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Love at First-Time Homebuyer



Your Home Shopping Workbook

Presented to



Your Home for Real Estate Solutions!

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Love at First-Time Homebuyer, First Edition.

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Dear Friends,

Thank you for requesting our *Homebuyer Workbook*. We hope this resource will be valuable to you as you shop for your home. The home shopping experience can be very exciting as you search to find your “forever” home, but it can also be overwhelming at times, so we want to remind you that you are not alone in this process.

If you have any questions during the process, please feel welcome to reach out to our office so that our trained experts can provide you with the guidance you seek. Each home buyer has their own unique wants and needs, and each home purchase is different than the next. With that said, after you have completed your next home purchase, we invite you to share your experiences and opinions with us at www.colemantanner.com.

Wishing You a Happy Home Shopping Experience!

Professionally Yours,

John W. Tanner

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Chapter 1

Understanding Market Conditions

Are you getting ready to buy a home? Great! Before you start home shopping, you should take time to become acclimated with the local market conditions to determine whether or not now is a good time to buy. (Ask your real estate agent to help you fill in the blanks.)

Real Estate Market Overview – Things to Consider Include:

Median Home Value: \$ _____

1 Year Review: Appreciation or Depreciation: _____ %
(What was the sales price of comps one year prior?)

List Price to Sale Price Ratio: _____ %

Absorption Rate: _____ (# of months)
(How many months of housing inventory are in this market?)

Unemployment Rate: _____ %

Population growth: _____ %
(What is the estimated growth by the U.S. Census Bureau)

Number of Vacant Homes in Your Market: _____ %

Foreclosure Rate: _____ %

Data Sources

<https://media.floridarealtors.org/market-data/>

<https://www.census.gov/quickfacts/fact/table/US/PST045219>

<https://www.bls.gov/eag/home.htm>

<https://www.realtytrac.com/statsandtrends/>

Real Estate Investing Trends

<https://www.attomdata.com/news/market-trends/flipping/attom-data-solutions-q1-2020-u-s-home-flipping-report/>

Here's a few Statistics of Homebuyers in the United States:

Average Age:	44
Median Income:	\$86,000
Median Home Price:	\$220,000
Average Search Time:	10 Weeks
Average # of Homes Visited:	5 Showings
Benefit of Internet:	Photos & Details
Average LTV Ratio:	90%
First-time Buyers:	46%
Saving Time:	6 Months or less
Used an Agent:	87%
Barriers to Entry:	
Student loans:	51%
Credit Card debt:	47%
Car Loans:	35%

Chapter 2

Saving for a Home: The Down Payment

Setting up a monthly budget should be the first thing on your "to-do" list. If you buy a home using an FHA loan, you'll need a down payment equivalent to 3.5 percent of the purchase price, plus closing costs (which is about another 3 percent of the sales price). The good news is that most lenders will allow you to use "gift funds" from a relative or another close family member towards your down payment. Also, if you plan to purchase new construction, many developers will offer you a credit for using their in-house lender and/or title company, such as \$10,000 credit towards your closing costs. If you are buying an existing home, you might be able to negotiate with the seller to hold a purchase money mortgage for the down payment or to offer you a "seller contribution" (sometimes up to 6 percent of the sale price) towards your closing costs.

Before shopping for a home, you should first crunch some numbers to see what you can afford. With your finances fine-tuned, you'll be able to identify your price range. A general rule is to spend no more than 29 percent of your income on housing costs and no more than 35 percent on total debt. List your income, as well as your fixed and variable expenses and determine what kind of payment you can afford monthly. Many first time buyers often fall in love with houses that are above their price point. When you start home shopping, choose a reasonable range within \$10K to \$20K above and below your max budget. Keep that range within your periphery so you can stay on budget.

Chapter 3

Getting Pre-qualified for a Home Loan

Before making any offers, you should take the time to compare mortgage rates and get pre-qualified by your local bank or preferred lender. You can shop interest rates by conducting a search using Google or try visiting www.bankrate.com. Here is a short list of what you will need to provide to your loan officer:

- Two months of recent pay stubs for each borrower on the loan application;
- Two months of recent bank statements;
- Two years of either income tax returns or W-2s;
- Your five year employment history; and
- A list of your current assets, such as 401K, savings accounts, stocks, and other royalties, and liabilities.

