



Ed Elam Real Estate

Keller Williams Realty Boise

# Your complete **guide to** buying a home

208.861.8062

info@edelam.com



## **Moving Forward** *Making the most of this guide*

Congratulations! The decision to buy your own home is an exciting one. The experience should be enjoyable and as hassle free as possible.

I'm devoted to using our expertise to make your transaction successful!

I would like to help you with honest, accurate information so you can make well-informed decisions regarding the purchase of your home. This booklet will give you an idea of what to expect during each phase of your transaction. It also contains reference pages, note pages, deadline information, and is useful as a reference guide.

Keeping this booklet during all house hunting related activities is recommended: meetings, house hunting trips, etc. Use it to take notes and to keep track of deadlines. You can even staple cards to relevant pages to keep related materials together. Making this transaction as easy as possible for you is my job.

***Now let's get started!***

## ***What Your Best Homes Network Team Delivers***

### **Communication**

Your needs always come first. I provide the service we agree to, in the ways that work for you. I will be in contact with you with updates on how the inspection went, the results of the appraisal, etc. Of course I will contact you more if I need any further information from you for Title, the Lender or if the Selling Agent needs anything.

You'll always be kept in the loop. From offer to closing, you'll know the steps leading to a successful closing once your offer is accepted. We'll agree on the communication method that works best for you.

### **Experience and Expertise**

The complexities of your real estate transaction will be well-handled. Smoothing the way for your purchase, I will capably remove many potential challenges before they have the opportunity to appear.

### **Satisfaction**

I will guarantee your satisfaction. Our relationship is dependent on meeting and exceeding your needs. We identify those needs together, and my cancellation guarantee protects your right to end our relationship if you're disappointed.

## Why You Need a Realtor®



REALTOR®

A Realtor® brings a wealth of knowledge and experience to the business of buying a home.

Realtors® are not just sales agents. A Realtor® is a client advocate, the market expert and the negotiating tiger all wrapped up into one independent contractor.

*A rising number of home buyers are using Realtors®. About 88% of home buyers purchase their home through a real estate agent or broker—a share that has steadily increased from 69% in 2001, according to the National Association of Realtor's 2013 Profile of Home Buyers and Sellers.*

Because Realtors® are usually solo practitioners, they wear many hats. They are sales people, but they are also marketing directors, social media managers and data analysts all in one.

- ❖ A Realtor® can help a buyer save money and help a seller to make the most money. Because they go through the home buying and selling process daily, they can warn clients of potential dangers and looming changes.
- ❖ A Realtor® maintains a customer-focused approach. Showing properties and writing offers is just a percentage of what happens in the course of the typical Realtor's day: no two days are alike, and no two transactions are alike.
- ❖ The Realtor® is the only constant in the real estate transaction. Can you afford not to have that experience on your side?
- ❖ They are members of the National Association of Realtors® (NAR) and must abide by a Code of Ethics and Standards of Practice enforced by the NAR.
- ❖ A licensed, professional real estate agent is your best resource when preparing to buy a home.

***After all, my success depends on your success.***

## Using a Real Estate Agent to Purchase a New Home

### **Why should I use a Realtor® to purchase new construction?**

The advantages of having a licensed consultant help you purchase a new home are the same as those for purchasing a resale home: knowledge of the market, help in finding the perfect home quickly, expertise in contract writing/negotiation, and closing assistance. The builder has a professional representative watching out for his/her needs, and you need the same expert representation.

Buying a new home is a little more difficult and time-consuming than buying a resale. We can professionally guide you through this process. We have experience working with builders and have access to a database of information about subdivisions, floor plans, etc. I am also familiar with new home warranties and builders' purchase contracts.

It is very important that your interests be professionally represented when you are entering into a contract for a semi-custom or build-to-suit home. These transactions are complex and the contract details must be exact to protect you and to ensure you get exactly the home you want!

### **Is there any advantage to *not* using a Realtor® to purchase a new home?**

**No.** There is no financial advantage for you to buy directly from the builder. Builders have a "single-price" policy, meaning you will be charged the same price whether your interests are represented by a Realtor® or not. Just as in any resale, the Seller pays your Realtor's fee.

***REMEMBER – the Builder requires that your agent accompany you on your first visit to the Builder's sales office or they will NOT PAY your representative's fee!***

## The Buying Process Step by Step

**Find a  
Realtor®  
you can  
trust**

### **The First Step...**

in the home buying process is to find an experienced Realtor® that you can trust and sign a Buyer's Agent Agreement. This guarantees, by law, that your needs are met professionally and represented throughout the entire process of buying your home.

**Look for a  
home**

### **The Next Step...**

is to look at various homes. I will find what you're looking for, keep you informed with active, relevant listings and preview those homes that you are most interested in. I am available at anytime to help you find your dream home.

**Make Your  
Offer**

### **Exercise Prudence – This is a BIG Step...**

When you find your dream home, you should present a competitive offer immediately. I have extensive experience in contract negotiations. I will work hard to ensure you get just what you want for a fair price – a transaction in the best interest of everyone involved.

**Sign the  
Contract**

### **We're Starting to Jog Now ...**

When the seller accepts your offer, you go "Under Contract." I will ensure your home closes properly and on time, with every detail handled accurately and immediately.

**Order  
Home  
Inspections**

### **You're in the "HOME" Stretch!**

Final details are handled and inspections are performed to ensure the property is "perfect" for you. Contract details are further negotiated, and we head to closing.

