



A BUYER'S GUIDE

AT HOME IN THE VALLEY OF THE SUN



THE ROSENFELD
Group

DAVE ROSENFELD
REALTOR® | ABR, MRP, PSA
US ARMY (RET)
480.376.5545
Dave@RosenfeldRealtyAZ.com
www.RosenfeldRealtyAZ.com



RE/MAX
Alliance Group

real people real business real results



THANK YOU!

Thank you for allowing **The Rosenfeld Group** to present this information. We trust you will find it beneficial and informative. This guide has been prepared for our clients to answer common questions and prevent misunderstandings.

We would ask that you keep this in a file and retain it with your other important documents as you will want to return to it and use it again.

We pride ourselves on building relationships and assisting our clients with making sound Real Estate decisions. We are honest, candid and committed.

We provide in-depth data and market analysis with regard to our client's needs, wants and desires. We are guides and "match-makers" and once our clients find the home they want, and more importantly, want the home they choose, we become "wedding planners." On that theme, after the "wedding" we will have to throw a big house warming party.

It is vital to have an agent who will guide you and ensure your process is seamless and painless and we team with lenders and title and escrow professionals with proven results to do just that.

We look forward to working with you, and supporting you, in your purchase of your next home. We are confident that you will be happy with our service.

"Our success is measured by your happiness"





A LITTLE ABOUT DAVE & KIM



Dave is a retired U.S. Army Soldier; a Paratrooper to be exact. His career started when he was 17 and fresh out of high school. While serving, at the nagging and behest of his father, Dave worked on his degree and finished with a BS from the College of the University of Maryland.

With a career spanning 22 years, Dave retired from the Army as the Chief; Plans and Doctrine, at the Headquarters of the U.S. Army Recruiting Command. Following his military carrier, Dave worked in the Defense Industry for a dozen years before relocating to Arizona and starting in Real Estate.



Kim has a background in accounting and specialized in working with builders and others in the construction industry before coming to the realization that she could build a better product more efficiently.

Kim teamed with a business partner who had an extensive background in construction and they built an average of 12 custom homes a year with Kim as the Real Estate agent.




Dave and Kim are passionate about advocating for those who wear our nation's uniforms; be it military, law enforcement, fire, EMS or educators. If you are a Military Veteran or other Home Town Hero, please make sure it is known.

Put the **power** of RE/MAX and the **tenacity** of a Soldier to work for you...





TABLE OF CONTENTS



5	ADVANTAGES OF HOME OWNERSHIP
6	ADVANTAGES OF WORKING WITH A <i>REALTOR</i> ®
7	BUYER AGENCY
9	THOU SHALT NOT...
10	THE BUYING PROCESS
11	BUYERS CHECKLIST
15	THE APPRAISAL PROCESS
16	HOME INSPECTIONS
17	WHO DOES WHAT?
18	WHO PAYS WHAT?
19	OVERVIEW OF CLOSING COSTS
20	GLOSSARY OF TERMS





ADVANTAGES OF HOME OWNERSHIP

Whether you are looking for more space to raise a family or the perfect place to make your own, there are many advantages to owning your own home, ranging from the purely personal to the very practical. For many people, the motivation for home ownership comes from the financial benefits. Owning your own home should always be a first-rate investment for several reasons:

HOME APPRECIATION

Houses typically increase in value or “appreciate” over time. It’s not unusual to find a house which sold for \$200,000 fifteen years ago to be valued at much more than that today. This increased value is as good as money in the bank to the owner.

HOME EQUITY

When you buy a house, your monthly mortgage payments serve as a type of scheduled savings plan. Over time, you gradually accumulate what lender’s call “equity”, an ownership interest in the property that you can often borrow against or convert into cash by selling the house. In contrast, renters must continue paying rent, without the opportunity to build equity.

TAX ADVANTAGE

Homeowners get significant tax breaks that are not available to renters. Most importantly, interest paid on a home mortgage is usually deductible. This factor alone can save you a substantial amount each year in federal income taxes.

PAYMENTS

Another advantage to home ownership is that while rent typically increases year after year, mortgage payments can remain unchanged throughout the entire repayment period. In fact, because of the effect of inflation, over the years you pay the same amount but with devalued dollars. So, what may seem like a substantial payment now will become very affordable after cost-of-living increases.





