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& Kim Daugherty Present:



REAL ESTATE  
**CHECKLISTS**  
 **& Systems**

TM

101+ checklists to help you buy and sell  
real estate today!

# Welcome to Real Estate Checklists & Systems and HomeQuest Productions!

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- This collection of checklists is for informational use only and is not a substitute for legal, tax or other professional assistance. Home buyers and sellers are encouraged to consider and seek independent counsel as needed. There are many professional service providers available to help you.
- This collection of checklists is not designed to be read like a book. Each page is an independent checklist, although some do refer to a companion checklist in the system. You will be able to click on each individual checklist, copy and use with your clients to best serve them. **After you click on each individual checklist, you can return to the beginning of that checklist's section by clicking on the  at the bottom of the page.**
- The checklists are arranged in chapters. Because some checklists apply to several chapters, they have been repeated in said chapters.
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# Here are the Types of Checklists You'll Find Inside!

- How to Be a Smart Home Buyer
- How to Be a Smart Home Seller
- Getting a Loan: Financing & Money Matters to Consider
- Pricing & Appraisal: What is the House REALLY Worth?
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- Making the Move Easier: Attention to Details
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# **HOW TO BE A SMART HOME BUYER**

# Why Now?? 10 Questions to Ask Yourself Before Buying a Home Today

- 1. How long do you envision wanting or needing to live in the area?
- 2. Is your financial situation stable, or will it improve in the upcoming months or years?
- 3. How is the local and regional economy in the area?
- 4. Do the benefits of buying outweigh the flexibility of renting?
- 5. Is buying currently a better short- and/or long-term value in your area?
- 6. How will buying vs. renting change your lifestyle?
- 7. How will you address the time and maintenance issues that accompany home ownership?
- 8. Is home ownership a priority to you in this stage of your life?
- 9. If you buy a home now, what are you likely to do with it if you relocate in the near future?
- 10. What other variables might need to be factored into your decision?

## **3+ Principles of Value to Remember When Buying a Home**

- 1. The principle of “conformity.” Does the property fit in with the surrounding properties? To maximize your chances of protecting your investment and experiencing the healthy appreciation you want, provided it’s typical for the area. The ideal home conforms to neighboring properties in style, size, condition, age, and other physical characteristics. Conformity doesn’t mean all properties in the area are identical...in fact, some variety is healthy; just not too much.
- 2. The principle of “substitution.” Most future buyers won’t pay any more for a property than the price of an equally desirable substitute, and purchasing one of the most expensive homes in an area could present a challenge when you resell. Better to buy in the middle or lower end of the value range for the area.
- 3. The principle of “anticipation.” It’s the expectation of benefits to be derived in the future, not the past, that most impacts a property’s value down the road. What will future buyers want based on trends, demographics, and population shifts?
- + Your agent will be able to help educate and coach you on other principles of value worth factoring into your home buying decision. Keep in mind that you want a property that meets your needs as a buyer...but someday, you may be a seller, too.



# **22 Items to Consider**

## **When Shopping for a Neighborhood**

- 1. Neighborhood build-up:
  - Over 60%
  - 30-80%
  - Under 30%
- 2. Growth rate for area:
  - Fully-developed
  - Rapid
  - Steady
  - Slow
- 3. Property values:
  - Increasing
  - Stable
  - Slow
- 4. Supply/Demand
  - Shortage
  - Stable
  - Slow
- 5. How long does it take for a home to sell?
  - < 3 mos.
  - 4 – 6 mos.
  - >6 mos.
- 6. Present land use
  - \_\_\_\_% single-family
  - \_\_\_\_% 2 – 4 units
  - \_\_\_\_% apartments
  - \_\_\_\_% condos
  - \_\_\_\_% commercial
  - \_\_\_\_% vacant
  - \_\_\_\_% industrial
- 7. What is the probability of the land use changing in this area?
  - Not likely
  - Likely
  - Very likely (how soon?)
- 8. Are most occupants:
  - \_\_\_\_% homeowners
  - \_\_\_\_% tenants
  - \_\_\_\_% vacant
- 9. Single Family price range:
  - \$\_\_\_\_\_ to \$\_\_\_\_\_
  - Predominant Value \$\_\_\_\_\_
- 10. Single Family home age:
  - \_\_\_\_ yrs. to \_\_\_\_ yrs.
  - Predominant Age \_\_\_\_\_
- 11. Employment security
- 12. Convenience to employment
- 13. Convenience to shopping
- 14. Convenience to schools
- 15. Adequacy of Public Transportation
- 16. Recreational Facilities
- 17. Adequacy of Utilities
- 18. Property Compatibility
- 19. Protections for detrimental conditions
- 20. Police and fire protections
- 21. General appearance of properties
- 22. Appeal to market

Grade the area on the following items (Good, Average, Fair, or Poor):

# **For Home Buyers Today: 11 Critical Issues to Consider When Negotiating the Purchase of Your Next Home**

- 1. By when do you want or need to get into your next home?
- 2. Is it currently more a buyer's market or a seller's market in your geographic area of interest?
- 3. Are there several properties that meet your needs, or just one?
- 4. How long has the home you want to purchase been on the market?
- 5. Given the market condition, and your wants and needs, how attractive is the property compared to other possibilities in the area?
- 6. Has the seller moved out, or bought another home?
- 7. What are the property's strengths and weaknesses?
- 8. Objectively, how strong is your proposal? (See [6 Keys to Make You and Your Offer Look GREAT!](#))
- 9. If your offer is in competition with another buyer's offer and they win, will you be satisfied with your efforts and your proposal?
- 10. Where, if anywhere, are you ready, willing, and able to compromise?
- 11. What other variables should you consider based on your specific-situation? List them below:

# **5 Key Questions and Answers About Home Inspections**

- Question #1: Are home inspections only conducted on older homes?
  - Answer: No. Home inspections are often requested on newly-built or previously-owned homes, manufactured homes, town homes, condominiums, etc.
  
- Question #2: How common is it for home buyers or home sellers to request a home inspection?
  - Answer: Home inspections have become a fairly standard request in the home purchasing process. It is also a potentially valuable tool for home sellers to consider prior to putting a property on the market.
  
- Question #3: What aspects of a property might the home inspection cover?
  - Answer: It might cover aspects such as the roof, the structural quality of the dwelling, exterior walls, detached garages, plumbing, electrical, heating and cooling, etc. The key is to know what the inspection will and won't cover before ordering one.
  
- Question #4: Might a general home inspection ever result in a need to have a specialist do a more in-depth analysis of one or more items?
  - Answer: Yes. If the home inspector sees a need for a specialist, the initial inspector is likely to make a recommendation of a next-level study.
  
- Question #5: How do I find a good home inspector in my area?
  - Answer: Ask real estate agents, lenders, family, and friends for names of companies and individuals with whom they've had good luck.

# **The Return on Investment for Home Improvements... 4 Realities to Keep in Mind Before Investing Lots of Money**

- 1. Some home improvements are an increasing return. This means the contributory value of the upgrade to the overall value of your property is more than the cost of the project. You get more than a dollar-for-dollar return.
- 2. Some home improvements are a decreasing return. This means the contributory value of the upgrade to the overall value of your property is less than the cost of the project. You get less than a dollar-for-dollar return.
- 3. Most home improvements will help a property sell faster, even if by itself it's a minor decreasing return. Remember: a timely sale can result in less carrying cost. An extra month or two on the market due to a curable physical or functional defect in the property might result in a bigger loss than a minor decreasing return on an item or project.
- 4. Changing trends and market conditions can significantly alter a return on investment for any project or individual home improvement. The location of the property also impacts the ROI for the upgrade. It's always best to stay abreast of current conditions by doing your own research, or simply by contacting your real estate agent for relevant data and reports.

# **3 Key Questions and Answers About... “The Lead-Based Paint Disclosure” for Home Buyers**

Question #1: Which homes are covered by The Lead-Based Paint Disclosure Rule?

- Answer: Most housing built before 1978.

Question #2: What does the law require of home sellers or landlords?

- Answer: Disclosure of known information on lead-based paint and lead-based paint hazards, plus notification of home buyer rights on issues like inspections, informational pamphlets, etc.

Question #3: Are there any good sources for additional information on the subject?

- Answer: Yes. Your real estate agent should be helpful. Plus: you might consider going to [www.HUD.gov](http://www.HUD.gov) for phone numbers and detailed information.

## **6 Keys to Getting a Smart Buy in Your Marketplace**

- 1. Stay objective...don't be in a rush. With the help of your agent, read the marketplace and the given situation
- 2. Look past the cosmetics. Some sellers either can't or won't invest the time, energy, effort and money to get their property market-ready. Many qualified buyers limit their serious considerations only to the cosmetically superior properties (potential mistake).
- 3. Avoid incurable defects. If a property has major issues (bad design, external obsolescence, or is stigmatized for any reason), it's best to move on.
- 4. Remember: it's mainly about location, location, location (See [7 Characteristics of an Economically-Healthy Neighborhood](#)).
- 5. Shop for a motivated seller. Job transfer, built a new home, current home is too expensive—these are just three examples of what might constitute “motivated.”
- 6. Buy when the market is soft. Almost all areas experience both brisk and slow periods of activity. The time of year, economic conditions, higher interest rates, and many other variables can all significantly impact a buyer's vs. a seller's market.



# **5+ of the Most Common Hidden Defects in Real Property**

These repairs can become expensive. Be sure to seek 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 systems
  
- \* 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 and/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 and How You Can Avoid Each One](#)
- 3. [6 Keys to Making You and 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 renting vs. buying to decide if there are enough benefits for 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 roadmap 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, and contingencies that might make your offer less desirable to the seller. Only include those which 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 that gives facts about you that you think would be interesting to them.

## **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 or 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 or 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 and 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 (CMA)
- 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 a 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 in both the short and long run.
- 7. Assessments and fees
  - Are the fees realistic? Too low is a problem waiting to happen...
- 8. What is the profile of the occupants who live there?
  - Percentage owner-occupied.
  - Percentage 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 Inspection 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. Compromising and 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 (too low a price, too many contingencies), or you’ll simply be helping someone else’s offer look good.
- 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’s 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 then, 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 members 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 home 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 who is licensed as an agent if they are GOOD! And 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’s normal, and it will pass.

# **14 Steps to Getting Yourself “In Shape” to Be a First-Time Home Buyer**

The following items are the key 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 them 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 and 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. 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. Snags and problems are 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 Owner's Insurance Premium
- 8. Mortgage Insurance Escrow
- 9. Home Owner's 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)
- 22. Other – Miscellaneous 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 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 to see 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 of 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.
- 9. Make sure the contract contains all details:
- 10. Who will do the work?
- 11. When will the work be completed?
- 12. A detailed list of specific materials to be used.
- 13. The appliances and/or fixtures to be supplied
- 14. The dates for beginning and completing the job
- 15. Monetary penalties for non-completion of the project on time
- 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 that 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 the contract states that the contractor is responsible for any damages to your property.
- 21. If the contractor guarantees the work, be sure the contract specifically states what is guaranteed, and for how long.
- 22. The 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 has been 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-Based 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 and 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 this property?
  - What, if anything, would I want or need to change?
  - If the price was right, could I see myself owning this property?  
If yes, what is the right price?
  
- Step 3. Remember You Have 3 Safety Nets Available to You...
  - Your judgment as an educated/informed buyer
  - The Customized Market Analysis (CMA) 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 who 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 and 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 major repairs are needed, owners may 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 a professional real estate salesperson can provide you while in pursuit of your new home. Here are some things 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 real estate websites 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’m looking to purchase?
- 9. Do I know the zoning regulations and building codes pertaining to residential real estate in the area I’m interested in moving to?

# Home Warranty Policy Checklist...for Buyers

A Home Warranty Policy can protect against costly repair expenses. These 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, and from 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
- Above Ground 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?
- 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?
- Basement?
- Finished basement or unfinished?
- Interior décor?

# 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 to 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+ Homebuying Issues to Consider.”](#)

# The Final “Walk-Through”...

## 36 Items You May Want to Consider

The final walk-through is a last 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 as 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
- 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 original 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 the utmost importance that you feel comfortable with your real estate professional, and that you can communicate effectively with them. A relationship 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 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, and 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, for
  - Radon gas
  - Lead paint test and inspection
  - Well, septic, and sanitary systems inspection
  - Local municipality building inspecton
  - Local municipality zoning inspecton
  - 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'll want (list them below):



# **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 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 the seller clearly understands the terms of the buyer's offer, and the buyer clearly understands the performance required and the timing of 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 that both a lender and an owner title policy be purchased. Local custom and practice usually dictates 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
- 90 days

Start Date: \_\_\_\_\_

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, which include:
  - Interim financing
  - Conventional financing
- Understand the current marketplace:
  - What is the average time on the market for homes in the same price range in which 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 their lenders enough questions, or the right questions, so they don't necessarily get the best loan possible.
- 2. They don't act quickly enough when they find the right house...and someone else buys it instead.
- 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 who 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 and lenders the right questions to get the best loan for you based upon your needs and 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 and 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 and Systems who will help you reach your goals.

# **HOW TO BE A SMART HOME SELLER**

## **4+ Trends and Market Conditions That Might Impact a Property's Current Value**

- 1. Today's interest rate. As interest rates change, so does a buyer's purchasing power, relative to their maximum monthly house payment. For example: if rates are at 6%, the buyer is eligible for a larger loan amount than if rates are at 8%.
- 2. The economy. In today's marketplace, it's best to pay attention to global, national, regional, and local economic realities. True that local issues and trends play the biggest role, but a more comprehensive picture should not be ignored. That which is taking place in another part of the country or world could easily have local ramifications in the years, months, or even days ahead.
- 3. Recent activity. Study the past 7 months, 7 weeks, and 7 days. Are things heating up, slowing down, or relatively flat?
- 4. Days on the market for "sold" properties. Consider significant changes, such as a potential shift from a buyer's market to a seller's market, and vice-versa.
- + Are there other critical areas to study and consider? Of course, but the above 4 issues are a good place to start. Your agent and their team will help you collect and analyze other meaningful data so that you are better able to be a "smart consumer."



