



YOUR HOME BUYING PACKET

Putting the Pieces Together

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A Complete Guide to the Home-Buying Process

Welcome!

You are about to embark on the exciting journey of finding your ideal home. Whether it is your first home or your tenth home, a retirement home, or an investment property, I will work hard to make your home buying experience a positive one. I can help you find the ideal home with the least amount of hassle; and I am devoted to using my expertise and the full resources of my company to achieve these results!

Purchasing a home is a very important decision and a big undertaking in your life. In fact, most people only choose a few homes in their lifetime. I am going to make sure that you are well equipped and armed with up-to-date information for your big decision. I am prepared to guide you through every phase of the home-buying process. This packet gives you helpful information during and after your transaction. Use its reference pages, note pages and agency explanations, as an invaluable guide on your home-buying journey.


So let's take an exciting journey together! I look forward to meeting your real estate needs every step of the way!

WHY YOU NEED A REALTOR®...

As a licensed real estate professional, I provide much more than the service of helping you find your ideal home. Realtors® are expert negotiators with other agents, seasoned financial advisors with clients, and superb navigators in the geographic areas they service. We are members of the National Association of Realtors (NAR) and must abide by a Code of Ethics and Standards of Practice enforced by the NAR. A professional Realtor® is your best resource when buying your home.

LET ME BE YOUR GUIDE...

- **As a knowledgeable Realtor®**, I can save you significant amounts of time, money, and frustration.
- **As a knowledgeable Realtor®**, I know the housing market inside and out and can help you avoid the “wild goose chase”.
- **As a knowledgeable Realtor®**, I can help you with *any* home, whether it is listed with another agency or it is being sold directly by the owner.
- **As a knowledgeable Realtor®**, I know the best lenders in the area and can help you understand the importance of being pre-approved versus pre-qualified for a mortgage. I can also discuss down payments, closing costs, and monthly payment options that suit you.
- **As a knowledgeable Realtor®**, I am an excellent source for both general and specific information about the community and its services, schools, shopping, and transportation.
- **As a knowledgeable Realtor®**, I am experienced at presenting your offer to the homeowner and can help you through the process of negotiating the best price and terms. I bring objectivity to the buying transaction, and I can point out the advantages and the disadvantages of a particular property.

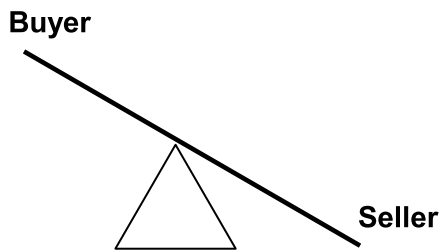


I invite you to discuss how these services are usually free to my buyer clients. Additionally, I would be happy to refer you to a list of trusted vendors that the team has developed relationships with over the years.



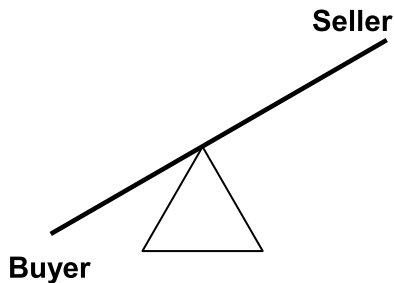
UNDERSTANDING AGENCY

Who Works for Whom?



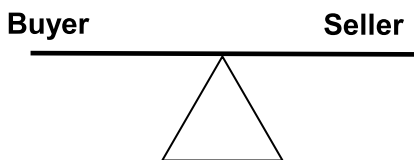
SELLER AGENCY (SINGLE AGENCY)

- Agent will represent the best interests of the seller
- Agent will owe the seller fiduciary duties
- Agent must give the buyer all material facts so that the buyer can make an educated decision



BUYER AGENCY (SINGLE AGENCY)

- Agent will represent the best interests of the buyer
- Agent will owe the buyer fiduciary duties
- Agent must give the seller all material facts so that the seller can make an educated decision



DUAL AGENCY

- Agent represents both the buyer and the seller equally
- Agent's objective is to facilitate a mutually satisfactory agreement among all parties
- Agent gives all options to the buyer and the seller
- Depending on the local market, all parties may be present at contract presentation to negotiate on their own behalf
- All parties have confidentiality. Agent may do nothing to the detriment of either the buyer or the seller
- Both the buyer and the seller have a right to counsel
- Before making any decisions, both parties have the right to seek outside counsel

In all relationships, as your Agent, I have a duty to act honestly with both the buyer and the seller.

