

# 5+ Of The Most Common Hidden Defects In Real Property

These repairs can become expensive. Be sure to seek expert opinions and estimates on repair costs from reputable professionals.

- 1. Bad foundation
- 2. Worn roof
- 3. Water drainage
- 4. Termite infestation
- 5. Working components of the house:
  - ✓ Inadequate wiring
  - ✓ Inadequate plumbing
  - ✓ Heating/cooling
- \* Other areas of concern:
  - ✓ Environmental issues
  - ✓ Title issues
  - ✓ Adverse location issues

\*Special note: If a property is on private water, sewage or roads, the buyer will most likely have individual inspections on each of the items. A compliance certificate or other written documentation will most likely be requested by the buyer &/or lender to indicate all systems meet the required standards for the area.



# **5 Proven Checklists To Help Keep You On Track And Avoid Common Buyer Mistakes**

- 1. "5 Simple Steps To Becoming A Smart Buyer"\*
  
- 2. "The 5 Big Mistakes Most Home Buyers Make & How You Can Avoid Each One"
  
- 3. "6 Keys To Making You & Your Offer Look Great!"
  
- 4. "14 Questions To Ask All Lenders" plus..."The Home Loan Application Checklist"\*
  
- 5. "8 Ways To Protect Yourself Against Unpleasant Surprises When Buying A Home"\*

\*Contact your real estate agent for more information.



# 5 Simple Steps To Becoming A “Smart” Buyer

- Step 1.** Look at rent vs. buy to decide if there are enough benefits to YOU to buy. Look at your goals, timetables and desired lifestyle.
  
- Step 2.** Select a professional real estate agent to help you with information, knowledge and a road map through the maze.
  
- Step 3.** Have your agent do an in-depth “needs analysis” for you. By specifically writing down your wants, needs, goals, timetable, etc., all parties will be more focused.
  
- Step 4.** Get financially pre-qualified and/or pre-approved. This will help you save time, energy, effort and money in the home buying process.
  
- Step 5.** Look at your marketplace objectively. View properties and analyze data with an open, but critical mind. Your agent should be a big help in keeping you on track.



# **6 Keys To Make You And Your Offer Look GREAT!**

- Key 1.** Proof of ability to pay... have evidence of loan approval or cash. A pre-approval letter from a lender is best.
  
- Key 2.** Earnest Money...put down enough earnest money to make your offer look attractive to the seller.
  
- Key 3.** Offer a realistic price for the property that you think the seller might accept.
  
- Key 4.** Be careful not to include too many terms, conditions & contingencies that might make your offer less desirable to the seller. Only include those terms, conditions & contingencies you really need or want.
  
- Key 5.** Make a summary list of the STRONG features of both yourself and your offer.
  
- Key 6.** Humanize yourself to the seller. Include a written personal introduction to the seller. Give the seller facts about yourself that you think would be interesting to a seller.



# **6 Truths About Today's Marketplace That Will Help Any Buyer Be More Realistic**

## 1.

There is no perfect house...

...when you find a house/property that is consistent with your top few priorities - consider writing an offer. Seldom does a buyer find a property that has more than 85% of what they want/need.

## 2.

The popular properties priced right go quickly.

See "**5 Reasons Why Pricing Your Home Correctly In The Beginning Is So-o-o-o Important**".

## 3.

Package yourself and your offer so that both look good to a seller.

You may be in competition with one or more buyers for the same property.

See "**6 Keys To Making You & Your Offer Look Great**".

## 4.

The home buying process is complex, so consider using professional service providers such as real estate agents, attorneys, etc..

Also consider using proven **Checklists and Systems**.

## 5.

If value and price are important to you, have an appraisal or Competitive Market Analysis (CMA) done on the property BEFORE buying it.

## 6.

Don't be surprised if and when you get buyer's remorse...  
an uneasy feeling about your buying decision.

Most people question their decision to purchase at some time during the process.



# 7 Questions A Buyer Should Ask An Agent Prior To Making Their Agent Selection

- 1. What are your company's resources, support staff and network affiliation?
  
- 2. What is your company's history and track record in helping buyers? (ex: How many buyers did your company serve last year?)
  
- 3. What checklists and systems does the agent have to help you, the buyer, stay on track?
  
- 4. Does the agent have information to help you find the best lender, including the "Home Loan Application Checklist" and "14 General Questions To Ask All Lenders".
  