# **3 Key Questions and Answers About... “The Lead-Based Paint Disclosure” for Home Sellers**

Question #1: Which homes are covered by “The Lead-Based Paint Disclosure” Rule?

- Answer: Most housing built before 1978.

Question #2: What does the law require of home sellers or landlords?

- Answer: Disclosure of known information on lead-based paint and lead-based paint hazards, plus notification of home buyers’ rights on issues like inspections, information pamphlets, etc.

Question #3: Are there any good sources for additional information on the subject?

- Answer: Yes; your real estate agent should be helpful. You might also consider going to [www.HUD.gov](http://www.HUD.gov) for phone numbers and detailed information online.

# **3+ Sets of “Fair Housing” Laws for Home Buyers and Sellers**

## 1. The Federal Fair Housing Laws

- These laws cover the seven federally-protected classes, and spell out many do’s and don’ts, as well as many rights and responsibilities.

## 2. State Fair Housing Laws

- Many states have enacted additional fair housing laws above and beyond the federallymandated laws. In some cases, additional protected classes have been added, or extra rights or responsibilities spelled out.

## 3. Local Fair Housing Laws

- Some municipalities, counties, districts, etc. have formulated fair housing laws in addition to federal and state laws. With this in mind, all parties should become familiar with the local requirements where the property is located.

- + Keep in mind that all of the above-referenced bodies of fair housing laws might apply in your area. Normally, if one set of laws conflicts with another, the most restrictive will likely prevail. Consider checking with your legal counsel for questions, concerns, and clarification of any legal issues or items.

# Short Sale Checklist of Necessary Paperwork: 17 Key Items

- 1. Authorization to release information.
- 2. Recent mortgage statements for all lenders (first, second, etc.).
- 3. Delinquency notices, notice of trustee's sale, notice of default, and any other documents that seller has received, or will receive, from lenders.
- 4. Signed hardship letter—a letter that states the events and reasons that caused the owners to be unable to make their house payments. Counsel the seller to be brief, and to not blame the lender.
- 5. Last 2 months' bank statements from all banks where the owners have accounts (checking and savings).
- 6. Financial statements: show income sources, savings assets, and expenses of the owners. Most lenders will want this.
- 7. Last 2 years' federal tax returns (first two pages and W-2s only).
- 8. Last 2 months' pay stubs, or a letter from the borrowers stating why there are no pay stubs.
- 9. Profit and Loss statements (if self-employed).
- 10. Bankruptcy discharge letter (if applicable).
- 11. Proof of Disability (if applicable).
- 12. Listing agreement and amendments showing price adjustments.
- 13. MLS printout.
- 14. One-page CMA (3 solds, 3 activities, no MLS printouts).
- 15. Pre-approval letter for the buyers.
- 16. Preliminary HUD with the title company contact name and email address.
- 17. All other necessary documents requested by the specific lender.

## **5 Important Ingredients for Picking the Right Real Estate Firm to Represent You in the Sale of Your Home**

- 1. Does the firm regularly represent sellers in your area? If you want results, look for the company that is a dominant player in your geographic area. Remember: a company that already represents a good number of sellers is inclined to also have the largest pool of buyers for your property.
- 2. What type of local and global exposure will your property receive? You are looking for the largest possible pool of quality buyers to compete for your home. The firm you select should have global connections as well as excellent local coverage.
- 3. Will you get maximum online exposure? Well over 70% of home buyers today go online to shop. What tools and systems does the agency use to enhance your chances in this arena?
- 4. Does the company have a quality name and reputation for sticking with consumers from start through closing, and beyond? Needless to say, your home is a large investment, and not something to gamble with or leave to chance.
- 5. The best value for your money when choosing a real estate company is seldom the one with the lowest fees. Focus on results; go with a proven winner. To net more at closing, you must first get there with the best buyer.

## **5 Key Items to Minimize Unpleasant Surprises When Selling Your Home**

- 1. Independent appraisal...by a licensed appraiser.
- 2. Preliminary title report...will inform a homeowner of any liens that might be on the property.
- 3. Inspection by local municipal building inspector(s)...to advise in any building code or zoning violations.
- 4. Home Inspection...having a licensed home inspector complete a professional home inspection will assist you, the homeowner, in making sure all mechanical systems are in good working order. A home in good working order will sell faster than a home in need of repairs.
- 5. Plat of survey...will notify a homeowner and prospective buyer of the actual lot lines of the property and indicate any encroachments.

## **6 Truths about Today's Marketplace That Every Home Seller Needs to Know**

- Truth #1: Buyers buy after “shopping around.” In their search for the best buy, they are comparing your property to the others currently on the market.
- Truth #2: Sellers control the pricing and salability of their homes, but buyers control VALUE. A property is worth what the market (buyers) will pay.
- Truth #3: If a property sits on the market for more than a few weeks, it gets shop-worn (stale...like an old donut). Price it right in the beginning while it's fresh and buyer interest is at its peak.
- Truth #4: Most properties must be sold three (3) times...
  - First...to the real estate agents who have the buyers; if they don't see it as a decent value, they may not show it.
  - Second...to the buyers; if they don't see it as an attractive offering, they'll look elsewhere.
  - Third...to the lender who will make the loan, and the lender's appraiser; if this group doesn't see the value...no loan.
- Truth #5: What it means if...
  - No showings: Agents don't see your offering as worthy of showing to their buyers, or buyers themselves aren't interested enough to look.
  - No offers: Buyers don't see enough value to even negotiate or try to buy.
- Truth #6: Overpriced properties actually help well-priced properties to sell.

## **7 Questions a Seller Should Ask The Agent Prior to Making An 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 sellers (ex: how many sellers did your company serve last year)?
- 3. What checklists and systems does the agent have to help you, the seller, stay on track?
- 4. Does the agent have information to help buyers find a lender, including "[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 marketing system?
- 7. Does your agent appear trustworthy, caring, and committed to helping you reach your goals?

# **7 Steps to “Safe Selling” That Every Home Seller Should Consider**

- 1. Do an honest, detailed “Seller’s Disclosure.” Check with your agent and/or attorney for details.
- 2. Offer a “Home Warranty/Protection Plan” to the buyer of your property. See “[Home Warranty Policy Checklist...For Sellers.](#)”
- 3. Remove valuable personal property like jewelry, etc. before allowing your home to be shown.
- 4. Have a lock-box system placed on or by the front door. If this is not possible, have some other system to track who shows the property.
- 5. Have all necessary inspections that can be done before buyers look at your property. Examples include, but are not limited to: building codes, municipality inspections, title work, etc. This lessens the chance of you losing a buyer due to a surprise after accepting a contract. See “[The 8 Interior Items That Buyers REALLY Notice.](#)”
- 6. Never show your property to someone who hasn’t been properly pre-qualified.
- 7. Hire a real estate agent/company or real estate attorney to represent and guide you through the many details of the home-selling process. See “[7 Questions a Seller Should Ask An Agent Prior to Making An Agent Selection.](#)”



## **8 Critical Issues to Consider When Negotiating the Sale of Your Home**

- 1. Is the buyer qualified...ready, willing, and able?
- 2. How long has your property been on the market?
- 3. Given the market conditions, how attractive is the offer?
- 4. Does their offer “as is” allow you to meet your original set of goals and timetable?
- 5. Where, if anywhere, are you able to compromise?
- 6. If you counter their offer, you’ve bought the property back on those same terms and conditions. Are you willing to risk the buyer “walking”?
- 7. Make a list of the strengths and weaknesses of the offer.
- 8. Considering the terms and conditions of the offer, is this offer in your best interest, both emotionally and financially?

## **12 “Don’ts” Every Home Seller Should Know...**

- 1. Don’t overprice your home. It will cost YOU money!
- 2. Don’t be surprised if the first offer on your property is the best offer you receive.
- 3. Don’t let your property sit on the market too long before making a significant change in price, or it will get stale. See “[the Value of Your Home.](#)”
- 4. 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 marketing system.
- 5. Don’t list with a real estate agent just because they charge the least, or the most. Look for the best VALUE. Consider the company’s track record with sellers and buyers.
- 6. Don’t look just at the price the buyer offers. Analyze the total package, including buyer qualifications, contingencies, closing dates, etc.
- 7. Don’t forget that buyers will shop around looking for the best buy. You are in competition with other sellers for your buyer’s attention.
- 8. Don’t forget that if real estate agents don’t see your property as a good value, they will take their buyers elsewhere.
- 9. Don’t believe those who tell you newspaper ads sell homes. You need a COMPREHENSIVE marketing plan tailored to your property and your needs.
- 10. Don’t make it difficult for agents and buyers to see your home. Buyers want to look at their convenience.
- 11. Don’t overlook the value of MERCHANDISING your home...make it look its VERY BEST!
- 12. Don’t forget that you control the pricing of your home, how it looks, and the overall marketing plan. But it is the BUYERS who control value. If buyers won’t pay your price, the house remains yours.

# Looking for an Agent? 15 Questions to Ask

- 1. How long have you been selling real estate?
- 2. What professional real estate designations do you have?
- 3. Are you actively involved in your local Board of Realtors?
- 4. How many homes have you sold in the past year?
- 5. What is your average listing price?
- 6. What is your average listing price to sale price ratio?
- 7. How many homes have you sold in my area?
- 8. What is the average length of time your listings are on the market?
- 9. What specifically will you do to cause our home to sell?
- 10. May we see a copy of your marketing plan?
- 11. What are you willing to spend to market our home?
- 12. What specific procedure will you follow to help establish a price for our home?
- 13. What will you do to keep us informed regarding any changes in the market that may impact our price and terms?
- 14. How often can we expect to hear from you once we've given you the listing on our home?
- 15. May we see your professional service brochure and/or resume?

# **18 Service Providers You Should Consider Using During the Home Selling Process**

- 1. Real Estate Agent
- 2. Home Inspector
- 3. Mortgage Loan Officer
- 4. Environmental Specialists
- 5. Radon Gas Expert
- 6. Lead Paint Test and Inspector
- 7. Well, Septic/Sanitary Systems Inspector
- 8. Building Inspector
- 9. Zoning Inspector
- 10. Soil Testing Expert
- 11. Flood Plain Inspector
- 12. Termite/Pest Control Company
- 13. Surveyor
- 14. Property Appraiser
- 15. Insurance Salesperson
- 16. Attorney
- 17. Title Company
- 18. Moving Company

# **23 Items to Consider When Selecting a Contractor or Home Remodeler**

- 1. Shop around...don't rush into choosing a contractor.
- 2. Get references from friends, neighbors, and family who may have had similar work completed.
- 3. Get at least three written estimates for identical work so you can compare bids.
- 4. Get references from the contractors so you can check on their work.
- 5. Call your local municipality and check to see if there have been any complaints against any of the companies you might consider for your remodeling.
- 6. After you've 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 of 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 the work is to 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 the 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 the contractor will obtain all necessary licenses and permits.
- 18. Specify that the contractor will meet all zoning regulations and building codes.
- 19. Be sure the 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 the contractor guarantees the work, be sure the contract specifically states what is guaranteed, and for how long.
- 22. The 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 Seller Should Be Aware of Before Selling**

- 1. Seller Disclosure Laws
- 2. Lead-Based 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 and selling of real estate in your area.

# **Are you a “Serious Seller?”**

## **Take This Quick Quiz to Find Out**

By answering the following three questions, you will have a better idea of whether you are a truly serious seller. “Serious sellers” tend to net the most amount of money at closing, have the least amount of hassles, and get their desired results in the shortest period of time.

Question #1: Why are you moving?

- Answer: The more compelling your reasons, the more realistic you are apt to be about the realities of your marketplace.

Question #2: What is your timetable for making the move?

- Answer: Most sellers don’t get realistic about the realities of the marketplace until time is of the essence.

Question #3: Are you committed to move?

- Answer: If you are not committed to moving within your stated time frame, you are likely to neglect doing the “little things” that would cause a top-dollar, no-hassle, timely sale.

# **Caution ALL Home Sellers... Avoid Taking Advice From People Who... (Our TOP 10 List of People Whose Advice You Should Avoid When Selling Your Home)**

Avoid People Who:

- 1. Don't know YOUR marketplace.
- 2. Haven't taken time to thoroughly inspect your property.
- 3. Don't know your circumstances in DETAIL...goals, timetable, motivation, etc.
- 4. Like or love you, but don't approach your situation objectively or knowledgably.
- 5. Will tell you what you want to hear, but who don't have the facts or the data that would help you make a more realistic decision.
- 6. Will always have gotten a better DEAL that you could have or should have gotten.
- 7. Talk too much, but never seem to listen. If one doesn't really know your problem, how can they have the BEST solution?
- 8. Always bad-mouth others, but bring nothing concrete to the table themselves.
- 9. Can't show you a logical, detailed action plan that addresses your situation.
- 10. Have no proven track record for results comparable to those you want or need.



# **For Serious Sellers Only...**

## **The “Top-Dollar, Timely Sale, No Hassle” Plan...5 Simple Steps**

If you want...

