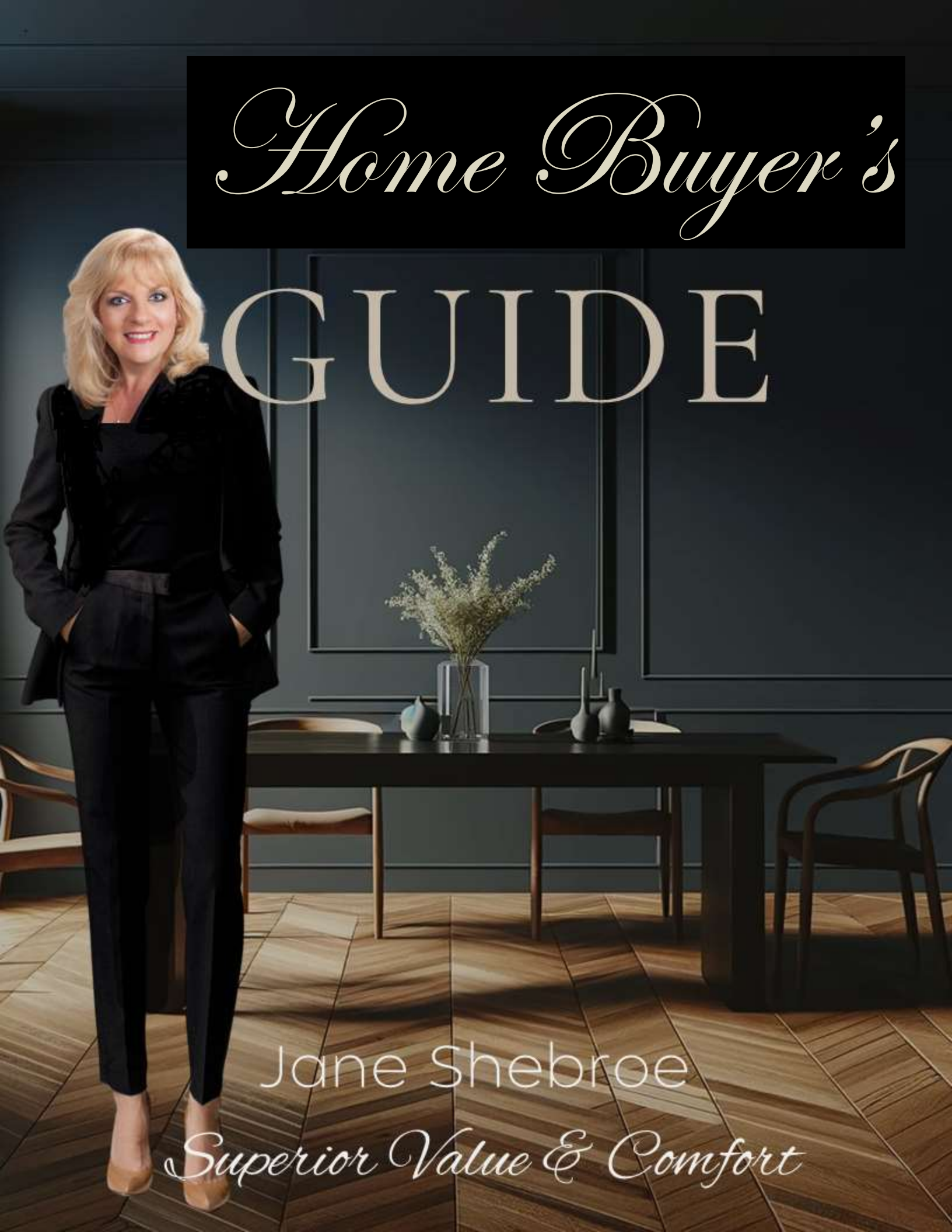
Home Buyer's GUIDE



Jane Shebroe

Superior Value & Comfort

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Your Trusted Agent

Jane House Shebroe

Hello!

After 24 years in this vibrant real estate market, I have dedicated my career to helping clients navigate the often complex journey of buying and selling homes. My passion for real estate goes beyond transactions; it's about building relationships and helping people achieve their dreams.

If you are looking for a

Superior Value & Comfort

Home..
You've come to the right place!

Jane House Shebroe

Broker and Founder of
Superior Value & Comfort

Welcome Message

Welcome to the exciting journey of buying a home!

We understand that embarking on this adventure can stir up a whirlwind of emotions: the thrill of starting a new chapter in your life, the anticipation of finding the perfect place to call home, the hope of creating lifelong memories, and perhaps a dash of nervousness about the complexity of the process.

That's exactly why we've compiled this comprehensive Home Buyer's Guide just for you!

Our mission is to navigate you through this intricate process with as much ease and clarity as possible. Our goal is to ensure that your home-buying journey is not only successful but also enjoyable and stress-free.
For us, this is more than just a transaction; it's about helping you realize your dream of homeownership.

As you embark on your real estate journey, it's important to know who you're partnering with. At Superior Value & Comfort, we believe that understanding our background, mission, and objectives is key to building a strong, trusting relationship with our clients.

Our mission

At Superior Value & Comfort, our mission is to empower and guide individuals and families in their real estate endeavors with unmatched professionalism and care.