THE ADVANTAGES OF WORKING WITH A REALTOR®

NEIGHBORHOOD KNOWLEDGE

You do not need to know everything about buying a home if you hire a real estate professional who does. We possess intimate local knowledge to help you with your home search. We can identify comparable sales, market conditions information like average price per square foot, average sales prices, market supply, days on the market and other criteria which have a huge bearing on what you ultimately decide to purchase. Buying a home requires dozens of federal, state and broker mandated forms and disclosures with the purchase agreement alone being 10 pages. We are familiar with these forms and the other subject matter experts you will need, like a lender, home inspector and title company to keep your transaction on schedule.

NEGOTIATING SKILLS

We are skilled negotiators because, unlike most buyers and sellers, we can remove ourselves from the emotional aspects of the transaction. When you are ready to make an offer, you want a professional who will present your offer in the best light possible to get you the maximum value and an accepted contract. If there are negotiations involving price, contingencies, closing date and personal property, we will be your representative.

ACCESS TO INFORMATION

We have access to the Multiple Listing Service (MLS) as well as tax records which provides us with comprehensive data on most of homes that are listed for sale. This is an extremely valuable tool as it provides the most current information on available homes so you can make an informed purchase decision. Our knowledge of the MLS and experience will be vital to finding your dream home. You can and should participate in the Home Search by visiting www.RosenfeldRealtyAZ.com

OBJECTIVE AND CUSTOMER FOCUSED RELATIONSHIP

We become familiar with your family's specific needs helping you narrow the search process and focus on homes that check the right boxes. Make sure to complete the ***"Buyer's Wish List"*** to refine your requirements for your next home. How many bedrooms and baths do you need? Is a large lot important? Do you love to cook and need a restaurant caliber kitchen? Is it important to buy a home that has been renovated or do you prefer a fixer upper? We will be able to recommend neighborhoods and homes which best suit your needs both now and more importantly, in the future.





BUYER AGENCY

There are two types of services that can be offered to you by a Real Estate agent when purchasing a home. One is *Customer Service* and the other is **Client Service**.

A *Customer* is offered:

- Fairness
- Honesty
- Disclosure of property condition
- Good service

A *Client* is represented by the agent and is offered:

- Loyalty
- Confidentiality
- Full Disclosure
- Obedience
- Accountability
- Good Service

A REALTOR acting as a **Buyer's Agent** must do what is best for the buyer. A written contract called a **Buyer Agency Agreement** establishes buyer agency. It also explains the services the company provides, establishes a fee arrangement for the REALTOR's services and specifies what obligations a buyer may have. Confidential information that the buyer shares with the agent must remain confidential.

Some of this is established by law and pride ourselves on providing much more than that. We provide "Best in Class" service and while we will quickly demonstrate our loyalty to you, we need your loyalty in return. You should have signed a Buyer Agency Agreement already. If you don't believe you have, please ask Dave or Kim about it.





REMEMBER WHEN WORKING WITH A BUYER'S AGENT

- Typically, the commission in a transaction is paid by the Seller. This makes using a **Buyer's Agent**, essentially, a free service to you.
- We can get you information and show you any listed property.
- You can search for properties on your own, but you should involve us if you've found a property of interest.
- You can attend open houses without us but be sure to quickly identify your agency relationship to the agent at the open house.
- We would love to take you to tour new construction model homes. In fact, we **MUST** be with you the first time you visit any new models. Please remember, the agent at the model is working for the Builder, **not** you. We must be with you when you sign in in order for the builder to pay the commission.
- If you chose to work with another realtor during the time of the Buyer/Broker Agreement, you personally may end up paying a second commission.
- If you are unhappy with us as your Buyer's Agent for any reason, please let us know. If we can't fix the relationship, we will hand you off to another agent in our Brokerage.

* If you are working with another REALTOR and do not have a Buyer Broker Agreement, don't let a poor relationship keep you from speaking with us. Whether buying or selling real estate, these are complex transactions and it is important that you have an agent who represents you and your interests.





THE BUYING PROCESS

The Buying Process is one that has many different steps. It is not simply a matter of finding a house, writing an offer on it, taking money to the closing and moving in. There are many important steps that must be adhered to and listed below are the most important ones. It is my job to orchestrate the successful execution of each one of these steps.