The lender will pull a tri-merge credit report, which includes reports from Equifax, TransUnion, and Experian to determine your credit worthiness. You'll complete a 1004 URAR loan application and a package of other disclosure documents required by the banks. The loan officer will then run an automated underwriting review to see what you qualify for and issue you a pre-qualification letter on the spot, as well as a rate lock that specifies the interest rate is "locked in" for 30 to 45 days. Once your loan file is officially approved (after completing the underwriting process at the bank), you will receive a "Commitment Letter" which states the terms of the loan and the conditions requisite to complete the loan transaction.

Chapter 4

Do I Need a Buyer's Agent?

Before shopping for a home, you should find yourself a reputable real estate agent first. In this section, you will be introduced to 5 steps to finding the right agent for your home buying experience. You can conduct your search by (i) Asking for referrals; (ii) Conducting some online research; (iii) Interviewing 3-5 agents; (iv) Conducting a "real estate knowledge" test; and (v) Negotiating and signing a Buyer's Agency Agreement that specifies the length, terms and conditions of the representation, preferably with terms in YOUR favor!

#1. Ask for Referrals. The easiest thing to do is to ask a friend, family member, or neighbor who recently bought or sold a home in your area about their experience with the agent they used. "How was your agent? How was your experience?" If the referring party was satisfied with the agent's professionalism, then you should ask for the agent's contact information and schedule a buyer agency consultation with him or her.

#2. Conduct Online Research. Create a list and then start to narrow down your options to your "Top 5" prospective agents. This is simple to do. First, you just go onto Google and conduct a search in your town, or you can look on Zillow, Trulia, or Realtor.com and find 5 to 10 real estate agents that you would possibly work with. Next, check out their websites and social media presence. See if they are active on Facebook, Instagram,

and YouTube. How do they use technology in their day-to-day practice.

#3. Interview Your Prospective Agents. According to the National Association of Realtors 2015 Profile of Homebuyers and Sellers, most people go with the first agent they meet. But to do an adequate comparison, you should meet with two to three agents.

Plan on drilling down to your top 3 picks, and then schedule an interview with each prospective agent. You will want to prepare for the interviews by drafting a short list of what technical and interpersonal skills you think are important when you are looking for your ideal agent. You'll be communicating a lot with this person, so you want to select an agent that you like, respect, trust, and can become friends with.

#4. Test Their Local Market Knowledge. One way to ensure that you are selecting a skilled agent is to ask him/her to provide you with some local market data on a specific neighborhood, such as:

- What is the List Price/Sale Price Ratio?
- What is the typical number of days on the market that a house sits when it goes on the MLS?
- What is the average sales price in the area within the past 90 days?
- What are the estimated property taxes for this area?
- What is the market price per square foot of gross living area for the neighborhood I am considering buying in?

Note: The \$ price per square foot of GLA will be used to determine price adjustments when comparing the subject

property to competitive homes (active, pending, and recently closed sales) within the neighborhood market area (typically a 1-mile radius from the subject property.) That's how appraisers drill down to discover what the fair market value of your prospective home is. You take the sale price of a comparable home and divide it by the total GLA (livable square feet). If the home sold for \$220,000 and has 1,900 Sq. Ft. of GLA, then the market price per square feet is \$105.26/Sq. Ft.

#5. Walkability Score. Most contemporary real estate property search websites will provide you with a "walkability score," which means "how long will it take me to walk from point A to point B (point A being my home and point B being shopping, dining, parks, etc.)"

#6. Crime Data. You probably don't want to live next door to a registered pedophile if you have children. Ask the agents where you can get access to crime data. Note: Try looking at <https://www.city-data.com/>

#7. Schools and Rankings. Do you want to send your children to a school with a low rating of a 2 or 3? Or would you rather buy a home in a neighborhood where the schools rate at a 7 or higher (A+ schools)? Ask the agents about the school ratings for the neighborhoods you are considering buying in.