Our goals

At Superior Value & Comfort, our primary goal is to redefine the essence of exceptional real estate service. We are committed to ensuring every client's satisfaction by offering personalized, informed guidance throughout their real estate journey.

Superior Value & Comfort

Let's Find
YOUR
Superior Value &
Comfort
HOME!

Home Buyer's Road Map

1

MAKE SURE YOU ARE READY

Make sure you are ready emotionally
Review Income and expense status over the last few years
Decide is it a good time for buying a house

2

GET YOUR FINANCE IN ORDER

Check your debts and income
Calculate how much house you can afford on your own
Don’t forget to take homeowners association (HOA) fees

3

SAVE FOR A DOWN PAYMENT

Be ready for down payment
20% down payment generally better
Don't forget closing, moving and other costs

4

FINDING THE RIGHT MORTGAGE FOR YOU

Decide what the best type of loan is for you
The majority of mortgages in the U.S. are conventional loans
FHA loans are less of a risk for lenders

5

PRE-APPROVED FOR MORTGAGE

Search and choose right lender for you
Compare mortgage origination fees
Get different loan estimates

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Home Buyer's Road Map

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FIND A REAL ESTATE AGENT

The realtor is your representative in the home buying process.
Research real estate agents in your area
Explore online reviews about agent
Make sure agent knows the market

7

CREATE A WISH LIST

What's your ideal location?
Number of bedrooms and bathrooms, square footage
Outdoor space, preferred location, type of home

8

BEGIN HOUSE HUNTING

Consider your expectations and criteria
Think long term, your goals, kids goals etc.
Ask any questions you have about hunting and expectations

9

OPEN HOUSE

If you have any pressing questions about the property ask them
Ask why the homeowner is selling the home
What are the average utility and maintenance costs during the summer and winter?

10

MAKE AN OFFER

Make sure the home is right for you
Submit purchase and sale agreement to real estate agent
Add dates you'd like to close on and preferred move-in dates
Let your real estate agent help you manage negotiations

Home Buyer's Road Map

11

HOME INSPECTION

Choose the home inspector and pay for the home inspection
Go over each item line by line and look for major issues
If there are big and expensive problems at home, consider the offer

12

HOME APPRAISAL

The buyer pays for the appraisal
Appeal if you think the appraiser made a mistake
Don't stress if it's worse than you expected

13

NEGOTIATE REPAIRS

Negotiate repairs, if repairs are expensive ask for a discount
Identify repairs that need to be made before closing day
If you can't agree with the seller, review your offer

14

FINAL WALKTHROUGH

Check your repair areas
Check home systems before closing day
Make sure nothing is left of the former residents of the house

15

CLOSING DAY

Buyer’s final walkthrough again!
Signing final documents
Prep for closing
Make the sale official

Real Estate terms

Appraisal

An evaluation of a property's value conducted by a licensed appraiser, typically commissioned for the benefit **of the lender to ensure the property's** market value meets or exceeds the loan amount.

Broker

An individual who has completed additional education beyond the agent level as mandated by state laws and **has passed a broker's licensing** examination.

Buyer's Agent

A real estate agent who represents the interests of the buyer in a real estate transaction.

Closing

The final step in completing a real estate transaction. The closing date, set during the negotiation phase, occurs several weeks after the offer is formally accepted.

Closing Costs

Fees incurred at the closing of a real estate transaction. At the closing, the title to the property is officially transferred to the buyer.

Commission

The fee paid to real estate professionals for their services, usually calculated as a percentage of the property's selling price.

Comparative Market Analysis

A report comparing sales of similar homes in the area to help establish a reasonable asking price for a property.

Contingency

A provision in a real estate contract that must be met for the contract to become legally binding.

Counteroffer

A new offer made in response to a previous offer, containing modified terms based on negotiations.

Deed

A legal document that represents proof of ownership and grants the holder specific rights to real estate property.

Real Estate terms

Disclosure

A statement by a seller or a broker regarding the property's known defects.

EMD

A deposit made by the buyer towards the down payment as a sign of good faith when the purchase agreement is signed.

Equity

The portion of the home's value that the homeowner "owns" outright. It is calculated as the current market value of the home minus the outstanding mortgage balance.

Escrow

A third-party service, often required in the home-selling process, that holds and disburses funds to facilitate the closing of a home.

Fair Market Value

The estimated price at which a property would likely sell in a transaction where both buyer and seller are knowledgeable and willing parties.

Home Inspection

An examination of a property's condition, typically conducted by a professional home inspector.

Home Warranty:

A policy that covers the cost of repairing or maintaining household systems or appliances.

Listing

A property that is on the market for sale. The term "listing" also refers to the agreement between the home seller and the real estate agent tasked with marketing the property.

Listing Agent

The real estate agent representing the seller.

Mortgage

A loan used to finance the purchase of a home, with the property itself serving as collateral for the loan.

For Sale By Owner (FSBO)

A property that is being sold directly by the owner without the representation of a real estate agent.

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Real Estate terms

Multiple Listing Service

A tool that real estate brokers use to establish contractual offers of compensation and to compile and share property data with other brokers.

Offer

The price that a buyer proposes they are willing to pay for a property.

Open House

An event where potential buyers can tour a house that is for sale.

Pre-approval letter

A document from a lender stating that a buyer qualifies for a mortgage of a specified amount.