- Top Dollar
- A Timely Sale
- No Hassles, Such As:
  - Keeping your house clean and tidy for days, weeks, or months
  - Numerous interruptions in your life for “showing appointments”

...this plan is your DREAM COME TRUE. Simply follow the 5 steps below:

- Step 1. Price your house at the lower end of your property’s realistic range of value.
- Step 2. Market your house for two (2) weeks before ANYONE is allowed to view it. No one may see it until you open your house.
- Step 3. Get your house “market ready” during those two weeks. See [“13 Ways to Prepare Your Home for Showings.”](#)
- Step 4. Get your house “open house ready” the day before and the day of your open house. See [“16 Steps to Get Ready for Your Open House.”](#)
- Step 5. Get ready for offers (potentially multiple) the day of your open house. See [“8 Critical Issues to Consider When Negotiating the Sale of Your Home.”](#)

# Home Warranty Policy Checklist...For Sellers

A Home Warranty Policy can protect against costly repair expenses. For a seller, a protection plan may offer an edge over the competition in the current marketplace. The Home Warranty Policy offers protection during the initial listing period, and for one year after the sale of your 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, and from 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
- Above Ground Swimming Pool
- Spa
- Built-in Swimming Pool
- Refrigerator
- Washer/Dryer

# How to Read Today's Market! 3 Simple Steps to Discovering Your Property's Market Value

(Warning...Don't Skip Any of These Steps!)

- Step 1. You must be objective. Take off your seller's hat and put on the hat of an impartial analyst. Look at your property through the eyes of a buyer.
- Step 2. Look at the following general market data:
  - The local, state, and national economic picture with emphasis on the employment and population growth
  - Interest rates
  - Housing supply/demand for the community and for your specific neighborhood
  - How quickly properties are selling
- Step 3. Compare your property to comparable properties in the following four categories to appraise how yours objectively stacks up:
  - Current competitive listings
  - Current competitive properties under contract or waiting to close
  - Recent competitive "SOLDS" (past 24 months, with special emphasis on the last 6 months)
  - Properties that have failed to sell in the past 12 months

# Seller's Net...How Much Money Will Go Into Your Pocket?

The costs associated with selling your home typically include the following items:

- 1. Mortgage payoff \$ \_\_\_\_\_
- 2. Interest payment from the day of closing until the payment reaches the lender \$ \_\_\_\_\_
- 3. Proration of real estate taxes \$ \_\_\_\_\_
- 4. Closing fees charged by the closing company \$ \_\_\_\_\_
- 5. Title policy fees \$ \_\_\_\_\_
- 6. Survey charge \$ \_\_\_\_\_
- 7. Brokerage compensation \$ \_\_\_\_\_
- 8. Other \$ \_\_\_\_\_

Total Fees \$ \_\_\_\_\_

Sales Price \$ \_\_\_\_\_

Less: Total Fees \$ \_\_\_\_\_

Net to You \$ \_\_\_\_\_

# Stop...Look...Listen...A Warning to ALL Home Sellers: 5 of the Top Reasons Why Buyers Pick the House They Do

## 1. Price

- ...believe it or not, PRICE ranks higher than location in most studies on this issue.\*

## 2. Neighborhood

- ...pride of ownership, homogeneity of the area, physical attractiveness of the streets, etc.

## 3. Schools

- ...high ratings and diversity of schools add to the overall market demand for an area, especially for home buyers with school-age children.

## 4. Work

- ...proximity to, diversity of, and overall stability of jobs.

## 5. Shopping

- ...people shop out of both need and desire.

\*Of the above-mentioned items, you as a seller have control over only one... PRICE...so price it right from the start while it's fresh to the market.

# **Have I REALLY Sold My House? 6 Essential Elements That Most Real Estate Contracts Must Have to be Valid and Enforceable**

- 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 the seller clearly understands the terms of the 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.

# Seller Goal Worksheet

Price Range:

From \$\_\_\_\_\_ to \$\_\_\_\_\_

Sale Price:

What does the seller need to net? \$\_\_\_\_\_

Cost to remain in the present house:

\$\_\_\_\_\_

Time Frame:

- 30 – 90 days
- 90 days

Cost to remain in the present house:

Monthly payment: \$\_\_\_\_\_

Portion of payment that is interest: \$\_\_\_\_\_

## After an Offer is Received:

What are the buyer's qualifications?

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Other important considerations about the offer:

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**GETTING A LOAN:  
FINANCING & MONEY  
MATTERS TO CONSIDER**



# **7 Key Financial Matters That Matter Most AFTER You Buy a Home**

- 1. Keep your homeowner's insurance updated. Your insurance agent is your partner in this critical matter. Have an annual review to reassess goals, priorities, and changing personal and market realities.
- 2. Rebuild your financial reserves. Home ownership does include having the funds for maintenance and repairs, plus the money needed for big-ticket items, like a new furnace.
- 3. Don't over-improve your home for your area, unless you can afford the improvement under the category of "luxury items." Your real estate agent will be able to assist you with information from annual reports on cost vs. value for major home improvement projects.
- 4. Refinance if rates fall enough to offset the cost to redo your loan. Be sure your plan includes staying long enough to benefit from the lower rate.
- 5. Don't tap into your home equity without objectively weighing the pros, cons, and the many financial ramifications. See your tax advisor or financial planner for help before following the herd.
- 6. Make your payments in a timely fashion each and every month. If you run into a pinch, seek help. Keep in mind: your credit score is at risk.
- 7. Keep abreast of real estate-related matters in your area, and globally. For many of us, our home is our largest—or at least a major—investment. Treat it with care.

# The Money Game...5 “Street Smart” Tips Worth Remembering When Shopping for a Loan

- 1. Lenders typically prefer lending money to people who want to borrow money rather than those who desperately need help. Bottom line: they want to lend money to credit-worthy “good bets.”
- 2. Within reason, the one who owns the money makes the rules about the “money game.” Granted, there are many laws regulating “fair play” to protect consumers, but in the end, investors will elect to not play the game if they don’t think they can win (and yes, it can be a win-win for ALL parties).
- 3. If a loan program or lender sounds too good to be true, you’re not hearing the whole story. True, some lenders have superior value packages when compared to their competitors, but oftentimes it is similar to shopping for a new car: most lenders try to stay competitive. Ask questions, listen, take notes, and crunch numbers...and get help, if needed.
- 4. Don’t ignore the total cost of the loan packages you’re considering. Paying attention to the APR (annual percentage rate) will help you somewhat, but the “lowest rate” does not come close to covering the whole story. There are many other costs associated with the loan, like points, fees, and a variety of other closing cost issues.
- 5. Other than the property and location of the property, the loan program and lender you select is a critical part of the real estate money game. Have your agent help you stay focused on playing smart.

# The 5 Key Factors That Make Up YOUR Credit Score

Lenders use many factors in determining loan approval, but your credit score can have a major impact on the loan decisions. The following five ingredients make up your credit score:

- 1. Are your payments made on time?
  - ...Approximately 35% of your credit score is based on “Payment History.”
- 2. How much do you owe?
  - ...Approximately 30% of your score is based on your “Credit Balance.”
- 3. How long have you had credit?
  - ...Approximately 15% of your credit score is based on “Length of Credit History.”
- 4. What types of credit do you have?
  - ...Approximately 10% of your credit score is based on “Your Types of Credit,” like charge cards, auto and home loans, unsecured loans, etc.
- 5. Have you recently opened new accounts or added debts?
  - ...Approximately 10% of your credit score is based on “New Credit.”

See your real estate agent for their three (3) most popular checklists on securing the best loan for you, including “No down/low down” payment options!

## **3 Proven Steps to Improve Your Credit Score**

Is it true that “good credit” has the potential for BIG rewards? Yes, and a bad credit score rating can cost you thousands of dollars. The higher your credit score, the less you’ll pay for a mortgage. So, here are three proven steps to becoming a smart borrower by raising your credit score.

- Step #1: Build a great payment history. Paying bills on time is the single-most critical factor that impacts your score. Remember: no credit history results in no credit score. If you’re new to the credit game, it’s best to start with something like a credit card (one) and build from there. Try to pay your monthly balance in full from the start. Develop good habits.
- Step #2: Cut your credit card balances ASAP, and then start paying your monthly balance in full when possible. But don’t rush out and close unused lines of credit. Simply avoid using any you can’t pay in full at the end of the month.
- Step #3: Minimize new credit applications. Applying for credit triggers a “check” on your credit report. Your credit score can be lowered by too many credit inquiries.

Even though the enhancement of your credit score does take time, it’s worth the effort. Develop good habits that will pay great dividends for years to come.

## **3+ Characteristics of a Quality Lender**

- 1. Straight-shooters. No double-talk, no hidden fees, and free from unpleasant surprises.
- 2. Competitive. Not necessarily what appears to be the cheapest, but a solid value nonetheless. Keep in mind: the “straight-shooters” are not going to sound competitive when compared to the jargon-speaking, double-talking competitors who surprise you later in the game.
- 3. A proven track record. Why not consider selecting a lender much like you would a quality restaurant, by talking to others to learn from their experiences?
- + Your real estate agent will be able to give you the names of the lenders that their previous clients have used with positive results. In the end, however, it’s your decision. Select the one that you feel provides you the best options.

# **5+ Key Components to Most Adjustable Rate Mortgages**

## 1. Index rate

- The rate to which the interest rate on an adjustable rate loan is tied. One of the more popular indices used is the one-year U.S. Treasury bill.

## 2. Margin

- The amount added to the index rate that represents the lender's cost of doing business.

## 3. Interest Rate Cap Per Adjustment

- The maximum amount a borrower's interest rate may increase or decrease at time of adjustment.

## 4. Life Cap

- This is the ceiling that the note rate cannot exceed over the life of the loan.

## 5. Amortization

- A period of time in which the gradual repayment of debt occurs by means of systematic payments of principle and/or interest. At the end of the time period, the balance is zero.

## 6. Others:

- Convertibility Option
- Pre-Payment Option
- Payment Cap Option
- Deferred Amortization

## **5 Questions to Ask Yourself When Shopping for the Best Loan**

- 1. How long will I own this property?
  - The shorter the stay, the more you should search for minimal closing costs, at the expense of a slightly higher rate.
  
- 2. Is there a type of loan that makes me feel most comfortable?
  - Some people want to know that their payment (P&I) will never change (fixed rate).
  
- 3. Does it matter to me who services the loan (to where and to what group I make my monthly payments)?
  
- 4. If given the choice, do I want to do my own escrow accounts, or would I prefer the lender handle this matter?
  
- 5. Do I want a “brand name” lender (one I know), or am I willing to try a company that’s new to me?

\*See “[14 General Questions to Ask All Lenders](#)”

## **6 Ideas on “How to Buy a Home with Little or No Money Down”**

- 1. Zero down payment, or little down
  - VA
  - FHA
  - Conventional
  
- 2. Government Assistance Loan (check with Local Municipal Housing Agency)
  
- 3. Seller Financing...second mortgage or whole thing
  
- 4. Gift from family or friend
  
- 5. Lease Option...Rent Credit
  
- 6. Partnership Program



## **6 Items That Combine to Make Up Your Monthly Mortgage Payment**

- 1. Principal balance: this represents the money you originally borrowed and are paying back over the life of the loan.\*
- 2. Interest on loan amount.\*
- 3. Real estate taxes: Normally, 1/12 of the most recent tax bill. \*\*
- 4. Insurance (Home Owners): Normally, 1/12 of the yearly policy amount. \*\*
- 5. Private Mortgage Insurance (PMI)\*\*\*
- 6. Assessments (if any...condo, townhome, single-family home).

\*Almost every borrower's payment will include both principal and interest.

\*\* Most borrowers have payments that will include principal, interest, taxes, and insurance (unless the lender doesn't require escrows of real estate taxes and insurance).

\*\*\*Some borrowers who have less than 20% down are required to pay Private Mortgage Insurance (PMI). Depending on the type of dwelling you purchase, you may or may not be required to pay assessments.

# **6 of the Most Popular Mortgage Options**

1. 30-year conventional fixed-rate loan

*Benefits include:*

- Monthly payments for principal and interest remain the same over the life of the loan (no surprises).
- Lower monthly payments when amortized over a 30-year payment period (360 payments).

2. 15-year conventional fixed rate loan

*Benefits include:*

- Monthly payments of principal and interest remain the same over the life of the loan (no surprises).
- Substantial savings of interest over the life of the loan (example: \$100,000 loan at 8% amortized over a 30-year period, the total interest paid is \$164,166.27. The same loan amortized at the same interest rate over a 15-year period is \$72,017.41. The money saved in interest is \$92,148.86).

3. No-Point/Zero Closing Cost Loans

*Benefits include:*

- Less cash needed at closing; the interest rate will usually be  $\frac{1}{2}$  to  $\frac{3}{4}$  of a percentage point higher when compared to loans that have points to pay at closing.

4. 7-year fixed-rate balloon with a 30-year amortization

*Benefits include:*

- Slightly lower rate and/or fewer fees than the conventional 30-year fixed-rate loan.
- Payment of principal and interest remains the same over the 7-year period of time.

\*Remember: at the end of the 7 years, you will need to pay off the remaining balance with a lump sum of cash, or refinance the remaining loan amount.

5. Adjustable Rate Mortgage (ARM)

There are many options with adjustable rate mortgages. The most popular tends to be the 1-year adjustable rate mortgage with a 30-year amortization schedule.

*Benefits include:*

- Lower interest rate for the first year
- Easier to qualify for the loan amount
- You can qualify for a larger loan amount
- In a market when rates are going down, a year ARM offers the ability to adjust downward at the one-year anniversary of your loan.

6. Federal Housing Administration (FHA)

There are many loan products available.