**Now  
it is  
YOURS!**

### **The Next Step Will Be Into Your New Home...**

Be prepared to bring a certified check to the closing procedure – the next steps you take will be over the threshold of your new home!

## Frequently Asked Questions about Buying a Home

### ? How do I choose a mortgage lender?

I can recommend several lenders with whom I have successfully worked over the years. The lender will expedite all of the necessary paperwork and information, including ordering a credit report and appraisal of the property, if required.

The application normally takes about one hour. All parties who will be on the title as new owners should be present. The information you provide to the lender is confidential.

### ? Do I need to bring anything with me when I am looking at homes?

Bring this package and maybe a notebook and pen for note taking. In the back of the book, we have included several sheets for the *Notes on Viewed Properties*. Feel free to use these to jot down key features of the houses we view. This will make it easier to remember the specifics about each home.

If you need to go back to a home for another look, just let me know, and we will happily schedule an appointment. And bring your checkbook so you can make an offer if we find a home you like.

### ? When I start visiting homes, what should I be looking for the first time through?

While it is true that a home can be an excellent investment, it must also fit the way you live. Your chief concern should be those things that you cannot change: location, floor plan, # of baths, lot size, etc. Then, consider those things that you can change – appliances, carpet, paint, cabinets, etc. – and whether you are willing to change them.

### ? What key questions should I ask about each home?

Sellers will supply you with a Seller's Disclosure for the home which will disclose any defects known by the seller. But be sure to ask any questions you have about the home, even if you feel you are being nosy. You have a right to know. Ask any questions you have. I will assist you in finding the answers to all your questions and/or concerns.

### ? How many homes should I look at before I buy?

We will be viewing homes that match the preferences you gave during the buyer consultation. As long as your preferences don't change, you will only to have see an average of 6-8 homes before finding the one you want.

## ? **Where can I get information about local schools?**

Ask me any questions you have about local schools. I stay as informed as possible about all the local schools and can tell you where to find answers to any detailed questions you may have.

## ? **How can I find out what homes are selling for in a neighborhood?**

Home sales are a matter of public record. You can call the Recorder's office, a local residential appraiser, or the public information department of the local Multiple Listing Service for information on recent sales history, average sales price, time on the market, and other listing information for sales in each area.

*However, a better and easier way to get this information is to ask me. If you are interested in a home, I may be able to provide you with a list of comparables—sale prices of homes in the area that are roughly the same size and age as the home you are considering. This is a good way to evaluate the seller's asking price.*

## ? **How do I determine the amount of my initial offer?**

Once you have examined the home's features and looked at the comparables, you should have a good idea of what the home's value is in the current market. Consider your financial situation, and make an offer that you consider to be fair. Your offer will include the amount you are willing to pay, financing terms, any personal property you wish to have included, loan commitment date, closing date, and other contingencies including inspections. Remember that the lower your offer is, the less likely the seller will be to accept, so avoid 'low-balling' if you want the house.

## ? **Should I be present during the inspection?**

It is not required, but it is very much to your advantage. You will be able to better understand the inspection report, and know exactly which areas need attention. Plus, you will have a chance to get answers to many of your questions, and receive a lot of general information that will help you when you move into your new home.



## ***Glossary of Real Estate Brokerage Relationships***

Brokers and their agents are required to disclose the type of working relationship they have with buyers in a real estate transaction. There are several types of relationships that are available to you. Buyer's Agent and Seller's Agent relationships are commonly referred to as "agency" relationships and carry with them legal duties and responsibilities for the broker *and* for the buyer and seller.

### **BUYER'S AGENT**

A Buyer's Agent acts solely on behalf of the buyer and owes duties to the buyer that include the utmost good faith, loyalty, and fidelity. The agent will negotiate on behalf of, and act as an advocate for, the buyer. The buyer is legally responsible for the actions of the agent when that agent is acting within the scope of the agency. The agent must disclose to sellers all adverse material facts concerning the buyer's financial ability to perform the terms of the transaction and whether the buyer intends to occupy the property. A separate written buyer's agreement is required which sets forth the duties and obligations of the parties.

### **LIMITED DUAL AGENCY**

At the time, you enter an agreement for Agency Representation, you may be asked to give written consent allowing the brokerage to represent both you and the other party in a transaction. This "dual agency" situation can arise when, for example, the brokerage that represents the seller also represents the buyer. When this occurs, it is necessary that the brokerage's representation duties be "limited" because a buyer and seller have built-in conflicts of interest. Most significantly, the buyer typically wants the property at the lowest price, while the seller wants top dollar. As a "limited dual agent," the brokerage and its licensees cannot advocate on behalf of one client over the other, and cannot disclose confidential client information concerning price negotiations, terms or factors motivating the client/buyer to buy or the client/seller to sell. However, the brokerage must otherwise promote the best interests of both parties, perform the terms of the written representation agreement with skill and care, and perform all other duties required by law.

### **LIMITED DUAL AGENCY WITH ASSIGNED AGENTS**

In some situations, a brokerage that has obtained consent to represent both parties as a limited dual agent may assign individual licensees ("sales associates") to act solely on behalf of each party. (The brokerage must have an office policy that ensures client confidences are protected.) Where this is the case, the sales associate, or "assigned agent," is not limited by the brokerage's agency relationship with the other party, but instead has a duty to promote the best interest of the client that he or she is assigned to represent, including negotiating a price. The designated broker (the licensee who supervises the sales associates in the brokerage firm) remains a limited dual agent for both clients, and ensures the assigned agents fulfill their duties to their respective clients.