Real Estate Agent

A professional licensed to negotiate and facilitate real estate transactions.

Short Sale

The sale of real estate in which the proceeds from the sale are less than the balance of debts secured by liens against the property, requiring the **lender's approval.**

Staging

The act of preparing and showcasing a residential or commercial property for sale.

Title Insurance

An insurance policy that protects the holder from financial loss resulting from defects in the title to a property.

Under Contract

A term used to indicate that a home has an accepted offer but the sale has not yet been completed.

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Let's turn your dreams
Into Reality!

Deciding to *Buy*

Ah, the allure of homeownership: the white picket fence, the garden gnome gracing the lawn, the Sunday barbecues in the backyard. It's the American dream, isn't it? But deciding to take the leap from renting to buying is a huge **step. Let's dive into the intricacies of making that decision.**

Why Do You Want to Buy?

Every journey begins with the "why." Is it because you're tired of paying rent to a landlord every month? Perhaps you're seeking a more permanent place to hang your hat, or maybe it's the freedom to paint your bedroom any shade of **blue (or pink!) you desire. For many, it's the prospect of viewing a home as an** investment, a place that, with time, grows in value.

Financial Fitness is Key

Budgeting: How much can you really afford without straining your monthly finances?
Credit Check: That three-digit score will significantly impact the mortgage rates you're offered. A healthier score equates to more favorable terms.
The Saving Game: Remember, the costs don't end with the down payment. Closing costs, inspection fees, and any immediate renovations can all tally up.

The Market Pulse

Get a feel for the market. In simpler terms: Are homes selling rapidly, or is it more of a slow dance? Knowing the market dynamics you're stepping into can inform your negotiation strategies and set expectations for pricing.

Your Future Plans

Look ahead: Do you envision yourself in this city for the next decade or so? If you're in a transient phase of life, discerning the right time to buy is crucial. Moreover, consider what you need from a home now and what you might need in the future.

How to find a right *Agent?*

Determine Your Needs

Before you start searching for a real estate agent, take the time to understand what you're looking for in a home, or if you're selling, what you expect from the sale of your current home. Are you aiming for a quick sale? Do you have a specific location in mind for your next home? Knowing your objectives will help you clearly convey your needs to a potential agent.

Ask for Recommendations

Start by asking friends, family, and colleagues for recommendations for agents. People you trust may have worked with an agent they were impressed with. Be sure to ask them what specifically they liked about their agent.

Do Your Research

Use online resources to research real estate agents. Read reviews and check out their professional profiles and websites. Look for agents who are active in your target neighborhood and within your price range.

Interview Potential Agents

Once you've identified several potential agents, schedule a face-to-face meeting with each one. During these interviews, assess their knowledge, experience, demeanor, and how well they understand your needs. A good agent will be eager to answer your questions and will also inquire about your preferences and objectives.

Review Their Track Record

You want an agent with a proven track record of success. They should be able to provide details about recent sales, including how long their listings typically stay on the market and how close the sale price was to the listing price.

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Ask your *Agent....*

How long have you been working in real estate?

Is this your full time career or side job?

Are you familiar with the area where I want to buy?

How often will we communicate, and what method?

Can you provide references from past clients?

How do you handle multiple offers?

What separates you from other real estate agents?

What is your marketing strategy for my home?

How do you evaluate a home?

What is your strategy to get the best price for me?

Understanding Your Housing *Needs*

Before you start the home buying process, it's essential to have a clear understanding of what you're seeking in a home. Consider the following factors:

Type of Home: Are you interested in a single-family home, in a townhouse, in a condominium, or in a multi-family building with two to four units?

New or Existing Home: Would you prefer the charm of an existing home with mature landscaping and established neighborhoods, or are you drawn to the modern features of a new home that might allow for customization?

Location: Consider the neighborhood's suitability for your lifestyle, including commute times, school district quality, proximity to amenities, and community services.

Features: Compile a list of essential and desired features. How many bedrooms and bathrooms are necessary, and what specific features are you seeking? Are you looking for an open-concept design, or do you prefer separate rooms? Consider the importance of outdoor space, a garage, or a home office..

Establish Your *budget*

Once you have a clear picture of your housing needs, it's time to assess your budget to determine how much house you can afford:

Income: Your income is a crucial factor in determining your housing budget. Generally, your monthly housing expenses—including your mortgage, property taxes, and insurance—should not exceed 28-30% of your gross monthly income.

Down Payment: A larger down payment can reduce the amount of your mortgage and potentially eliminate the need for mortgage insurance, saving you money over time. Typically, homebuyers are expected to have a down payment saved before purchasing a home.

Credit Score: Your credit score plays a significant role in obtaining a favorable mortgage rate. A higher credit score can lead to better interest rates, thereby lowering your long-term financial commitment. If your credit score needs improvement, consider enhancing it before applying for a mortgage.

***Debt**: Your current debt levels will influence the amount lenders are willing to offer you. Lenders usually prefer that your total monthly debts, including your anticipated new mortgage payment, should not exceed 36% of your gross monthly income.*

Understanding Credit *Score*

Your credit score is a numerical representation of your creditworthiness, calculated based on your credit history. It's essentially a snapshot that lenders use to assess the risk of lending you money. In the U.S., credit scores typically range from 300 (the lowest) to 850 (the highest).

