

***When Dreaming of a Home
Dream of Jeanne!***



**The
A Through Z
of Finding
Your Home**



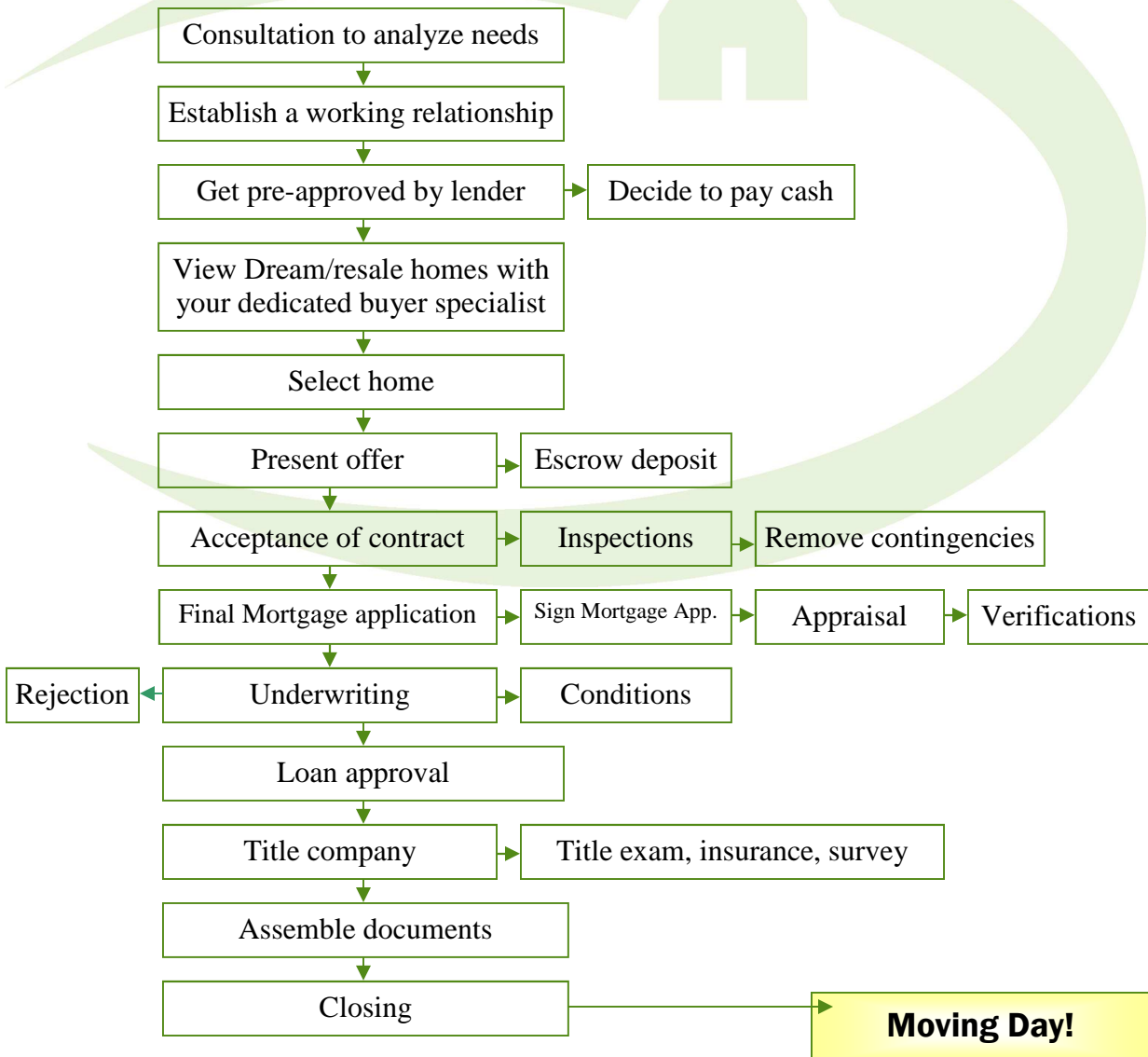
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THE HOME-BUYING PROCESS

The Jeanne Scott Dream Team designed this book to assist you with the purchase of your home. We understand the many questions and concerns of home buyers and how this information will be helpful throughout the transaction. We assure you that it is our goal to provide the most professional and informative service available. Always call us whenever you have a question. We are here to help!



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The Step-By-Step Home-Buying Process

Step One: Be qualified by a lender

Being pre-approved by a lender before you make an offer on a home can save you thousands of dollars later. When you call us to set up our counseling session, we can recommend a top lender for you to contact before our consultation.

Step Two: Your consultation

We will quickly go over the basics of buying a home, including all aspects of the purchase agreement and disclosures. Next, we'll ask you many important questions to help us get a clear picture of your needs, wants, and desires. This takes about 30 to 45 minutes.

