

# BUYERS GUIDE

## How will you benefit working with me?

- No cost to you.
  - You should NEVER pay a dime for working with a buyer's agent. If your agent is trying to charge you a transaction fee, a brokerage fee, an MLS fee or any other type of fee they can come up with, you should find another agent. Buyer's agents are already paid by the seller. You shouldn't pay too.
- Up-to-date search results.
  - All online search portals get their information from the Multiple Listing Service (MLS). It's usually delayed and inaccurate, especially in a seller's market.
- More accurate valuation of homes.
  - Be precautionous of online valuations – they are admittedly wide-ranging.
    - <https://www.zillow.com/zestimate/#what>
- Customer service that goes beyond the closing.
- See the list below...you need someone with answers.

## What is pre-qualification/pre-approval? Why do I need it?

- It's a letter from a lender stating the price of the home you can afford to purchase.
  - If you're getting a loan, the lender determines your max budget. You do not want to start looking at homes over your budget, then have to scale back. I've seen it happen firsthand and it's a very disappointing and frustrating thing to experience.
- The vast majority of sellers require it, as it gives an indication of your ability to purchase the home (the lender usually pulls credit and verifies assets/income before issuing the letter).
- Truthfully, it also tells me that you are a serious buyer and are able to purchase a home.
- You CAN use a different lender than the one you got pre-qualified/pre-approved with.

## What's the Best Way to Look at Houses?

- Find the area you want to live in first, then focus on the home features next.
  - Tampa and the surrounding area is large and diverse. The real estate here is hyperlocal and for most people, very inconsistent. There can be huge differences between homes a block away, across the street and even right next door.
  - How do you see yourself living? What are your priorities?
    - Do you like going to the beach? Dining out? Sporting events? Theater? Are schools important? How far are you willing to commute? Answering these types of questions will help find different areas that might suit your needs.
  - I've had buyers completely focused on house first, but they have always naturally circled back and changed their priorities to where they want to live, then the house they want.
  - Your needs and wants are going to change and that's OK. It's part of the process. I've had customers see houses more than 100 miles apart in the same day, and I've had customers see 55 houses in three-and-a-half days. I'm going to do whatever it takes.

## We Found a Home We Like and Want to Put in an Offer, but We Have More Questions...

- What do you think they will sell this house for? How low can we offer?
  - I will look at comparable sales much like an appraiser would, to assess the home's value. However things like seller motivation cannot be accounted for prior to making an offer. It is possible to insult a seller with a low offer, but my only concern is representing you and negotiating the best deal possible.
- Do you think we are paying too much?
  - If you're getting a loan, an appraiser has to verify the sales price. That's one way to protect you from paying too much. However, you have to look at your own needs and wants to determine the home's value to you. If someone else comes in and purchases it for slightly more than you were willing to pay, would you lose sleep over it?
- How can we get out of this contract?
  - You need to know what's in the contract you're signing. However, if this is your primary concern, I would ask you to stop and think if this is the home you really want. I will walk you through the contingencies in the contract so you know your responsibilities.
- Why do I have to put money in escrow?
  - Escrow or the good-faith deposit shows the seller you're serious about purchasing the home. The amount is negotiable. Sellers generally want more because it's retained as damages in the event of a default. Buyers generally want to put up as little as possible to minimize the risk. When deciding, keep in mind your expectations if you were the seller. It's also important to note, the escrow only belongs to you, even at closing – it's a credit for you. The seller doesn't get the escrow unless you close or default.

### We're under contract, now what?

#### *Getting a Mortgage*

- Shop for a Lender
  - I have a number of lenders I can recommend to you.
  - What should I be comparing?
    - Customer service
    - Interest rates
    - Closing costs
    - Monthly payments
    - Time needed to close
  - Will shopping for a mortgage hurt my credit?
    - Because you are shopping for a loan, the credit bureaus should consider it just one pull of your credit, not multiple pulls.
- What could go wrong? What could prevent me from getting the loan?
  - Don't open new lines of credit
  - Don't make major purchases (that includes furniture, wait until after closing)
  - If you do what the lender says as quickly as possible, that can prevent a lot of issues.
- What if I'm being gifted money?
  - Make sure your lender knows about it, as the money needs to be tracked from start to finish and in the right account well before closing.
- How much are closing costs?