THE ADVANTAGES OF USING A BUYER'S AGENT

YOUR INTERESTS ARE PROFESSIONALLY REPRESENTED —

Enlisting the services of a professional Buyer's Agent is similar to using an accountant to help you with your taxes, a doctor to help you with your health care, or a mechanic to help you with your car. If you had the time to devote to learning everything about accounting, medicine, and automotive mechanics, you could perform these services yourself. But who has the time? This is why you allow other professionals to help you in their specific areas of expertise.

I will take care of the hassles of everyday real estate transactions for you. I let you concentrate on your full-time job, while I do my job. I will guide you through the home-buying process and exclusively represent your interests as I help you find a home, present your purchase offer, negotiate, and close on your home!

YOU GET A PERSONAL SPECIALIST WHO KNOWS YOUR NEEDS —

Just as your accountant, doctor, and mechanic understand your specific needs, your Buyer's Agent gets to know your real estate needs and concerns. This type of relationship is built through open communication at all times. Your Buyer's Agent will save you a lot of time by providing you all the details about any home before you see it. In addition, your Buyer's Agent will listen to your feedback and concerns about each home.

YOU WILL GET A GREAT HOME FASTER AND WITH LESS EFFORT—

The advantage in hiring a Buyer's Agent is that you will have a professional agent working to find and secure the ideal home for you. It is much easier to find a home that meets your needs, negotiate a contract, and close the transaction with an experienced agent by your side. You won't need to spend endless evenings and weekends running around looking for homes or trying to search online by yourself. When you tour homes with your Buyer's Agent, you will already know that the homes meet your criteria and are within your price range.

YOU GET ALL THIS AT NO COST TO YOU —

Entering into a Buyer's Agency Relationship has countless advantages. You are simply agreeing to "hire" a personal representative who, by law, must represent your best interests to the best of his/her ability. All of this personal service is available at NO COST TO YOU! The Seller's Broker is responsible for paying your Buyer's Agent fee. With me, you get a professional, experienced agent devoted to protecting your interest and to helping you make one of the most important investment decisions of your life.

