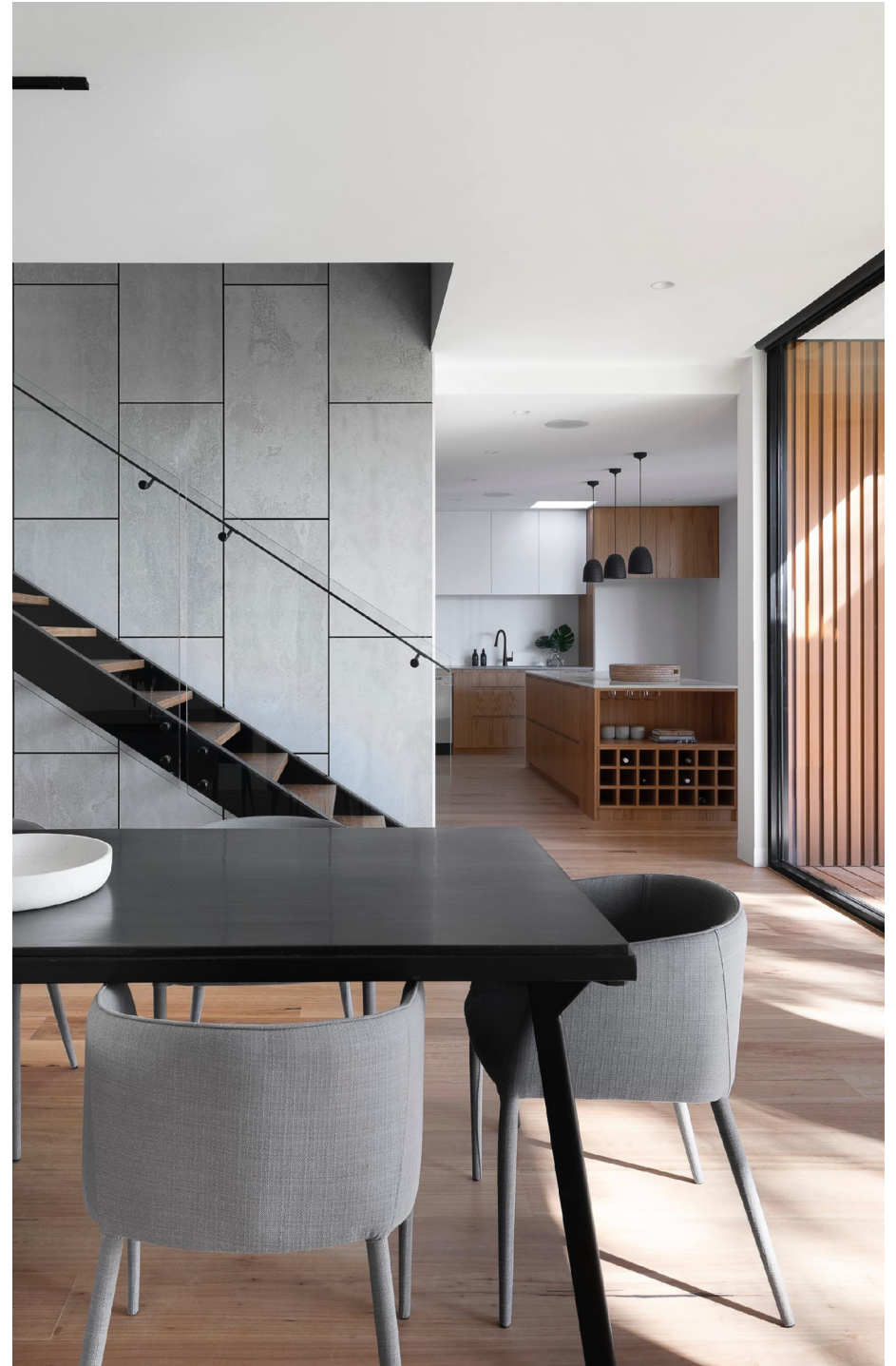
Before Closing

Homeowner's Insurance: Prior to closing, the lender will require you to purchase an appropriate homeowners insurance policy for your home, whether a single family home, condo/TIC, or multi-unit building.