- Easier to qualify for loan programs than conventional financing
- Less down payment needed

# **9 Things Most Lenders Focus on When Evaluating a Property for Lending Purposes**

- 1. Type of property (residential, commercial, agricultural, condo, PUDs, zero lot line, etc.)
- 2. Location (urban, suburban, rural)
- 3. Area Zoning
- 4. Value Range
- 5. Neighborhood (homogeneous/heterogeneous)
- 6. Actual Age/Effective Age/Remaining Economic Life
- 7. Condition (repairs and predications)
- 8. Special clearances (code compliances, well and septic certifications, road maintenance, roofing, plumbing, electrical, structural reports)
- 9. Overall Marketability of Property

# **12 Things to Consider When Getting a Fixed-Rate Loan**

- 1. Interest rate
- 2. Total number of points (including loan origination fee)
- 3. Annual percentage rate
- 4. Length (repayment term) of loan
- 5. How long is the rate quote guaranteed? Explain.
- 6. Is the loan assumable? If yes, explain.
- 7. Is there a pre-payment penalty? If yes, explain.
- 8. Is PMI coverage required? If yes, explain the details, including initial premium and renewal charges
- 9. What will our payment (P&I) be?
- 10. What are the estimated closing costs of this loan?
- 11. What fees, if any, do we pay at application? When are other fees paid?
- 12. Do my monthly payments include escrow payments?  
Taxes? Insurance?

# **14 General Questions to Ask All Lenders**

- 1. Based on our situation, what looks to be the best program for us? Why?
- 2. What is the projected time for processing and closing a loan?
- 3. If PMI (Private Mortgage Insurance) is required, when and how does it go away?
- 4. What about your...Rates – Terms – Fees...are they all negotiable?
- 5. What standard underwriting guidelines do you follow? Are there any special underwriting guidelines.
- 6. What is your most popular loan program?
- 7. Who services your loans?
- 8. Six months to a year from now, what will make this loan look good/bad to most borrowers?
- 9. What are your standard and special fees?
- 10. What, if any, escrow requirements exist?
- 11. What if rates go down during the “lock-in” period?
- 12. Who is our contact person after application for progress reports?
- 13. What do you need from us to get our load approved?
- 14. Do you have any concerns about our ability to get a quick loan approval?

\*See also: [“26 Questions to Ask When Getting an ARM Loan”](#) and [“12 Things to Consider When Getting a Fixed-Rate Loan.”](#)

# **26 Questions to Ask When Getting an ARM Loan**

- 1. Initial Interest Rate
- 2. Actual Note Rate
- 3. Total number of points (including loan origination fee)
- 4. Annual Percentage Rate
- 5. Length of loan
- 6. Index used
- 7. Today's value of said index
- 8. Margin used
- 9. Is there a payment cap? Explain.
- 10. Does the loan have any potential deferred interest? If yes, explain.
- 11. Does the loan have the standard positive amortization? If no, explain.
- 12. How often is the rate subject to change?
- 13. Is there a per adjustment interest rate cap? If yes, what is it?
- 14. Is there a lifetime interest rate cap? If yes, what is it?
- 15. Are the caps based on the note rate, or the initial interest rate? Explain.
- 16. How long is the rate quoted guaranteed? Explain.
- 17. Is the loan assumable? If yes, explain.
- 18. Is there a prepayment penalty? If yes, explain.
- 19. Is there a conversion feature? If yes, explain.
- 20. Is PMI coverage required? If yes, explain details, including initial premium and renewal charges.
- 21. What will my initial payment (P&I) be?
- 22. Under a worst-case scenario, show monthly payments for the next \_\_\_\_\_ years.
- 23. What are the estimated closing costs of this loan?
- 24. What fees, if any, do we pay at application? When are the other fees paid? Explain.
- 25. Will my monthly payments include escrow payments (taxes & insurance, etc.)? Explain.
- 26. Please explain all other details of this program that we have not addressed.

# CASH STRAPPED? Down Payment Obstacles Can Be Overcome with Some Creativity!

You have the monthly income, and you have good credit. Now there's only one thing standing in the way of you purchasing your first home: the cash.

If you have relatives who'll give you the cash you need, great. Studies show first-time home buyers often receive assistance from a relative.

If you aren't likely to receive a gift or an inheritance when you're ready to buy, there are a few other options you can consider:

## Seller Financing

- If you can qualify for an 80 or 90 percent mortgage but are missing some of the down payment, consider asking the seller to take back a second mortgage for the amount you need. If you have 15 percent of the purchase price (plus some cash for closing costs), you might ask the seller to take back another 5 percent so you can qualify for an 80 percent loan-to-value mortgage and avoid Private Mortgage Insurance.

## Mortgages

- Consult with your lender to see what the limitation will be for that second loan. You might also ask the seller to take back the entire mortgage (if he or she doesn't need the cash for another purchase) which may be easier and cheaper than using a conventional lender.

## Lease with an Option to Buy

- If you find a house you like, ask the seller if you can rent with an option to buy. Typically, the seller will take a portion of the monthly rent check and credit it toward the down payment. How much is the credit? Anywhere from zero to 100 percent is common. You may have to put up a non-refundable option fee but the amount of the fee is negotiable. You should consult with an attorney to protect your interests.

## Zero Down Payment Loans

- Although not always readily available in all market cycles, it is worth pursuing based on your needs and financial strength. Check with your real estate agent for contacts and resources who might have just what you need/want.

# Evaluating Yourself from a Lender's Point of View...5 Critical Areas to Consider

- 1. Ability to repay the loan
  - Income
  - Employment
  
- 2. Assets
  - Liquid (savings, checking, CDs, etc.)
  - Other (personal property, real estate, etc.)
  
- 3. Liabilities
  - Revolving and installment accounts
  - Child support and alimony payments
  - Pledged assets, unsecured loans
  
- 4. Attitude toward repayment
  - Credit report
  - Explanation of derogatory items (judgments, late payments, tax liens, collections, etc.)
  - Mortgage history rating
  
- 5. Qualifying ratios
  - Normally, your total monthly housing payment should not be more than 28% of your gross monthly income.
  - Normally, your total monthly housing payment plus your other monthly recurring debts combined should not be more than 36% of your total monthly gross income.



# Home Loan Application Checklist

## HOME FINANCING INFORMATION

Monthly Income	Borrower	Co-Borrower
Base pay		
Commissions		
Bonuses		
Tips		
Overtime		
Part-time		
Savings interest		
Dividends		
Rental from real estate		
Alimony, child support		
Other		

### ANTICIPATED MONTHLY HOUSING COSTS

First mortgage: \$ \_\_\_\_\_  
 Other financing: \$ \_\_\_\_\_  
 Property taxes: \$ \_\_\_\_\_  
 Hazard insurance: \$ \_\_\_\_\_  
 Mortgage insurance: \$ \_\_\_\_\_  
 Utilities: \$ \_\_\_\_\_

### PURCHASE INFORMATION

Purchase price: \$ \_\_\_\_\_  
 Estimated closing costs: \$ \_\_\_\_\_  
 Insurance, taxes held  
 in escrow: \$ \_\_\_\_\_  
 Down payment: \$ \_\_\_\_\_

### ASSETS

*Note: Have account numbers or other ID ready for the lender.*

Checking/savings accounts: \$ \_\_\_\_\_  
 Stocks & bonds: \$ \_\_\_\_\_  
 Real estate: \$ \_\_\_\_\_  
 Vested interest in  
 retirement fund: \$ \_\_\_\_\_  
 Life insurance net cash value: \$ \_\_\_\_\_  
 Automobiles: \$ \_\_\_\_\_  
 Furniture, personal property: \$ \_\_\_\_\_  
 Other: \$ \_\_\_\_\_

### LIABILITIES

*Note: Be ready with documentation of loans, account numbers, terms of loans, and balances.*

Installment loans, including:  
 Charge accounts: \$ \_\_\_\_\_  
 Stock pledges: \$ \_\_\_\_\_  
 Real estate loans: \$ \_\_\_\_\_  
 Auto loans: \$ \_\_\_\_\_  
 Alimony, child support: \$ \_\_\_\_\_  
 Maintenance payments: \$ \_\_\_\_\_

### REFERENCES AND HISTORY

*Note: Offer the lender a list of credit references, including creditors' names and addresses, account numbers, highest balances, and "paid-in-full" dates.*

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# **5 Types of Mortgages That Will Help You Save Thousands\***

1. Bi-Weekly

- ...save on interest

2. 10- and 15-year Loan versus 30-year Loan

- ...save on interest

3. GEM, or Growing Equity Mortgage

- ...save on interest

4. No Pre-Payment Penalty Loan

- ...save on penalties

5. Private Financing

- ...save on closing costs

\*See “[6 of the Most Popular Mortgage Options](#)”

**PRICING & APPRAISAL:  
WHAT'S THE HOUSE  
REALLY WORTH?**

# **The 6 Often Overlooked Trends and Market Conditions That Measurably Impact Your Property's Value**

- 1. Current Interest Rates
- 2. The Current Economy (Local-Regional-National-Global)
- 3. Days on the Market for SOLDS
- 4. The Local Absorption Rate (Supply & Demand)
- 5. Demographic Realities
- 6. What's in the News???

# The 4 Primary Bits of Data That Make Up a “CMA”

## 1. Competitive Solds

- These are the properties that have recently sold that are similar and in the same areas as the subject property. The best comparables are the most recent “solds.”

## 2. Competitive Under Contract/Pending

- This category is especially valuable in a very “hot” market where properties are selling in days and values are moving up fast. It reflects the most recent absorption rates.

## 3. Competitive Listings

- These properties tie in closely with the principle of “substitution,” which states that a typical buyer will pay no more for a property than what it would cost them to buy an equally-desirable property. Most buyers buy after shopping around for the best value for their money.

## 4. Competitive Expires (Failed to Sell)

- These are the properties that didn’t sell because, after all things were considered, they were priced too high. Be sure to have your agent show you the number of listings that expire in the area. It’s a reality check on what might happen to any property owner who is not in sync with the market.

## Plus...

- Your agent will help you better understand what is a “comparable” (competitive property). Your agent will also discuss with you “The 6 Often Overlooked Trends and Market Conditions That Measurably Impact Your Property’s Value.”

# **“Solds”... Plus 3 Other Critical Pieces to the CMA Puzzle**

Yes, comparative “sold properties” have always been and continue to be a valuable category of data to consider when estimating a property’s current market value. But a comprehensive CMA (Competitive Market Analysis) should also include the following 3 ingredients:

1. Current Competitive Listings

- These are the properties that are in competition with the subject property for today’s qualified, motivated buyers.

2. Current Competitive Pending Sales (Under Contract Properties)

- These are properties that are awaiting closing. In a “boom market,” this category of data best reflects rapidly-rising values.

3. Recent “Failed to Sell” Properties (Expired Listings)

- These properties show two things: not all properties that are “listed” get sold, and insight into the clues of the “breaking point” of value in the marketplace.

Also see [“4+ Trends and Market Conditions That Might Impact a Property’s Current Value.”](#)

# **Challenge the Appraisal???**

## **6+ Key Ingredients**

- 1. Do you have quality data that supports your findings?
  - Facts
  - Good Comparables
  - Other supporting information (back-up offers, etc.)
  
- 2. Did your offer to share your information with the appraiser?
- 3. Did you meet the appraiser at the property?
- 4. What have other agents said about the property?
  - Price
  - Staging
  - Other Comments
  
- 5. Are the appraiser's reported facts/data accurate?
- 6. Who is the "right person" to contact to appeal?

# **The 2 Most Essential Elements to “Reading” a Real Estate Market**

## 1. You MUST be Objective!

- It’s not about thoughts or feelings; the key is to view the facts as they are without bias or prejudices in any direction.

## 2. No Shortcuts in Your Research and Analysis

- You must be ready, willing, and able to do the research and data collection that covers all key ingredients to value (see CMA). Remember: garbage in equals garbage out. If your data is not accurate or complete, your analysis is of no value.



# **The 3 Approaches to Value Used by Real Estate Appraisers and Which One is Normally the Best Indication of Value**

- 1. The Sales Comparison Approach (or Market Data approach)
  - With this approach, the appraiser estimates the value of a property by comparing it to other recent competitive SOLDS, under contracts, current listings, and expired listings. Normally, the competitive and most recent SOLDS are given the most weight in the final analysis. This is normally the best approach to value for residential properties, one to four family units.
  
- 2. The Cost Approach
  - This approach takes into consideration the value of the land, the cost to build, depreciation, site improvements, etc. This approach is also sometimes called the summation approach. It is most helpful when appraising special purpose properties.
  
- 3. The Income Approach
  - This approach is based on the present worth of the future rights to income. It's best used for the valuation of income producing properties like office buildings, apartment complexes, etc.

# **4 Characteristics of Value Every Seller Should Remember**

## Demand

- Demand is in the eye of the beholder; it varies from person to person. The demand for a particular piece of real estate changes as the wants of each individual change.

## Utility

- In order for real estate to have value, it must have usefulness, or utility. Usefulness creates a desire for possession, and has the power to give satisfaction. Will the typical buyer in the marketplace have their needs met by purchasing your home?

## Scarcity

- In order for real estate to be of value, it must be relatively scarce. If too many houses like yours are for sale, it will negatively impact the value of your home.

## Purchasing Power

- Purchasing power is created by desire. Can the buyer who desires the property afford the property? The more people who can afford the property, the better.

## **5 Reasons Why Pricing Your Home Correctly in the Beginning is So-o-o-o Important**

- 1. Your home is most likely to sell for top dollar when it's fresh to the market.
- 2. Buyers buy after they shop around; they're in search of the best buy. If your home is priced too high, it will make the other homes look more attractive.
- 3. Your property will need to be appraised. If it appraises below the contract price, you may have a problem.
- 4. Other than possibly location, price is the most critical item that both buyers and real estate agents look to when selecting homes to view.
- 5. Negotiations...if priced too high, it's possible that no one will seriously consider or see the benefit of starting the negotiations. The more accurately priced the property is, the less likely the buyer is to start the negotiations with a "low-ball" offer, or to even see the need to negotiate.