GETTING PRE-APPROVED for a HOME LOAN:

Most home buyers today need a mortgage. Today's lenders pre-approve buyers for a mortgage. It is a no-obligation, no-cost process done before you start your house hunting, that lets you know how much you can afford to pay for your home based on your financial situation.

Though you may be willing to spend until it hurts, the name of the game is how much a lender calculates you can afford. Your lender will help you through the financial process of pre-qualifying (targeting the amount that a financial institution will lend you). Pre-qualification helps you avoid buying more home than you can afford or being disappointed if you don't qualify for as much as you had hoped.

They will also show you approximately how much you will need for down payment and closing costs.

Sellers are more inclined to accept realistic offers when they know that you have taken the time to be interviewed by a lender and can qualify for a loan.

In order to be pre-qualified, you will need to provide the lender with the following:

- Your residence history for the past 2 years
- Your employment history with dates and business addresses
- 2 years of tax returns and W-2's
- Copies of 3 months bank, brokerage accounts, loans, credit cards, pensions, etc....
- Details of any real estate, vehicles or other personal property you own, including loan balances and market value





THE BUYING PROCESS (CONT.)

DETERMINE YOUR HOME WANTS AND NEEDS:

NEW HOME BUYER CHECKLIST

Name: _____ Spouse: _____

Phone: _____ Phone: _____

E-Mail: _____ E-Mail: _____

Children: _____

Why are you moving?

- Currently renting and want to own Real Estate.
- Being Relocated
- Need larger home / more features
- Want to be closer to work
- Want to be in a different school district
- Other _____

Do you currently own a home?

- Yes
- No

Do you need to sell it before buying?

- Yes
- No

What is your time frame to buy?

- ASAP
- Within 2 - 6 Months
- Over 6 Months

Do you have a pre-qualification Letter?

- Yes
- No

If Yes-With Whom: _____

What area do you want to live in? _____

Price Range

Min/Max _____ / _____

Square Footage

Min/Max _____ / _____

What Style of home are you looking for?

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> Ranch | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> 2 Story | <input type="checkbox"/> Totally Renovated |
| <input type="checkbox"/> Condo | <input type="checkbox"/> Move-in Ready |
| <input type="checkbox"/> Townhouse | <input type="checkbox"/> Needs Updating but good bones |
| <input type="checkbox"/> Cul-de-sac | <input type="checkbox"/> Waterfront |
| <input type="checkbox"/> Corner | <input type="checkbox"/> Mountain View |
| <input type="checkbox"/> Golf Course | <input type="checkbox"/> Over 55 Community |





THE BUYING PROCESS (CONT.)

HOME BUYERS MUST HAVES AND WANTS

	<u>MUST</u> <u>HAVE</u>	<u>WANT</u>	<u>DON'T</u> <u>WANT</u>		<u>MUST</u> <u>HAVE</u>	<u>WANT</u>	<u>DON'T</u> <u>WANT</u>
<u>ROOMS</u>				<u>MISCELLANEOUS</u>			
# of Bedrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Garage Spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1st Floor Master	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Fireplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Master Tub	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9' Ceiling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Walk-In Closet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Big Closets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In-Law Suite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Central Air	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# of Bathrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Security System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Formal Living Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Private Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Formal Dining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Fenced Yard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Great Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Landscaping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Breakfast Nook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	In-Ground Sprinklers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1st/2nd Fl Laundry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>OTHER</u>			
Loft/Bonus Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Office/Den	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>KITCHEN</u>				_____			
Center Island	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Breakfast Bar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Granite Counter Tops	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stainless Appliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gas Range	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Double Oven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cabinet Color _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desk Area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>FLOORING TYPE</u>				_____			
	<u>Tile</u>	<u>Crpt</u>	<u>Hrwd</u>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathrooms/Laundry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Living/Family Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kitchen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>





THE BUYING PROCESS (CONT.)

YOUR SEARCH BEGINS

As your Agent, I **WILL**:

- Search the Multiple Listing Service (MLS) on a regular basis for homes that meet your criteria and forward those to you
- Take you for personal showings with itineraries and listing details
- Represent you with any builder or developer of your choice*
- Negotiate the purchase of any “for sale by owner”
- Provide a Comparative Market Analysis (CMA) on the property you have selected to put an offer on
- Discuss strategy about the offer price, financing terms, interest rate & possession date

CHOOSING NEW CONSTRUCTION:

Choosing new construction can provide many advantages; less maintenance, less risk of repairs, increased energy efficiency and the opportunity to customize your home the way you want it.