#8. Service Providers. Does the agent have a list of service providers for referrals? For example, lenders, title agents, attorneys, home inspectors, plumbers, electricians, handymen, general contractors, housekeeping, landscaping, and pest control service providers are some of the service providers that you will need when buying and/or maintaining ownership of a home.

Things happen, people - right? You are probably going to need a plumber at some point; maybe an electrician, if you want to move a socket or electrical outlet from one space on a wall to another. Does the agent have these contacts available to share with you? That's just a level of professionalism that distinguishes agents who have that information from those who don't. It just gives them another notch on the belt, another rung on the ladder to be compared with agents who do not have that information.

#9. The Buyer's Agency Agreement. Here's some good news. When you hire a "buyer's agent," you typically do not pay them directly. His or her sales commission comes from the "Seller's Agent" in the form of a "cooperating broker" commission split and is built into the sales price, which is typically a 6% commission of the sales price (3% goes to the listing real estate broker and 3% goes to the buyer's real estate broker.)

So, when asked to sign a "Buyer Agency Agreement," consider limiting the timeframe to at least 30 days, but not more than 60 days (3 months). I'll explain why. You will undoubtedly begin your home shopping online. If you have narrowed down your online search to your top 10 homes, then use your "on-site visits" to drill down to your "top 3," then you should be under contract within 30 days from the start of your in-person, agent-assisted home search.

With a purchase contract in place, the buyer's agency agreement (BAA) is no longer necessary as the purchase contract supersedes all previous agreements, including the BAA. If the deal falls out of escrow due to some unforeseen complications, which means the deal was cancelled for one

reason or another, which is beyond your control, then you can always draft a new BAA to begin the home search again, whether you decide to continue working with your existing agent or hire a new agent will be totally up to you. If things were not going so well with your agent, you will be free to engage in a new BAA with a different real estate agent once your existing 60 day agreement has expired. Because a home under contract usually closes within 45 days, a 60 day timeframe should be sufficient enough to complete your new home purchase.

Chapter 5

Neighborhood Selection

When shopping for a home, think of the neighborhood first. When you purchase a home, you are not only buying the “brick and mortar” that you will reside in, but you are also buying the lifestyle that comes with it! Think about the parks where your children will play, the sidewalks where they ride their bikes, the trails used by avid joggers and couples taking a “Sunday stroll.”

Back in the early days of real estate, sage real estate professionals would steer their buyers into select neighborhoods by using three instructive iterations: “location, location, location!” (This was usually synonymous with how much equity you would build in the future due to the growing demand of a given neighborhood, based on many factors, such as commute to downtown, good schools, access to recreational activities.)

Today, homebuyers are looking for more than location. They are looking for lifestyle - “a way of life.” For example, in 2019, hipsters preferred moving into urban areas undergoing gentrification, despite the risk that the immediate areas were surrounded by older, low-income housing neighborhoods with higher crime rates. Note: buying into a neighborhood that is “up and coming” generates more capital (appreciation) on the sale of the home.

Of course, all homebuyers want equity and no-one wants to turn down free money in the form of home value appreciation. With the advent of “live, work, play” communities and better “smart

home” features that new homes offer, today’s homebuyers are looking for a lifestyle that matches your “way of life.” This requires a little bit more neighborhood exploration and comparison, as well as a well-rounded checklist! While not every neighborhood, and not every home, will meet your criteria and wishlist expectations, having a general understanding of what is available to you will provide you with a mental “yardstick” to measure each property feature, community amenity, and neighborhood lifestyle as you compare and rate your top choices.

Many contemporary housing subdivisions are part of what is called a Planned Unit Development (PUD), also known as Master Planned Community (MPC), which often includes gated entries with security guards, resident access to clubhouses, fitness centers, swimming pools, tennis courts, golf courses, yacht clubs and marinas, splash parks for the children, lazy rivers, private beaches, pet zones, and other resident areas, such as grilling stations, fire pits with sitting areas, and such. Keep these options in mind as you search for your dream home and future lifestyle.