Final Walkthrough: Within 5 days prior to the closing of your purchase, you will be able to conduct a final walkthrough. This is not an additional inspection, but allows you to ensure the home is in substantially the same condition as when you last saw it.

Loan Documents: After loan approval, the loan documents will be sent to the title company, where you will review and sign with other closing documents. They are notarized by the escrow agent and returned for lender's final review and funding.

Funding: You will deposit the remainder of your down payment, plus closing costs into escrow. Once these final monies are delivered by wire or cashier's check, the lender will fund the loan.



Due Diligence

Inspections

As part of your offer, there is an inspection period. You may decide to waive your right to inspections to strengthen your offer, or you may have a period of time to conduct any inspections and investigations that are important to you.

Structural Pest Inspection

A structural pest inspector will examine the home for evidence of termites, dry rot, earth to wood contact, water intrusion and beetle infestation. They will then provide a written report and bid for the corrective work.

Contractor Inspection

The inspection covers major systems such as plumbing, heating and electrical, structural elements, roof, safety features, and building code compliance.

Other Inspections

Inspections by other professionals may be warranted based on the specific property and disclosures provided by the Seller. These include but are not limited to structural engineers, surveyors, soils, roofs, fireplaces, underground storage tanks, and environmental hazards.

Review Disclosures

Sellers are required by law to disclose any information known which would materially affect the value or desirability of the property. Sellers are also required to supply a number of reports and disclosures which will be available for your review.

Closing Costs

Title Insurance: You may purchase an Owner's Policy and a Lender's Policy to ensure that you are protected if any title issues arise after close of escrow.

Escrow Fees: These fees typically include recording fees, processing fees, notary fees, document preparation fees, couriers, and other administrative fees.

Inspections and Reports: You may have the option of conducting any inspections to satisfy you to the condition of the home, including home contractors inspections, structural pest inspections, sewer lateral inspections, fireplace inspections, and more.

Appraisal Cost, Loan Fees & Points: Your lender will provide an estimate of these costs to you based on your loan product.

Homeowner's Insurance: Just like when you buy a car, you are required to have insurance in place before you drive it off the lot. Similarly, you will be required to purchase homeowner's insurance prior to close of escrow. The price of title insurance and escrow is based on sales price.