Mortgage Approval

Lenders consider your credit score when determining whether to approve your mortgage application—a lower score can make it more challenging to get approved.

Interest Rates

This score also influences the interest rate on your mortgage; a higher credit score can help you secure a lower interest rate, potentially saving you thousands of dollars over the life of your loan.

Loan Options

Furthermore, certain types of loans, such as conventional loans, may require a higher credit score than others, meaning your score can significantly impact the loan options available to you.

Understanding Credit Score

Generally, a credit score of 740 or higher will help you secure the best interest rates. However, it's possible to get a conventional loan with a credit score as low as 620. An FHA loan may require a minimum credit score of only 580.
If your credit score is less than ideal, there are steps you can take to improve it:

Pay Bills on Time: *Your payment history is the most significant factor affecting your credit score. Make sure to pay all your bills on time, without exception.*

Lower Your Credit Utilization: *Aim to use less than 30% of your available credit. For example, if you have a credit card with a $10,000 limit, try to maintain a balance below $3,000.*

Don't Open New Credit Lines: *Each time you apply for new credit, it can cause a small, temporary dip in your credit score. Therefore, avoid opening new credit lines shortly before applying for a mortgage.*

Check Your Credit Report: *Errors on your credit report can negatively impact your score. Request a free credit report from each of the three major credit bureaus—Experian, TransUnion, and Equifax—and promptly dispute any inaccuracies you discover.*

Let's get *pre-approved*

Getting Pre-approved for a mortgage

A mortgage pre-approval is a statement from a lender indicating that you qualify for a certain mortgage amount, based on an evaluation of your creditworthiness and financial situation. It gives you a solid idea of what you can afford and shows sellers that you're a serious buyer.

Pre-approval can put you in a stronger position when you're ready to negotiate with sellers. It demonstrates that you've already begun the mortgage process and that a lender is willing to finance your purchase. This can give sellers confidence that the sale is more likely to go through if they accept your offer.

Getting pre-approved by several lenders is recommended to compare mortgage rates and terms Remember, a pre-approval doesn't commit you to a particular lender, but it does enable you to understand and establish your budget.

Use your pre-approval to narrow your home search to properties within your price range. Having a clear budget can save you time and prevent the heartache of falling in love with a house you can't afford.

Pre-approvals often expire after 60 to 90 days. If you haven't found a home within this timeframe, you'll need to submit updated documentation to renew your pre-approval.

Searching for the *Right property*

Determine Your Must-Haves and Deal-Breakers

Before you start looking at houses, make a list of your non-negotiable features. These could range from factors such as the number of bedrooms and bathrooms to the type of neighborhood, or even proximity to specific amenities like schools or public transportation.

Research Neighborhoods

Consider factors such as school district quality, crime rates, and the availability of local amenities. The commute to work or accessibility to family and friends should also play a significant role in your decision. Try visiting the neighborhood at various times of the day and different days of the week to get a genuine feel for the community.

Utilize Online Tools

Take advantage of the numerous online platforms that offer listings and virtual tours. These resources can help you save time by filtering out properties that don't match your criteria. This allows you to focus on scheduling in-person viewings only for homes that meet your requirements.

Searching for the *Right Property*

Take Notes During Viewings

During house viewings, be sure to take notes about each property. It's easy to mix up details after seeing multiple homes. These notes will be invaluable when comparing features and making decisions.

Keep an Open Mind

Remember, a house might not check off every item on your wishlist but could still be a great fit for your needs. Keep an open mind and consider the potential each property holds.

Be Patient

Finding the right home often takes time. Avoid the temptation to rush into purchasing a property that doesn't feel quite right. The market is dynamic, with new listings appearing regularly, so remain patient if your ideal home doesn't materialize immediately.

Local Real Estate Market

Navigating the home-buying journey is both exhilarating and complex, akin to learning the rhythms of the ocean. Understanding the local real estate market is crucial, as its dynamics shape the value, demand, and opportunities within any given area. With a firm grasp of these intricacies, you transcend from merely being a buyer to becoming an informed strategist, equipped to make savvy decisions.

Understanding *Market*

Market Trends:

To strategize effectively, it's important to understand the current local market trends. Are the prices of homes in the area on an upward or downward trend? Determine whether it's a buyer's market, characterized by a surplus of homes compared to buyers, or a seller's market, with more buyers than available homes.

Inventory

Examine the number of homes available for sale in the vicinity. A scant inventory could lead to increased competition among buyers, whereas a more abundant inventory may grant you greater leverage in negotiations.

Days on Market

This metric indicates how long homes typically remain on the market before being sold in the area. A lower figure may suggest a hot market where homes are selling swiftly, whereas a higher number could point to a slower market.

Sales Prices vs Listing Prices

Investigate whether homes are generally selling above or below the asking price. This information can provide a gauge on the potential scope for price negotiation.

Local Economy

Lastly, consider economic indicators such as the job market, average income, and signs of economic progression or recession. These elements can impact the real estate market, affecting property values, housing demand, and your future resale prospects.

Choosing a *neighborhood*

One of the most critical decisions you'll face is choosing the right neighborhood. This choice extends beyond seeking areas with attractive houses; it's about discovering a community that aligns with your lifestyle, values, and long-term goals.

LOCATION

Consider the proximity to work, schools, shopping, dining, medical facilities, and any other places you frequently visit.

