



Berkshire Hathaway HomeServices

California Properties



COMMITMENT OF SERVICE

I understand that buying a home is a major decision for you that can be filled with apprehension and concern. My job is to help you find the home that meets your needs and to make the home buying process efficient, stress-free and successful. As your Berkshire Hathaway HomeServices sales professional, my goal is to help you find the right home.

I commit to you that I will:

▪ **Communicate with you in a timely and efficient manner.**

▪ **Plan a home search based on your needs.**

- Consult with you to discover your needs, interests and concerns before developing a planned home search.
- Discuss buyer, seller and dual agency alternatives and explain to you the benefits of an Exclusive Representation Agreement.

▪ **Introduce you to properties and neighborhoods that meet your requirements based upon our plan.**

- Pre-select properties that match your criteria.
- Present your property-search criteria to Berkshire Hathaway HomeServices sales professionals in my office, to gain access to properties that may not yet have reached the open market.
- Save time by pre-scheduling showing appointments.
- Provide sources of information on questions of interest to you, such as schools, neighborhoods and transportation.
- Prepare a preliminary estimate of the costs associated with buying a property.

▪ **Help you obtain the financing you may need for a home purchase.**

- Provide you with information on becoming pre-qualified or pre-approved for a mortgage.
- Help you find a reliable financial institution.

▪ **Assist in preparing a purchase offer on the property of your choice.**

- Review information on sales of comparable homes to help you decide on the price and financing terms that you want to offer.
- Provide you with advice and information on other terms for you to consider, such as possession date and personal property.
- Recommend that you obtain professional home, termite or other inspections. I will review the inspection reports with you.

- Where appropriate, recommend that the purchase be contingent on a professional appraisal of value.
- Explain to you the option of a home warranty, which can reduce your liability.

▪ **Represent you in the transaction with the seller.**

- Present your offer to the seller, through their real estate professional.
- Negotiate in your best interests, including the handling of counteroffers, to reach an agreement that is acceptable to you.

▪ **Work to protect your interests during the completion of the transaction.**

- Review with you the seller's written disclosure statement, preliminary title report and other documents pertaining to the condition and status of the property.
- Work with the seller's broker, the lender and others to see that all requirements of the purchase agreement are satisfied and to help keep the transaction on schedule.
- Keep you informed of the progress of the transaction.
- Accompany you on a comprehensive walk-through of the property before closing (if provided for in the agreement), and assist you in managing any problems discovered during the walk-through.
- Follow up on any remaining details after the close of sale, and provide you with information on additional services that you may need.





HOME FINDING PROCESS

Finding and buying a home typically includes many of the following elements.

I will be your resource and guide every step of the way.

Initial Consultation

- Determine your needs and priorities
- Review “agency” choices and select appropriate working relationship
- Discuss financing options

Finding the Right Home

- Sales professional to show you properties based on your criteria
- Evaluate each property with sales professional
- Choose the right home

Preparing an Offer

- Review comparable sales to determine offer price
- Review progress of loan pre-approval; decide on financing
- Decide on other terms (inspections, possession date, personal property, etc.)
- Prepare earnest money deposit

Reaching an Agreement with a Seller

- Present your offer
- Negotiate terms and possible counteroffers
- Reach an agreed-upon sales contract with seller

Completing the Settlement Process

- Deposit of earnest money
- Review property disclosures
- Review preliminary title report and other documents
- Roof, termite and other inspections
- Arrange for homeowners insurance
- Remove any remaining contingencies
- Arrange for home warranty
- Arrange for movers
- Final walk-through of property with sales professional
- Provide balance of down payment and closing costs
- Sign documents
- Loan funding
- Recording of title
- Receive keys from sales professional
- Move in!

Obtaining Financing

- Find a mortgage company
- Consult with a loan officer
- Pre-qualification
- Complete loan application
- Obtain loan pre-approval
- Provide requested documentation

- Property appraisal
- Loan processing
- Final loan approval



LOOKING AHEAD

To The Home Finding Process

The following questions will help identify how finding and buying a home can be an enjoyable experience for you.