## ***The Advantages of a Buyer's Agency Agreement***



### **YOUR INTERESTS ARE PROFESSIONALLY REPRESENTED —**

Enlisting the services of a professional Buyer's Agent is similar to using an accountant to help you with your taxes, a doctor to help you with your medical needs or a mechanic to help you with your car. So the first advantage is pretty obvious. If you had the time to devote to learning all you need to know about accounting, medicine, and automotive mechanics, you could do these services yourself. But who has the time? This is why you allow other professionals to help you in specific areas of expertise.

Continuous education, market research, and vast experience are combined to help me find you the perfect home quickly. I let you concentrate on your full-time job, while I do mine. I will guide you through the home buying process and exclusively represent your interests as we help you find a home, present your contract offer, negotiate, and close!

### **YOU GET A PERSONAL SPECIALIST WHO KNOWS YOUR NEEDS —**

When you tour homes with me you will already know that the homes meet your criteria for price, location and size.

Just as your accountant, doctor, and mechanic get to know your needs through a steady relationship, I get to know your real estate needs and concerns. This type of relationship is built by open communication at all times and by touring homes with me so I get a good idea of your feedback and concerns about each home. If you try to jump from agent to agent, you will not receive the best real estate services possible, and you will be violating your agreement.

### **WHAT IS THE BUYER'S AGENCY AGREEMENT? —**

Entering into a Buyer's Agency Agreement has countless advantages and no disadvantages. When you sign the agreement, you are simply agreeing to "hire" a personal representative who, by law, must represent your best interests to the best of his/her ability. All of this personal service is available at no cost. With me, you get a professional devoted to protecting your needs to help you make one of the most important investment decisions of your life.

## ***How Much Home Can You Afford?***

Your lender will tell you exactly what you can afford so that you do not spend time looking at “too much” home. There are three key factors that you will need to consider when determining how much home you can afford. These are (1.) the down payment, (2.) your ability to qualify for a mortgage, and (3.) the closing costs associated with your transaction.

### **Down Payment Requirements:**

Most loans today require a down payment of between 3.0% and 5.0% depending on the type and terms of the loan. However, there are zero-down programs available. If you can come up with 20-25% of the down payment, you may be eligible to take advantage of special fast-track programs and possibly eliminate mortgage insurance.

Bigger is usually better when it comes to down payments; however, the arithmetic will differ from case to case. A bigger down payment means smaller payments and lower interest expense for if you remain with a mortgage. This is an important factor for many people. But if you can put your available funds to work for you so that they can earn more than the interest rate on your loan, you could come out ahead with a smaller down payment. Also, a smaller down payment may allow you to keep extra cash available for an emergency.

### **Closing Costs:**

In addition to the down payment, you will be required to pay fees for loan processing and other closing costs. These fees must be paid in full in cash at the time of the final settlement, unless you can include these in your financing. Typical closing costs range between 2-5% of your mortgage loan. A more detailed schedule is included in the section detailing your closing.

### Qualifying for the Mortgage:

Most lenders require that your monthly payment range between 25-28% of your gross monthly income. Your mortgage payment to the lender includes four items (the PITI) that are discussed in detail on the next page. Remember, when you buy a home all interest is tax deductible, so you will qualify for a major tax advantage that will effectively increase your take-home pay. Your total monthly PITI and all debts should range between 33-41% of your gross monthly income. This is a general rule of thumb, but other key factors specifically determine your ability for a home loan. These factors are:

**Contact one of the major credit bureaus for concerns about your credit report:**

**TRW: (800) 422-4879**

**Trans Union: (602) 933-1200**

**CSC Credit: (800) 759-5979**

- INCOME:** History of employment, stability of income, potential for future earning, education, vocational training, and any secondary income such as bonuses, commissions, child support, etc.
- CREDIT REPORT:** History of debt repayment, total outstanding debt and total available credit.
- ASSETS:** Cash on hand, other liquid assets such as savings, checking, CDs, stocks, etc.
- PROPERTY:** The home you are buying must be appraised to determine that it has adequate value and is marketable to ensure it will secure the loan.

## ***Predicting Your Monthly Payment (The PITI)***

Your monthly payment (PITI) is the sum of four items: the principle on the loan (P), the interest on the loan (I), property taxes (T), and homeowner's insurance (I).

To predict your monthly payment for a 30-year fixed rate loan, simply divide the loan amount by 1,000 and then multiply that figure by the appropriate interest rate factor. To that sum add 1/12<sup>th</sup> of the amount of your yearly taxes and 1/12<sup>th</sup> the amount of your yearly insurance.

Add your monthly insurance premium (approximately \$25-\$75) and your property tax to your principal and interest and this is your monthly payment.

Each agency or municipality determines how much money is needed for the budget. They receive these funds through mills levied against properties in their counties. The state limits how much the mill levy can increase each year without voter approval. Each mill is equal to one-thousandth of one dollar (\$.001) of assessed value or \$1 for every \$1,000 of assessed value.

The actual tax is calculated by multiplying the assessed value by the current mill levy. General taxes are a lien against your home as of January 1<sup>st</sup>, the year of the tax, even though they are not due until the following year.

Properties are valued or assessed by the county assessor. The land and buildings are usually assessed separately. The assessed value is approximately 12-15% of the true value (percentage value is determined by state law). If an owner feels the assessed value of their property is incorrect, they can present their objection through the local taxing authority on an annual basis.

## Loan Application Checklist



### General:

- Picture ID with social security number of borrower and co-borrowers.
- Payment to cover the application fee.
- Name and complete address of all landlords for the past two years.