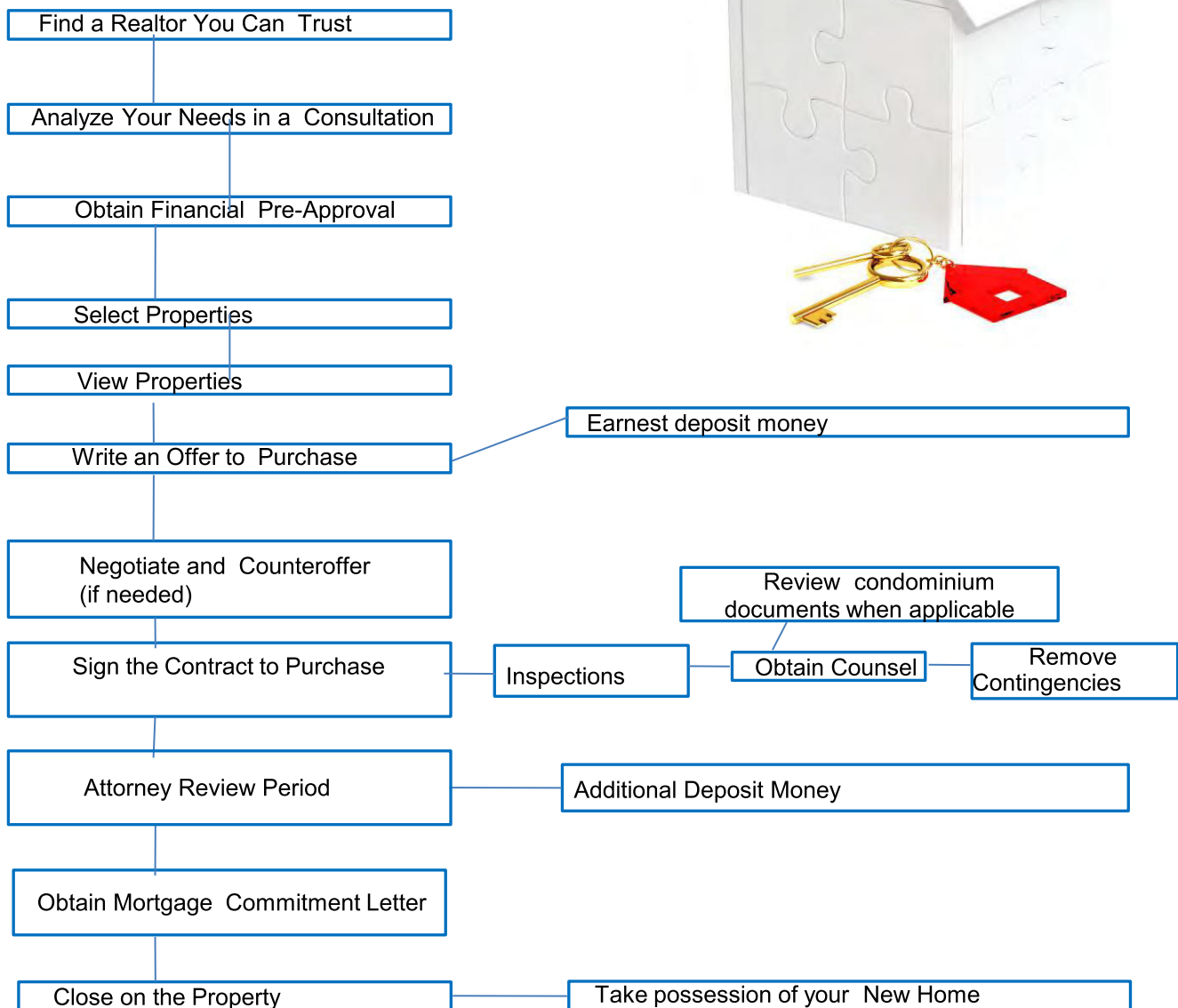


THE HOME-BUYING PROCESS

I have designed this packet to assist you with the purchase of your new home.

I assure you that it is my goal to provide you with the most professional and informative service available. I am always just a phone call away!

Below is a typical outline of the Home-Buying process. Most transactions close within 45-60 days of the accepted offer. However, this may vary depending on the two party's situations and lender programs available.



WHAT EVERY BUYER SHOULD KNOW BEFORE PURCHASING

1. Property taxes and qualified interest are deductible on an individual's federal income tax return.
2. Often, a home is the largest asset an individual has and is considered one of the most valuable investments available.
3. Depending on your loan, a portion of each amortized mortgage payment goes to principal, which is an investment.
4. A home is one of the few investments that you can enjoy by living in it.
5. A REALTOR® can usually show you any home whether it is listed with an agency, a builder, or even a For Sale By Owner.
6. Working through a REALTOR® to purchase a For Sale By Owner home can be very advantageous because someone is looking out for your best interest. In most situations, the seller is willing to pay a fee to a buyer's agent.
7. A homeowner can exclude up to \$500,000 of taxable capital gain if married and filing jointly, or up to \$250,000 if single or filing separately. The home must have been the taxpayer's principal residence for two of the previous five years.
8. As of May 07, 1997, there is no longer a requirement to purchase another primary residence more expensive than the one sold. Homeowners are free to buy up or down with no tax consequences assuming their gain is less than the allowable amounts (see 7).