1. How far along are you in the home finding process?
(just thinking about the possibility of buying a home,
or definitely committed to making a move). How
long have you been looking for a home?
2. Why are you contemplating the purchase of a home
at this time?
3. What is your time frame? Is there a definite time
by which you must be settled in your new home?
4. Who will be included in the home finding and
buying decisions?
5. Have you ever purchased a home before? If so,
how many, and how recently?
6. Thinking of previous home finding experiences,
what were the most positive features of those
experiences? If you have never bought a home
before, what are you looking forward to most in
the experience?
7. Were there any unpleasant features of your previous
home finding experiences that you hope to avoid
this time? If you are buying your first home, are
there any problems or concerns you are worried
about?
8. How do you plan to handle the financing of your
new home? Are you aware of your financing
options?
9. What are expectations of me as your real estate
professional? What specific services and support
do you expect?



DEFINING YOUR IDEAL HOME

The property you buy will be much more than a house; it will be your home. The following questions can help you describe the things that are most important to you in your ideal home and neighborhood.

1. For some people, “home” means a hub of social activity; for others it might be a place to retreat from the pressures of daily life. What does “home” mean to you?
2. Who will be living in your household? Will you often have other family members or friends visiting for more than a few days at a time?
3. If you will be working outside your home, what would you consider a comfortable commute (in time or distance)? Will you be working at home?
4. What are the most important activities for the members of your household? For example, hobbies, recreation, school, entertaining, religious or cultural activities.
5. What are one or more features you liked most about homes you have lived in previously? These might include: style, floorplan, yard, view and neighborhood.
6. What is something you disliked about the house or neighborhood where you lived previously, and that you would want to avoid in your next home?
7. What are the most important “must have” features of your ideal home and neighborhood? Why are they important?



HOW TO LOOK AT HOMES

Discovering the right home should be an exciting event. As a Berkshire Hathaway HomeServices sales professional, my commitment is to make your home search as stress-free and efficient for you as possible.

- Identifying up front what is affordable will save time and frustration in the home finding process. It is important to consider the financing options available and to begin the mortgage pre-approval process as soon as possible.
- From the multitude of properties currently on the market, I will select those that most closely meet your unique needs and interests. It is best to preview only a few homes at a time.
- We will schedule time to look at homes and neighborhoods. I will arrange showing appointments with the sellers or their brokers.
- If the seller or their real estate professional is at the property when we are there, it would be best for you to limit your conversation with them.
- In order to help me find the right home for you, I will ask you to tell me your thoughts about each property you see — the positives and the negatives. We will continue to assess your needs and buying criteria.





FINANCING

Your Home Purchase

Unless you are in a position to pay all cash for your home, you will need to obtain a home loan (mortgage) to complete the purchase. I will assist you in this process to help ensure that you obtain the financing that meets your needs.

- Being pre-approved for a loan before you submit an offer will put you in a stronger negotiating position and can save time in the loan approval process.
- I can put you in touch with experienced loan officers at leading mortgage companies. Your loan officer will be your principal guide through the financing process.
- Various financing options may be available to you, including:
 - Fixed rate mortgage
 - Adjustable rate mortgage (ARM)
 - Government-assisted (FHA or VA) financing
 - Seller-assisted financing
- You can expect the lender to ask for standard information regarding your income, expenses and obligations.