With amenities come costs. Some financial questions that you should ask are:

- Does the subdivision or PUD have condo or homeowner association fees? Are they monthly or quarterly?
- Are any services or utilities, such as lawn maintenance or cable service, included in the HOA/COA fee?
- Are there any Impact Fees or Special Assessments?
- What is the budget for community building maintenance and will there likely be a shortfall? If so, how much? Any type of surprise expenses, such as damage caused by fire or hurricane can become an unwelcome financial burden.

Consider the commute to where you work? In 2020, many people are now working from home due to the Corona virus pandemic. Thus, I would expect to see more homes offering a "home office" space and/or "in-law suite" in addition to the standard 3 bedrooms offered in years past.

Chapter 6

New Construction v. Existing Homes

In this section, we will compare buying new construction versus existing properties. If you are looking to save a few bucks by tackling home renovations, you may want to consult a residential home contractor first. The last thing you want to do is sink more of your hard-earned dollars into hidden repair costs in a “money pit” that could have otherwise been used to purchase a “turn key” dream home with warranties and new appliances!

In addition to estimating the home improvement costs that are patently visible to you during the home inspection, you may also want to compare the latent costs of utility expenses of owning an older home versus a newer, energy efficient home. Those old charmers may be quaint, but they are also lacking in the energy efficiencies of their contemporary counterparts.

Buying New Construction

If you decide to go with a “buy & build” new construction home, you’ll want to consider the following options:

- Site selection and topography (cul-de-sac or access street);
- Home design: 1-story vs. 2-story (consider frequently going up and down stairs);
- Garage parking? How many parking spaces will you need?
- Design finishes? (i.e., granite or quartz countertops);
- Color options for your walls;

- Energy efficiency (What is the wall insulation #?);
- Dual-zoned HVAC;
- Single vs. double-paned windows (this affects the electric bill);
- Builder warranties (how long is the structure covered, the mechanical items, such as HVAC);
- Insurance premiums (homeowner's insurance) – are there deductions for energy efficiencies?
- Is there an Impact Fee (CDD fee) charged by the developer?

(Note: I recommend that you use a checklist and notes to keep up with everything you learn when comparing new home developments.)

Buying an Existing Home

According to the National Association of Realtors, many first-time homebuyers purchase older, existing homes. The immediate benefit, of course, is the obvious lower cost purchase price. But, you should consider the long-term costs of owning an older home, such as roof replacement, plumbing and electrical renovations, HVAC repairs (that means replacing the air-conditioning unit), higher electric bills, less storage space (it's hard to find an old home with a walk-in closet in homes built in the 40s to 60s because people did not have that many clothes in their closets in those times), outdated kitchens, old flooring and wallpaper, and outdated bathrooms.

All of these items cost money to renovate and/or replace. As such, they should be considered and weighted against the costs of purchasing and maintaining a new construction home. If you are particularly enamored with an older home, and you feel it is worth the costs, then go for it!

You're the homebuyer and fulfilling your wants and needs are more important than the costs!

Chapter 7

Home Improvements: Features v. Benefits

In this section, you will learn how to compare a home's current features versus the benefits of long-term ownership of a given property, and you will be prompted to consider your wants and needs as compared to what a home offers and what it has the potential to offer – which means you will be prompted to “think outside of the box” when it comes to satisfying a “must have” list.

What do I mean by “thinking outside of the box?” Well, first off, let's get one thing cleared up. There is no such thing as “The PERFECT home.” A perfect home would have to be 100% flawless, with every single aspect of your wants and needs manifested into a tangible product constructed to the exact plans and specifications that you and your architect mutually drafted, and then build by a licensed contractor to the exact details in those plans and specs. Do you see the problem with this picture?

Humans are diverse beings and it is nearly impossible to construct a home that meets the majority's customs, tastes, and preferences. Instead, model homes are offered in a project that conforms to an overarching theme, design, and style.

Instead of looking for a “perfect home,” try to find an “almost perfect” home, one with about 80% of what is on your wishlist. And about that list, think of alternative ways to accomplish your objectives. For example, instead of looking for a

home with a fourth bedroom that you plan to use for your sewing room, could you buy a home with three bedrooms and use the garage, a den, or a loft for your sewing room, or could you install a storage unit (or "she shed") in the back yard for your sewing room? The point here is to think about your wants and needs and consider alternative options when home shopping.