# **7 Things Every Consumer Needs to Know About a Real Estate Appraisal**

- 1. It is an objective opinion of value; it is not an exact science. If three appraisers appraise the same property, they might assign three different estimates of value.
- 2. Most sellers, buyers, and lenders want an appraisal that reflects the market value rather than the insured value, assessed value, sentimental value, or other types of value.
- 3. An appraiser's estimate of value typically reflects the current market conditions in the subject property's marketplace. This can change dramatically if market conditions shift.
- 4. The appraiser's estimate of value reflects the most probable price the property will sell for without special considerations or circumstances.
- 5. The best indicator of market value for residential property is found by applying the sales comparison approach.
- 6. Most lenders base a buyer's loan amount on either the sales price or the appraised value of the property—whichever is less.
- 7. Many home buyers today are writing their offers to purchase subject to the property appraising at or above the sales contract price.

# **8 Different Kinds of Value and the One That Most People Care About...**

- 1. Assessed Value
- 2. Insurance Value
- 3. Salvage Value
- 4. Use Value
- 5. Replacement Value
- 6. Reproduction Value
- 7. Sentimental Value (Homeowner's Value)
- 8. Market Value\*

\*Market Value is the type of value most often pursued in the typical residential real estate transaction.

# **17 Things That Every Appraiser Considers When Comparing Your Property to Other Properties in the Marketplace**

- 1. The market conditions on the date of the sale.
- 2. Location, location, location.
- 3. The site-view, both looking AT the property, and looking out FROM the property.
- 4. The design and appeal of the dwelling.
- 5. The quality of the construction.
- 6. Age of property.
- 7. Condition of property.
- 8. Total number of rooms.
- 9. Number and types of rooms (bedrooms, bathrooms, etc.).
- 10. Square footage (gross livable area).
- 11. Is there a basement?
- 12. Is the basement finished? If so, number and types of rooms.
- 13. How functional is the property (good, average, fair, poor)?
- 14. Is there central air conditioning?
- 15. What type of car storage is available (garage, carport, etc.).
- 16. Are there any special features that your property offers (porches, patios, pool, fireplace, special heating/cooling equipment, skylights, etc.)?
- 17. Were there any special financing or sales considerations that might have impacted value for the comparable properties?

# **22 Items to Consider When Shopping for a Neighborhood**

- 1. Neighborhood build-up:
  - Over 60%
  - 30-80%
  - Under 30%
- 2. Growth rate for area:
  - Fully-developed
  - Rapid
  - Steady
  - Slow
- 3. Property values:
  - Increasing
  - Stable
  - Slow
- 4. Supply/Demand
  - Shortage
  - Stable
  - Slow
- 5. How long does it take for a home to sell?
  - < 3 mos.
  - 4 – 6 mos.
  - >6 mos.
- 6. Present land use
  - \_\_\_\_% single-family
  - \_\_\_\_% 2 – 4 units
  - \_\_\_\_% apartments
  - \_\_\_\_% condos
  - \_\_\_\_% commercial
  - \_\_\_\_% vacant
  - \_\_\_\_% industrial
- 7. What is the probability of the land use changing in this area?
  - Not likely \_\_\_\_
  - Likely \_\_\_\_
  - Very likely (how soon?) \_\_\_\_
- 8. Are most occupants in:
  - \_\_\_\_% homeowners
  - \_\_\_\_% tenants
  - \_\_\_\_% vacant
- 9. Single Family price range:
  - \$\_\_\_\_\_ to \$\_\_\_\_\_
  - Predominant Value \$\_\_\_\_\_
- 10. Single Family home age:
  - \_\_\_\_ yrs. to \_\_\_\_ yrs.
  - Predominant Age \_\_\_\_

Grade the area on the following items (Good, Average, Fair, or Poor):

- 11. Employment security
- 12. Convenience to employment
- 13. Convenience to shopping
- 14. Convenience to schools
- 15. Adequacy of Public Transportation
- 16. Recreational Facilities
- 17. Adequacy of Utilities
- 18. Property Compatibility
- 19. Protections for detrimental conditions
- 20. Police and fire protections
- 21. General appearance of properties
- 22. Appeal to market

# Updated "X-Rays" Concerning the Value of Your Home

A Simple Feedback System to Help You Reach Your Goals

Feedback from the activity in the marketplace is extremely important. By evaluating the current competition and recent sales, you will gain information to assist in making decisions regarding the current pricing of your home. Most activity will take place in the first 3-4 weeks. After the initial period, the activity may slow down until new buyers arrive in the marketplace.

During this period of time, your property was shown or previewed \_\_\_\_\_ times.

Reporting Period: \_\_\_\_\_ to \_\_\_\_\_

Comments from agents and clients:

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## NEW COMPETITION

Address:	Price:
Address:	Price:
Address:	Price:

## NEW RECENT SALES

Address:	Price:
Address:	Price:
Address:	Price:

## NEW PROPERTIES PENDING...

### RECENT PROPERTIES THAT HAVE GONE UNDER CONTRACT:

Address:	Price:
Address:	Price:
Address:	Price:

### NEW EXPIRED LISTINGS...HOMES THAT FAILED TO SELL DUE TO PRICE:

Address:	Price:
Address:	Price:
Address:	Price:



# **Have I REALLY Sold My House? 6 Essential Elements That Most Real Estate Contracts Must Have to be Valid and Enforceable**

- 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 the seller clearly understands the terms of the 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.

# **NEW CONSTRUCTION**

# **9 of the Most Common “New Construction” Mistakes Many Buyers of Custom Homes Tend to Make**

- 1. Didn't select the best new construction TEAM (agent, builder, architect, etc.). This mistake is one that is tough to overcome.
- 2. Unrealistic expectations for things that are out of the builder's control (ex: weather).
- 3. Plans, specifications, and communication in general were not specific enough so that all parties understood key details. Attention to details matter.
- 4. Rooms too small...especially kitchen, bathrooms, and garage.
- 5. Not enough storage...storage of all types.
- 6. Cut corners on style, materials, and/or quality of workmanship.
- 7. Didn't realize how many little "extras" add up to be a sizeable expense.
- 8. Not “wired” for the future. Enough outlets, amps, etc. are important to meet current and future needs. A good TEAM will help you through the maze in your goal to create a “smart” home.
- 9. Failed to build something that conformed to the area in both design and price/value. Try not to be the most expensive house in the neighborhood.

## **6 New Construction Items You Might Need to Know**

- 1. The sales contract you'll probably sign is not the same—or necessarily very similar—to those used for resale housing.
- 2. Unless you buy one of the last homes to be built on the street, you'll live with construction traffic and realities until your area is complete.
- 3. Your builder wants you to be happy from start to finish, for many reasons. Keep communication between all parties open and ongoing. Follow your builder's game plan for questions, concerns, and call-backs.
- 4. Your house will probably never look exactly like you originally pictured it, and it will never be perfect. Be realistic and fair, to both yourself and the builder. Remember ALL of #3 above.
- 5. If you want or need to be guaranteed an interest rate on your loan that covers you from application through closing, be sure it's offered by the lender you select.
- 6. Which warranties, if any, does the builder's product carry?

# Selecting Your “New Home” Builder...5 Checkpoints to Consider in the Selection Process

- 1. Drive by a few homes that the builder has built over the years. From this exterior inspection, you’ll get an idea of how the builder’s product stands the test of time.
- 2. If there are resale homes on the market built by the builder, take this opportunity to view them for a closer inspection.
- 3. Call or visit face-to-face with several current homeowners who’ve lived in the builder’s product for two or more years. Find out the benefits and realities they’ve experienced first-hand.
- 4. Visit several homeowners who’ve bought in the past twelve months. The testimonials you hear—or don’t hear—should help you immensely.
- 5. Check with real estate professionals and other related vendors to get their input regarding the builder’s product and business practices.

## **4 Keys to Choosing Your Site for New Construction**

### 1. Location

- ...location, location. Nothing will impact your enjoyment of the new home and its value more than location. Please refer to the checklist “[22 Items to Consider When Shopping for a Neighborhood.](#)”

### 2. Site Improvements

- What costs will you have to bear to get the site “user-friendly”? Please refer to items 3 through 14 of “[19 Bits of Data That Will Help You Objectively Evaluate the Building Site.](#)”

### 3. Topography

- Does the lay of the land lend itself to the type of dwelling you’d most like to build? Is the grade acceptable to your lifestyle and conducive to adequate water drainage?

### 4. Soil

- Is the soil good for building, or will you be faced with extra expenses to secure a good foundation?

# **5 Things You Will Avoid if You Buy New Construction**

1. You will avoid...

- An outdated look, both inside and out.

2. You will avoid...

- Questionable mechanical systems (water, heating, cooling systems).

3. You will avoid...

- Poor floor plans, or small, choppy rooms.

4. You will avoid...

- Paying high costs for inefficient mechanical systems and poor insulation.

5. You will avoid...

- Compromising on color, style, and layout, or paying to have things remodeled to fit your lifestyle.

# 19 Bits of Data That Will Help You Objectively Evaluate the Building Site

1. Lot dimensions: \_\_\_\_\_
2. Zoning classification: \_\_\_\_\_

## Utilities:

- |  |         |          |
|--|---------|----------|
| <input type="checkbox"/> 3. Electric       | Public: | Private: |
| <input type="checkbox"/> 4. Gas            | Public: | Private: |
| <input type="checkbox"/> 5. Water          | Public: | Private: |
| <input type="checkbox"/> 6. Sanitary/Sewer | Public: | Private: |

## Streets:

- |  |  |
|--|--|
| <input type="checkbox"/> 7. Access <ul style="list-style-type: none"><li>• Public</li><li>• Private</li></ul>  | <input type="checkbox"/> 13. Street lights <ul style="list-style-type: none"><li>• Yes</li><li>• No</li></ul>                                  |
| <input type="checkbox"/> 8. Surface of street <ul style="list-style-type: none"><li>• Asphalt</li><li>• Concrete</li><li>• Dirt</li><li>• Gravel</li><li>• Other</li></ul> | <input type="checkbox"/> 14. Is building site typical for area? <ul style="list-style-type: none"><li>• Yes</li><li>• No</li></ul>             |
| <input type="checkbox"/> 9. Maintenance of street <ul style="list-style-type: none"><li>• Public</li><li>• Private</li></ul>   | <input type="checkbox"/> 15. Topography  |
| <input type="checkbox"/> 10. Is there storm/sewer system <ul style="list-style-type: none"><li>• Yes</li><li>• No</li></ul>  | <input type="checkbox"/> 16. Size of lot <ul style="list-style-type: none"><li>• Large</li><li>• Average</li><li>• Smaller than most</li></ul> |
| <input type="checkbox"/> 11. Sidewalks <ul style="list-style-type: none"><li>• Yes</li><li>• No</li></ul>  | <input type="checkbox"/> 17. View <ul style="list-style-type: none"><li>• Good</li><li>• Average</li><li>• Fair</li><li>• Poor</li></ul>       |
| <input type="checkbox"/> 12. Curbs/gutter <ul style="list-style-type: none"><li>• Yes</li><li>• No</li></ul>   | <input type="checkbox"/> 18. Does the lot appear to have good drainage, especially near the house?   |
|  | <input type="checkbox"/> 19. Favorable/unfavorable conditions noted from your visual inspection or from the survey.\                           |



# Selecting a Winning Team to Build Your New Home...4 Questions You Need to Ask Yourself

- 1. Who will design your new home?
  - Architect
  - Design/Drafting Service
  - Builder that you hire
  - Plans that you have purchased from a book, magazines, etc.
  - Do-it-yourself
  
- 2. Who will serve as the on-site building inspector to make sure things are done right?
  - Will you hire someone?
  - Do your local laws require spot inspections?
  
- 3. How will you select a builder?
  - Referrals?
  - Yellow pages?
  - Do-it-yourself
  
- 4. Are you really ready to be a part of your home building team?
  - Attitude
  - Knowledge
  - Time
  - Energy
  - Patience

# **Should I Be My Own Contractor?**

## **10 Critical Questions to Ask Yourself**

- 1. Do I know all of the hoops I need to jump through?
- 2. Can I find a lender for the construction loan?
- 3. Can I find a lender for the permanent financing?
- 4. Do I know how to get the building permits needed?
- 5. Do I know how to get my plans and specifications approved by the governing bodies?
- 6. Do I know where to check the details and specifications for the water, sewage, and utilities?

Do I have the time and expertise to...

- 7. Find my own sub-contractors, schedule, and coordinate the sub-contractors?
- 8. Know the proper materials to order and schedule the delivery of the materials?
- 9. Oversee everyone's work, including all required inspections by the lender and/or municipality?
- 10. Am I financially, emotionally, and psychologically ready to tackle "O'Toole's Law?" (O'Toole's Law is...Murphy was an optimist!) It's going to take more time, energy, effort, and money than you originally projected to be your own contractor...are you prepared?

**DOES YOUR HOUSE LOOK  
ITS VERY BEST?**

## **4 Guidelines for Every Homeowner Trying to Fix Up Their Property to Sell**

- 1. Cost doesn't equal value. If you finished off your basement six months ago for twelve thousand dollars, said improvement doesn't necessarily add twelve thousand dollars of value in the eyes of the buyer.
- 2. Put your money where buyers will see it. Examples of good returns might be a fresh coat of paint and sprucing up your front door and entryway. Don't expect to get as good a return on insulation or new wiring.
- 3. Don't over improve! The addition of a fifth bedroom to a house in a subdivision of 3 – 4 bedroom homes may not give you the return you would like. Use typical improvements for your area as a guide.
- 4. Most quality home improvements cause a property to sell quicker but, not necessarily for more money. A timely sale will lessen the carrying costs and stress. Don't underestimate the overall value of “smart” improvements.