ESTIMATE OF COSTS

It is helpful to have an estimate of the costs associated with purchasing a home.*

1. Costs required to close the transaction

Title insurance	_____
Settlement fees	_____
Recording fees	_____
Property tax (pro-rated)	_____
Loan origination fee	_____
Appraisal	_____
Credit report	_____
Other loan fees	_____
Interest on new home (pro-rated)	_____
Home warranty	_____
Termite inspection	_____
Other inspections (roof, property inspection, geological, etc.)	_____
Homeowners insurance	_____
Other:	_____
Other:	_____
Total estimated closing costs	\$ _____

2. Estimated monthly payment

Principal and interest	_____
Property tax	_____
Homeowners insurance	_____
Private mortgage insurance (PMI)	_____
Homeowners association dues	_____
Total estimated monthly payment	\$ _____

Home Purchase Summary*

Purchase price of home	\$ _____
Down payment	\$ _____
Amount financed	\$ _____
Estimated closing costs	\$ _____
Estimated monthly payment	\$ _____

* This is a preliminary estimate only. Actual costs will vary depending on the property, the lender and other factors. You will receive detailed breakdown of costs prior to closing of the transaction.



SUBMITTING AN OFFER



Once you have found the right property, the next step is to make a purchase offer to the seller.

Determine the price you want to offer.

- The price the seller is asking may or may not reflect realistic market value.
- The best way to determine market value is with a Comparative Market Analysis (CMA) showing similar properties that sold recently, those that are currently active on the market and those that failed to sell.
- I will discuss with you an estimate of costs associated with purchasing this property.

Decide on financing.

- We will review together the status of your loan pre-approval.
- We will work together with your loan officer to explain financing options and help you determine the mortgage plan that best fits your requirements.

Decide on other issues that are important to you, such as:

- Items of personal property you want included with the house
- Warranty, inspections, repairs or other home enhancements by the seller
- Closing date and possession

I will present your offer.

- The seller will have three choices: accept your offer as it is presented; reject it completely; or propose adjustments to your offer (counteroffer).
- If there is a counteroffer, you can choose whether to accept it, reject it or counter it.

Once you have reached agreement with the seller, you will have a firm contract to purchase the home.



A SMOOTH TRANSITION

To Your New Home

Here are some things to consider as you make the move to your new home. I can suggest local professionals for many of these services.

4 weeks before your move

- ☐ Contact and contract with a reputable moving company.
- ☐ Have school records transferred.
- ☐ Arrange to transfer (or take with you) medical, dental and other important records.
- ☐ Prepare to transfer your homeowners and auto insurance to be sure you will be covered for any unforeseen disasters.
- ☐ Hold a garage sale to get rid of unneeded items; arrange to place excess items in storage.
- ☐ Keep track of moving-related expenses. (Check with your accountant to find out what expenses will be deductible.)

3 weeks

- ☐ Obtain and mail change-of-address cards to the post office, subscriptions, credit card companies and important contacts

2 weeks

- ☐ Arrange for final utility reading at your former residence the day after your move and have utilities and phone turned on at your new home the day before you move in.
- ☐ Close or transfer bank accounts.
- ☐ Terminate newspaper delivery service.
- ☐ Arrange for transfer of vehicle licenses and driver's licenses.
- ☐ Have an extra supply of prescription medications for the next four weeks.
- ☐ We will schedule a final walk-through of the property to make sure everything is in order.

Week of your move

- ☐ Keep valuable financial records and personal papers with you; do not pack them with the rest of your household goods.
- ☐ On closing day, the home purchase documents record and the home is yours.
- ☐ Move in!

After you move in

- ☐ Consider plans for landscaping design, installation and maintenance.
- ☐ Review home security requirements and systems.
- ☐ New home furnishings, appliances and interior decorating will help make the house your home.

Enjoy your new home!



GLOSSARY OF TERMS

adjustable rate mortgage (ARM) - A mortgage where the interest rate is subject to change over the term of the loan as determined by market influences such as interest rates on Treasury securities.

amortization - The process of paying debt by installments of principal and earned interest over a fixed period of time.

annual percentage rate (APR) - A measure of how much interest credit will cost, expressed as an annual percentage.

appraisal - An expert judgment or estimate of the value of real estate, made by an appraiser, generally for the purpose of obtaining a real estate loan.

balloon loan - An amortized loan calling for one large payment for the remaining amount due at a specified time during the amortized period.

closing costs - All fees and charges paid at closing for services including the lender or mortgage broker, and certain other fees paid to third parties for services that the lender requires the borrower to purchase.