If you are considering new construction, please remember, the Sales Counselor at the sales office **Does Not Represent You!** This individual represents the builder and you still need representation. The good news is, there is no cost to you to have a REALTOR working for you; the seller takes care of any cost.

You must make sure to read the Public Report provided by the sales counselor – This report will tell you such things as:

- a. A description of adjacent land and it’s uses
- b. Assurance for completion and improvements
- c. Common community and other facilities
- d. Utility providers
- e. Flooding and drainage disclosure
- f. Local services such as schools, police, fire, shopping
- g. Home Owners Association details
- h. Taxes and assessments

It is imperative you work with a reputable builder. Let us help ensure that.





THE BUYING PROCESS (CONT.)

MAKING AN OFFER

It is my job to make sure that your offer is accepted, carefully executed, every detail of your transaction is completed and adheres to the strict time schedules of your contract. As your Buyer's Agent, **I WILL** manage:

The Offer and Contract

- Deliver copies of the fully-signed contract to all parties, including the closing agent and my broker
- Return a signed copy of the Seller Disclosure Form
- Record and promptly deposit your earnest money
- Track all dates in the contract, making sure that you are meeting all the agreed-to deadlines

Tracking the Loan Process

- Touch base with you weekly to ensure your loan is progressing on track
- Relay final approval of your loan application to the seller's agent

Home Inspection

- Coordinate your professional home inspection
- Review the home inspector's report and discuss issues with you
- Draft an inspection response to the sellers based on your requests
- Negotiate the required repairs with the seller's agent and the seller
- Recommend contractors to perform any negotiated or required repairs
- Verify the completion of all required repairs on your behalf as needed

The Appraisal

- Confirm with your lender that an appraisal is scheduled
- Follow up with you and your lender on the status of the appraisal
- Alert the seller's agent when the appraisal has been completed

Closing Preparations and Duties

- Confirm you have received the Title Insurance commitment
- Coordinate the closing process and location with you, the seller's agent and the escrow company
- Work with the seller's agent in scheduling and conducting your final walk-thru prior to closing
- Request a final copy of the closing documents from the escrow company
- Review the closing figures to ensure accuracy of preparation
- Ensure all parties have all the forms and information needed to close
- Attend the closing with you





HOME INSPECTIONS

The standard Arizona Association of Realtors Purchase Contract contains a provision that allows the buyer to have the subject property physically inspected within the first ten days of acceptance of the contract by the seller. It is the seller's obligation to provide the buyer with access to the property during this ten-day inspection period for whatever inspections the buyer requires. Once a purchase contract has been signed, the buyer can hire a professional inspector of their choosing for the inspection.

Home inspections are a critical part of the home buying and selling process. Knowledge in the field of property inspection has become invaluable, especially in the light of stricter legislation on both a state and national level.

How a Home Inspection works:

A typical home inspection includes a check of a house's structural and mechanical condition, but can also encompass tests for radon gas, detection of wood-destroying insects and other services required by the buyer. **Inspections do not cover cosmetic aspects of the home, like clean carpets and fresh paint.** Back in 1976 the American Society of Home Inspectors (ASHI) standardized the home inspection process and established Standards of Practice dictating what must be inspected as well as how far the professional home inspector needs to go to report their findings.

According to ASHI, the standard home inspector's report will cover the condition of the home's heating system; central air conditioning system; interior plumbing and electrical systems; the roof, attic and visible insulation; walls, ceilings, floors, windows and doors; the foundation, basement and structural components.

Once the home inspection is complete, the inspector creates a report for the home buyer detailing all that was found. The report will note problems requiring immediate attention and conditions that could lead to more serious issues over time.

Some sellers have a home inspection completed before listing the home, to determine in advance which items need to be addressed and avoid any surprises for the buyer later in the process.

To locate a professional home inspector, use ASHI's "Find a Home Inspector" locator at www.ashi.org. Please note, we have a number of trusted inspectors our office has used and we are happy to provide those names and numbers.





THE APPRAISAL PROCESS

An appraisal is an opinion of value that is completed by a professional appraiser who visits and inspects the size, function and quality of the home. Mortgage lenders require an appraisal before they'll provide a loan because the property serves as collateral for the loan. A lender will only approve the loan for a property that appraises for the full sales price of the home – or more.

