



Buyer's Guide

Alex Cole Juer



Windermere

REAL ESTATE



9 steps

HOME BUYING ROADMAP

TALK TO ME

Schedule a time to sit down to discuss your wants & needs so that we can make a plan.

HOME SEARCH

Get a feel for the market by browsing the apps & visiting open houses. Schedule private showings with me.

TALK TO LENDER

Call a lender to discuss your loan options and get a pre approval letter. (Suggestions on the Financing page.)

MAKE AN OFFER



GO UNDER CONTRACT



INSPECTION



APPRAISAL



CLEAR TO CLOSE



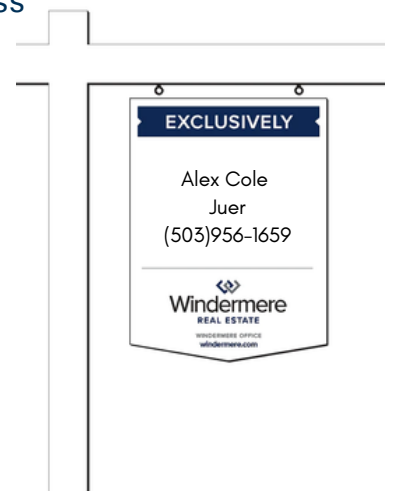
CLOSING DAY






As your Windermere Agent I will ...

- Explain real estate principles, contracts and documents
- Refer you to a reputable lender who can help you assess your financial situation and pre-approve you for a loan
- Help you determine the types of homes and neighborhoods that most fit your needs
- Arrange tours of homes that meet your criteria
- Provide you with detailed information about homes you're interested in
- Determine the market value of homes you're interested in
- Assist you in writing and negotiating a mutually-accepted purchase and sale agreement
- Accompany you to the inspection
- Coordinate necessary steps after inspection
- Work with the escrow company to ensure all needed documents are in order and completed in a timely manner



...so that when you find your new home you will have the piece of mind to know that you have someone on your side to advocate for your interest and help you to make informed decisions.





How much house can you afford?

Financing

Determining how much you can afford before you begin your home search will save you valuable time. I can help you locate a lender who will assist you in finding a financing package that will best meet your needs. But there are a few steps you should consider beforehand to make the process as smooth as possible:

CREDIT REPORT

It's important to check your credit report before you see your lender because:

- Lenders check this to determine the amount of loan you qualify for. It allows you to correct any mistakes in the report before lenders see it.
- If there are any blemishes in your report that are not errors, you should be prepared to explain them to your lender.

You are entitled to one free request each year from each of the three credit bureaus. The best way to do this is to go online to AnnualCreditReport.com.

CREDIT SCORE

You may want to check your credit score at the same time you check your credit report (usually for a fee). This score influences how much lenders are willing to loan to you and at what interest rate.

DOWN PAYMENT

Conventional loans require at least 3% down, however, most lenders will give better financing terms to borrowers who can put a 20% down payment on the purchase. Putting down less than 20% will likely require you to purchase Private Mortgage Insurance (PMI) and perhaps pay a higher interest rate.

PREAPPROVAL

A letter of preapproval from a lender shows that they have checked all your documentation and are prepared to make you a loan. Getting preapproved prior to starting your home search saves you time by:

- Keeping you focused on viewing only the homes that are within your budget.
- Allowing you to be able to make an offer quickly once you find a house you want to buy (letters are sent along with the sales agreement).

RECOMMENDED LENDERS

Chris Jones, *Alliance Capital Partners*
(503)939-3521
chris@acgmp.com

Darren Balough, *Penreth Home Loans*
(503)504-2979
darren.balough@penrithloans.com

Andrew Varcak, *Newland Mortgage*
(503) 730-2222
andy@newlandmortgage.com



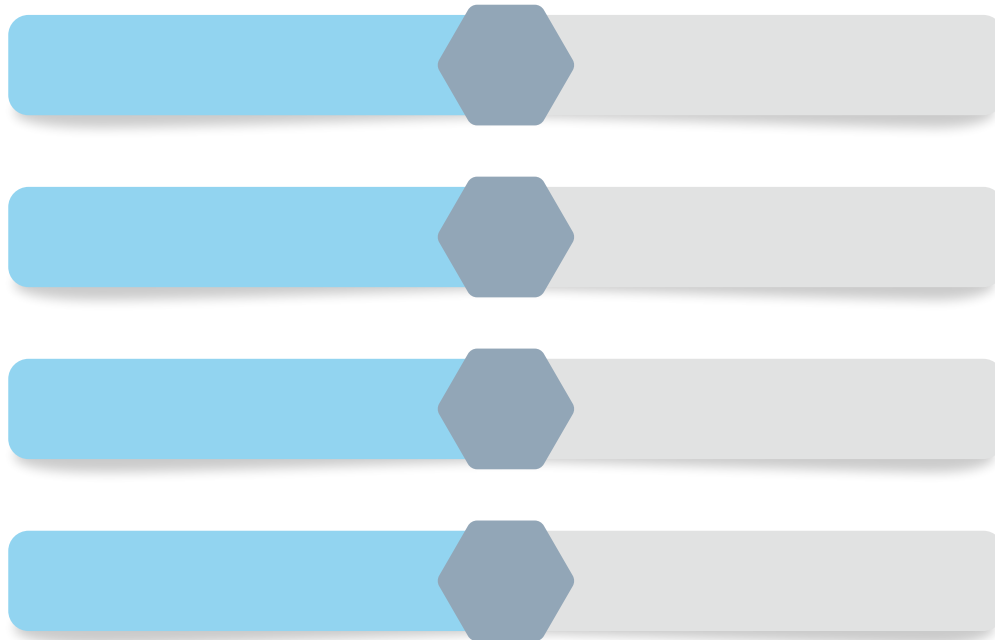


Identifying Your Priorities

Identify your "what" and "why." Write down a list of the top four features your next home must have. Then, write the reasoning behind each feature. Star the most important feature. Are there alternate features that would provide the same benefit?