### Income:

- Employment history for the past two years including names, addresses, phone numbers, and length of time with company.
- Copies of your most recent pay stubs and W-2 forms (past two years).
- Verification of other income (social security, child support, retirement).
- If self-employed, you need copies of the past two years signed tax returns including all schedules, and a signed profit and loss statement of the current year. Retirees need tax returns for the past two years.
- If you have rental property income, bring a copy of all lease agreements.

### Assets:

- Copies of all bank and credit union statements for the past three months.
- Copies of all stock/bond certificates and/or the past three statements from all investment and retirement accounts.
- Prepare a list of household items and their values.
- Copies of title documents for all automobiles, boats, motorcycles, etc.
- Face amount, monthly premiums and cash values of all life insurance policies. (Cash value may be used for closing costs or down payments. You need documentation from the carrier indicating cash value).

### Creditors:

- Credit cards (account numbers, current balances, and monthly payments).
- Installment loans (car, student, etc.). Same details as for credit cards.
- Mortgage loans (property address, lender with address, account numbers, monthly payment and balance owed on all properties presently owned or sold within the last two years). Bring proof of sale of properties sold.
- Child care expense/support (name, address, phone number).

### Other:

- Bankruptcy – bring discharge and schedule of creditors.
- Adverse credit – bring letters of explanation.
- Divorce – bring Divorce Decrees, property settlements, quit claim deeds, modifications, etc. for all divorces by yourself or your spouse.
- Retirees—bring retirement and/or Social Security Award Letter
- VA only – bring Form DD214 and Certificate of Eligibility.

## Don't get "swept away" while house hunting

When touring homes, you will find that there are many beautiful homes on the market. There are two things you must do before looking at homes.

1. Find out from your lender how much you qualify to spend on the home. It is very easy to become excited about features found in homes out of your price range. Before you get your heart set on that big, tree-shaded colonial on the hill, you need to pin down your financial details. Only then will you know if you can afford Willow Crest or if it makes more sense to aim for Shady Hollow.
2. Complete this list below. Please take a moment to decide which features are "Requirements" (location, number of bedrooms, eating space, architectural style, garage) and which features are "Extras" (fireplace, walk-in closets, deck, landscaping, etc...). There are many different features in homes that range from necessary to luxury. It is easy to get caught up in the excitement of a beautiful home loaded with amenities. It is important that you select a home that truly meets all or most of your requirements first and foremost!

As you tour homes refer to this list to make sure the home meets your requirements. The extras should only come into play when you make your final decision between homes that meet all or most of your requirements.

<b>Needs</b>	<b>Wants</b>

## ***Choosing the right neighborhood is as important as choosing the right house!***

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

Neighborhoods have characteristic personalities designed to best suit single people, growing families, two-career couples, or retirees. Investigate to determine that the neighborhood in which you choose to look for a home matches your lifestyle and personality.



### **Scout out the Neighborhood!**

It is important that you scout the neighborhood in person. You live in more than your house. If possible talk to people who live there. Drive through the entire area at different times of the day. Look carefully at how well other homes in the area are being maintained and determine for yourself and your family if what you see satisfies you.

### **Neighborhood Factors to Consider --**

Look for things like access to major thoroughfares, highways, and shopping. Listen for noise created by commerce, roads, railways, public areas, schools, etc. Smell the air for adjacent commerce or agriculture.

Check with local civic, police, fire, and school officials to find information about the area. Look at traffic patterns around the area during different times of the day and drive from the area to work.

Is the neighborhood near parks, churches, recreation centers, shopping, theaters, restaurants, public transportation, schools, etc.? Does the neighborhood belong to a Homeowner's Association?





## *Five Items I Negotiate on Your Behalf*

- 1. Price**
- 2. Terms**
- 3. Inclusions**
- 4. Possession**
- 5. Contingencies**



*We'll work through all of these together.*

*That's my commitment to you!*

# Home Warranty Protection

## An Overview

### Resale Home Warranties —

When you purchase a resale home, you can purchase warranties that will protect you against most ordinary flaws and breakdowns for at least the first year of occupancy. The warranty may be offered by the Seller as part of his/her overall package or by some Realtors® who have access to programs that will ensure the buyer against any defects in the home. Even with a warranty, you should have the home carefully inspected before you purchase it.



A home warranty program will give you peace of mind, knowing that the major covered components in your home will be repaired if necessary. Ask me for more details about home warranty packages.

### New Home Warranties —

When you purchase a newly built home, the builder usually offers some sort of full or limited warranty on things such as the quality of design, materials, and workmanship. These warranties are usually for a period of one-year from the purchase of the home.

At closing, the builder will assign to you the manufacturer's warranties that were provided to the builder for materials, appliances, fixtures, etc. For example, if your dishwasher were to become faulty within one year from the purchase of your newly built home, you would call the manufacturer of the dishwasher – not the builder.

If the homebuilder does not offer a warranty, BE SURE TO ASK WHY!

WARRANTY INFORMATION	
Company _____	Contact: _____
Name: _____	
Address: _____	Phone: _____
_____	
_____	Fax: _____
_____	
Policy _____	Policy _____
Number: _____	Value: _____
Coverage: _____	Duration: _____
_____	

## Obtaining an Inspection: Frequently Asked Questions



### **Is an inspection necessary?**

You have the right to request an inspection of any property you are thinking of purchasing by a professional inspector of your choice. You should always exercise your option to have the physical condition of the property and its inclusions inspected. Many of the more severe and expensive problems such as mechanical, electrical, structural, and plumbing are not noticeable to the untrained eye. If repairs are needed, negotiate these in your contract offer. A professionally conducted home inspection followed by a written evaluation is becoming standard procedure in home buying because of increased buyer awareness and savvy.