At the end of our consultation, you sign a Buyer Agency Agreement, and the search is on!

Step Three: The system

We provide you with all of the photos, addresses, and directions for those homes on the market that match your criteria. This way you can drive by the homes before you tour them. Many people like this system because they get a feel for the home's location and condition without having us present. When homes of interest are found, we make arrangements to view those listings. At the same time, we will be updating you with new homes on the market that match your criteria everyday.

Step Four: Find your Dream home

Once we know all your particulars, we use technology to search the Multiple Listing Service, as well as other resources, for properties that meet your needs. When we go out to see the selected homes, bring your checkbook! Don't be surprised when you fall in love with a home your very first day... most people do!

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Step Five: Draft your purchase agreement

Once we have found your dream home, we'll go back to our office and complete a residential purchase agreement. A sample copy of this is given to you at your consultation.

Step Six: Write earnest-money check

At this time, you also submit an earnest-money check to go with your offer. This check is usually written for \$500 to \$1,000. We take the check and the purchase agreement to the seller's agent and negotiate the sale on your behalf. If the seller accepts your offer by signing the sales contract, you will have "mutual acceptance."

PLEASE NOTE: when your contract is accepted by the seller, your earnest-money check *will* be cashed.

Step Seven: You bought your Dream home

This point is often the hardest part of the home-buying process. Why? Because buyer's remorse may set in. Although a majority of our buyers are very excited, some still feel a bit of buyer's remorse. This happens because it's time for a decision, commitment, and legal documents. So remember, the butterflies you feel are normal. Rest assured...we haven't lost one yet!

Step Eight: Formalize your financing

Now that the paperwork is signed, complete a formal loan application if you haven't already done so. Expect to pay for an appraisal and an extensive credit report, which costs about \$375. You'll sign a Verification of Employment form. If you have asked for an inspection to be done on your Dream home, you'll need to pay the inspector at the time of inspection, usually in the range of \$190 to \$275.

Step Nine: Prepare to move

Your closing and possession dates will be determined when you write the offer to purchase and are agreed upon by both the buyer and seller. We work hard to make sure that everything runs smoothly and to make it as easy and pleasant for you as possible. We'll coordinate your inspectors, and lenders; identify problems; and find solutions.

Please feel free to call us at any time during the process. Although we work hard to make sure that you are informed, there may be information that needs further explanation. You now know more about the "real world" buying process than 90 percent of those who are looking to purchase a home!

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UNDERSTANDING CLOSING COSTS

Application Fee: Fee charged by the lender to offset fixed costs related to mortgage loan processing such as appraisal, credit report, and underwriting.

Closing Fee: The fee charged by the closing agent who prepares the closing documents and closes the loan on behalf of the lender.

Commitment Fee: This is often called an origination fee.

Discount Points: Each point is equal to one percent of the mortgage amount. The lender uses points to adjust the yield on the mortgage when it is sold to an investor. By paying more points, the borrower can obtain a lower mortgage interest rate.

Funding Fees: Normally applicable to VA loans only, equal to one percent of the loan amount. The fee is due at closing or may be added to the loan amount and financed.

Homeowner's Insurance: A one-year premium is due in advance at time of closing.

Mortgage Insurance: Insurance that is required by the lender when the down payment is less than 20 percent. In the case of loan default, this insurance reduces the lender's loss.

Pre-Paid and Escrows: Adjustments to escrow accounts from the date of closing to the date of the first payment. Interest is paid through the end of the month of closing. Two months of taxes and PMI payments are collected at closing and held in escrow. Two months of homeowner's insurance must be provided along with a receipt showing that the first year's premium is paid.

Processing Fees: Fees charged by the lender or title company, or real estate company for administrative services performed from the point of contract through closing.

Recording Fees: Fees charged by state or municipal entities for entering the closing documents into the public record.

Survey Fee: The title company checks the survey for encroachments from within or from outside the subject property.

Title Insurance: Provides protection for lenders and homeowners against financial loss resulting from legal defects in the title.

Underwriting Fee: Practices vary from lender to lender. Check the good faith estimate for the amount of the underwriting fee.

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Avoiding the Most Common Mistakes Home Buyers Make

Which are:

- Not understanding a local market and all that is available.
- Not screening the masses—trying to see everything, both in your own price range and not.
- Not understanding pricing and the value of certain amenities.
- Weak negotiating. This mistake alone can cost a buyer thousands of dollars.
- Not requiring the proper inspections.
- Not understanding all available financing.
- Looking for the perfect home.
- Not previewing schools, shopping, and other neighborhood amenities.

**By utilizing our exclusive service,
your home purchase will go smoothly
and you will avoid these common mistakes.**