Feature

Benefit



Lot Size:

Square footage:

Bedrooms:

Bathrooms:

Price Range:

Neighborhood(s):

Style:

Year Built:

Other:





Winning Offer Strategies

As a buyer, you have the ability to strengthen your offer with the following elements included in the sales agreement:

PRICE

- Percent over asking
- Asking price
- Escalation clause

FINANCING

- Cash
- Release of earnest money
- Nonpayment percentage

INSPECTION

- Waive inspection
- Inspection, but take "as is"
- Inspection but waive items under \$___
- Inspection for main components only

APPRAISAL

- Waive appraisal
- Will bring up to \$___ for the difference
- Must appraise to list, will bring \$___ to match
- Must appraise to sales price

TIMING

- Close and rent back to seller
- Close per seller's timeline
- Close in 30 days or less
- Close in 45 days or more
- Close contingent on seller's accepted offer

SELLER EXPENSES

- Seller home warranty
- Assume sewer capacity charge
- Buyer removes trash
- Buyer to clean
- Closing costs

OTHER

- Inclusions of personal property
- Exclusions of fixtures
- Seller rents back at no cost





Answers to Frequently Asked Questions

How does my offer get presented to the seller?

In today's electronic world, offers are sent via email to the seller's agent. I will call the agent to let them know it's coming and tell them a little bit about you and the details of your offer. Then I will follow up with the agent again to confirm receipt of your offer.

Does it cost me money to make an offer?

When you write the offer on the home you've chosen, you will be expected to include an earnest money deposit. The deposit is a sign of your good faith that you are seriously interested in buying the home. This money will be returned to you if the contingencies of the sales agreement are not met, including the financing and inspection contingencies.

Where does my earnest money go?

Once the buyer and seller have a mutually accepted offer, the earnest money is deposited into a trust account. That deposit becomes a credit to the buyer and becomes part of the purchase expense and is included in your total down payment.

Is that all the money that's involved?

Some lenders require the cost of the appraisal and credit report at the time of the loan application.

Can I lose my earnest money?

Real estate contracts are complicated legal transactions. This is another area where having a knowledgeable and professional agent is a necessity. Rarely does the buyer lose the earnest money. Most often, if the transaction falls apart, there are circumstances beyond the buyer's control that cause it to happen. If the buyer willfully decides, however, that they no longer want to buy the house and has no legal reason for rescinding their offer, then the seller has the right to retain the earnest money.

What happens if I offer less than the asking price?

If you offer less money, the seller has three options. They can accept the lower offer, counter your offer or reject it completely. Remember that there could be another buyer who is also interested in the home you've chosen. If they happen to write an offer at the same time you do, the seller will have two offers to compare. There are usually many aspects of each offer to consider, but ultimately the seller will want to accept the best and most complete offer. In active real estate markets, homes often sell for their listed price. In hot markets, there may be many buyers vying for the same house, which sometimes drives the final sale price above the original listing price. As a real estate professional, I can help you plan your strategy, based on the current real estate market in our area.

What if I need to sell my home before I buy a new one?

To put yourself in the best negotiating position before you find the new home you want, hire a qualified real estate agent to help you put your home on the market. Once you write an offer on a new home, your offer will be "contingent" upon the sale of your home. A buyer in this position may not have the same negotiating power as one whose home has already sold (or at least has an accepted offer). The seller may be hesitant to accept your offer because there are too many things that must happen before the sale can close.

How does my agent get paid?

The seller of the home that you purchase pays their listing agent a commission for selling their home. After the successful closing of a sale, the listing agent splits their commission with the buyer's agent.



Buyer's

Glossary of Terms

APPRAISAL FEE

The amount paid for the lender's appraisal of the property.

CLOSING COSTS

A general term for all the estimated charges associated with the transfer of ownership of the property.

CREDIT REPORT FEE

The fee charged by the lender to obtain a credit report on the buyer.

DOWN PAYMENT

Cash that the buyer provides the lender as their portion of the purchase price. The down payment is considered the buyer's equity (or cash investment) in their home.

EARNEST MONEY

Portion of down payment that buyer provides as a show of good faith. Funds are stored in escrow and released at closing unless the transaction fails.

ESCROW FEE

The amount a buyer pays the escrow company or closing agent for preparing papers, accounting for all funds and coordinating the information between all parties involved in the transaction.

LOAN AMOUNT

The amount of the mortgage based on the purchase price, minus the down payment.

PITI

The estimated house payment, including principal, interest, taxes and insurance.

POINTS

Fees charged by the lender to offset their interest rate, if it's below the prevailing market rate. One point equals one percentage point—so one point on a \$100,000 loan would be \$1,000.

PREMIUM MORTGAGE INSURANCE (PMI)

Insurance for the lender, to cover potential losses if the borrower defaults on the loan.

PREPAID INTEREST

The amount of interest due on the loan during the time period between closing of escrow and the first mortgage payment, due at the time of closing.

RMLS (Regional Multiple Listing Service)

Database used in the Portland Area to aggregate real estate information. View homes that are active, pending, and sold.

SKYSLOPE

Real estate transaction management software used by Windermere Agents to create documents and collect signatures.

TOTAL CASH REQUIRED

The total amount of cash the buyer will need, including down payment and closing costs.

TITLE INSURANCE FEE

A one-time premium that a buyer pays for protection against loss or damage in the event of an incorrect search of public records or misinterpretation of title. The title insurance policy also shows what the property is subject to in terms of liens, taxes, encumbrances, deed restrictions and easements.