### **Are inspectors licensed?**

Since an increasing number of buyers are requesting property inspections, there has been a rapid increase in the number of people entering the inspection field. ***I use licensed, certified inspectors, all of whom use standard reports.***

### **What does an inspection entail?**

A qualified inspector will follow Standards of Practice in conducting their inspection. The inspection consists of a physical inspection of the home with the purchaser present, followed by a written report detailing their findings. They report on the general condition of the home's electrical, heating, and air systems, interior plumbing, roof, visible insulation, walls, ceilings, floors, windows, doors, foundation, and visible structure. The inspection is not designed to criticize every minor problem or defect in the home. No home is perfect. It is intended to report on major damage or serious problems that require repair for the well being of the home and that might require significant expense. In Texas, a special concern is expansive soils. They can be destructive when water causes these high clay content soils to swell and exert upward pressure on foundation and driveway slabs. If improperly constructed, these structures can crown up in the middle.

### **Buyer education is necessary —**

The primary purpose of the inspection is to educate the buyer to make an informed purchasing decision. The inspector should allow and even encourage the buyer to attend the home inspection. A good home inspector knows how the home's many systems and components work together and how to minimize the damaging effects of sun and water. The buyer's attendance of the inspection provides them with an over-all idea of possible future repair costs and maintenance routines. This is valuable information, which could increase the life span, and perhaps the future selling price of the home.

## ***Contract to Close: The Closing Department***

*The process you need to know to close successfully!*

**Congratulations! You're closing on your investment. The Closing Department handles this part of the transaction.**

### **CLOSING DEPARTMENT HOURS OF OPERATION/QUESTIONS:**

Do not hesitate to call me with any questions or information. I try to return calls promptly, but if you get my voicemail please let me know the best way to reach you.

### **What is a real estate "closing?"**

A "closing" is the meeting of the Buyer, Seller, and their agents (optional), and representative from the lending institution and Title Company wherein the actual transfer of title to the property occurs.

The purchase agreement or contract you have signed describes the property, states price and terms, sets forth the method of payment, and usually names the date and place where the closing or transfer of the property title and keys will occur. This meeting is also referred to as the settlement.

The title company transferring ownership of the property to you will prepare a new deed.

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

Before you exchange these papers, the property may be surveyed, appraised, or inspected, and the ownership of title will be checked in county and court records.

### **How do we prepare for a closing?**

As previously mentioned, you should have already conducted any inspections, etc. you wish to have done on the property.

You will be required to pay all fees and closing costs in the form of "guaranteed funds" such as a Cashier's Check. You will be notified of the exact amount by your agent or escrow officer at closing.

## **What is an escrow account?**

An escrow account is a neutral depository for funds that will be used to pay expenses incurred by the property, such as taxes, assessments, property insurance, or mortgage insurance premiums which fall due in the future.

You will pay one-twelfth of the annual amount of these bills each month with your regular mortgage payment. When the bills fall due, they are paid by the lender from the special account. At closing, it may be necessary to pay enough into the account to cover these amounts for several months so that funds will be available to pay the bills as they fall due.

You may also be required to refund items prepaid by the Seller. For example, if the Seller has paid the special assessments or taxes for that year, you may be required to refund the value of the months remaining in the year when you take possession of the property.

An escrow fee is usually charged to set up the account.

## Step-By-Step Process & Checklist

*A successful real estate transaction hinges on numerous details involving deadlines that must be met so that you can move into your ideal home as soon as possible.*

TO DO:	DATE COMPLETED:
✓ Loan Application: (Application fee is due at this time).	_____
✓ Seller's Disclosure must be signed:	_____
✓ Set inspection date and time:	_____
✓ Written notice due – all items from the inspection that you wish to be repaired:	_____
✓ Negotiation of inspection repair items complete:	_____
✓ Title Commitment due:	_____
✓ Insurance: (You are required to arrange for insurance coverage and to inform your mortgage company of your agent's name and phone number).	_____
✓ Loan approval:	_____
✓ Closing Date:	_____
✓ Have Utilities Transferred:	_____

Please note: During the loan and home-buying process, you will be asked to supply documentation, respond to phone calls requesting information, schedule dates into your calendar, etc. Please respond quickly to these requests so that your transaction does not encounter problems.

As your closing date approaches, I'll provide you with all the information you need about your closing and everything you need to be prepared.

## Helpful Phone Numbers

Make arrangements for canceling home utilities such as the following. Advise them of your desired date for final reading and give them your new address for final billing. Request deposit return if appropriate, and arrange for immediate service at your new address.

