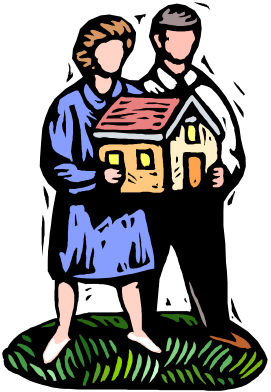


The Home Buying



Process



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“Personal Service is my Commitment to you!”

What to Expect from a Buyer's Agent

I work a little differently than most Real Estate professionals. My goal as a Buyer's Agent is not to sell you a home; it is to educate and help you find your home. I will do this by educating you on the process, searching for homes that fit your needs, negotiating on your behalf, helping you with financing, homeowners insurance, various inspections, and the closing. All this work is done with

your interests in mind and 99% of the time you do not pay for my services.

Loyalty is one of the most important things you should demand and get from your agent. I look out for my client's best interest solely! I give my clients a 100% effort 7 days a week. In return I ask for the same loyalty from you. Working with more than one agent will not help you in the long run. What you need is one person who knows your needs, what you like, and your individual situation as it pertains to Real Estate.

The following pages are outline of the home buying process, a summary of the contract, and some useful mortgage information. It is important to me that you become knowledgeable about the process so you can make the most educated decision possible when buying Real Estate!



Why Should I use a Buyers Agent?

The Saving

- 1 We will show you only the homes that fit you criteria

Financial Savings

- 2 I will use my expertise and resources to help you determine the current value and potential future value of the home you select

Contracts

- 3 I will guide you through the contract writing process

Education

- 4 My belief is the more you know about the entire process the better the decision you will make and the better you will feel about it

Financing

- 5 I will put you in touch with one of the most reputable lenders in the area who is customer friendly and attentive to your needs

Inventory

- 6 I can show you any property
- 7 Listed (regardless of listing broker)
- 8 New Construction
- 9 For Sale by Owner (most cases)

Information

- 1 I have a wealth of information regarding Real Estate and communities

Representation

- 2 With a Buyers Agent, you will have active representation looking out for your interests during the transaction

Detailed Work

- 3 Once the contract is signed there is much work left to be done. I will act as a facilitator for you. You will have someone working full-time delivering documents, scheduling inspections, and finishing important paperwork

Interpreters

- 4 If you are uncomfortable using English, I will provide an interpreter to assist you with this process

Loyalty

- 5 My job is not to sell you a home, rather it is to help you find and buy a home that fits your needs. I will listen to your needs and develop a comprehensive plan to find your home

The Process

Get pre approved for a mortgage

Consult with a mortgage broker and determine your buying power.

It is very important to be pre-approved for a mortgage when writing and offer.

What are you looking for?

What type of home would fit your needs and what **MUST** you have in your new home? Make a list of “Must Haves,” “Would be nice,” and “Bonus.” Don’t be afraid to change your mind during the search; it’s difficult to know what you want until you start looking.



This list should include:

- 1 Bedrooms
- 2 Baths
- 3 Style
- 4 Additional Rooms
- 5 Garage
- 6 Lot Size
- 7 Exterior
- 8 Other Amenities

Let's look at properties



After we choose a group of homes, at your convenience, we will take a look at them. Plan on couple of hours our first time out. On this day, you'll get a feel for the marketplace as well as the community. Be sure to give me feedback; this is the only way I can figure out what your likes and dislikes are. We will make as many

additional appointments to see homes as necessary. [This is the largest purchase you'll make.](#) It needs to feel right. You'll probably know it's the "one" when you walk through the door. Don't think about it too much. You'll know it when you see it.

The Process

Buying the home

Once you've seen the "one", we need to put an offer in writing. You will find a simple copy of the sales contract in this packet. Feel free to read it over before we get to the "writing the offer" stage. At this point we will be putting our requests in writing for the seller to review.



This will include:

- 1 Type of financing and down payment
- 2 Closing date
- 3 Personal property to be included
- 4 Earnest money to be included
- 5 Home Inspection
- 6 Price we are offering
- 7 Possession
- 8 Other Contingencies

When we have completed the paperwork, I will present the offer to the seller. He/She has three options after reviewing our offer:

- 1 Accept
- 2 Counter- offer
- 3 Reject

Most often we will get a counter offer. This process is called negotiating. This process could take a couple of hours or a couple of days. You need to be ready to make decisions now. This is not the time to “test the water” it is the to “jump in and swim.” If you’re buying the home with another, you need to be “on the same page” and in the same mindset. Communication will be crucial. You need to discuss things together and keep me informed of your thoughts and ideas. We’ll discuss this more when the time comes.

The Process

We all agreed!

Congratulations- you’ve bought a house. Now the fun begins. Within the first 5 days after the contract is accepted we have some critical things to get done.

Attorney Review

We have 5 business days to have an attorney review the contract and make any modifications he/she feels is necessary.