SCHOOL DISCTRICT

The quality of local schools can impact home values, even for those without children, making it a significant factor to consider.

SAFETY AND CRIME RATES

Investigate local crime rates and safety records. This data is usually accessible online or through local law enforcement agencies.

AMENITIES

Explore the local amenities available, including parks, community centers, libraries, and fitness centers.

FUTURE DEVELOPMENTS

Contact the local city planning office to inquire about any upcoming developments that could influence future property values.

NEIGHBORHOOD CULTURE

Immerse yourself in the neighborhood at various times and days to truly gauge the community's atmosphere. Engaging in conversations with local residents can offer valuable insights.

OPEN *House*

Stepping into an open house can feel like stepping into the spotlight The property is spotlighted, with every nook and cranny harmoniously inviting a closer examination. But as a prospective buyer, how do you transition from a passive observer to an active participant in this real estate showcase? Here's a guide to spotlighting key details and maximizing your open house experience.

Set the Stage with Planning: *Before embarking, develop a strategy. If your itinerary includes several open houses, a meticulously planned route is invaluable. Tip: Utilize a map application for seamless navigation between locations.*

Early Bird Gets the Worm: *Though there's no ovation for punctuality, being first has its advantages. An early arrival allows for a leisurely walkthrough and potentially exclusive access to the real estate agent for any pressing inquiries.*

OPEN *House*

Be comfortable: *You don't need to dress for a Broadway debut, but wearing comfortable attire is key. You might be walking a lot, so opt for comfort over style.*

If attending an open house without your agent, be sure to let them know you already have a agent, or they will solicit you..

The Power of Documentation: *Remember, details matter! Snap some photos or jot down notes about what stands out. When reviewing properties later, these insights will be invaluable.later.*

OPEN *House*

Curiosity Didn't Just Kill the Cat:
Harness your inner detective and ask questions. Explore the history of the home, inquire about the neighborhood, or address any concerns. This is your opportunity.

A Closer Look Beyond the Glam:
It's easy to be swayed by freshly baked cookies and a beautifully staged living room. However, don't forget to test faucets, peek into closets, and even check out the view from each window.

Eavesdrop (Just a Little):
While it's not advisable to snoop, overhearing other visitors can provide valuable insights. They might notice something you missed or raise a pertinent question.

Neighborhood Recon:
After touring the inside, why not explore the neighborhood? Your potential future haunts, from parks to cafes, could play a significant role in your everyday life.

Poker Face On:
Even if you think you've found your dream home, maintain a neutral expression. Keeping your excitement in check will benefit you during negotiations.

Art of Pricing

Offering a Price for a Home

Deciding on an offer price can be one of the most nerve-wracking stages of the home-buying process. It's a delicate balance between securing a good deal for yourself and presenting an attractive proposition to the seller. Let's break down the strategies to make your offer stand out:

Market Research is Your Compass: *Before making an offer, it's essential to study recent sales of comparable homes in the area (often termed "comps"). This research will give you a clear understanding of the current market value, which should guide your offer.*

Know Your Budget: *It's easy to get carried away, especially for a property you love, but it's critical to know your financial ceiling. Remember, homeownership entails additional expenses such as property taxes, utilities, and maintenance.*

Consider the Home's Condition: *The state of the home can significantly influence your offer. Has it been recently updated, or does it require substantial renovations? These factors should affect your initial bid.*

Understand the Seller's Position: *The duration a property has been on the market can indicate the seller's willingness to negotiate. If the home has been listed for several months with little interest, the seller may be more receptive to lower offers.*

Navigating the Art of the Deal

BE COMPETITIVE, BUT REALISTIC:

In a seller's market, low-ball offers might be immediately dismissed. While everyone appreciates a great deal, it's crucial to ensure your offer is competitive, considering the current market dynamics.

Seek Guidance from Your Real Estate Agent: Leverage your agent's expertise. With their keen understanding of market trends, they can provide essential advice on crafting an effective offer.

CONSIDER INCREMENTAL NEGOTIATIONS:

It's uncommon for a seller to accept an initial offer outright, so brace yourself for some negotiation. Determine your strategy for counteroffers beforehand and decide at what point you're ready to walk away.

As a prospective homeowner, your offer is a significant initial step in securing your claim to a property. A well-researched, thoughtful, and respectful offer sets the stage for a smoother negotiation. It's not solely about the numbers; it's the strategy that counts.

Property Surveys: Why and What?

Navigating the realm of real estate involves sifting through extensive paperwork, inspections, and legalities. Amid this complex landscape, the 'property survey' stands out. But what makes it so crucial? Let's delve into the importance of property surveys in ensuring seamless real estate transactions.

Mapping the Landscape:

A property survey, at its core, is akin to a detailed map. It delineates the boundaries, structures, and significant features of a property. Consider it a comprehensive blueprint that delineates every essential element of your land.

Clarifying Boundaries:

Ever heard stories of feuding neighbors over a misplaced fence? A property survey puts an end to such disputes by clearly defining property lines. This clarity ensures that you know precisely what you're purchasing and protects against potential boundary disagreements.

Highlighting Easements:

Easements, or rights of use granted to entities other than the property owner (like utility companies), are marked on a property survey. Understanding these can prevent future clashes and ensure you're aware of who might need access to parts of your property.