## **5 Important Guidelines to Follow When Your Home is Being Shown**

- 1. Leave the property at least ten to fifteen minutes before it is shown, and return after the agent and buyers have left.
- 2. Keep pets outdoors and caged/chained when the house is being shown. It would actually be BEST if all pets could find a new home while the house is on the market.
- 3. Leave a welcome note for the agent and the buyers in a highly-visible place (taped to the front door). The note should welcome them and tell them where the “Home Book,” “Home Feature Sheet,” and other information about the home can be found. See “[16 Key Items to Include in a Home Book That Will Catch a Buyer’s Eye](#).”
- 4. Before vacating the house for showing, do a quick check to make sure items one, two, and three of “[The 6 C’s of Merchandising](#)” have been followed.
- 5. Open drapes, turn on lights, and play soft music. Remember: You are trying to make the buyer FEEL at HOME!

# The 6 C's of Merchandising...

## How to Get Your Home Market-Ready

- 1. Curb appeal...how does your property look from the curb? If potential buyers don't like the looks of the house from the curb, they become disappointed and often won't go into the house.
- 2. Clutter...eliminate it from everywhere: closets, garage, attic, each room, yard, etc.
- 3. Clean...everywhere, everything. People value cleanliness...both in what they see and smell.
- 4. Character and charm...what makes your property special—little decorative touches such as flower arrangements in a room and a fire in the fireplace can all contribute to a special feeling.
- 5. Critique your home objectively...how does it compare to others in the area? What are your property's strengths and potential weaknesses? Highlight the benefits of your home on a "Home Feature Sheet." See "[16 Key Items to Include in a Home Book That Will Catch a Buyer's Eye.](#)"
- 6. Cost vs. Value...spend money in the right places and on the right items to get your home "market ready." See "[Getting Your House Prepared for Showtime.](#)"

# **13 Ways to Prepare Your Home for Showings**

- 1. Arrange the furniture and discard unused items so each room appears as spacious as possible.
- 2. NO matter what the season, consider it spring and do your “spring cleaning.”
- 3. Buy higher-intensity light bulbs and put them in every lamp. They’ll make the rooms look brighter and feel warmer.
- 4. Brighten things with fresh paint. White, off-white, or beige walls make a room look bigger and lighter.
- 5. Clean all of your windows and mirrors so they sparkle.
- 6. Check all closets to be sure clothes are neatly arranged. Keep as few items as possible stored in overhead shelves and on floors.
- 7. Keep kitchen countertops clean and free of clutter. Organize kitchen cabinets and cupboards.
- 8. Clean the oven as well as all other appliances. Polish the chrome on the sink.
- 9. Polish the tub, toilet, and bathroom sink.
- 10. Go through the basement, attic, and garage. Organize them so they appear as spacious, neat, and clean as possible. It’s a great time to have a garage sale!
- 11. Launder draperies and curtains, if needed.
- 12. Shampoo carpets and wax floors. Consider replacing your carpet if it’s worn. You may not recover the costs, but your home may sell faster.
- 13. Get out your tool kit; tighten loose doorknobs, pulls on drawers and cabinets, towel racks, and switch plates. Repair and clean caulking around tubs and sinks. Fix leaky faucets and remove water stains.

# **16 Key Items to Include in a “Home Book” That Will Catch a Buyer’s Eye**

- 1. Plat of survey
- 2. Property description
- 3. Floor plan
- 4. Area facts
- 5. Special features
- 6. Utility costs
- 7. Area schools
- 8. Park district programs and recreational facilities
- 9. Library facilities
- 10. Community profile
- 11. Photos
- 12. Financing information with current rates and payments on different loan options (also make available to all prospective buyers as a take-home piece of information)
- 13. Copy of current tax bill
- 14. Commuter schedules
- 15. Home warranty information
- 16. Map of local area



# **16 Steps to Get Ready for Your Open House**

- 1. The front and back lawns should be freshly cut, trimmed, and cleared of all debris.
- 2. Remove any unnecessary items from the front of the house.
- 3. Remove any dirt from the sidewalk and/or driveway.
- 4. The front door should be freshly painted, if needed.
- 5. A colorful container of fresh flowers would be a wise investment for the front entry area.
- 6. If snow exists, be sure to clear the walkway from the parking area to the front door.
- 7. In the colder months, a roaring fire in the fireplace will create great ambiance.
- 8. Take extra time to be sure the kitchen and baths are spotless.
- 9. Be sure all the lights work in your home, including closets, basement, garage, and attic.
- 10. Turn on all lights; open drapes and curtains.
- 11. Turn on lights in closets.
- 12. Organize your closets and have some opened.
- 13. Doors and windows should be easy to operate.
- 14. Remove valuables from sight.
- 15. Tune in soft music on the same radio station in each room.
- 16. It is very important to leave during the hours of the open house. Most prospective buyers feel more comfortable if the seller is not present.

# A Final Checklist Before Buyers Visit Your Home

- 1. Keep drapes and shades open to let in the natural light.
- 2. Keep rooms neat; avoid clutter.
- 3. No dirty dishes in the sink or on the countertops.
- 4. Keep toys in an organized fashion.
- 5. Keep bikes, wagons, and skateboards out of the way.
- 6. Keep the volume on the radio, stereo, and television turned down.
- 7. Take the family out of the house during the showing, if possible.
- 8. Keep pets outdoors or caged when your home is being shown.
- 9. Let the real estate professionals show your home to the buyers they're representing. If you happen to be at home during the showing, try to remain in an area of the home that is not being shown by the real estate agent.
- 10. When evening showings occur, have your home well-lighted. Be sure to turn on outside lights, both in the front and back of the house.

# Getting Your Home Prepared for “Showtime”

A key to the selling of your home is to be aware of any possible objections a prospective buyer might have. It is valuable to identify any items that may cause a buyer to have second thoughts about purchasing your homes. Below are some suggestions to consider.

- Make sure to review and best complete the items included in Checklists & Systems for getting your property to show its best.
- Hire a professional home inspector to inspect your property prior to putting it on the market. See “[10 Key Questions to Ask a Home Inspector Before Hiring One.](#)”
- Spend the money necessary to make repairs and cosmetic upgrades for a timely sale.
- Would you consider creative financing to assist your prospective buyer with the home purchase? If so, be knowledgeable about the options available.
- Offer a Home Protection Warranty Program to the purchaser of your home. See “[Home Warranty Policy Checklist...For Sellers.](#)”
- Price your home according to the current market indicators. Pay close attention to those properties that have recently closed that are most comparable in amenities and location. See “[How to Read Today’s Market.](#)”
- Review the checklist for having your home prepared for a public open house. See “[16 Steps to Get Ready for Your Open House.](#)”
- Pay close attention to the feedback information from showings that your real estate professional has to offer. See “[Updated X-Rays Concerning the Value of Your Home.](#)”
- It’s best not to be at home when your property is being shown. See “[5 Important Guidelines to Follow When Your Home is Being Shown.](#)”

# Preparing Your Home for Sale: Basement/Attic/Garage

- Dispose of everything you're not going to move.
- Pack all items you won't be needing until after the move and arrange neatly, so the exterior walls can be inspected.
- Basement and attic stairways should be well-lighted and free of clutter.
- Increase bulb wattage on stairways and in basement, attic, and garage.
- Basement and attic handrails must be secure.
- If basement is dark and gloomy, consider painting ceilings and walls a light color.
- Sweep floor of garage; remove any stains and dirt.
- Organize tools and garden equipment.
- Wipe off any dust and dirt from water heater and furnace.

# Preparing Your Home for Sale: General Interior Items

- Entry area should be spotless.
- Entry area closet should appear roomy. Remove out-of-season items and add extra hangers.
- Eliminate cooking, smoking, and pet odors.
- If there are pet stains, carpet and padding may need replacement.
- Stick to neutral colors if painting or replacing carpets.
- Wash all windows to take advantage of natural sunlight.
- Window screens should be in good condition and free of holes.
- Make sure all lighting fixtures have working light bulbs.
- Increase bulb wattage in basement area.
- Clean all carpets.
- Clean all wood and tile floors.
- Get rid of cluttered closets; leave very few items on closet floors.
- Consider moving large pieces of furniture into storage.
- Clean and polish woodwork.
- If the season is appropriate, open windows and let the fresh air into the house.

# Preparing Your Home for Sale: Kitchen and Bathrooms

## Kitchen

- Clean and organize all storage space.
- Avoid clutter; store small appliances.
- Clean ventilating hood and exhaust fan.
- Sink, cabinets, appliances, and countertops should be clean and fresh.
- Wash and organize cabinets.

## Bathrooms

- Check all faucets. Repair any drips.
- All surfaces should be spotless. Clear off vanity countertops, too.
- Replace worn shower curtains.
- Remove all personal care items from sight, and store them neatly.
- Clean and organize drawers and linen closets.
- Clean and repair caulking.

# Preparing Your Home for Sale: Living Areas

- Have walls and ceilings in top shape.
- Repair any damages that may have caused ceiling or wall stains and repaint.
- If repainting, stay with neutral, off-white colors.
- Replace any burned-out light bulbs.
- Add higher-wattage light bulbs if rooms are dark.
- Be sure all lighting switches are in working order.
- Wash floors.
- Remove stains from carpeting.
- Clean and organize closet space; remove out-of-season clothing to make closets appear larger.
- Consider adding fresh or silk flower arrangements throughout the house.
- Sweep and clean fireplace.
- Make sure all doors and windows open and close easily.

# The 8 Interior Items That Buyers REALLY Notice

- 1. Buyers take special notice of light and bright homes. Buy high-intensity light bulbs, and be sure to clean all light shades and covers.
- 2. Buyers notice especially clean homes. Do a “spring cleaning” throughout, no matter what the season is. Give special attention to windows and screens, counter and appliance tops, mirrors, ovens, sinks, toilets, and tub and shower areas.
- 3. Buyers notice clean windows, freshly-laundered drapes, and curtains.
- 4. Buyers notice freshly-cleaned carpets and waxed floors. Replace or repair damaged areas of the floor or floor coverings.
- 5. Buyers notice spacious rooms; arrange furniture and decorations to improve each room, and remove unnecessary items that don’t fit in.
- 6. Buyers notice colors that will blend with their décor and furnishings. Consider brightening things up with a fresh coat of paint. Think white, off-white, or beige; these colors make a room look bigger and brighter, and are most likely to go with the new buyer’s furnishings.
- 7. Buyers notice closet and cabinet space. Neatly arrange everything in your closets, cabinets, and other storage areas, including the basement and garage. Get rid of all unnecessary items.
- 8. Buyers pay attention to tiny details, so fix all of the “little things”—loose door knobs, leaky faucets, and towel racks. Be sure to clean and repair caulked areas, too.



# The Top 10 Exterior Items That Make Your Home Look Its Best

- 1. Keep your lawn cut and edged. Trim trees and shrubs, removing all dead limbs and debris.
- 2. Add color to your yard and front porch with flowers and/or hanging plants.
- 3. Arrange outdoor furniture and firewood neatly. Put away all lawn equipment, bikes, and other toys.
- 4. Repair any broken areas of your fence, deck, patio, etc. Make sure these areas are clean and in good shape.
- 5. Check the exterior items like siding, window sashes, trim, and shutters. Clean these areas and paint as needed. Give special attention to the front door area.
- 6. Make sure your gutters are clean of debris. Wash or paint as needed. Realign the gutters if they look crooked.
- 7. Check the roof for shingles or flashing that needs replacing or repair.
- 8. Replace broken windows, doors, and screens. Make sure each looks clean and is in good condition.
- 9. Wash driveways and sidewalks. Patch holes and try to remove stains.
- 10. Touch up the “little things”—house numbers, mailbox, doorbell, etc.

# **MAKING THE MOVE EASIER: ATTENTION TO DETAILS**

# **Making Your Move Less Stressful... a Checklist to Make Sure Things Get Done: Things to Do ASAP After Deciding to Move**

- Contact a moving company and tell them the dates you plan to move. Set up a date for an agent to come over and survey your goods. Unless you're given a binding estimate, the cost can vary, depending on the actual weight of items and any extra services.
- Decide if you're going to pack for yourself or have the movers do it.
- Transfer or resign from organizations and associations.
- Collect suitable containers and packing materials if you plan to do the packing yourself.
- Start to use up things that can't be moved, such as frozen foods, canned goods, and flammable household aerosol cleaners—but only what you will use before moving.
- Prepare a list of friends, relatives, business firms, and others who need to be notified of your move.
- Consider having a garage sale to dispose of unwanted clothes or furniture.
- Assemble packing materials: boxes, felt-tipped markers, large self-stick labels, newspapers, utility knife, packing peanuts or bubble wrap, packing tape, furniture pads, dolly, and scissors.
- Pack an “Instant Aid” box containing things you'll need upon arrival: sponges, paper towels, powdered detergent, paper plates, toothpaste, light bulbs, hammer, trash bags, hand soap, toilet paper, scissors, utility knife, coffee cups, tea kettle, first-aid kit, snacks, pencils and paper, masking tape, bath towels, and shelf liner.