- 5. Is the agent offering you a choice between customer and client level service?
  
- 6. Is the agent offering traditional level service *only* or do they have an upgraded home buying system?
  
- 7. Does your agent appear trustworthy, caring and committed to helping you reach your goals?



# **8+\* Ways To Protect Yourself Against Unpleasant Surprises When Buying A Home**

- 1. A Customized Market Analysis
- 2. Appraisal Rider
- 3. Review the Seller's Disclosure Form . . . in detail
- 4. Home Warranty/Protection Plan
- 5. Building Inspection
- 6. Other Inspections (ex: radon, environmental, heating/cooling, etc.)
- 7. Title Search
- 8. Keep Yourself Focused on Your Goals and Timetable

**\*See checklist "The Top 10 Service Providers You'll Want To Consider Using When You Purchase Your Next Home".**



# **9 Issues To Consider BEFORE Buying A Condominium**

- 1. Why buy a condominium?
  - ✓ Make a list of all the reasons you want a condominium rather than a single family detached house.
  
- 2. Is what you're looking at really a condominium?
  - ✓ If you want a condominium be sure you're not buying a look-alike (ex: townhouse, zero lot line, etc.). Make sure it is technically a condominium.
  
- 3. Pay close attention to the covenants, restrictions, by-laws, indentures, etc.
  
- 4. Don't hesitate to contact the "Board of Directors" for questions and concerns.
  - ✓ This is the body who should be able to give you the facts on key issues that may be important to you and also make you aware of past problems.
  
- 5. Take time to learn the key rules governing condominiums.
  - ✓ Federal, state and local laws all have a potential impact on your experience as a condominium owner.
  
- 6. The quality of construction
  - ✓ A VERY important issue both in the short and long run
  
- 7. Assessments and fees
  - ✓ Are the fees realistic? Too little is a problem waiting to happen...
  
- 8. What is the profile of the occupants who live there?
  - ✓ ...% owner occupied
  - ✓ ...% tenant occupied
  - ✓ Other demographics that are important to you
  
- 9. Did you select a real estate agent that understands condominiums?
  - ✓ Pick a pro!



# **10 Key Questions To Ask A Home Inspector Before Hiring One**

- 1. What type of licenses, certificates or designations do you hold?
- 2. What is the scope of your inspection? How detailed will the inspection be?
- 3. How many inspections do you do per year on residential homes like ours?
- 4. How long does the actual on-site inspection normally take?
- 5. Will you allow us to accompany you on the inspection?
- 6. What type of report will we receive and will it include estimates of costs to correct defects?
- 7. Do you carry errors-and-omissions insurance or give any warranties/guarantees?
- 8. How much does an inspection cost for a property like ours?
- 9. How quickly can we get it done?
- 10. Do you have a list of past customers and clients that we may call as referrals?



# **13 Common Contingencies That Buyers Might Consider Putting Into Their Offer To Purchase**

- 1. Mortgage Contingencies
- 2. Home Inspections Contingencies
- 3. Environmental Contingencies
- 4. Lead Paint Contingencies
- 5. Termite Inspection Contingencies
- 6. Appraisal Contingencies
- 7. Attorney Approval Contingencies
- 8. Home Sale Contingencies
- 9. Home Close Contingencies
- 10. If purchase is an attached single family home, townhome or condominium...common contract clauses may include:
  - ✓ Contingency to review covenants and restrictions of the association.
  - ✓ Financial review of association budget.
  - ✓ Contingency to review association documents and bylaws.
- 11. Title Inspection Contingency
- 12. Final Construction Approval (new homes)
- 13. Insurance Contingency