Property Surveys: Why and What?

Unearthing Hidden Issues:

Whether it's an obscured old structure or a neighbor's shed encroaching on the land, a property survey brings to light any discrepancies between the property's current state and its official records.

A Necessity for Development:

Dreaming of adding a pool or expanding your home? A property survey is indispensable. It can delineate where you're permitted to build or modify, ensuring your renovations comply with local ordinances and zoning regulations.

Influencing Value:

The characteristics, anomalies, and restrictions highlighted in a survey can influence a property's market value. Being aware of these details can equip you with leverage during price negotiations.

Protecting Your Investment:

Buying a property is a monumental investment. The survey acts as an insurance policy, ensuring you're well-acquainted with every facet of your purchase, eliminating unforeseen surprises down the road.

Home Appraisal Process

An appraisal is a professional and unbiased estimate of a home's value. It is conducted by a licensed appraiser who assesses the property based on a combination of factors, including its physical features, the value of comparable homes in the vicinity, and current market trends.

Lender Requirement

Most mortgage lenders require a property appraisal to ensure that the loan amount they're offering aligns with the property's actual value. This safeguards them from lending more money than the property is worth.

Buyer Protection

The appraisal also acts as a protection mechanism for buyers. It ensures that you aren't overpaying for a property.

Selection of an Appraiser

Once a property is under contract, the lender typically selects a state-licensed or certified appraiser to conduct the evaluation.

Home Appraisal Process

An appraisal is a professional and unbiased estimate of a home's value. It is conducted by a licensed appraiser who assesses the property based on a combination of factors, including its physical features, the value of comparable homes in the vicinity, and current market trends.

Comparative Market Analysis

By analyzing recent sales of similar properties in the area (known as "comps"), the appraiser gauges the home's value in the context of the local real estate market.

Report Compilation

After the assessment, the appraiser compiles an appraisal report, detailing the property's value and the factors influencing that assessment.

Physical Inspection

The appraiser visits the property to check its condition, size, features, and any improvements or defects.

WHAT IF???

THE APPRAISAL COMES IN LOW?

If the appraisal value is lower than the offer, it can pose challenges. Options include renegotiating the price with the seller, challenging the appraisal, or, in some cases, the buyer might opt to cover the difference in cost.

THE APPRAISAL COMES IN HIGHER?

If the appraised value comes in higher than the offer price, it's a bonus for the buyer, indicating they might be getting a deal. However, the seller is under no obligation to adjust the price based on a higher appraisal.

How to Understand Review Purchase Agreements

Ah, the Purchase Agreement – that critical document nestled within the heart of every real estate transaction. It might look daunting with its legal jargon and intricate clauses, but understanding it is imperative for every home buyer. Let's simplify the essence of a Purchase Agreement and help you navigate its contents with confidence.

What is a Purchase Agreement?

In the simplest terms, a Purchase Agreement is a binding contract between the buyer and seller, outlining the terms and conditions of the property sale. It ensures both parties understand their rights and obligations, setting the stage for a smooth transaction.

Key Components to Look For

Property Details

The agreement should clearly identify the property in question, usually by its address and any other relevant descriptors.

Purchase Price

This is the agreed-upon price you'll pay for the property and is typically one of the most prominent details

Deposit or Earnest Money

Probably the first thing your eyes will dart to – and for good reason. This is the agreed-upon price you'll pay for the property.

Closing Details

The agreement will indicate the target date for closing the sale, as well as the location where the closing will take place.

Inclusions and Exclusions

This section lists items that are included with the property (like appliances or fixtures) and items that are excluded.

Contingencies

These are specific conditions or actions that must be satisfied for the contract to be binding. Common examples include home inspections and financing contingencies.

Role of *Escrow*

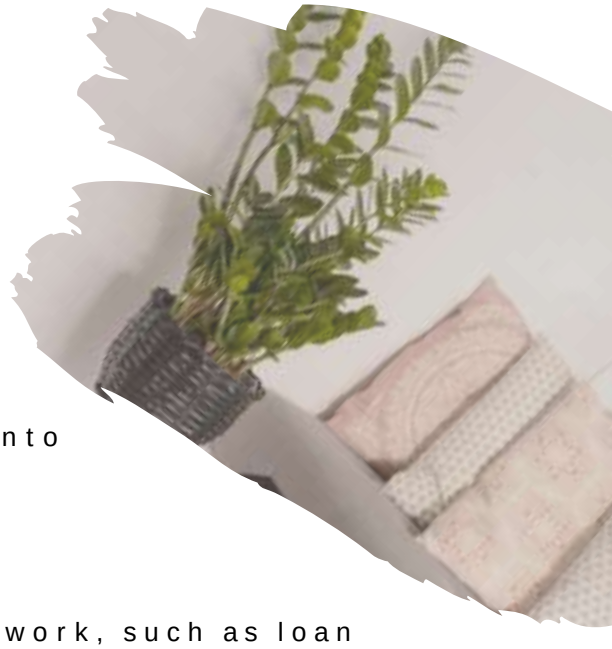
Think of escrow as a neutral third-party guardian that holds onto something of value (usually money) during the transaction process. In real estate, it ensures that all parties play fair, holding funds securely until all conditions are met.

Security

With significant sums involved, you don't want to risk any foul play. Escrow ensures funds are released only when all the terms of the agreement are satisfied.