Chapter 8

Bidding Wars and the Purchase Contract

If you find yourself getting into a bidding war, pause and gather your ammunition. Start with gathering knowledge of the local market and lock down a solid value of the home you are considering to purchase. Are you willing to overpay for a property? Is there evidence of a looming recession? Will home prices drop in the near future?

Here are three things that you should know:

1. What is the subject property's fair market value?
2. What is the market's list price/sale price ratio?
3. What is the absorption rate? (6 to 7 months is a healthy market; 3-4 months is a fast-moving seller's market; more than 7 months is approaching a slow-moving, buyer's market).

Any price you agree to that exceeds the market value will have to come from you out-of-pocket because the bank will only loan on 100% of the market value of a property. Thus, if your home is only worth \$300,000 fair market value, but you contract to purchase the home for \$320,000, then you will have to pay the additional \$20,000 above market value out of your own pocket – which is in addition to your down payment money (usually 10% of the purchase price, so that would be \$32K in this example). You would have to pay \$52K at closing, plus closing costs! So be careful not to get stuck in a bidding war that could ultimately derail your purchase. Instead of engaging in a bidding war, go in heavy with a strong down payment to entice the seller to accept your offer.

Chapter 9

Dealing with Deal Killers: The Appraisal, Home Inspection, and WDO Reports

In this chapter, we will review the “deal killers” that may prohibit you from moving forward with a sales contract. If the appraised value comes in low or if the home inspection reveals problems with the home that exceed the amount the seller is willing to spend on needed repairs, you may be precluded from purchasing your desired home.

The Appraisal Report

A low appraisal can cause your contract to fall out of escrow if the appraised value (AKA the market value) comes in less than the purchase price. Unless you have the cash in savings to make up the difference in the loan-to-value ratio, which means a bigger down payment for you, as previously mentioned in the last chapter, you may want to try a few of the following suggested maneuvers.

First, check the appraisal report, specifically the pages with the comparable sales, for accuracy. Are there any adjustments that look erroneous? Lenders ideally want to see that the appraiser used bracketing when choosing closed comparable sales. What this means is that the first comparable sale (comp) would be within 300 square feet smaller than the subject property, the second comp would be as close in GLA to

the subject as possible, and the third comp would be within 300 square feet larger than the subject property.

Ex: if the subject property being purchased is 1,500 square feet, then the GLA for the comps would be: 1,200 (comp 1), 1,500 (comp 2), and 1,800 (comp 3). The subject property would be "bracketed" so that the price per square foot would be a true average or "market price per square foot."

The appraiser would also include 3 active or pending sales in the same manner. When I was appraising during the Great Recession, the lenders were asking us to include 5 to 6 closed sales, and 3 to 5 active/pending sales.

This bracketing method is a clearly defined process to delineate the most probable market price per square foot for the immediate community within which the subject property is located. The theory behind this technique is that a buyer would not pay more for a property than what is readily available and equally comparable within the subject neighborhood.

Next, look at the appraiser's line item adjustments. Here you would find market derived dollar adjustments to the comps as measured against the subject property to best equalize the playing field. Ideally, if the subject has a 1-car garage, then all 6 comps would also have a 1-car garage. Hence, there wouldn't be any line item adjustments for garage vs. no garage, or 1-car vs. 2-car. But in the real world, such is not the case.

Adjustments are likely to be made. If the appraiser has determined that a 2-car garage is worth \$5,000 more than a 1-car garage, the appraiser would reduce the line item for a 2-car garage of a comp by negative \$5,000 to equalize the comp.

(The rule for adjustments is, "if the comp is superior, then subtract. If inferior, add.")

By examining each line item adjustment, you may find an error or two which could change the final value in favor the subject property. If so, you'll want to bring it to the attention of the listing agent, the lender, and the appraiser.

Third, if that didn't work, you may want to order a second appraisal report. Talk to the lender to see if they will accept a second opinion. If the second appraisal comes in at a higher opinion of value, and if the new findings reveal that there were errors in the first report, then the lender will give weight to the new report. They cannot legally split the difference.