# 13 “Don’ts” Every Home Buyer Should Know

- 1. Don’t wait for the perfect house . . . there isn't one. Compromise & prioritizing are necessary elements in home purchasing.
- 2. Don’t buy before you do some comparison shopping...especially if you’re new to the area.
- 3. Don’t write an unrealistic offer or you will simply be helping someone else’s offer look good (too low of a price...too many contingencies).
- 4. Don’t feel a need to negotiate if a property is fresh to the market, priced right and popular... the good ones often go quickly and at full or close to full price.
- 5. Don’t think all real estate agents and companies are created equal...they are NOT. Find an agent/company with a great track record and proven home buying system.
- 6. Don’t be afraid to write an offer above or below the asking price... offer what it is worth to YOU.
- 7. Don’t work with more than one agent. Find one you like and stick with them. If you make a bad choice, change but stick with the new ONE.
- 8. Don’t wait for perfect conditions to buy. The best time to buy is when you have found the right home.
- 9. Don’t get too many friends and family involved in your buying decision... you’ll go NUTS!
- 10. Don’t wait until you find a home to shop for the best loan. Start up-front.
- 11. Don’t wait until after you find a house to be qualified for a loan. Do it up-front.
- 12. Don’t work with an agent who can’t show you **Checklists & Systems** . Only pick a friend or relative that is licensed as an agent if they are GOOD! Look for value-added services.
- 13. Don’t be surprised if you get buyer’s remorse at some time before closing...most buyers do. It is normal and it will pass.



# **14 Steps To Getting Yourself "In Shape" To Be A First Time Homebuyer**

The following items are the keys to being ready, willing and able to purchase when you find the right home. Doing the homework and getting your papers in order will make the home buying process much easier.

Consider the following items:

- 1. Be pre-qualified by a mortgage loan officer.
- 2. Obtain a mortgage pre-approval.
- 3. Have the necessary funds in your checking account to write an initial earnest money check.
- 4. Have the remaining money for your down payment easily accessible.
- 5. If you are receiving a "gift letter" for a portion of your down payment, be sure to have the money transferred into your savings account.
- 6. Pay balances on revolving credit cards.
- 7. Do not make big purchases (such as a car on installment payments) prior to getting loan approval and closing on your new home.
- 8. Have a credit report run by a credit agency so that you can see what might be on the report and clear up any credit problems.
- 9. Find an attorney to review an "offer to purchase agreement".
- 10. Be aware of the dates you can move.
- 11. Do you have a current lease?
- 12. Can you sublet your current residence?
- 13. How important is it to remain in your current residence until the lease expires?
- 14. Can you be flexible on dates?



# 18 Steps Most Buyers Take To Buy Their Home

- 1. Look for an agent to help you through the maze.
- 2. Interview the agent...set an appointment with an agent to find out if they have the skills, services and professional attitude you're looking for.
- 3. Discover if the agent is working "for" you or "with" you... client or customer?
- 4. Clarify your wants and needs to your agent...let them know your objectives and timetable.
- 5. Have the agent help you establish your purchasing power...this may include getting pre-approved.
- 6. Select the best three to five properties to see.
- 7. View each property objectively following the "Simple 3-Step" approach. See "**A Proven 3 Step Approach To Selecting The Right Property**".
- 8. Write the offer to purchase following the "**6 Keys To Making You & Your Offer Look Great**".
- 9. Have your agent present your offer ASAP...time is of the essence.
- 10. Handle all counter offers and negotiations with a win/win attitude...BIG Picture Mentality.
- 11. Avoid "Second Guessing Syndrome"...also known as "Buyer's Remorse". Almost EVERYONE gets it at some point in time. Let it pass...
- 12. Finalize any loan details to get final approval. If you haven't been pre-approved, you need to get the ball rolling NOW!
- 13. You or your agent need to order title insurance from the company of your choice.
- 14. Any inspections or predications that need to be addressed should be done in a timely fashion.
- 15. Address snags and problems as part of life. Keep focused on your goals...BIG Picture.
- 16. Do a "walk-thru" prior to closing...See "**The Final Walk-Thru Checklist**".
- 17. Show up early to closing with all necessary items from your closing checklist.
- 18. After closing, keep in contact with your agent. They want to assist you with questions, concerns and problems whenever you have the need!



# **21+ Common Closing Costs For Buyers**

- 1. Down Payment
- 2. Loan Origination Fee and Points
- 3. Appraisal Fee
- 4. Credit Report
- 5. Flood Letter
- 6. Private Mortgage Insurance (PMI) Premium
- 7. Home Owners Insurance Premium
- 8. Mortgage Insurance Escrow
- 9. Home Owners Insurance Escrow
- 10. Property Taxes Escrow
- 11. Closing Fees
- 12. Recording Fees
- 13. Mortgage Title Policy
- 14. Owner's Title Policy
- 15. Mortgage Interest Adjustment
- 16. Survey
- 17. Termite Inspection and Building Inspection Fee
- 18. Tax Servicing Fee
- 19. Lender Inspection Fee
- 20. Notary Fees
- 21. Federal Express (if needed)
- \* Other - Misc. Fees