### **ELECTRIC COMPANY**

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Company Name

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Company Phone Number

### **WATER/SEWER**

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Company Name

---

Company Phone Number

### **GAS**

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Company Name

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Company Phone Number

### **LOCAL PHONE SERVICE**

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Company Name

---

Company Phone Number

### **LONG DISTANCE SERVICE**

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Company Name

---

Company Phone Number

### **CABLE T.V.**

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Company Name

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Company Phone Number

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## ***Packing and Moving Checklist***

*Here are a few suggestions to help make your move more efficient.*

- Gather boxes in all sizes from friends, neighbors, and stores. Appliance stores are a great place to find large boxes.
- Collect cushioning material such as bubble wrap, Styrofoam pellets, furniture pads, old blankets, plastic bags, tissue paper, newspapers, and small towels to use as padding inside boxes.
- Create a "portable packing kit" with marking pens, a tape measure, packing tape, twine, and scissors. Carry it with you as you pack up items around your home.
- Reinforce the bottom of boxes with extra tape for added strength.
- Label each box with the name of the room in your home where it should be placed.
- Number the boxes and keep a list of which boxes goes in which room in your new home.
- Label boxes containing fragile items with large red lettering.
- Place china in plastic bags and stack plates upright on their sides, not flat.
- Pack TVs, computers and electronics in their original boxes whenever possible.
- Keep boxes to 50 pounds or less.
- Pack heavy items into their own smaller boxes and place lighter items together into larger boxes. (Don't pack all your books into one box!)
- Don't move flammable, combustible, corrosive, or explosive items such as paint, gasoline, and ammunition.
- Pack a bag of personal items you'll need during the move (change of clothes, toiletries, medicine, maps, food, and drinks). Keep it in an easy-to-find place when you pack.



## **Two months before moving**

- Sort through your belongings to reduce the number of things to move.
- Have a garage sale or donate items you no longer need.
- Decide whether to move yourself or hire professionals. Make reservations with a moving company or truck rental company. TIP: Call 3 companies for estimates.
- Gather packing supplies: boxes, packing material, tape, felt markers, and scissors.
- Save all moving receipts. Some moving expenses are tax deductible. Check the current tax code for requirements.
- Place your legal, medical, financial, and insurance records in a safe, accessible place.
- Purchase insurance coverage for valuables to be moved.

## **One month before moving**

- Start packing items that aren't regularly used such as off-season clothes and decorations and items in storage areas (garage, attic, and closets).
- Make travel arrangements for your pets.
- If you're driving, get your car tuned up.
- Get medical records from your doctors, dentist, optometrist, veterinarian, etc.
- Back up important computer files.

## **Two weeks before moving**

- Contact your utility companies and notify them of your move.
- Sign up for services at your new address.
- Contact your long distance phone company and notify them of your move.
- Call friends and family and recruit help for the moving day.
- Arrange to close or transfer your bank account, if appropriate.

## **One week before moving**

- Pick up items from the cleaners, repair shops, or friends.
- Pack a survival kit of clothes, medicines, special foods, etc. to carry you through the day while you unpack.
- Finish packing all boxes minus what you'll need in the final week.
- Inform the post office of your upcoming move.
- Send or email change-of-address cards to:
  - Friends and family

- Banks, insurance companies, credit card companies, and other financial institutions
- Magazines and newspapers
- Doctors, lawyers, accountants, realtors, and other service providers
- State and federal tax authorities and any other government agencies as needed
- Workplace, schools, and alma maters

### **The day before**

- Set aside moving materials, such as tape measure, pocketknife, and rope.
- Pad corners and stairways of house.
- Lay down old sheets in the entry and hallways to protect floor coverings.
- Remove hanging fixtures.
- If you are not hiring a moving company, rent a dolly to move heavy items.

### **Moving day: It's finally here!**

- Carry with you:
  - The keys to your new home.
  - Documentation related to the sale of your home.
  - Your insurance policies and agent's phone number.
  - Prescription and non-prescription medicines.
  - Enough clothing to get by if things go "sideways."
  - Any items of great personal value to you that are irreplaceable.
  - Back-up copies of important computer files.
  - Sheets, towels and personal hygiene items for the first night in your new home.
- Upon arrival, check inventory to ensure that everything was delivered before signing delivery papers. Note any damages on the inventory sheet.
- Inventory any valuable items such as china, art, and jewelry immediately.

## **Congratulations: You're moving!**

### **Now that you have a new address, send out all your change of address notices.**

Keep in mind that the post office will forward your mail for a certain amount of time (typically 12 months for normal first class mail and 60 days for magazines) but they do expect that you are sending notices to everyone who sends you mail. Here are some suggestions of whom to send your change of address notification to:

- ❑ Friends and relatives
- ❑ Magazine and mail order subscriptions
- ❑ Professional organizations of which you are a member
- ❑ Clubs, social or civic organizations with mailings
- ❑ Charge accounts, insurance carriers, and creditors
- ❑ Driver's bureau to receive tag notices
- ❑ Voter Registration officials



### **Don't forget the needs of your furry friends!**

Do not transport your pets much farther than they have safely traveled in the past without consulting your veterinarian. To transport animals by air, you need an airline-approved animal carrier. A moving company can inform you of any state regulations for pet entry, vaccination or quarantine procedures. Ask about regulations, licenses, tags, etc. for pets. Also, do not forget to obtain a copy of your pet's medical records.

### **Keep detailed records – some moving expenses are tax deductible!**

Keep detailed records of all moving expenses if your move is job related. Many expenses, including house-hunting trips, are tax deductible. If your move is 35 miles or more from your home, you can deduct your family's travel expenses, including meals and lodging; the cost of transporting furniture, other household goods and personal belongings; food and hotel bills for up to 30 days in the new city if you have to wait to move into your new home; and the costs associated with selling your old home or leasing your new home.