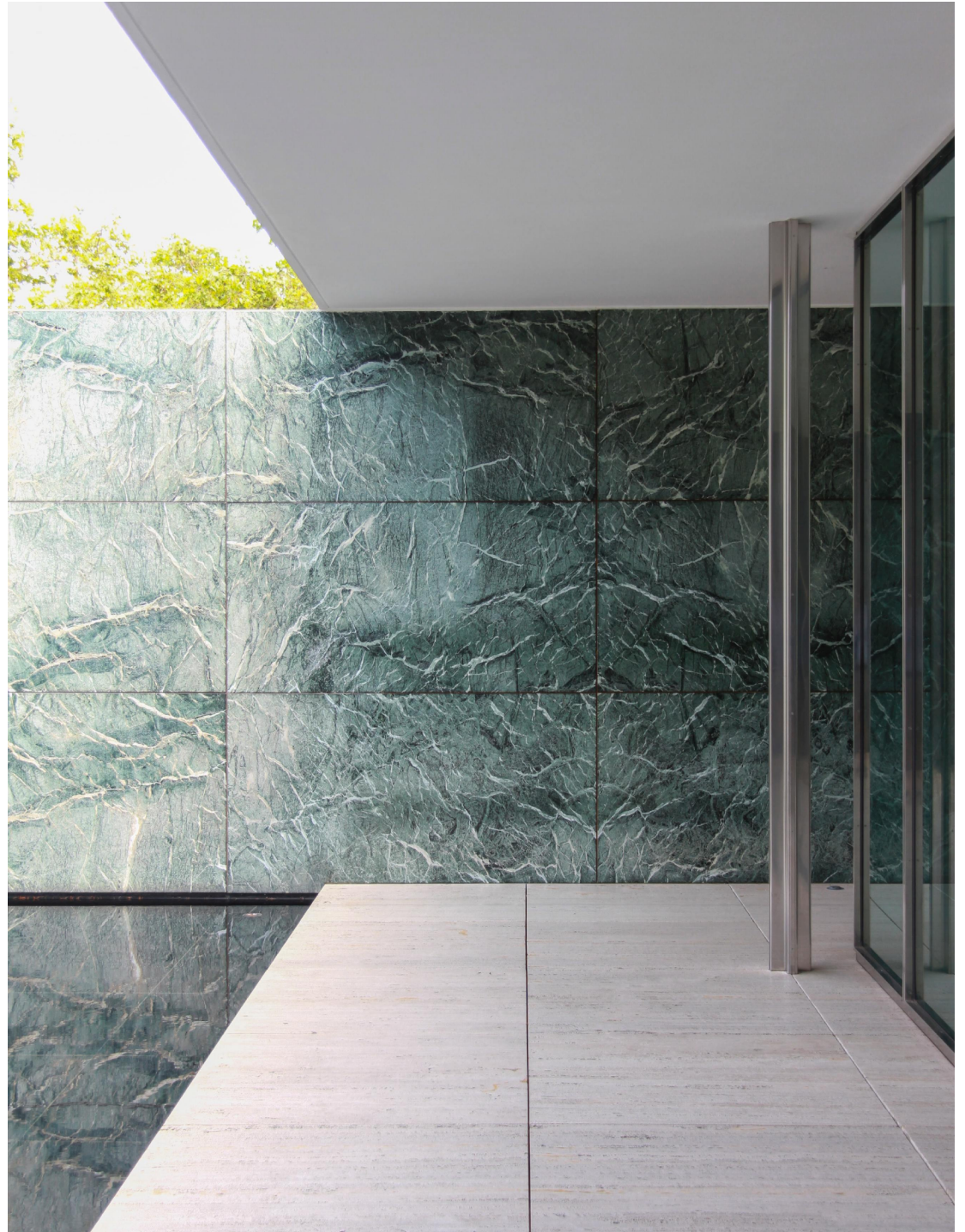
CONTRACT & DUE DILIGENCE

Signing Closing Documents

Holding Title: Decide how you will hold title to the property. Consult a lawyer or tax consultant to help with this decision. (See *Holding Title* chart in this document for more information).

Review Closing Statement: The title company will provide an estimated closing statement with all costs necessary to close.

Bring Valid Photo ID: Your signing will be notarized and will require your valid photo ID and a fingerprint.



CONTRACT & DUE DILIGENCE

Close of Escrow

Recording: Title will be recorded as you've designated.

Funding: You and the lender will deposit all remaining funds into escrow. Then funds will be distributed to the appropriate parties.

Keys: I will help coordinate an exchange of keys on your behalf.