# **Making Your Move Less Stressful... a Checklist to Make Sure Things Get Done:**

## **Things to Do 30-60 Days Before the Move**

- Establish credit in your new city, and arrange for a transfer of bank account funds and the contents of your safety deposit box.
- Check personal insurance policies to see whether moving is covered. Transfer fire, theft, and other personal property insurance to ensure coverage at your new home.
- Gather information on prescriptions. Get current phone numbers and addresses of your doctor and dentist.
- Arrange to transfer school records and secure transcripts from the local school district you're leaving. Get copies of your records from doctors, dentists, accountants, etc.
- Plan to cancel all utilities.
- Pick up all dry cleaning and anything left at the tailor.
- Set a date to cancel the newspaper.
- Alert the post office that you will be moving. If you don't yet know your permanent address, the post office can hold your mail for you. Send out change of address cards. First class is forwarded free-of-charge for one year; newspapers and magazines, 60 days.
- Take your car in to have it checked for the upcoming road trip.
- Transfer all prescriptions to your new pharmacy.
- Have rugs and draperies cleaned, and keep them in bags until the movers arrive.
- Take pets to the veterinarian. Most states require health certificates and rabies inoculations for licenses.
- Collect all items being repaired, cleaned, or stored.
- Return library books and anything else you may have borrowed.

# Moving Checklist: For Buyers

## Send change of address to:

- Post office (give forwarding address)
- Charge accounts and credit cards
- Subscriptions (requires several weeks advance notice)
- Friends and relatives
- Bank: transfer funds and arrange check cashing in new city
- Insurance—life, health, fire, and auto
- Automobile—transfer the car title, registration, drivers' licenses, city windshield sticker, and motor club membership
- Utility companies—gas, light, water, telephone, fuel; arrange for refunds for any deposits and services in new town
- School records—ask for copies or transfers of children's records
- Health—medical, dental, prescription histories. Ask doctor and dentist for referrals; transfer necessary prescriptions and X-rays
- Church, clubs, civic organizations—transfer memberships; get letters of introduction
- Pets—ask about regulations for licenses, vaccinations, tags, etc.

## And don't forget to:

- Empty the freezer and plan for use of foods
- Defrost freezer/refrigerator; place charcoal inside to dispel odors
- Have appliances serviced for moving
- Remember arrangements for TV and antenna
- Clean rugs or clothing before moving—have them wrapped or packed
- Check insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method and time of expected payment
- Plan for special care needs of infants and children

## And on moving day:

- Carry currency, jewelry, and documents yourself, or send them using registered mail
- Plan for transporting pets; they're poor traveling companions if unhappy
- Carry traveler's checks for quick, available funds
- Let close friend or relative know your route and schedule, including overnight stops; use this person as a message headquarters
- Leave all old keys needed by new tenant or owner with the real estate agent

# Moving Checklist: For Kids

Your children may feel anxious and excited at the thought of a moving adventure. To ensure that they are most comfortable in their new surroundings, here are some suggestions.

- Be sure to investigate the local children's attractions in your new destination.
- Park District Programs may be available for class enrollment.
- Research the ages of children nearby.
- Assist in getting the kids' rooms set up first.
- Rental movies might help keep kids occupied as you begin getting moved into your new home.
- Have snacks and drinks available on moving day.
- Special books, craft items, and games may keep the kids occupied.
- If the children are young, a babysitter may assist you in being responsible for the kids on the day you move into your new home.
- Have a change of clothes easily accessible for the kids.
- Any medications that are taken on a regular basis should be accessible to you.

# Moving Checklist: For Pets

Your pets require special care and attention when moving to a new location. Here are some suggestions on making the move as comfortable as possible.

Small dogs and cats can be flown by air transportation or driven along in the car. There are businesses that specialize in the transportation of pets; your moving company may be able to supply you with the names of pet movers, or you may look in your phone directory business pages. If you are arriving at your new destination by air transportation, your pets can ride along in the baggage compartment. If you choose to transport your pets in this fashion, here's a quick checklist of items to consider.

- You must provide the airline carrier with a current health certificate from your veterinarian.
- Make sure to speak with the airline about their specific rules and regulations regarding pet transportation. They may provide special shipping containers.
- If you have a container for your pet, make certain that it fits within the requirements of the airline carrier.
- Tranquilizers may be appropriate to obtain from your veterinarian to give your pet prior to the trip.
- Something familiar to your pet, such as a toy, or an article of clothing or blanket, may help them feel more comfortable during the flight.
- If your pet is flying without you, be sure you have arranged for someone to pick them up. If you do not know anyone in the new destination, a local kennel can do that for you. Some kennels will board pets, which may assist you during the move as well.
- If your pets are traveling with you in the car, be sure to have their water bowl, leash, and favorite toy. Be sure to make frequent stops, as pets can get carsick easily, and being restricted in a car all day can make them nervous and upset. Some motels and hotels offer accommodations for pets. Be sure to plan your stay on the road ahead of time.
- Smaller pets such as hamsters, birds, and other small animals can be transported in the car fairly easily. Make sure your pets have enough food and water in their cages and are kept out of drafts or extreme temperatures. Cover their cages to keep them quiet and calm.

# Moving Checklist: For Plants

It's best for the plants if you can transport them in the car. Here are some suggestions for moving your plants.

- Three weeks before you move, prune them back to make them hardier and less bulky for the trip.
- Two weeks before moving, place your plants in a black plastic bag with a pest or bug strip, or pest control powder. Close the bag and place it in a cool area overnight. This will kill any pests on the plants or in the soil.
- The day before your move, place your plants in travel containers. Cardboard boxes are preferable. Secure the plants by packing dampened newspaper or packing paper around their bases, and around the soil. Use more paper to cushion the leaves, and place a final layer of wet paper on top of the plants to keep them moist.
- On moving day, set the boxes aside so the moving company doesn't load them onto the moving van.
- On moving day as well, close up the boxes and punch holes in the top, then load them into your car.
- While the plants are in the car, take care not to leave them in extreme heat or cold.
- Unpack the plants as soon as you arrive. Remove them from the bottom of the boxes to avoid breaking the stems.
- Gradually expose plants to sunlight to reduce shock.
- If you leave your plants behind, take cuttings; put the cuttings into a plastic bag wrapped inside with wet paper towels.



**FOR SALE BY OWNER**

# **4 Characteristics of Value Every “For Sale by Owner” Should Remember**

## Demand

- Demand is in the eye of the beholder; it varies from person to person. The demand for a particular piece of real estate changes as the wants of each individual change.

## Utility

- In order for real estate to have value, it must have usefulness or utility. Usefulness creates a desire for possession, and has the power to give satisfaction. Will the typical buyer in the marketplace have their needs met by purchasing your home?

## Scarcity

- In order for real estate to be of value, it must be relatively scarce. If too many houses like yours are for sale, it will negatively impact the value of your home.

## Purchasing Power

- Purchasing power is created by desire. Can the buyer who desires the property afford the property? The more people that can afford the property, the better.

# **5 Things Every “For Sale by Owner” Should Know About the Appraisal of Their Home by The Lender’s Buyer**

- 1. Most home buyers want or need to get a loan to buy your house. Because the property is the lender’s collateral, the lender will generally require the home to be appraised.
- 2. The appraisal itself is an objective opinion of value. It is not an exact science. If three appraisers appraised your property, they might come up with three slightly (or significantly) varied value estimates.
- 3. Most lenders have the appraiser focus on “market value.” The best indicator of market value for most single-family homes is the sales comparison approach (have recent sales of similar properties available to give the appraiser in case they ask). Hopefully, this data will show that the contract price agreed to with your buyer is realistic.
- 4. Most lenders will base the buyer’s loan approval and loan amount on the appraisal and the buyer’s financial strength.
- 5. In addition to the lender’s focus on the appraisal, many buyers today are writing their offer to purchase subject to an appraisal contingency. If the property doesn’t appraise at or above the contract price, the buyer can declare the contract null and void.

# **If You Are a “For Sale By Owner”: The 5 Checklists Most Real Estate Agents Use to Help Sellers Get Their Home Ready to Look its Best**

- 1. “[The 6 C’s of Merchandising Your Home](#)”
- 2. “[The Top 10 Exterior Items That Make Your Home Look its Best](#)”
- 3. “[The 8 Interior Items That Buyers REALLY Notice](#)”
- 4. Detailed Room-by-Room Checklists: [Basement, Attic, Garage;](#)  
[General Interior Items;](#) [Kitchen and Bathrooms;](#) and [Living Areas.](#)
- 5. “[16 Steps to Get Ready for Your Open House](#)”

# **7 Things Every “For Sale by Owner” Needs to Know About a Real Estate Appraisal**

- 1. It is an objective opinion of value. It is not an exact science. If three appraisers appraised the same property, they might assign three different estimates of value.
- 2. Most sellers, buyers, and lenders want an appraisal that reflects the market value rather than the insured value, assessed value, sentimental value, or other types of value.
- 3. An appraiser’s estimate of value typically reflects the current market conditions in the subject property’s marketplace. This can change dramatically if market conditions shift.
- 4. The appraiser’s estimate of value reflects the most probable price the property will sell for without special considerations or circumstances.
- 5. The best indicator of market value for residential property is found by applying the sales comparison approach.
- 6. Most lenders base a buyer’s loan amount on either the sales price or the appraised value of the property—whichever is less.
- 7. Many home buyers today are writing their offers to purchase subject to the property appraising at or above the sales contract price.

## **“For Sale by Owner”...**

### **8 Interior Items That Buyers REALLY Notice**

- 1. Buyers take special notice of light and bright homes. Buy high-intensity light bulbs, and be sure to clean all light shades and covers.
- 2. Buyers notice especially clean homes. Do a “spring cleaning” throughout, no matter what the season is. Give special attention to windows and screens, counter and appliance tops, mirrors, ovens, sinks, toilets, and tub and shower areas.
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- 7. Buyers notice closet and cabinet space. Neatly arrange everything in your closets, cabinets, and other storage areas, including the basement and garage. Get rid of all unnecessary items.
- 8. Buyers pay attention to tiny details, so fix all of the “little things”—loose door knobs, leaky faucets, and towel racks. Be sure to clean and repair caulked areas, too.

# **If You are a “For Sale by Owner”: 17 Service Providers You Should Consider Using During the Home Selling Process**

- 1. Attorney (Real Estate Specialist)
- 2. Appraiser (Real Estate)
- 3. Home Inspector
- 4. Mortgage Loan Officer (to check buyer’s qualifications)
- 5. Environmental Specialists
- 6. Tax Advisor
- 7. Lead Paint Test and Inspector
- 8. Radon Gas Expert
- 9. Well, Septic/Sanitary Systems Inspector
- 10. Occupancy Permit Inspector
- 11. Zoning Inspector
- 12. Survey Company
- 13. Flood Plain Inspector
- 14. Termite/Pest Control Company
- 15. Title Company
- 16. Insurance Consultant
- 17. Moving Company

# **“For Sale by Owner” Alert!**

## **12 Common Clauses Buyers Might Include in Their Offer to Purchase**

- 1. Loan Approval Contingency
- 2. Building Inspection Contingency
- 3. Environmental Hazards Contingency
- 4. Lead Paint Contingency
- 5. Termite/Pest Inspection Contingency
- 6. Appraisal Contingency
- 7. Attorney Review and Approval Contingency
- 8. Sale and/or Closing of Current Home Contingency
- 9. Title Inspection Contingency
- 10. Occupancy Permit Contingency
- 11. Stigmatized Property Contingency
- 12. Survey and Flood Plain Contingency



# **12 Key Ingredients to Successfully Selling Your Home Without Using the Services of a Real Estate Professional**

- 1. Hire an attorney (preferably one who specializes in real estate) to help you with the forms, paperwork, and legal issues surrounding selling your home.
- 2. Get a list from your attorney of other service providers you may want or need to use (ex: title insurance company, building and termite inspectors, etc.).
- 3. Find and complete a “Seller’s Disclosure Form.”
- 4. Map out your marketing strategy and budget yourself for the advertising and promotion of your property. Remember: you’re looking for the “Right Buyers.” Reach out in your marketing campaign to find them.
- 5. Consider running an ad in one or more major publications. There are many good publications about writing effective ads available at major book stores.
- 6. Buy and read a good book on the subject of selling your own home. It will have many lists and checklists to keep you on track.
- 7. Design fliers, home feature sheets, and a “Home Book” to help capture the attention of buyers. See “[16 Key Items to Include in a ‘Home Book’ That Will Catch a Buyer’s Eye.](#)”
- 8. Have standard data and information for buyers to inspect like utility bills, taxes on the property, lot size, etc.
- 9. Be ready to provide buyers with the names of lenders who might lend money to a buyer of your house. Not all buyers are cash buyers.
- 10. Consider getting an opinion of value from a licensed real estate appraiser. Pricing your property too low or too high could cost you thousands of dollars. See “[5 Reasons Why Pricing Your Home Correctly in the Beginning is So-o-o-o Important.](#)”
- 11. Contact your local Housing and Urban Development Office to get a free copy of the “Federal Fair Housing Guidelines.” This valuable information will help you avoid legal problems that might otherwise arise in the advertising and sale of a property.
- 12. When a prospective buyer does contact you:
  - Find out if they are qualified to buy your home.
  - Set an appointment that is convenient to both parties.
  - Get your home “ready to show.”
  - Have property information, disclosure forms, contracts, and addenda ready in case they want to write an offer.
  - When they arrive, introduce yourself at the front door and thank them for coming.
  - Allow them to tour your property at their pace, giving them as much privacy as possible. At the same time, however, be ready to answer questions and address common concerns.
  - Be prepared...many buyers are shopping the market. Most won’t act immediately.
  - Follow up with each prospective buyer.
  - If they write an offer, contact your attorney and start negotiations.