There are a few steps in the appraisal process. First, a licensed appraiser comes to the property and inspects the home. Next, the appraiser will research similar homes in the area and compare recent sales to determine a “fair market value.” We will provide the Appraiser with a number of comparable homes to make this process easier on him/her. We will highlight comparable properties to the appraiser and make sure the appraisal includes accurate information and considers intangible things that can add value to a home, such as location within a sought-after school district or near a transportation hub.

The appraiser will then give a final appraisal report with all the data and research to issue a final “opinion of value.” You and I will review the report to see which homes were actually chosen for comparison purposes.

It is important to recognize that an appraisal isn't meant to derail your real estate deal. In fact, it can protect you. If your appraisal comes in higher than the price you're paying for the home, then you benefit immediately because you'll have more home equity in the property than you thought. For example, if you're paying \$200,000 for a home and the appraiser says it's worth \$225,000 you instantly have gained \$25,000 in equity.

If the appraisal comes in lower than the sales price, you and the seller will need to abide by the contract you and the Realtors have negotiated. If your contract is contingent on an appraisal, one option you have is to withdraw your offer and have your earnest money deposit returned. The appraisal can save you from paying too much for a home that does not in fact appraise for the negotiated price.

Your Realtor can help you decide how to handle a low appraisal. Here are some options you may have if you still want to buy the home:

- Re-negotiate the contract, if the seller is willing
- Come up with extra cash to make up the difference between the appraised value and your purchase price
- Challenge the appraisal with documentation from your Realtor
- Pay for a second appraisal, which may or may not come in higher
- Ask the seller to finance the gap between the appraisal and the sales price



WHEN BUYING A HOME, THOU SHALT NOT



1. Change jobs, become self-employed, or quit your job
2. Buy a car/truck/minivan, furniture or make any other large purchase
3. Use credit cards excessively or let current amounts fall behind
4. Make late payments on any of your bills
5. Originate any inquiries into your credit
6. Co-Sign on a loan for anyone
7. Spend money you have set aside for closing
8. Omit any debts or liabilities from your loan application
9. Make large deposits without checking with your loan officer
10. Change bank accounts





WHO DOES WHAT

THE ESCROW OFFICER

- Receives the signed Purchase Contract; prepares the escrow instructions
- Receives and deposits the buyer's earnest money into an escrow account
- Serves as the neutral agent and liaison/communication link to all parties in the transaction
- Orders Title Commitment to determine status of title to the property
- Requests beneficiary's statement or pay-off demand related to existing financing
- Complies with the lender's requirements as specified in the lender's instructions to escrow
- Secures releases of all escrow contingencies or other conditions required
- Requests the title insurance policy
- Prepares or secures the transfer deed or other documents necessary to complete the transaction
- Arranges appointments for the buyer/seller to sign documents
- Requests and receives purchase funds from the new lender
- Distributes funds as authorized by the instructions supplied by the seller, buyer and lender, including charges for title insurance, recording fees, real estate commissions and loan payoffs
- Closes escrow pursuant to the instructions provided by the seller, buyer and lender
- Records the deed and any other documents

THE SELLER

- Deposits the executed Deed to the buyer with the escrow holder
- Deposits evidence of inspections and any repair work as required
- Deposits required documents such as addresses of mortgage holders, home owner association contacts and lien holders

THE BUYER

- Deposits funds required, in addition to any borrowed funds, to pay the purchase price with the escrow holder
- Deposits funds sufficient for the home and title insurance
- Approves inspection reports, title insurance commitments, etc., called for by the purchase contract

THE LENDER

- Deposits the proceeds of the loan to the purchaser
- Directs the escrow holder on the conditions under which the loan funds may be used





HOUSE WARMING PARTY

It's time to party! Sit back and relax. We will take care of the invites. Invite family, friends, co-corkers etc.. To do so, we need you to provide us with your database, planner, rolodex or hand written list. Need to make sure we have the following info:

ATTENDEE INFO

First and Last Name

Phone Number

Email

Complete Mailing Address

ATTENDEE SAMPLE

John Smith

480-123-4567

Email123@domain.com

123 W Main St

Town, AZ 12345





WHO PAYS WHAT

		CASH	CTM	FHA	VA	CONV
1. Downpayment		BUYER	BUYER	BUYER	BUYER	BUYER
2. Termite(Wood) Inspection	(negotiable except on VA)				SELLER	
3. Property Inspection	(if requested by buyer)	BUYER	BUYER	BUYER	BUYER	BUYER
4. Property Repairs, if any	(negotiable)	SELLER	SELLER	SELLER	SELLER	SELLER
5. New Loan Origination Fee	(negotiable)			BUYER	BUYER	BUYER
6. Discount Points	(negotiable)			BUYER	BUYER	BUYER
7. Document Preparation Fee	(Charge Selling on FHA/VA)			SELLER	SELLER	BUYER
8. Credit Report			BUYER	BUYER	BUYER	BUYER
9. Appraisal or Extension Fee	(negotiable)			BUYER	BUYER	BUYER
10. Interest Proration on Seller's Existing Loan			SELLER			
11. Existing Loan Payoff		SELLER		SELLER	SELLER	SELLER
12. Existing Loan Payoff Demand		SELLER		SELLER	SELLER	SELLER
13. Loan Prepayment Penalty	(if any)	SELLER		SELLER	SELLER	SELLER
14. Next Month's PITI Payment			BUYER	BUYER	BUYER	BUYER
15. Prepaid Interest	(approx. 30 days)			BUYER	BUYER	BUYER
16. Mortgage Transfer Fee			B/S Split			
17. Reserve Account Balance	(Credit Seller/Charge Buyer)		Prorate	Prorate	Prorate	Prorate
18. FHA, MIP, VA Funding Fee, PMI Premium			Prorate	BUYER	BUYER	BUYER
19. Assessments Payoff or Proration	(sewer, paving, etc.)	SELLER	SELLER			
20. Taxes		Prorate	Prorate	Prorate	Prorate	Prorate
21. Tax Impounds				BUYER	BUYER	BUYER
22. Tax Service Contract				SELLER	SELLER	BUYER
23. Fire/Hazard Insurance		BUYER	BUYER	BUYER	BUYER	BUYER
24. Flood Insurance				BUYER	BUYER	BUYER
25. Home Owners Association		B/S Split	B/S Split	B/S Split		B/S Split
26. HOA/Disclosure Fee		SELLER	SELLER	SELLER	SELLER	SELLER
27. Current HOA Payment		Prorate	Prorate	Prorate	Prorate	Prorate
28. Next Month's HOA Payment		BUYER	BUYER	BUYER	BUYER	BUYER
29. Home Warranty Premium	(negotiable)					
30. Realtors' Commissions		SELLER	SELLER	SELLER	SELLER	SELLER
31. ALTA Homeowners Title Policy		SELLER	SELLER	SELLER	SELLER	SELLER
32. Lenders Title Policy and Endorsements				BUYER	BUYER	BUYER
33. Account Servicing Set-Up Fee	(negotiable)		B/S Split			
34. Escrow Fee	(Note: Charge Seller on VA)	B/S Split	B/S Split	B/S Split	SELLER	B/S Split
35. Recording Fees	(Flat Rate)	B/S Split	B/S Split	B/S Split	B/S Split	B/S Split
36. Reconveyance/Satisfaction Fee		SELLER		SELLER	SELLER	SELLER
37. Courier/Express Mail Fees		B/S Split	B/S Split	B/S Split	SELLER	B/S Split
38. Wire Fees		B/S Split	B/S Split	B/S Split	SELLER	B/S Split
39. Email Loan Documents				BUYER	SELLER	BUYER





OVERVIEW OF CLOSING COSTS

APPRAISAL FEE – Pays for the appraisal of the property by an independent appraiser.

CREDIT REPORT FEE – Covers the cost of processing a credit report.

DOCUMENT PREPERATION FEE – Covers the preparation of the final legal papers, including the note and deed of trust.

LOAN DISCOUNT – Often called “Points”, used to adjust the yield on the loan to what market conditions demand. One point is equal to 1% of the loan amount.

LOAN ORIGATION FEE – Covers the Lender’s administrative costs in processing the loan (usually is a percentage of the loan amount).

MISCELLANEOUS TITLE CHARGES – Fees charged for title search, title examination, document preparation, notary fees, recording fees and a settlement or closing fee.

MORTGAGE INSURANCE PREMIUM – Depending on the amount of your down payment, you may be required to pay a fee for mortgage insurance which protects the lender against loss due to foreclosure.