Holding Title

	Community Property	Property with Right of Survivorship	Joint Tenancy	Tenancy in Common
PARTIES	Husband and wife or domestic partners	Husband and wife or domestic partners	2+ persons or entities (may be spouses or domestic partners)	2+ persons or entities (may be spouses or domestic partners)
DIVISION	Ownership interest is equal. Title is in the "community" – each interest is separate	Ownership interest is equal	Interests are equal and undivided, yet each person controls own interest	Ownership can be divided into any number of interests – equal or unequal
TITLE	Ownership interest is equal	Title is in the "community" subject to special survivorship right	Ownership is joint. Sale by one severs tenancy as to others	Each co-owner has title to an undivided interest
POSSESSION	Both co-owners have equal possession	Both co-owners have equal possession	Equal right of possession	Equal right of possession
CONVEYANCE	Both parties must consent for valid transfer	Both parties must consent for valid transfer	Conveyance by one co-owner without others severs his/her joint tenancy	Each co-owner's interest may be transferred separately
DEATH	Deceased's half interest passes to surviving co-owner unless otherwise devised by will	Deceased's half interest passes to surviving co-owner. No separate interest is devisable by will	Deceased's interest passes automatically to surviving joint tenant	Deceased's interest passes to heirs by will
CREDITOR'S RIGHTS	Entire property is liable for debts of either spouse or partner	Entire property is liable for debts of either spouse or partner	Each owner's interest subject to execution sale to satisfy debt	Each owner's interest subject to execution sale to satisfy debt

Note: Provided for information only and should not be used to determine how you acquire ownership. Title may also be held in partnerships or trust arrangements. Buyers are advised to consult a financial advisor or attorney as to how to hold title.

Moving Checklist

BEFORE YOU MOVE

Transfer Services:

- All utilities including gas, electric, water, phone, internet, cable, and garbage

Address Change Notification:

- Post office forwarding address
- Magazine and newspaper subscriptions (may take several weeks)
- Friends and relatives
- Bank and other financial institutions (for example: loans, credit cards)

Insurance:

- Notify carrier of new location for coverage of life, health, fire and auto

Movers:

- Arrange for moving company
- Plan ahead for the care of small children and pets during the move

ON MOVING DAY

- Carry enough cash to cover cost of moving services and expenses
- Transport jewelry and important documents yourself or use registered mail
- Make special arrangements for pets on the day of the move
- Double check closets, drawers, shelves and garage to be sure they are empty
- Leave all old keys needed by new owner

AT YOUR NEW ADDRESS

- Confirm status of all utility services
- Check pilot light on stove, hot water heater and furnace
- Visit Department of Motor Vehicles to update driver's license(s) and vehicle registration

TIP: make an appointment online before going; try other nearby DMVs

- Visit city offices and re-register to vote

TIP: Save time and do this when you update records at the DMV

Glossary

Abstract of Title: A complete historical summary of the public records relating to the legal ownership of a particular property from the time of the first transfer to the present.

Adjustable Rate Mortgage (ARM): Also known as a variable-rate loan, an ARM is one in which the interest rate changes over time, relative to an index like the Treasure index.

Agreement of Sale: Also known as contract of purchase, purchase agreement, or sales agreement according to location or jurisdiction. A contract in which a seller and buyer agree to transact under certain terms spelled out in writing and signed by both parties.

Amortization: The process of reducing the principal debt through a schedule of fixed payments at regular intervals of time, with an interest rate specified in a loan document.

Appraisal: A professional appraiser's estimate of the market value of a property based on local market data and the recent sale prices of similar properties.

Assessed Value: The value placed on a home by municipal assessors for the purposes of determining property taxes.

Closing: The final steps in the transfer of property ownership. On the Closing Date, as specified by the sales agreement, the buyer inspects and signs all the documents relating to the transaction and the final disbursements are paid. Also referred to as the Settlement.

Closing Costs: A clause in the purchase contract that describes certain conditions that must be met and agreed upon by both buyer and seller before the contract is binding.

Contingency: A clause in the purchase contract that describes certain conditions that must be met and agreed upon by both buyer and seller before the contract is binding.

Counter-Offer: An offer, made in response to a previous offer, that rejects all or part of it while enabling negotiations to continue towards a mutually-acceptable sales contract.

Conventional Mortgage: One that is not insured or guaranteed by the federal government.

Glossary

Debt-To-Income Ratio: A ratio that measures total debt burden. It is calculated by dividing gross monthly debt repayments, including mortgages, by gross monthly income.