There is a ceiling on deductions which is outlined in detail in the IRS's Publication 521, "Tax Information on Moving Expenses," available free from the IRS offices or online: [www.irs.gov/pub/irs-pdf/p521.pdf](http://www.irs.gov/pub/irs-pdf/p521.pdf)

## ***Children or Guardians in Your Home?***

### *Help Children Cope with the Move*

1. Show the children the new home and their new room prior to moving. If this is not possible, pictures or videos will help them visualize where they are going.
2. Assure children that you won't forget their friends.
3. Make a scrapbook of the old home and neighborhood.
4. Throw a good-bye party. At the party, have their friends sign a t-shirt.
5. Have your children write good-bye letters and enclose their new address. You may wish to call the other children's parents so that they will encourage return letters.
6. When packing, give your children their own boxes and let them decorate them.
7. Start a scrapbook for your new home.
8. Visit your children's new school, park, church, etc. Take a camera.
9. Help your children invite new friends over to your new home.
10. Let your children choose a new favorite restaurant. This will help them feel in control of their new environment.
11. Encourage your children to send letters about their new home to their friends.
12. Involve your children in groups, sports, and activities like the ones they used to participate in.

Remember, even if you only lived in a home for a few years, to a young child it represents nearly their entire lifetime.

# 88 Types of Turbulence

*The hard truth that, on occasion, things go wrong.*

<p><b>The Buyer/Borrower:</b></p> <ol style="list-style-type: none"> <li>1. Does not tell the truth on loan application.</li> <li>2. Has recent late payments on credit report.</li> <li>3. Finds out about additional debt after loan application.</li> <li>4. Borrower loses job.</li> <li>5. Coborrower loses job.</li> <li>6. Income verification lower than what was stated on loan application.</li> <li>7. Overtime income not allowed by underwriter for qualifying.</li> <li>8. Applicant makes large purchase on credit before closing.</li> <li>9. Illness, injury, divorce or other financial setback during escrow.</li> <li>10. Lacks motivation.</li> <li>11. Gift donor changes mind.</li> <li>12. Cannot locate divorce decree.</li> <li>13. Cannot locate petition or discharge of bankruptcy.</li> <li>14. Cannot locate tax returns.</li> <li>15. Cannot locate bank statements.</li> <li>16. Difficulty in obtaining verification of rent.</li> <li>17. Interest rate increases and borrower no longer qualifies.</li> <li>18. Loan program changes with higher rates, points and fees.</li> <li>19. Child support not disclosed on application.</li> <li>20. Bankruptcy within the last two years.</li> <li>21. Mortgage payment is double the previous housing payment.</li> <li>22. Borrower/coborrower does not have steady two-year employment history.</li> <li>23. Borrower brings in handwritten pay stubs.</li> <li>24. Borrower switches to job with a probation period.</li> <li>25. Borrower switches from job with salary to 100% commission income.</li> <li>26. Borrower/co borrower/seller dies.</li> <li>27. Buyer is too picky about property in price range they can afford.</li> <li>28. Buyer feels the house is misrepresented.</li> <li>29. Veterans DD214 form not available.</li> <li>30. Buyer comes up short of money at closing.</li> <li>31. Buyer does not properly "paper trail" additional money that comes from gifts, loans, etc.</li> <li>32. Buyer does not bring cashier's check to title company for closing costs and down payment.</li> </ol>	<p><b>The Seller:</b></p> <ol style="list-style-type: none"> <li>33. Loses motivation to sell.</li> <li>34. Cannot find a suitable replacement property.</li> <li>35. Will not allow appraiser inside home.</li> <li>36. Will not allow inspectors inside home in a timely manner.</li> <li>37. Removes property from the premises the buyer believed was included.</li> <li>38. Cannot clear up liens – is short on cash to close.</li> <li>39. Did not own 100% of property as previously disclosed.</li> <li>40. Encounters problems getting partners' signatures.</li> <li>41. Leaves town without giving anyone Power of Attorney.</li> <li>42. Delays the projected move date.</li> <li>43. Did not complete the repairs agreed to in contract.</li> <li>44. Seller's home goes into foreclosure during escrow.</li> <li>45. Misrepresents information about home and neighborhood.</li> <li>46. Does not disclose all hidden or unknown defects and they are subsequently discovered.</li> </ol> <p><b>The Realtor(s):</b></p> <ol style="list-style-type: none"> <li>47. Has no client control over buyers or sellers.</li> <li>48. Delays access to property for inspection and appraisals.</li> <li>49. Does not get completed paperwork to the Lender in time.</li> <li>50. Inexperienced in this type of property transaction.</li> <li>51. Takes unexpected time off during transaction and can't be reached.</li> <li>52. Misleads other parties to the transaction – has huge ego.</li> <li>53. Doesn't do sufficient homework on their clients or the property and wastes everyone's time.</li> </ol> <p><b>The Lender(s):</b></p> <ol style="list-style-type: none"> <li>54. Does not properly pre-qualify the borrower.</li> <li>55. Wants property repaired prior to closing.</li> <li>56. The market raises rates, points or costs.</li> <li>57. Borrower does not qualify because of a late addition of information.</li> <li>58. Lender requires a last-minute second appraisal or other documents.</li> <li>59. Lender loses a form or misplaces entire file.</li> <li>60. Lender doesn't simultaneously ask for all needed information.</li> <li>61. Lender doesn't fund loan in time for close.</li> </ol>	<p><b>The Property:</b></p> <ol style="list-style-type: none"> <li>62. County will not approve septic system or well.</li> <li>63. Termite report reveals substantial damage and seller is not willing to fix.</li> <li>64. Home was misrepresented as to size and condition.</li> <li>65. Home is destroyed prior to closing.</li> <li>66. Home is not structurally sound.</li> <li>67. Home is uninsurable for homeowner's insurance.</li> <li>68. Property incorrectly zoned.</li> <li>69. Portion of home sits on neighbor's property.</li> <li>70. Unique home and comparable properties for appraisal difficult to find.</li> </ol> <p><b>The Escrow/Title Company:</b></p> <ol style="list-style-type: none"> <li>71. Fails to notify lender/agents of unsigned or unreturned documents.</li> <li>72. Fails to obtain information from beneficiaries, lien holders, insurance companies or Lenders in a timely manner.</li> <li>73. Lets principals leave town without getting all necessary signatures.</li> <li>74. Loses or incorrectly prepares paperwork.</li> <li>75. Does not pass on valuable information quickly enough.</li> <li>76. Does not coordinate well, so that many items can be done simultaneously.</li> <li>77. Does not bend the rules on small problems.</li> <li>78. Finds liens or other title problems at the last minute.</li> </ol> <p><b>The Appraiser:</b></p> <ol style="list-style-type: none"> <li>79. Is not local and misunderstands the market.</li> <li>80. Is too busy to complete the appraisal on schedule.</li> <li>81. No comparable sales are available.</li> <li>82. Is not on the Lender's "approved list."</li> <li>83. Makes important mistakes on appraisal and brings in value too low.</li> <li>84. Lender requires a second or "review" appraisal.</li> </ol> <p><b>Inspectors:</b></p> <ol style="list-style-type: none"> <li>85. Pest inspector not available when needed.</li> <li>86. Pest inspector too picky about condition of property.</li> <li>87. Home inspector not available when needed.</li> <li>88. Inspection reports alarm buyer and sale is cancelled</li> </ol>
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## VIP Questionnaire