Peace of Mind

Knowing your money is in safe hands provides an added layer of comfort throughout what can often be a nerve-wracking process.



Opening Escrow

Once you and the seller agree on the terms, an escrow account is opened with a neutral third party.

Deposits

The buyer places the agreed-upon earnest money into the escrow account, signaling their commitment.

Document Verification

The escrow agent verifies that all necessary paperwork, such as loan documents and inspections, is in order.

Closing the Deal

Once all conditions are met, funds are released to the seller, and the title of the property is transferred to the buyer.

Understanding Closing Costs and Hidden Fees

As the climax of your home-buying journey approaches, you'll likely hear the term "closing costs." While your primary focus might be on the price of the home, these additional expenses deserve your attention too. Let's unwrap the mystery behind closing costs and those elusive hidden fees.

What Are Closing Costs?

Simply put, closing costs encompass a variety of expenses that are over and above the price of your property. These are incurred during the final stages, or "closing," of your real estate transaction. Typically, closing costs range from 2% to 5% of the purchase price..

Closing Costs

1. ***Loan Origination Fees:*** *These fees are charged by your lender for processing your mortgage application.*
2. ***Appraisal and Survey Fees:*** *These fees cover the costs of verifying the home's value and determining the precise property boundaries.*
3. ***Title Insurance:*** *This one-time fee ensures the property is free from any potential ownership disputes.*
4. ***Home Inspection Fees:*** *This fee covers the cost of a professional inspection of the property's condition.*
5. ***Property Taxes:*** *Buyers often need to reimburse sellers for property taxes that have been prepaid.*

1. **Private Mortgage Insurance (PMI):** If your down payment is less than 20% of the home's purchase price, you may be required to obtain PMI. It protects lenders in case a borrower defaults on their mortgage.
2. **Homeowners Association (HOA) Fees:** If your new home is within a community governed by an HOA, you may have to pay initial fees or dues.
3. **Credit Report Fee:** Your lender may charge you for the cost of accessing your credit report.
4. **Notary Fees:** There is often a small fee for the notarization of documents.

The Closing Process: What to Expect?

After months of searching, negotiating, and waiting, you're finally at the finish line: the closing process. It's the last hurdle before the keys to your dream home are in your hands. But what does this final stage entail? Let's demystify the closing process for you, step by step.

What is 'Closing'?

Closing, sometimes referred to as "settlement," marks the formal conclusion of the real estate transaction. This is when property ownership is transferred from the seller to the buyer, and both parties fulfill the terms of their contract.

What Happens on Closing Day?

A lot! Here's a simplified breakdown:

- ***Final Walkthrough:*** *This is your last chance to inspect the property and ensure any agreed-upon repairs have been made and that the property's condition hasn't changed.*
- ***Sign Documents:*** *Expect a sea of paperwork. You'll need to sign loan documents, the deed, and multiple disclosures. An attorney or a representative from the title company will be present to guide you.*

Closing DOCUMENTS

The necessary documents for closing on a home may vary depending on your specific situation and location, but here's a general list of documents you can expect during the closing process.

PURCHASE AND SALE AGREEMENT

- [ ] This contract outlines the terms and conditions of the sale, including the purchase price, closing date, and any contingencies

LOAN ESTIMATE

- [ ] A document provided by your lender that discloses the estimated costs, fees, and terms of your mortgage loan

CLOSING DISCLOSURE

- [ ] A document provided by your lender at least three days before closing, detailing the final terms of your loan, including interest rates, monthly payments, and closing costs

MORTGAGE NOTE

- [ ] A legal document that serves as your promise to repay the loan according to the agreed-upon terms and conditions

DEED OF TRUST OR MORTGAGE

- [ ] Document that secures the loan by placing a lien on the property as collateral

TITLE INSURANCE POLICY

- [ ] Protects both the buyer and lender from any title defects, liens, or other issues that may arise after closing

PROPERTY SURVEY

- [ ] A document that shows the boundaries, dimensions, and location of the property, as well as any easements or encroachments

Closing DOCUMENTS

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HOMEOWNERS INSURANCE POLICY

- [ ] Proof of homeowners insurance coverage for your new property, typically required by lenders before finalizing the loan

HOME INSPECTION REPORT

- [ ] A report detailing the findings of a professional home inspection, identifying any potential issues or necessary repairs

APPRAISAL REPORT

- [ ] An assessment of the property's value conducted by a licensed appraiser, usually required by the lender to ensure the loan amount is appropriate for the property's value

FLOOD CERTIFICATION

- [ ] A document that determines whether the property is located in a flood zone, which may impact insurance requirements and costs

TAX CERTIFICATES

- [ ] Documents that verify the property taxes have been paid and are up to date

TRANSFER DOCUMENTS

- [ ] These documents transfer ownership of the property from the seller to the buyer, including the deed and bill of sale

Closing DOCUMENTS

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AFFIDAVITS AND DECLARATIONS

- [ ] Various legal documents that may be required depending on the specific transaction, such as a seller's affidavit or owner's affidavits

SETTLEMENT STATEMENT

- [ ] A document that itemizes all the costs and fees associated with the transaction for both the buyer and seller, detailing who is responsible for each expense

ADDITIONAL DOCUMENTS

- [ ] .You will need an HOA Application Approval Certificate (if the home is in an HOA community) before closing.....
- [ ] .....
- [ ] .....
- [ ] .....
- [ ] .....