- Your lender needs to provide an estimate of your closing costs.
- Can I get the seller to pay my closing costs?
  - That's something we can try to negotiate. Not all sellers are willing to do it, but some are. Most sellers are concerned about their net proceeds.
- What type of loan do I want to get? Can I have a co-signer/co-borrower on the loan? How quickly can I close? How much of a down payment do I need?
  - These are the types of questions that are best suited for a lender because they are specific to your financial needs. Your finances (beyond pre-qualification) are none of my business. I'm going to connect you with mortgage experts who will focus on your needs.

### *Ordering Inspections*

- General home inspection
  - This is an investment and one that I strongly recommend. A home inspector is going to give you information about the condition of the home to help make the right decision.
  - The buyer chooses the home inspector and orders this inspection immediately after executing a contract.
- 4-point inspection
  - This is necessary to obtain insurance for homes at least 30 years old, although this can also depend on the insurance provider.
  - The buyer chooses the home inspector and orders this inspection immediately after executing a contract.
- Wind mitigation
  - This inspection is to get you additional insurance credits.
  - The buyer chooses the home inspector and orders this inspection immediately after executing a contract.
- WDO (wood-destroying organisms)
  - There are three types of homes in Florida: Those that have had termites, those that will have termites and those that have termites. This inspection looks for termites and other wood-destroying organisms. Some lenders require proof of this inspection.
  - The buyer chooses the inspector and orders this inspection immediately after executing a contract.
- Elevation certificate
  - If the home requires flood insurance, you'll need an elevation certificate to determine the cost. The elevation certificate determines where the home is in relation to base-flood elevation.
  - The buyer orders the elevation certificate and generally will want to order it right after going under contract to verify the cost of flood insurance.
- Survey
  - The lender requires a survey to make sure there are no encroachments upon the property. This is ordered on behalf of the buyer and is often coordinated by the lender and the title company.

### *Appraisals*

- An appraisal is ordered on behalf of the buyer and the lender.

- If possible, this should be ordered after home inspections are completed in case the contract is cancelled, so as not to spend the buyer's money unnecessarily.
- FHA appraisal (for FHA loans) has additional property condition requirements
- VA Appraisal (for VA loans) has additional property condition requirements
- What happens if the home appraises for less than what I offered?
  - Bring additional cash to closing
  - Cancel the contract if you have an appraisal contingency. The financing contingency is not the same thing, which is a common mistake by real estate agents.
  - Renegotiate price to appraised value
  - Combination of additional cash and renegotiation of price

### *Insurance*

- Required to have homeowner's insurance if you're getting a loan.
- Floor insurance may be required by your lender, depending on the location of the home.
- Shop for an insurance agent.
  - I have a number of insurance agents I can recommend to you.
- Insurance is usually ordered after the inspections.

### We're Ready to Close, Now What?

- Walkthrough
  - Up to 24 hours before you're closing, you have the right to conduct a walkthrough (re-inspection) of the property, to make sure the seller has maintained the property.
    - If there is a problem with the walkthrough, the contract does allow for closing to be delayed. The seller has continuing maintenance requirements that must be met.
- Closing
  - It's important to plan for closing the day you go under contract. You need to make yourself available. The actual scheduling takes place later in the home-buying process.
  - Closing can take place at the closing office, with a mobile closer or by mail (if you don't need a notary). You can be with the seller or separate, either way is fine.
  - If you are on the deed or on the mortgage, you will need to sign. This is why it's important to plan ahead and make sure you're available on the day of closing on the contract. "Not being available" is rarely a valid reason to extend the closing.

### We have the keys to our new home, now what?

- Our relationship does not end at the closing table. I'm available to help you find service providers, contractors, etc., or to answer any questions you might have.
- File for homestead exemption
  - If this is your primary residence, it is imperative that you file for homestead exemption. The state of Florida taxes secondary residences more than primary residences and if you fail to file for the homestead exemption, you lose that tax protection.
- Buying a home can be a challenge, so make sure you take time to enjoy your new home!