*In order to better serve you, please complete and return this sheet at our first meeting. Thank you for the opportunity to serve you!*

Your name: \_\_\_\_\_

Spouse/Partner's name: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Physical address: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

Work: \_\_\_\_\_ Fax: \_\_\_\_\_

Spouse/Partner Cell: \_\_\_\_\_ (if applicable)

Email address: \_\_\_\_\_

Spouse/Partner email: \_\_\_\_\_

SPECIAL DATES	Month	Day	Sex	Name
Your birthday				
Spouse/SO birthday				
Child #1 birthday				
Child #2 birthday				
Child #3 birthday				
Child #4 birthday				
Wedding Anniversary				

FAVORITE THINGS	You	Spouse/Significant Other
Color		
Restaurant		
Holiday		
Sport/Hobby		

# Buyer 10's Sheet

On a scale of 1-10, with 1 being not so desirable and 10 being extremely desirable, what one thing has to happen in this transaction for your experience to be a 10?

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What is important to you about that?

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If I could add just one more thing, what would it be to make your experience a 10+?

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How does someone win with you?

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How does someone lose with you?

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What do you feel you have the right to expect from me?

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What do you feel we have the right to expect from you?

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Buyer's Initials\_\_\_\_\_

Agent's Initials\_\_\_\_\_

## Ways to Communicate

*In order to exceed your expectations and make this a smooth closing, I'd like to find out your expectations of me and let you know what our expectations will be of you.*

Name: \_\_\_\_\_ Property: \_\_\_\_\_

Regular Business Hours: 8:30 am – 5:30 pm

### Your Communication Expectations

During the day, what is the best way to contact you?

HOME PHONE    CELL PHONE    WORK PHONE    PAGER    EMAIL

Appropriate Number or Email Address: \_\_\_\_\_

If we need to call you at work, what days/hours do you work?

\_\_\_\_\_ Phone # \_\_\_\_\_ Ext. \_\_\_\_\_

If we have things to get signed, what is the best way to handle it?

FAX HOME    FAX WORK    COME IN TO OUR OFFICE

Fax Number \_\_\_\_\_

How often do you expect to hear from us?

ONLY WHEN THERE IS NEWS    WEEKLY    OTHER \_\_\_\_\_

### The Closing Team's Expectations of You:

As you can imagine I am on the phone all day long following up on the many details of my clients' transactions. If you get my voicemail, please leave a message letting me know the best time to reach you and where, and I will respond right away.

- Timely return of phone calls if any return information is required.
- Timely return of all documents requiring signatures.

**Please return this form immediately with any other requested paperwork in the envelope provided!**



**Advocate Partners:**

*Know how to get in touch with everyone who is working for you!*

**Mortgage Company:**

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**Loan Officer:**

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**Phone:**

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**Address:**

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**Insurance Company:**

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**Agent:**

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**Phone:**

---

**Address:**

---

**Title Company:**

---

**Escrow Agent:**

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**Phone:**

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**Address:**

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## About Ed Elam Real Estate

*Knowledge, Integrity, Peace of Mind*

### **Mission Statement**

Ed Elam Real Estate provides the highest caliber professionals and practices to help you reach your financial goals through real estate purchases, sales, new construction and development.

**We are a trusted partner and caring friend to our customers and value their relationship not just their transactions.**

Our vision is to help our customers succeed financially by satisfying all of their real estate needs.

### **About Ed Elam**

**Ed Elam** has been in real estate since 2001. Ed is an Idaho native who grew up in Boise and McCall. Ed enjoyed a successful career in the restaurant business in Seattle and LA. He returned to McCall and managed the Shore Lodge before moving to Boise in 1994. Ed worked with an electrical contractor before obtaining his real estate license and putting years of experience building and remodeling homes to work!

Ed has developed expertise in investment properties and the Mature/Empty Nester market (facilitating purchases and sales for clients going through changes brought about by age, retirement, the passing of a spouse and children leaving the home).

Ed Elam Real Estate specializes in buyer and seller transactions with an emphasis on investors, relocation, and move up sales.