credit application - A form used by a lender to obtain personal, financial and credit information to appraise an applicant's creditworthiness.

credit report - Also known as consumer credit information, the report contains information about a consumer's identity, credit relationships, any court actions, consumer statements and previous inquiries into that file.

credit score - A number, typically between 330 and 830, that lets lenders and others determine how likely someone is to pay loans and credit cards.

debt - A specified sum of money that is legally owed from one to another.

debt-to-income ratio - The ratio of a borrower's monthly payment obligation on long-term debt divided by the monthly income.

discount points - A lump sum paid to the buyer's creditors to reduce the cost of the loan. This payment can either be required by the creditor or volunteered by the seller in a loan to buy real estate.

down payment - Amount paid up front when arranging credit, sometimes referred as cash down.

equity - The financial difference between the current market value and the amount owed.

escrow - Property or money held by a third party until the agreed-upon obligations of a contract are met.

escrow account - Monies collected from the borrower's installment payments for the purpose of paying property taxes and insurance. An escrow account is typically required when the loan is more than 80% of the property value.

fixed rate - A rate of interest charged for credit that does not change over the life of the loan.

foreclosure - The legal action of the lender to take back possession of any property used to secure repayment of the loan when the debtor fails to meet the payment obligations.



GLOSSARY OF TERMS

installment loan - Debt borrowed for a specific purpose such as automobiles or real estate. The debt is paid in regularly scheduled installments over a specified period of time. The account is closed when the debt is paid.

interest - The charge for the use or loan of money typically expressed as a percentage. The interest rate remains constant in a fixed rate mortgage.

lien - Legal document used to create a security interest in another's property. A lien is often given as a security for the payment of debt. A lien can also be placed against a consumer for failure to pay what is owed.

loan origination fee - The fee lenders charge for making a loan. Example: 1% for a \$100,000 mortgage equals a \$1,000 loan origination fee.

market value - The worth of something determined by a willing buyer and seller in an open market. Market value can fluctuate depending on supply and demand and other market forces.

mortgage - A written agreement to repay a loan. The mortgage serves as proof of an indebtedness and states the manner in which it shall be paid.

PITI - Refers to the combined monthly amount of "Principal, Interest, Taxes and Insurance" paid in the financing of real estate.

principal - The original balance of money loaned. As the loan is paid over time, the principal is the remaining loan balance.

private mortgage insurance (PMI) - Loans with smaller down payments involve greater risk for the lender, who requires protection in case the loan goes into foreclosure. Anything less than 20% down payment usually requires PMI.

property taxes - The annual real estate taxes charged to property owners based on the assessed value of the property.

revolving debt - Debt on an account that the borrower can repeatedly use and pay back without having to reapply every time credit is used (such as credit cards).

term - The length of time the borrower has to pay back a loan.



BUYER INTERVIEW

Worksheet

Buyer's Name _____ Date _____

Phone (home) _____ Phone (mobile) _____ Email _____

Address _____

1. How long have you been looking? _____

2. Are you working with another agent? If yes, who? _____

3. Are you under contract with another agent/broker? _____

4. Do you own now? Are you renting? _____

5. Are you able to buy a home without selling your present home? _____

6. Have you seen any homes that you really like? _____

7. If yes, why didn't you buy it? _____

8. How soon would you like to be moved? _____

9. If we find the right property, are you prepared to make a decision at that time? _____

10. What price range have you been considering? _____

11. How much cash do you want to use for purchase? _____

Have you met with a lender to be preapproved? _____

12. Do you have a budget for monthly payments? _____

13. If you could live anywhere, where would that be? Why? _____

14. What are the three things in a home you can't live without? _____

15. How many bedrooms? Square feet? Baths? _____

16. Any special requirements for your new property? _____

17. Is there anyone else who will help you make the decision to buy? _____

18. Does any member of your family have a real estate license? _____

Will they participate in the transaction? _____

19. What are the best times for you to look at property? _____

Comments: _____



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