PREPAID INTEREST – This charge will vary depending on the day of the month your loan closes. If your loan closes at the beginning of the month, you will probably have to pay the maximum interest. If your loan closes near the end of the month, you will only have to pay a few days interest. Your first payment will usually be 30 days after the date pre-paid interest is paid through.

TAXES AND HAZARD INSURANCE – Based on the month you close, property taxes will be prorated between you and the seller. You will also pay an entire year of Home Owners Insurance premium.

TITLE INSURANCE FEE – There are two title policies; a homeowner’s title policy (which protects the new homeowner) and a Lender’s title policy (which protects the Lender against loss due to a defect in the title).





GLOSSARY OF TERMS

AGENCY – A legal relationship in which someone (principal) hires someone else (agent) to represent them to a third party.

AMENDMENT – An alteration, addition or correction to an agreement that does not change the principal idea or essence of the original agreement.

AMORTIZED LOAN – A loan that is completely paid off, interest and principal, by a series of regular payments.

APPRAISAL – Opinion as to value of property; a conclusion resulting from an analysis of facts affecting fair market values.

APPRECIATION – An increase in value of real estate.

ASSESSED VALUE – Value placed on property by the Central Appraisal District as a basis for taxation.

ASSESSMENTS – Special imposition on property to pay the cost of a local work of improvement, e.g. sidewalks, curbs, sewers, street lighting.

ASSESSOR – County official who determines the assessed value of property for tax purposes.

C.C. & R.'s – The Covenants, Codes and Restrictions of a subdivision or master planned community. These regulations grant the association the right to enforce certain aspects of the community, e.g. exterior colors or plantings.

CHAIN OF TITLE – A summary or digest of the conveyances, transfers and any other facts relied on as evidence of title, together with any other elements of record that may affect the marketability of the title.

CLOSING – The final settlement of a real estate transaction between the Buyer and Seller.

CLOUD ON TITLE – Semblance of title, or a claim appearing on some legal form, that in fact is valid.





GLOSSARY OF TERMS (CONT.)

CONDOMINIUM – A system of individual fee ownership of units combined with joint ownership of common areas of the structure and the land.

CONVENTIONAL MORTGAGE – A mortgage securing a loan made by investors without governmental underwriting.

COUNTER OFFER – A rejection of an offer by a seller along with an agreement to sell the property to the potential buyer on terms differing from the original offer.

DEED – Written instrument which, when properly executed and delivered, conveys title of real property.

DEED OF TRUST – A written instrument used in Arizona in place of a mortgage to secure the lender's rights.

DISCLOSURE – To make know or public. When dealing with real property, all disclosures should be in writing.

DISCOUNT POINTS – Additional charges made by a lender at the time a loan is made. Points are measured as a percent of the loan, with each point equal to 1%. These additional interest charges are paid at the time a loan is closed to increase the rate of return to the lender to approximate the market level.

EARNEST MONEY DEPOSIT – Down payment made by a purchaser of real estate as evidence of good faith.

EASEMENT – Created by grant or agreement for a specific purpose, an easement is the right, privilege or interest which one party has in the land of another, e.g. rights of way, pipelines, roads, driveways and utility companies.

ENCUMBRANCE – Anything that affects or limits the ownership of real property, such as mortgages, liens, easements or restrictions of any kind.

EQUITY – The interest or value that an owner has in real estate over and above the liens against real property.





GLOSSARY OF TERMS (CONT.)

ESCROW – The deposit of instruments and funds with instructions (the Contract) to a third party (Escrow Agent) to carry out the provisions of an agreement or contract; when everything is deposited to enable carrying out the instructions, it is called a complete or perfect escrow.

FAIR MARKET VALUE – the price at which a willing Seller would sell, and a willing Buyer would buy, neither being under abnormal pressure.

FHA LOAN – A loan guaranteed by the Federal Housing Administration.

IMPOUND ACCOUNT – Account held by the lender for payment of taxes and/or insurance against the real property.

LEGAL DESCRIPTION – A description of land that complies with government surveys to thoroughly identify a specific parcel so that it and its boundaries cannot be mistake, for any other.

LIEN – A form of encumbrance that usually makes property security for the payment of a debt or discharge of an obligation, e.g. judgements, taxes, mortgages, deeds of trust).