Home Inspection



You have 5 business days after the contract is accepted to do a home inspection. This is a buyer's expense. You are looking for major deficiencies in the home. (i.e., problems with the roof, furnace, central air conditioning, appliances, electrical, plumbing, etc.) An important part of this paragraph in the contract reads: "The home inspection shall cover only the major components of the Real Estate, including but not limited to central heating system(s), central cooking system(s), interior plumbing system, electrical system, roof, walls, ceilings, floors and foundation. A major component shall be deemed to be in operating condition if it performs the function for which it is intended, regardless of age and does not constitute a threat to health or safety. BUYERS AGREE TO MINOR REPAIRS AND ROUTINE MAINTENANCE ITEMS ARE NOT A PART OF THIS CONTINGENCY. A Home Inspector will charge approximately \$200-\$400 which is due at the time of the inspection. There is an additional charge for radon test or termite inspection. We can discuss this in more detail later. If we have any major deficiencies we will contact your attorney and he/she will write a letter to the seller's attorney regarding our concerns. At this point, we need to come to an agreement between both parties.

The Process

Formal Loan Application

Call your lender and make another appointment. You will need to bring him/her a

copy of the contract as well as any other documents he/she needs to continue your loan application. At this time they will charge you approximately \$300-\$400 and you will have the opportunity to lock your interest rate. This will cover the cost of the credit reports and the appraisal fee of your new home property. You must do this in the first 7 calendar days after the contract is accepted.

Earnest Money

Earnest money is like a security deposit, which demonstrates to the seller our intentions of fulfilling you part of the sales contract, and is generally payable at this time the contract is accepted or within the first 5 business days. This money will be deposited in an escrow account to be used as part of your down payment and closing costs. These funds should be “seasoned” in your account prior to purchasing. If the money just “appears,” the lender may question the origin. A personal check is acceptable although a cashier’s or certified check would also suffice.

Quiet Time

The next several weeks will certainly quiet down. Your activities will include supplying the mortgage company with additional information they need to give you final loan approval, setting up service with utility companies and final reading on your current accounts, lining up movers, and packing. Don’t wait until the last minute; the time will fly and you will be up all night the day before closing filling boxes haphazardly.

You also need to get your homeowner’s insurance. You can use the insurance company of your choice. You’ll need to bring a copy of your insurance policy and the paid receipt to the closing. This should cost between \$250-\$500 per year.



The Process

Final Walk Through

A few days before the closing we will do a final walk through of your new home. This is just a final check to be sure there have been no “changes” in the home since we last saw it and that everything is in working order.

Final Figures

The day before closing or possibly the morning of closing you will be called by your attorney’s office and given the “final figures.” This is the “official” amount of money you will need to bring to closing. Be sure to bring this “money” in the form of a cashier’s check or certified check made payable to yourself. If you bring more than you need, you will get a check back for the difference at the closing.

The closing!

This is the second to last step of your home buying experience. The attorneys will set the closing attempting to fit everyone’s schedule. If you have a time preference, please let them know during the attorney review period. The average closing takes approximately 1-2 hours. This is when you will sign all of the loan documents which give you money (mortgage) to buy the home as well as the seller’s document which transfers ownership of the home to you. Be prepared for writer’s cramps. There are a lot of documents to sign, all of which are necessary to the transaction. Your attorney will explain to you what you are signing. He/she will also explain in the other documents which he/she has researched, approved and prepared during the week prior to the closing. If you have any questions, please ask at that time. In addition to the cashier’s or certified check, you’ll need to bring any information the lender requested you to bring to the closing. As well as your driver’s licenses, you’re personal checkbook and your homeowner’s insurance with the paid receipt.



The Contract

Paragraph 3

Fixtures and Personal Property

This is a list of items that will transfer with the home. These items are considered personal property.

Paragraph 4

Purchase Price

How much for the home and how much earnest money (typically between 1-5%)

Paragraph 6

Mortgage Contingency

This specifies the type of and terms of loan that you will apply for. If you are unable to get this loan, you will not buy the home.

Paragraph 7 and 8

Closing and possession

The closing date is when you actually exchange the money for the title. Possession is when the sellers vacate and deliver the keys (usually the same day as the closing).

Paragraph 9

Residential Real Property and Lone-Based Paint Disclosures

Illinois law requires that almost all homes sellers have to disclose certain material defects and any lead paint hazarders to prospective buyers.

Paragraph 10

Proration

Certain expenses will be prorated at closing to ensure fairness. Examples are homeowner's association dues and Real Estate Taxes.

Paragraph 12 and 13

Professional Inspections and Attorney Review

These two paragraphs spell out your right to inspection and give you time to make the other party aware in writing of a material or contractual problems.

Paragraph 15, 16 and 18

Deed, Title and Affidavit of Title

The seller has to provide proof of ownerships and the Title must be clear of lines and encumbrances except where stated.

Paragraph 30

Condominiums

If purchasing a condo, townhouse, or other similar product this paragraph allows the buyer to get proof that the home is not in violation of association rules, allows you to see the condo "docs" and to see the association financial statements.

Paragraph 31

Sale of Buyer's Real Estate

If you have Real Estate to sell before you can buy this home, this section is used. When you are a home sale or a home close contingency, typically the seller will demand a "kick-out" clause. A "kick-out" clause enables the seller to take another offer that is not contingent of the sale of Real Estate and kill the existing Deal (provided they give the original buyer a certain amount of time to waive their contingency).



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