## 23 Ingredients To Successfully Selecting A Contractor Or Home Remodeler For Buyers

- 1. Shop around...don't rush into choosing a contractor.
- 2. Get references from friends, neighbors and family who have had similar work completed.
- 3. Get at least three written estimates for identical work so that you can easily compare bids.
- 4. Get references from the contractors so you can check on their work.
- 5. Call your local municipality and check if there have been any complaints against any of the companies you might consider for your remodeling.
- 6. After you have made a choice of contractor, don't let work begin without a signed contract. Be sure to seriously consider having an attorney review prior to signing.
- 7. Be wary of signing a "letter or agreement" or even a contractor bid form—this might be a binding contract.
- 8. Be sure to specify what is to be done and when work is to be completed.

### **Make sure the contract contains:**

- 9. Who will do the work?
- 10. When will the work be completed?
- 11. A detailed list of specific materials to be used.
- 12. The appliances and/or fixtures to be supplied
- 13. The dates for beginning and completing the job.
- 14. Monetary penalties for non-completion of project on time.
- 15. A provision for the clean-up of the premises.
- 16. Don't sign a contract that reads "work as per agreement".
- 17. Specify that contractor will obtain all necessary licenses and permits.
- 18. Specify contractor will meet all zoning regulations and building codes.
- 19. Be sure contractor will indemnify you in case of not meeting all regulations.
- 20. Be sure that the contract states that the contractor is responsible for any damages to your property.
- 21. If contractor guarantees the work, be sure it specifically states what is guaranteed and for how long.
- 22. Contract should state when payment is due. Never pay full price in advance; link payments to certain stages of completion of the entire job.
- 23. Final payment and the signing of any completion certificate should only take place when the work is completed to your satisfaction.



# **12+\* Sets Of Rules And Regulations Every Home Buyer Should Be Aware Of Before Buying**

- 1. Seller Disclosure Laws
- 2. Lead Base Paint Disclosure
- 3. Federal Fair Housing Laws
- 4. State and Local Housing Laws
- 5. Laws regulating advertising and marketing
- 6. Real Estate Contract Law
- 7. Zoning and Local Ordinance Laws
- 8. Occupancy Laws
- 9. Building Code Laws
- 10. Environmental Rules and Regulations
- 11. Stigmatized Property Laws
- 12. Governmental Rights and Real Property Laws
- \* Other rules and regulations impacting the buying & selling of real estate in your area



# A Proven "3 Step Approach" To Selecting The Right Property

- ❑ **Step 1. Approach The Home Buying Process Objectively...**
  - ✓ No Perfect House...85% Rule
  - ✓ The Good Ones Go Quickly
  - ✓ Avoid Second Guessing Syndrome...Commonly Referred To As "Buyer's Remorse"
  
- ❑ **Step 2. After Viewing Each Property Ask Yourself 3 Important Questions...**
  - ✓ What did I like about the property?
  - ✓ What, if anything, would I want or need to change?
  - ✓ If the price were right, could I see myself owning this property? If yes, at what price?
  
- ❑ **Step 3. Remember You Have 3 Safety Nets Available To You...**
  - ✓ Your judgement as an educated/informed buyer
  - ✓ The Customized Market Analysis prepared by your agent
  - ✓ The option of an Appraisal Rider



# Are You A Ready, Willing And Able Buyer? 7 Critical Issues To Consider

**1. Motivation**

...why are you considering a move?

Are your reasons compelling enough to cause you to be realistic and put up with the realities of moving?

**2. Authority**

...is the decision to move yours alone?

**3. Finances**

...are you financially qualified to make the move at this time?

**4. Compromise**

...are you willing to make some compromises along the way?

**5. Competitive**

...are you willing to be competitive with other motivated and qualified buyers that may want to purchase the same home that you do?

**6. Availability**

...are you available to find and secure the best property?

Will you be able to preview & screen properties when they first become available?

**7. Commitment**

...are you committed to reaching your goals in a specific time frame?



# Attention Condo Buyers:

## 3 Warning Signs That Could Cost You Thousands Of Dollars

- ❑ **1. 50% or more of the units are tenant occupied**  
If 50% or more of the units are rentals it may be more difficult to find a lender to loan money for a unit in the complex. If few lenders will make loans, this may impact you when you want to resell.
  