Remember to ask the Real Estate professional...

- ... if they are familiar with the communities where you want to live.
- ... whom he/she is representing in the transaction.
- ... what he/she will do to keep you informed.

Your Real Estate professional should provide you with the highest level of service and advice.

THE ROAD MAP TO YOUR HOME

Narrowing the Search

“If you don’t know where you’re going... you’ll probably end up somewhere else.” Taken from a book title, this quote conveys a very simple message – **To achieve an objective – create a plan!**

If you plan to buy a home soon, you will need to know “where you are going”. For a most enjoyable home-buying experience, first build a road map to your new home, a list of priorities that will lead you to your objective – a new home!

The first priority is time frame. Write down the date by which you would like to move into your new home: _

Keep in mind that it may take 30-90 days (or more) to locate the right home, secure financing, and complete the home-buying process.

The next priority is to develop a detailed description of the home you hope to find. The following page contains a **Home Search Criteria** form to help you distinguish between “Need-to-Have” features and “Nice-to-have” features. Be Specific and number your preferences in order of greatest importance to you.

This form, along with the information you share during our initial consultation, will enable me to narrow the home search. I will take this information and enter your requirements into the Multiple Listing Service (MLS). I will use my personal market knowledge to come up with a list of those homes that best meet your needs and wants.

During the home search, I will...

- Discuss the benefits and drawbacks of each home in relation to your specific needs.
- Keep you informed on a regular basis.
- Check the MLS and other relevant databases and with other brokers regularly for new listings.
- Prepare a list of all homes that best meet your needs and wants.
- Keep you up to date on changing financial conditions that may affect the housing market.
- Discuss market trends and values relative to properties that may be of interest to you.

Name: _____

Current Address: _____

City/State/Zip: _____

Home Phone: _____ Biz Phone: _____ Cell Phone: _____

Email: _____ Preferred Contact: _____

Deadline for Locating a Home: _____

Required Move in Date: _____

Square Feet: _____ # Beds: _____ # Baths: _____

Neighborhood: _____

Age of Property: _____ (Unrenovated, Renovated or New Construction)

Property Style: Apartment, Townhouse, Single Family, Multi Family, Other _____

Location of Unit w/in Building: _____ Elevator _____

Parking: _____ Parking Style: Street, Driveway, Garage

- | | | |
|--|--|--|
| <input type="checkbox"/> Den/Study | <input type="checkbox"/> Fireplace (Gas or Wood) | <input type="checkbox"/> Deck |
| <input type="checkbox"/> Central A/C | <input type="checkbox"/> Patio/Garden | <input type="checkbox"/> Eat-in-Kitchen |
| <input type="checkbox"/> Gas Cooking | <input type="checkbox"/> Separate Dining Room | <input type="checkbox"/> Laundry (in unit or bldg) |
| <input type="checkbox"/> Hardwood Floors | <input type="checkbox"/> Pet Friendly | <input type="checkbox"/> Separate Storage |

“Need-to-Have” Features: (ex. pet friendly, new renovation, near public transportation)

“Nice-to-Have” Features:

“Would-Not-Consider” Features:

Other Details About Your Home Search:



There are many factors to consider when selecting a neighborhood that is right for you. Below are just a few of the many factors -- You may think of others that are important to you. Please write them on your Home Search Criteria form so they do not get forgotten.

Scout out the Neighborhood!

It is important that you scout the neighborhood in person. You live in more than your house.

- Talk to people who live there.
- Drive or walk through the entire area at different times of the day, during the week and on weekends.
- Travel to and from places that you would typically frequent to be sure you are comfortable.
- Look for to major thoroughfares, highways, and shopping.
- Check with local civic, police, fire, and school officials to find information about the area.
- Look at traffic access patterns around the area during different times of the day and drive from the area to work.
- Is the neighborhood near parks, places of worship, recreation centers, shopping, theaters, restaurants, public transportation, schools, etc.?