MORTGAGE – An instrument recognized by law by which property is hypothecated to secure the payment of a debt or obligation; procedure for foreclosure in the event of default is established by statute.

MORTGAGEE'S TITLE POLICY – A policy required by the Lender to ensure that the Lender has a valid lien. It does not protect the Buyer. It can also be required for a 2nd mortgages.

ORIGINATION FEE – A fee charged the borrower by the lending institution.

OWNER'S TITLE POLICY – A policy that insures the Buyer against loss due to any defect of the title, not accepted to or excluded from the policy.





GLOSSARY OF TERMS (CONT.)

PERSONAL PROPERTY – Any property which is not “real property”, e.g. money, appliances, cars, boats, furniture, etc. In real estate, anything not permanently attached to the building is considered personal property. A TV wall mount is real property, the TV is personal property.

PITI – A payment that includes Principal, Interest, Taxes and Insurance.

POWER OF ATTORNEY – A legal “instrument” whereby a principal gives authority to another to act for them. A specific form must be used in Arizona to create a Power of Attorney.

PROMISSORY NOTE – Following a loan commitment from a Lender, the borrower signs a not promising to repay the loan under stipulated terms. The promissory note establishes personal liability for its repayment.

QUIT CLAIM DEED – Deed that conveys whatever present right, title or interest the grantor may have. A deed operating as a release.

REAL PROPERTY – Lands, buildings and appurtenances (improvable property).

REALTOR® – REALTOR® identifies a real estate professional who is member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.

RECORDATION – Filing for record in the office of the County recorder for giving constructive notice of a title, claim or interest in real property.

SPECIAL ASSESSMENT – Legal charge against real estate by a public authority to pay cost of public improvements such as: streetlights, curbing, sidewalks, street improvements, etc.

S.P.D.S. – Also referred to as “SPUDS,” is a Seller’s Property Disclosure Statement. Sellers are required to fill out a form to disclose any problems that they are aware of that affect the property regardless if they occupied the property or not.





GLOSSARY OF TERMS (CONT.)

SUBDIVISION – A parcel of land that has been divided into smaller parts.

TERMITE INSPECTION – An inspection required by the Lender to show that the property is free and clear of active termites.

TIME IS OF THE ESSENCE – A term that demands punctual performance in a binding agreement.

TRUST – Fiduciary relationship in which one party (trustee) holds title to property for the benefit of another party (beneficiary).

VA LOAN – A loan guaranteed by the Veteran’s Administration.

WARRANTY DEED – A deed used to convey real property that contains warranties of title and quiet possession and the grantor agrees to defend the premises against the lawful claims of third persons.

1031* EXCHANGE – A method enabling property owners to trade an investment property (or properties) without paying capital gains taxes on the transaction.





OH, BY THE WAY...

When any of your friends or family members are thinking of buying or selling a home, please give me their name and phone number. We would be honored to provide them with the same level of service with which we have provided you.

If they reside outside of our area, I am happy to do the research and find them a highly capable REALTOR® near them.

We can always be reached via our website at www.RosenfeldRealtyAZ.com

There is no greater compliment than an introduction.



Highly likely to recommend

Dave is amazing! His eagerness to help educate us as home buyers was just as much of his goal as finding us the home of our dreams. His knowledge of the market, the surrounding areas, the habits of buyers and sellers, etc was outstanding.

Dave went above and beyond with his customer service and his communication with us. We always knew what was going on, what was coming next, and could tell that he was on our side from day 1.

Even after the sale went through, his follow up and customer service have been extraordinary.

If you're looking for a Realtor/Real Estate Agent/Expert, I highly recommend reaching out to Dave and his team.



Highly likely to recommend

From day one, Dave gave my wife and I the best buying experience we could ask for. We initially had no idea where to start or what our needs were in a home. Dave sat down with us and helped identify each of those needs outlining everything required for us to start shopping. He never rushed us and took things at our pace being first time home buyers. We viewed several listings that met our criteria, and only after a week did we find our current home. Given Dave's previous military background he was able to help us navigate the process of using our VA loan. He always made himself available to us answering late night emails, phone calls, and text messages. Even after settling in our home, he has come out on his own time to help us with home projects. He is a realtor that really cares about his clients and will go above and beyond for you. We are happy to have had the opportunity to work with Dave and call him a friend. Couldn't recommend more!





480.376.5545
ROSENFELDREALTYAZ.COM