Testimonials

Yelp Review from Judith W:

AS GOOD AS IT GETS IS CORRECT!!!!!!!!!!!! I cannot say enough good about Jane House Shebroe. We have dealt with Jane in 3 home sales/buying. She is truly the consummate professional! Jane is a listener. She has NEVER been pushy. She treats clients like they are family. Every sale/purchase we have had I can honestly say we placed our trust in her implicitly. She is very knowledgeable in real estate AND mortgaging. Rest assured Jane will ALWAYS have your best interest and "have your back."

Yelp Review from Sarah R.

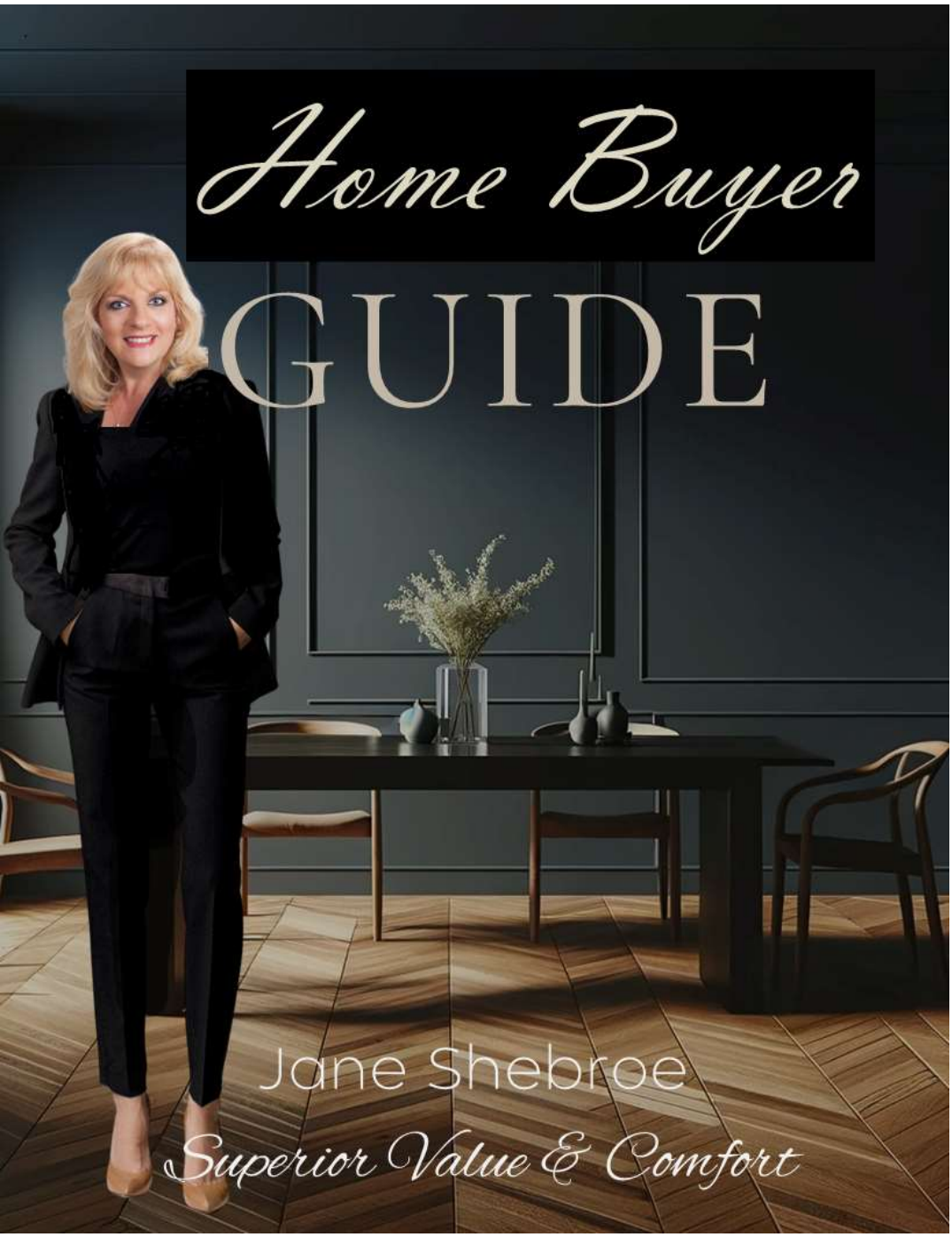
Jane helped us with our vacation home and everything went smoothly. She negotiates well, so we got a very fair deal. Having her represent us was like having the ability to be in two places at one time. We can always count on her to take care of everything when we can't be there.

Yelp Review from Jodi F.

The BEST OF THE BEST!! Jane House Shebroe is the most knowledgeable, understanding and genuinely the best realtor, she cares, she listens and always has your best interest at heart. Very knowledgeable in real estate and mortgaging, great negotiator and goes above and beyond to help with your needs! Yes, she ultimately is a professional and THE BEST OF THE BEST in the field!!

N O T E S

Thanks for reading my buyer guide!



Do you have questions?

Call/text me direct at…

561-714-0931

Jane House Shebroe

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