Once you have found the home you wish to purchase, you will need to determine what offer you are willing to make for the home. It is important to remember that the more competition there is for the home, the higher the offer should be – sometimes even exceeding the asking price. **Remember, be realistic.** Make offers you want the other party to sign!

To communicate your interest in purchasing a home, I will present the listing agent with a written offer. When the seller accepts your offer, it becomes a legal contract with a three-day attorney review period during which time either party can cancel the agreement. When you make an offer you should be prepared to pay an earnest money deposit. This is to demonstrate that your intention is to purchase the property. The forms used for the offer are standard documents approved by our local Board of Realtors.

After I present your offer to the listing agent it will either be accepted, rejected, or the seller will make a counter-offer. This is when we will negotiate terms of the contract if necessary.

Once an offer has been successfully negotiated and signed by both parties, it will be sent for attorney review to both the buyer's and the seller's attorney who will review and discuss the contract with their clients. The attorney review period usually takes three days, but can be longer.



If you are purchasing a resale property, I highly recommend that you have a professional home inspector conduct a thorough inspection. The inspection will include but may not be limited to the following:

- Appliances
- Plumbing
- Electrical
- Air conditioning and heating
- Ventilation
- Roof and Attic
- Foundation
- General Structure

The inspection is not designed to criticize every minor problem or defect in the home. It is intended to report on major damage or serious problems that require repair. Should serious problems be indicated, the inspector will recommend that a structural engineer or some other professional inspect the home, as well.

A home cannot “pass or fail” an inspection, and your inspector should not tell you whether he/she thinks the home is worth the money you are offering. The inspector’s job is to make you aware of repairs that are recommended or necessary so that you can continue to make an informed decision.

The seller may make the necessary repairs or offer a credit for the repairs. A professional inspection will help you make a clear-headed decision. In addition to the overall inspection, you may wish to have separate tests conducted for termites or the presence of radon gas.

In choosing a home inspector, consider one that has been licensed as a qualified and experienced member of a trade association. As your Buyer’s Agent, I can provide you with a list of licensed home inspectors you can choose from or you can select your own, and I will attend the inspection.

I recommend that you are present at the inspection and hire an inspector that is familiar with the type of property you are intending to purchase and its immediate surroundings. Being present at the inspection, You will be able to clearly understand the inspection report and know exactly which areas need attention. Plus, you can get answers to many questions, tips for maintenance, and a plenty of general information that will help you once you move into your new home. Most important, you will see the home through the eyes of another objective third party.



WHILE YOU'RE WAITING

WHAT YOUR REAL ESTATE TEAM IS DOING FOR YOU

The following is an overview of what is happening behind the scenes from the time you contract to buy your property until the day it closes. My job is to coordinate all of these activities with the relevant parties and make sure the lines of communication are open and working smoothly.

Earnest Money.

Your earnest money will be deposited in either the buyer's or the seller's attorney's trust account until **the closing**.

Document Review.

If you are purchasing a condominium, your attorney will review relevant documents and information such as the Master Deed, Condominium By-Laws), operating budget, financial statements, and meeting minutes (when available). For single and multi unit buildings, your attorney will verify the legal use and occupancy of the property as it has been represented by the listing agent.

Mortgage Approval.

Your lender will order an appraisal done by a licensed appraiser who is considered to be a neutral third party. The appraiser will visit the property and prepare a detailed report determining its fair market value. The listing agent will provide access to the property yet has no input or influence into the final outcome of the appraisal report. In the case of a condominium, there is often a questionnaire to be completed by the Management Company or a trustee of the condominium association. I will track this process so that there are no delays in obtaining a timely mortgage approval. Your attorney and I will be mindful of the mortgage commitment due date as it is spelled out in the **purchase contract**.

Title exam.