- ❑ **2. The association's "reserve fund" is less than healthy**  
The association does not have a healthy reserve fund. Without a large sum of money in reserve, when a major repair needs to be done, owners might have to pay a costly special assessment. This can affect resale value.
  
- ❑ **3. The project is in litigation**  
If the project is involved in litigation with builders and/or other homeowners this can quickly deplete reserve funds and affect resale value.



# Before You Continue Your Pursuit Of Buying Your Next Home...The "BIG 3" Questions To Ask Yourself!

1. How soon do I need (or want) to move?

2. How long have I been looking?

3. If I found the home today, what would I want to do?



# Do I Need An Agent When Buying A Home? 9 Critical Points

There are several items that a professional real estate salesperson can provide to you while in pursuit of your new home. Here are several items to consider when asking yourself whether or not you will benefit from the assistance of a real estate professional.

- 1. Do I have time to research the residential housing market?
- 2. Do I have the knowledge to integrate and understand the information available to me?
- 3. Can I integrate the information available on the real estate Internet sites into useful data that can help me accomplish my goal of home ownership?
- 4. Do I have the expertise to negotiate on my own behalf?
- 5. Do I have the ability to find a qualified home inspector? See "**10 Key Questions To Ask A Home Inspector Before Hiring One**".
- 6. Do I have the time to research the home loan programs available in the market? See "**6 Of The Most Popular Mortgage Options**".
- 7. Do I have the time to interview mortgage loan officers? See "**14 General Questions To Ask All Lenders**".
- 8. Do I have the time and expertise to target market, if necessary, for the type of property I am looking to purchase?
- 9. Do I know the zoning regulations and building codes pertaining to residential real estate in the area I am interested in moving to?



# Home Warranty Policy Checklist...For Buyers

A **Home Warranty Policy** can protect against costly repair expenses. Home Warranty Policies offer protection during the initial listing period and for one year after the sale of a home. For buyers, the typical home warranty may eliminate concerns about unexpected repair costs and may also add confidence to the buying decision. Make sure to evaluate each protection policy, as the terms and conditions vary from policy to policy, company to company. The items most often covered in a Home Warranty Policy are as follows:

- Plumbing System
- Well Pump
- Water Heater
- Electrical System
- Central Vacuum System
- Ceiling Fans
- Dishwasher
- Garbage Disposal
- Built-in Microwave
- Range/Oven/Cooktop
- Trash Compactor
- Heating System
- Ductwork

Optional coverage may include:

- Central Air Conditioning
- Swimming Pool
- Built-in Swimming Pool
- Spa
- Refrigerator
- Washer/Dryer



# Location - Location - Location

## 7 Characteristics Of An Economically Healthy Neighborhood

- 1. Pride of Ownership
- 2. A Low Crime Rate
- 3. Quality Schools In The Area
- 4. The Economic Stability In The Area
- 5. The Homogeneity Of The Neighborhood
- 6. Proximity To: Work - Schools - Churches - Shopping - Major Roads/Highways - Etc.
- 7. Other Desirable Amenities Might Include:
  - ✓ wide curving streets
  - ✓ well lighted but not too bright streets
  - ✓ abundance of trees
  - ✓ green areas and parks
  - ✓ common grounds
  - ✓ rivers, mountains, hills, lakes, etc.



# Prioritizing Your Needs As A Buyer...

## 30+ Home Buying Issues To Consider

- How many bedrooms?
- How many bathrooms?
- Master bath?
- How soon would you like to be in your new home?
- What type of condition does the home need to be in?
- Age of home? Older home vs. newer?
- New construction? Or resale?
- Type of home? Condo, townhouse, single family?
- If maintenance free lifestyle, have you prioritized the amenities and services of the development?
- Style of home?
- One level, two-story, multi-level?
- Monthly assessments? How much?
- Is the lot important?
- Location?
- Basement?
- Finished basement or unfinished?
- Garage? Attached or detached?
- Side drive?
- Extra parking spaces?
- Eat-in kitchen?
- Formal dining room?
- Family room?
- Fireplace?
- First floor laundry room?
- Mechanical systems? Older vs. newer?
- Home Warranty Policy?
- Hardwood floors?
- Seller financing?
- Rent with option to buy?
- Room sizes?
- Interior decor?