# **Are You a “For Sale by Owner”?**

## **17 Things That Every Appraiser Considers When Comparing Your Property to Other Properties in the Marketplace**

- 1. The market conditions on the date of the sale.
- 2. Location, location, location.
- 3. The site-view, both looking AT the property, and looking out FROM the property.
- 4. The design and appeal of the dwelling.
- 5. The quality of the construction.
- 6. Age of property.
- 7. Condition of property.
- 8. Total number of rooms.
- 9. Number and types of rooms (bedrooms, bathrooms, etc.).
- 10. Square footage (gross livable area).
- 11. Is there a basement?
- 12. Is the basement finished? If so, number and types of rooms.
- 13. How functional is the property (good, average, fair, poor)?
- 14. Is there central air conditioning?
- 15. What type of car storage is available (garage, carport, etc.)?
- 16. Are there any special features that your property offers (porches, patios, pool, fireplace, special heating/cooling equipment, skylights, etc.)
- 17. Were there any special financing or special sales considerations that might have impacted value for the comparable properties?

# **“For Sale by Owner”... Create a “Home Book” That Will Catch a Buyer’s Eye**

- 1. Plat of survey
- 2. Property description
- 3. Floor plan
- 4. Area facts
- 5. Special features
- 6. Utility costs
- 7. Area schools
- 8. Park district programs and recreational facilities
- 9. Library facilities
- 10. Community profile
- 11. Photos
- 12. Financing information with current rates and payments on different loan options...also available to all prospective buyers as a take-home piece of information
- 13. Copy of current tax bill
- 14. Commuter schedules
- 15. Home warranty information
- 16. Map of local area

# **“For Sale by Owner” If You Want Top Dollar...**

## **Things Every “For Sale by Owner” Should Do to Market Their Home and Find the Best Buyer**

Finding a buyer for your home may not be difficult. But finding the right buyer that will help you net the most money within your time frame is the true goal. To accomplish this, you will want to use a comprehensive marketing plan so you reach the most ready, willing, and able buyers—the best buyers in your market! You don't want to lose out on thousands of dollars because the right buyer never saw your home.

- Be sure to read the Federal Fair Housing Laws and Guidelines regarding advertising to avoid violating any federal laws in your ads. These laws apply to anyone advertising a home for sale. After you've become familiar with the guidelines, you might consider written advertising in the following:
  - Local Newspaper
  - Homes Magazine
  - Real Estate Journals
  - Internet
  - Cable TV
  
- Consider mailing brochures and flyers about your home to the following groups:
  - Your immediate subdivision or area
  - Adjoining subdivisions priced lower than yours
  - Apartment buildings in the area
  - Top 25-30 real estate agents in your immediate marketplace
  - Relocation Directors from all major real estate companies
  - Family, friends, and close acquaintances, so they can pass the information on to people they know
  
- Consider hosting open houses:
  - For real estate agents
  - For the general public by running open house ads in one or more local papers
  - Advertise your open house on cable TV and the internet

# “For Sale by Owner” Getting Your House Ready to Show

A key to the selling of your home is to be aware of any possible objections a prospective buyer might have. It is valuable to identify any items that may cause a buyer to have second thoughts about purchasing your home. Below are some suggestions to consider.

- Make sure to review and best complete the items included in Checklists & Systems for getting your property to show its best.
- Hire a professional home inspector to inspect your property prior to putting it on the market. See “[10 Key Questions to Ask a Home Inspector Before Hiring One.](#)”
- Spend the money necessary to make repairs and cosmetic upgrades for a timely sale.
- Would you consider creative financing to assist your prospective buyer with the home purchase? If so, be knowledgeable about the options available.
- Offer a Home Protection Warranty Program to the purchaser of your home. See “[Home Warranty Policy Checklist...For Sellers.](#)”
- Price your home according to the current market indicators. Pay close attention to those properties that have recently closed that are most comparable in amenities and location. See “[How to Read Today’s Market.](#)”
- Review the checklist for having your home prepared for a public open house. See “[16 Steps to Get Ready for Your Open House.](#)”
- Pay close attention to the feedback information from showings that your real estate professional has to offer.

See “[Updated X-Rays Concerning the Value of Your Home.](#)”

# **“For Sale by Owner” Grab the Buyer’s Attention with a Great Home Feature Sheet**

Answer the following six questions and use your answers as “The Guiding Light to Drafting an Eye-Catching Home Feature Sheet.”

- 1. What caused you to buy the house?
- 2. What are three major benefits of living in this area?
- 3. What have you done to improve the property over the years?
- 4. What is one feature of this property you would like to take with you to your next home? Why?
- 5. What have friends and relatives liked about your home?
- 6. Is there anything special you and/or your kids will miss about the area when you move away?

# **“For Sale by Owner”**

## **How to Sell Your Own Home**

- Consider buying and reading a book on the subject.
- Hire an attorney to help you with the paperwork, legal issues, and compiling a list of other service providers.
- Place an ad in your local newspaper. Include the price, number of bedrooms, number of bathrooms, and location of the house.
- Consider running ads in other local publications.
- Design a flyer or brochure for your property. Be sure to include a photo and a brief description of the property, as well as pertinent facts about the home.
- Be familiar with at least three different ways to finance the purchase of your home. Know how to calculate monthly mortgage payments, including taxes and insurance.
- Know your current annual taxes and homeowners insurance premium amounts. What is that monthly payment?
- What are current rates and points on the various loan programs?
- Consider having an unbiased professional appraisal done on your home to determine the current value.

When a prospective buyer contacts you:

- Set appointments at their convenience.
- Always prepare your home for a showing, even if it means leaving another commitment early to have your home in the best condition possible.
- Have your property brochures available.
- Introduce yourself at the front door.
- Allow the buyer to tour the home at their pace, giving the buyers as much privacy as possible.
- Be prepared; most people may not be that interested in your home. Buyers shop by comparison, and there are usually a great number of homes for them to consider.
- In the event that an offer is being made to you from a buyer, have them put the offer in writing, including an earnest money deposit. Be prepared to pay an attorney to review the legalities of the offer and any addenda that may accompany the offer.

# Open House Tips for “For Sale by Owner”

- Look in the local real estate section of your paper to determine the popular day(s) of the week and times for an open house.
- Schedule your open house at least one week in advance.
- Restrict the total hours of the open house. Many buyers may visit your home at the same time; putting time restrictions limits your waiting for prospective buyers.
- Place directional arrows from 3-4 blocks away to help buyers find your home. (Check your local city ordinance for sign restrictions.)
- Place a visible open house sign in your front yard.
- Leave space for buyers to park.
- Remove all debris from the front yard.
- Your front walkway should sparkle.
- Turn on all lights; open drapes and curtains.
- Turn on lights in closets.
- Place your property brochure in the entry area, if possible.
- Bathrooms must be spotless.
- If your closets are very organized, open a few.
- Remove valuables from sight.
- Tune in soft music on the same radio station in each room.
- Consider a guest registration book for your prospective buyers to sign.



# **“For Sale by Owner” Preparing Your Home for Sale**

## **Basement/Attic/Garage**

- Dispose of everything you’re not going to move.
- Pack all items you won’t be needing until after the move and arrange neatly, so the exterior walls can be inspected.
- Basement and attic stairways should be well-lighted and free of clutter.
- Increase bulb wattage on stairways, and in basement, attic, and garage.
- Basement and attic handrails must be secure.
- If basement is dark and gloomy, consider painting ceilings and walls a light color.
- Sweep floor of garage; remove any stains and dirt.
- Organize tools and garden equipment.
- Wipe off any dust and dirt from water heater and furnace.

# **“For Sale by Owner” Preparing Your Home for Sale**

## **General Interior Items**

- Entry area should be spotless.
- Entry area closet should appear roomy. Remove out-of-season items and add extra hangers.
- Eliminate cooking, smoking, and pet odors.
- If there are pet stains, carpet and padding may need replacement.
- Stick to neutral colors if painting or replacing carpets.
- Wash all windows to take advantage of natural sunlight.
- Window screens should be in good condition and free of holes.
- Make sure all lighting fixtures have working light bulbs.
- Increase bulb wattage in basement area.
- Clean all carpets.
- Clean all wood and tile floors.
- Get rid of cluttered closets; leave very few items on closet floors.
- Consider moving large pieces of furniture into storage.
- Clean and polish woodwork.
- If the season is appropriate, open windows and let the fresh air into the house.

# **“For Sale by Owner” Preparing Your Home for Sale**

## **Kitchen and Bathrooms**

### **Kitchen**

- Clean and organize all storage space.
- Avoid clutter; store small appliances.
- Clean ventilating hood and exhaust fan.
- Sink, cabinets, appliances, and countertops should be clean and fresh.
- Wash and organize cabinets.

### **Bathrooms**

- Check all faucets; repair any drips.
- All surfaces should be spotless. Clear off vanity countertops, too.
- Replace worn shower curtains.
- Remove all personal care items from sight, and store them neatly.
- Clean and organize drawers and linen closets.
- Clean and repair caulking.

# **“For Sale by Owner” Preparing Your Home for Sale**

## **Living Areas**

- Have walls and ceilings in top shape.
- Repair any damages that may have caused ceiling or wall stains, and repaint.
- If repainting, stay with neutral, off-white colors.
- Replace any burned-out light bulbs.
- Add higher-wattage light bulbs if rooms are dark.
- Be sure all lighting switches are in working order.
- Wash floors.
- Remove stains from carpeting.
- Clean and organize closet space; remove out-of-season clothing to make closets appear larger.
- Consider adding fresh or silk flower arrangements throughout the house.
- Sweep and clean fireplace.
- Make sure all doors and windows open and close easily.

# The Top 10 Exterior Items That Make Every “For Sale by Owner” Home Look Its Best

- 1. Keep your lawn cut and edged. Trim trees and shrubs, removing all dead limbs and debris.
- 2. Add color to your yard and front porch with flowers and/or hanging plants.
- 3. Arrange outdoor furniture and firewood neatly. Put away all lawn equipment, bikes, and other toys.
- 4. Repair any broken areas of your fence, deck, patio, etc. Make sure these areas are clean and in good shape.
- 5. Check the exterior items like siding, window sashes, trim, and shutters. Clean these areas and paint as needed. Give special attention to the front door area.
- 6. Make sure your gutters are clean of debris. Wash or paint as needed. Realign the gutters if they look crooked.
- 7. Check the roof for shingles or flashing that needs replacing or repair.
- 8. Replace broken windows, doors, and screens. Make sure each looks clean and is in good condition.
- 9. Wash driveways and sidewalks. Patch holes and try to remove stains.
- 10. Touch up the “little things”—house numbers, mailbox, doorbell, etc.

# Updated "X-Rays" Concerning the Value of Your Home

A Simple Feedback System to Help You Reach Your Goals

Feedback from the activity in the marketplace is extremely important. By evaluating the current competition and recent sales, you will gain information to assist in making decisions regarding the current pricing of your home. Most activity will take place in the first 3-4 weeks. After the initial period, the activity may slow down until new buyers arrive in the marketplace.

During this period of time, your property was shown or previewed \_\_\_\_\_ times.

Reporting Period: \_\_\_\_\_ to \_\_\_\_\_

Comments from agents and clients:

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## NEW COMPETITION

Address:	Price:
Address:	Price:
Address:	Price:

## NEW RECENT SALES

Address:	Price:
Address:	Price:
Address:	Price:

## NEW PROPERTIES PENDING...

### RECENT PROPERTIES THAT HAVE GONE UNDER CONTRACT:

Address:	Price:
Address:	Price:
Address:	Price:

### NEW EXPIRED LISTINGS...HOMES THAT FAILED TO SELL DUE TO PRICE:

Address:	Price:
Address:	Price:
Address:	Price:

# **If You Are a “For Sale by Owner”... 12+\* Sets of Rules and Regulations You Should Be Aware of **BEFORE** Selling Your Home**

- 1. Seller Disclosure Laws
- 2. Lead-Based 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 and selling of real estate in your area

# **If You Are Selling Your Home “For Sale by Owner”...10+ Costs That You Might Need to Factor Into Your “Seller Net” Equations**

The costs associated with selling your home typically include items like those listed below. Even though the list is NOT all-inclusive, it does cover some of the typical expenses. Contact your attorney for a more comprehensive list.

- 1. Mortgage Payoff
- 2. Interest Payment (from the day of closing until the payment reaches the lender)
- 3. Prorated Property Taxes
- 4. Closing Fees – Lender
- 5. Closing Fees – Title Company
- 6. Closing Fees – Closing Company (may be same fees as charged by the Title Company)
- 7. Title Policy Fees
- 8. Survey Charge
- 9. Buyer’s Agent Fees
- 10. Your Attorney Fees
- \*Other fees...



# **“For Sale by Owner” Is Your Buyer Qualified?**

A quick overview of how lenders grade buyers/borrowers and the 5 critical areas a lender will scrutinize:

- 1. The borrower’s ability to repay the loan – cash flow
  - Income
  - Employment stability
  
- 2. The borrower’s assets
  - Liquid cash for closing and back-up funds
  - Other
  
- 3. The borrower’s liabilities
  - Revolving and installment accounts
  - Child support and alimony payments
  - Pledged assets and unsecured loans
  
- 4. History toward repayment of debt
  - Credit report
  - Mortgage history rating
  
- 5. Standard Qualifying Ratios...for loan approval
  - Normally, the total housing payment PITI (principle, interest, taxes, insurance) should not exceed 28% total gross monthly income
  - Normally, the total monthly income debts, including housing, should not exceed 36% of the total gross monthly income

## **“For Sale by Owner”**

### **6 Essential Elements That Most Real Estate Contracts Must Have to be Valid and Enforceable**

- 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 the seller clearly understands the terms of the 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 experience real estate attorney to review an agreement to purchase.