Down Payment: The money paid by the buyer to the lender at the time of the closing. The amount is the difference between the sales price and the mortgage loan. Requirements vary by loan type. Smaller down payments, less than 20%, usually requires mortgage insurance.

Earnest Money: A deposit given by the buyer to bind a purchase offer and which is held in escrow. If the property sale is closed, the deposit is applied to the purchase price. If the buyer does not fulfill all contract obligations, the deposit may be forfeited.

Equity: The value of the property, less the loan balance and any outstanding liens or other debts against the property.

Easements: Legal right of access to use of a property by individuals or groups for specific purposes. Easements may affect property values and are sometimes part of the deed.

Escrow: Funds held by a neutral third party (the escrow agent) until certain conditions of a contract are met and the funds can be paid out. Escrow accounts are also used by loan servicers to pay property taxes and homeowner's insurance.

Fixed Rate Mortgage: A type of mortgage loan in which the interest rate does not change during the entire term of the loan.

Home Inspection: Professional inspection of a home, paid for by the buyer, to evaluate the quality and safety of its plumbing, heating, wiring, appliances, roof, foundation, etc.

Homeowner's Insurance: A policy that protects you and the lender from fire or flood, a liability such as visitor injury, or damage to your personal property.

Lien: A claim or charge on property for payment of a debt. With a mortgage, the lender has the right to take the title to your property if you don't make the mortgage payments.

Glossary

Market Value: The amount a willing buyer would pay a willing seller for a home. An appraised value is an estimate of the current fair market value.

Mortgage Insurance: Purchased by the buyer to protect the lender in the event of default (typically for loans with less than 20% down. Available through government agency like the Federal Housing Administration (FHA) or through private mortgage insurers (PMI).

Possession Date: The date, as specified by the sales agreement, that the buyer can move into the property. Generally, the it occurs within a couple days of the Closing Date.

Pre-Approval Letter: A letter from a mortgage lender indicating that a buyer qualifies for a mortgage of a specific amount. It also shows a home seller that you're a serious buyer.

Principal: The amount of money borrowed from a lender to buy a home, or the amount of the loan that has not yet been repaid. Does not include the interest paid to borrow.

Purchase Offer: A detailed, written document, which makes an offer to purchase a property, and which may be amended several times in the process of negotiations. When signed by all parties involved in the sale, the purchase offer becomes a legally-binding sales agreement.

Title: The right to, and the ownership of, property. A Title or Deed is sometimes used as proof of ownership of land. Clear title refers to a title that has no legal defects.

Title Insurance: Insurance policy that guarantees the accuracy of the title search and protects lenders and homeowners against legal problems with the title.

Title Search: A historical review of all legal documents relating to ownership of a property to determine if there have been any flaws in prior transfers of ownership or if there are any claims or encumbrances on the title to the property

Transfer: The act by which the title to property is conveyed from one person to another.

Glossary

Transfer Tax: City/County tax on the transfer of real property. Based on purchase price or money changing hands. Also called documentary transfer tax.

Trust: A fiduciary relationship under which one holds property (real or personal) for the benefit of another. The party creating the trust is called the settler, the party holding the property is the trustee, and the party for whose benefit the property is held is called the beneficiary.

Trustee: (1) One who is appointed, or required by law, to execute a trust. (2) One who holds title to real property under the terms of a deed of trust.

Trustor: The borrower under a deed of trust. One who deeds his property to a trustee as security for the repayment of a loan.

Truth-In-Lending Act: Federal law that requires disclosure of a truth-in lending statement for consumer loans. The statement includes a summary of the total cost of credit.

Underwriting: The process of evaluating a loan application to determine the risk involved for the lender.

Verification of Deposit (VOD): A document signed by the borrower's financial institution verifying the status and balance of his/her financial accounts.

Verification of Employment (VOE): Document signed by the borrower's employer verifying position and salary.

Warrant: To legally assure that title conveyed is good and possession will be undisturbed.