Your attorney will hire a title company to ensure that the seller will be able to convey "a clear and marketable title" to the property as stipulated in the Contract to Purchase agreement. This becomes the basis by which the attorney is able to certify title, thereby making it possible for title insurance to be purchased. Your lender will require that you purchase title insurance, which will be arranged for you and appear as a closing cost on your settlement statement. I would be happy to discuss the importance and benefits of purchasing an owner's policy as well.

WHILE YOU'RE WAITING *(Continued)*

WHAT YOUR REAL ESTATE TEAM IS DOING FOR YOU

Municipal Certificates

In order to comply with state law and municipal regulations, as referenced in the purchase agreement, the seller must provide a certificate of compliance at closing. I will be in communication with the listing agent to arrange for the local municipality to inspect the premises in order to obtain the necessary documentation, which will be delivered to the attorneys and Title Company.

When purchasing a condominium, you will need legal documentation that the current owner has no financial obligation to the association as of the closing date. To this end, and per the terms of your purchase agreement the association will provide at closing a statement that has been signed by a trustee of the condominium association reflecting a zero balance.

Insurance.

If you are purchasing a condominium, your lender will require proof that the association carries adequate insurance (the premium for which is included in the condominium fee). This proof comes in the form of a certificate of insurance, which names you and (when applicable) your lender as loss payees. I will either coordinate this process or verify that your lender is ordering it directly. If you are purchasing a building, you will be responsible for purchasing your own hazard insurance, and if a lender is involved, proof of that policy must be provided to the lender prior to the closing.

Pre-Closing Walk-Through.

The final walk through is usually scheduled within 24 hours of the closing. This gives the buyer a chance to ensure that the sellers have moved out and left the property "broom-clean" and in substantially the same condition it was at the time the offer was made. If any repairs were to be done prior to closing, this gives the buyer an opportunity to confirm that they were completed before the property changes hands.

WHAT IS A REAL ESTATE “CLOSING”?

A “closing” is where we meet with some or all of the following individuals: the Seller, the Seller’s agent, a representative from the lending institution and a representative from the title company, in order to transfer the property title to you. The purchase agreement you signed describes the property, states the purchase price and terms, sets forth the method of payment, and usually names the date and place where the closing or actual transfer of the property title and keys will occur.

If financing the property, your lender will require you to sign a document, usually a promissory note, as evidence that you are personally responsible for repaying the loan. You will also sign a mortgage on the property as security to the lender for the loan. The mortgage gives the lender the right to sell the property if you fail to make the payments.

At closing, you will be required to pay all fees and closing costs in the form of “guaranteed funds” such as a Cashier’s Check. Your title officer will notify you of the exact amount before the closing.

WHAT IS AN ESCROW ACCOUNT?

An escrow account is a neutral depository held by your lender for funds that will be used to pay expenses incurred by the property, such as taxes, assessments, property insurance, or mortgage insurance premiums that are due in the future. You will pay one-twelfth of the annual amount of these bills each month with your regular mortgage payment. When the bills are due the lender pays them from the special account. At closing, it is usually necessary to pay enough into the account to cover these amounts for several months so that funds will be available to pay the bills as they are due.



AN ONGOING RELATIONSHIP WITH MY CLIENTS

While the Closing may mark the end of the purchase process, I hope it will mark the beginning of our ongoing relationship. I make a concerted effort to keep in touch with my clients and to continue to be a resource for their real estate and neighborhood needs. As a client, you can look forward to receiving periodic updates and neighborhood market reports. And, of course, if you need referrals for plumbers, electricians, and other service professionals, I am always happy to provide you with a list of trusted vendors.



YOUR REFERRALS ARE KEY!

Maintaining ongoing client relationships is part of my commitment to provide a level of real estate service well above and beyond expectations. My clients share their positive experience with friends and associates who then seek me out. This has allowed me to build a successful real estate practice based on referrals. As a result, I can devote more of my time to helping clients and less looking for new ones. If you are happy with my service, I hope you will spread the word and send people my way so I can help them the same way I helped you.