# Searching For Your Next Home...

## 11 Questions To Ask Yourself

Answering the following questions may assist you in determining the most important features you would like in your next home. It is important to prioritize your needs in housing and also recognize that compromising on less important features will help in narrowing your selection of homes. Remember that there is no "perfect" house.

- 1. Are there features in your current home that you would like in your next home? What are they?
- 2. Do you have a floor plan preference?
- 3. Do you prefer single story, two-story, or multi-level living?
- 4. Do you want a yard?
- 5. Are you looking for a maintenance free lifestyle? If yes, do you have a preference for single family, townhouse or condominium living?
- 6. How many bedrooms?
- 7. How many bathrooms?
- 8. What would be the most compelling reason for you to purchase a particular property?
- 9. Which of those amenities would be nice to have but not necessary?
- 10. What in your current home would you like to change?
- 11. What other amenities would you like? Be sure to prioritize these items. See "**Prioritizing Your Needs As A Buyer...30+ Home Buying Issues To Consider**".



# The Final "Walk-Thru"

## 36 Items You May Want To Consider

The final walk-thru is a final opportunity for you to be certain that the home you purchased is in similar condition as it was on the date of the initial contract. The final walk-thru is not to be used as another home inspection or a tool to renegotiate items at the closing table.

- Doorbell
- Range/oven
- Stove/cooktop
- Microwave
- Refrigerator
- Garbage disposal
- Trash compactor
- Attached gas grill
- Sump pump
- Water softener
- Central humidifier
- Washer
- Dryer
- Central vac system & equipment
- Smoke detectors
- TV antennas
- Bathroom fixtures
- Toilets
- Bathtubs
- Sinks
- Showers
- Ceiling fans
- Heating system
- Cooling system
- Window air conditioning units
- Windows
- Existing storm windows & screens
- Doors
- Garage door opener
- Sprinkler system
- Intercom system
- Security system
- Spa
- Hot tub
- Any items that were negotiated to be replaced or repaired per the initial inspection
- Any personal property items that are to remain on the property per the contract



# The Top 8 Reasons For Using A Professional Real Estate Agent

Working with a real estate professional can save you time and stress. It is of utmost importance that you feel comfortable with your real estate professional and that you can communicate effectively with them. A relationship that is built on open and honest communication can assist your real estate professional in finding the right home for you.

Here are some of the services that your real estate professional will provide...

- 1. Work with you to find properties that meet your specific requirements such as location, price and amenities
- 2. Arrange for appointments and show you the properties selected
- 3. Provide you with information regarding the price and value of properties
- 4. Provide knowledge of the current real estate market and how it relates to your property purchase
- 5. Educate you regarding the purchase agreement
- 6. Prepare an offer to purchase
- 7. Assist in the negotiation of your selected property
- 8. Refer you to professional service providers for:
  - Home Inspections
  - Environmental Inspections
  - Legal Services
  - Mortgage Services
  - Well, Septic/Sanitary Inspections
  - Home Owners Insurance
  - Title Services



# The TOP 10 Service Providers You'll Want To Consider Using The Next Time You Purchase A Home

- 1. Real Estate Agent
- 2. Home Inspector
- 3. Mortgage Loan Officer
- 4. Environmental Specialists, if necessary
  - ✓ Radon Gas
  - ✓ Lead Paint Test and Inspector
  - ✓ Well, Septic/Sanitary Systems Inspector
  - ✓ Local Municipality Building Inspector
  - ✓ Local Municipality Zoning Inspector
  - ✓ Soil Testing
  - ✓ Flood Plain
  - ✓ Termite/Pest Control
  - ✓ Asbestos
- 5. Surveyor
- 6. Property Appraiser
- 7. Insurance Salesperson
- 8. Attorney
- 9. Title Company
- 10. Moving Company
- \* Other Service Providers You Want: (list here)



# **3 Major Tax Issues Every Buyer Of Real Estate Needs To Know**

1. Increase in the exclusion from capital gains tax on the sale of a principle residence from \$125,000 in capital gains to \$500,000 for filing joint taxpayers. (\$250,000 exclusion of profit for single taxpayer). This exclusion can occur every 2 years. The repetitive ability is a great opportunity to buy and sell a principle residence and either move up or buy down. There is no age restriction on who is eligible for this exemption.
  2. First-time homebuyer incentives:
    - Save income in a tax-deferred IRA account with the purpose of saving for a down payment and withdraw down payment at any time without penalties for early withdrawal.
    - Parents can save money in a tax-exempt savings account for the purpose of assisting children with a down payment for housing.
  3. Investments in real estate.
  4. Reduction in capital gains tax rate from 28% to 20%. This will increase the profitability of a real estate holding.
- \* For these or any other tax law issues be sure to contact your accountant or tax advisor for further information and details.



# Do I Have A Valid And Enforceable Contract? 6 Essential Elements Of Most Real Estate Contracts

- 1. Competent parties—must be at least 2 parties to any contract
- 2. Names and signatures of all parties to the contract
- 3. Consideration—such as a promise to pay money
- 4. Must be in writing—except for leases of one year or less
- 5. Address of property
- 6. Meeting of the minds—an unqualified acceptance of the offer so that seller clearly understands the terms of buyer's offer and the buyer clearly understands the performance required and the timing of the obligations

\*In most instances, the parties involved in a real estate transaction would be best advised to seek the services of an experienced real estate attorney to review an agreement to purchase.



# **9 Things Every Buyer Needs To Know About Title Insurance**

A title insurance policy will protect the insured against losses arising from the defects in title such as the following items:

- 1. Forged documents
- 2. Undisclosed heirs to the property
- 3. Mistaken legal interpretations of wills
- 4. Misfiled documents
- 5. Confusion in similarity of names
- 6. Incorrect marital status
- 7. Mental incompetence
- 8. Title Insurance for owners
- 9. Title Insurance for lender

Some areas of the country require both a lender & owner title policy to be purchased. Local custom and practice usually dictate which party buys the appropriate title insurance. Seller may pay for the buyer's policy and the purchaser/buyer may pay for the lender's policy. The lender policy covers the same items as the owner's policy and ensures the lender is limited to only the mortgage balance on the date of the claim. This amount reduces with every mortgage payment. Because of the decreasing liability, the lender policy usually costs less than the owner policy.



# Buyer Goal Worksheet

Key Characteristics Of The Property:

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**Time Frame:**  Less than 30 days

30 - 60 days

**Start Date:**  90 days

\_\_\_\_\_

30 - 60 days

## Price Range

From: \$ \_\_\_\_\_

To: \$ \_\_\_\_\_

## Other Important Considerations:

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## After Home Is Selected:

Pretend you're the seller: how attractive will the offer look?

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# Getting Yourself "In Shape" To Buy Your Next Home

Getting yourself prepared to purchase a new home takes planning. When you currently own a home and need to sell the current home as well as purchase, the planning of the sale and purchase can be best managed with diligent consideration of the following items:

- Realistically pricing your current home based upon the comparable homes that have recently sold in a similar location with similar amenities and upgrades
- Do not price your current home based upon what you would like to purchase
- Consult a mortgage loan officer to understand your financing options:
  - ✓ Interim financing
  - ✓ Conventional financing
- Understand the current marketplace:
  - ✓ What is the average time on the market for homes in the same price range as yours is listed?
  - ✓ What is the average time it takes to go from contract to closing?
- Although it might be difficult to imagine not purchasing a new home until your current home is under contract and contingencies have been met, you will be in a better position to negotiate with a new seller



# The 5 Big Mistakes Most Home Buyers Make And How You Can Avoid Each One

- 1. They don't ask the lenders enough questions, or the right questions so they don't necessarily get the best loan for them.
  
- 2. They don't act quickly enough when they find the right house...and someone else buys it.
  
- 3. They don't make themselves and their offer look attractive to the seller...
  
- 4. They don't think resale BEFORE they buy...
  
- 5. They select the wrong agent and/or company to help them!

Solution: Find an agent with proven ***Checklists & Systems*** that will help you reach your goals.



# 5 Simple Steps To Buying Your Next Home That Could Save You Thousands Of Dollars

1. Ask mortgage bankers & lenders the right questions...to get the best loan for you based upon your needs & your financial goals.
2. Act quickly when you find the right house...someone else may consider it to be the right house for them and you could miss out or be placed in a situation of multiple offers.
3. Be sure to package yourself & your offer in a way that looks attractive to the seller.
4. Think resale BEFORE you buy...
5. Be sure to select the right agent and/or company to help you!

Solution: Find an agent with proven *Checklists & Systems* that will help you reach your goals.



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