Lastly, if the second report comes in too low again, then you may want to renegotiate the purchase price with the seller as your final option. If the market value is truly lower than anticipated, which does happen quite often, then be assured that the seller should reasonably reduce their asking price to what the appraised value is. And it happens all the time!

I've seen it so many times, being an appraiser for almost nine years. I've seen appraisals come in lower than the sales price. It's not often, not every time. Generally, they come in right at the sales price. They typically match up. People are pretty savvy when it comes to pricing their home. The real estate agents are pretty good at doing comparable market analyses and the appraisals genuinely tend to come in at the contract price.

But, there are times that the appraisal will come in lower than the sales price. And the seller will typically lower the sales

price to match the appraised value. But, with that being said, you should know that the best negotiations happen when both parties are willing to compromise. From a legal stance, you should always add a statement in the addendum that says something to the effect that the contract may be cancelled by the buyer, without penalty, if the appraised value comes in lower than the purchase price.

Ex: "This contract is subject to the property being appraised at an equal or higher value than the purchase price."

The Home Inspection

"What is a home inspection," you may ask. Put simply, home inspectors are trained individuals (oftentimes former general contractors) who are qualified (and certified in many states) to inspect the property for patent and latent defects. A lot of detail goes into building a home and municipalities require builders to follow their stringent building codes to ensure the homes will be safe for their residents.

The inspector examines the current condition of the property, such as the walls, the foundation, and the roof, and the mechanical systems within it, such as heating, ventilation and air-conditioning (HVAC), the plumbing, electrical outlet and fuse box, water heater, water softener, well and septic area, pool pump, and so forth. The inspector drafts a report which identifies the quality of each component, as well as any identifiable problems that need to be addressed urgently, which may kill the deal, such as extensive damage to the roof that is infested with termites, or an illegal room addition to the

property that is not up to code with zoning and open to fines by the county which could cost thousands of dollars to the owner.

If the improvements exceed the threshold for repairs within the contract, then the seller may legally terminate the contract or the buyer may purchase the property in "As-Is" condition. But, the lender generally will not give the loan file a "clear to close" approval in underwriting without those necessary repairs being made first, and any home improvements that should have been permitted (usually any work that is valued under \$500 may be done by a handyman so long as it is done in a "workmanship like manner") and any open permits must be closed and signed off by the county building and zoning department.

Chapter 10

Closing the Sale!

In this chapter, the learning objective is for you to gain an understanding of the title company's closing requirements: Homeowner's Insurance, Title Insurance (Lender's and Owner's Policies), Escrow Deposits, and other closing costs, as well as provide you with a cursory view of what closing day looks like.

Buying a home is a tedious and lengthy process which seems like it takes forever! You'll know when you are ready to close when either of these two things happens: (i) the developer will inform you that your home has been issued a certificate of occupancy and you can now close, or (ii) the lender will tell you that your loan file as passed underwriting and you've been issued a "clear to close." The title company's closing agent will then schedule your appointment and inform you of any documents and monies required as "stipulations to close." They typically ask for a recent pay stub, bank statement, as well as a check for any closing costs that need to be collected at the table.

All buyers listed on the mortgage and title will need to be present for the loan signing, unless you have a Power of Attorney (which must be authorized by the lender in advance). Each signing party needs to bring proof of identity, which is usually a current driver's license or passport. The escrow agent will have documents that need to be notarized, which requires validation of identification of each signing party to make the notarization valid (unless the notary personally knows the

signing party – which is not common.) Moreover, the lender will require a copy of identification in the loan file.

Traditionally, the parties (buyers, sellers, realty agents, and escrow officer) met at the closing table at the same time, which is known as a “New York closing.” The closing ceremony usually lasts between forty-five minutes to an hour. Today, more often than not, especially during the time of the Corona virus in 2020, buyers and sellers are closing asynchronously, which is called a “California closing.” The buyers will do their own closing, while the sellers will do their own closing. This can be done online today (whether on a desktop, laptop, or your cell phone) using a remote notary signing agent and digital signing technology. Once all of the necessary loan documents, contracts, and title transfers have been signed, the lender will authorize a wire transfer from the title company to the seller’s bank. The escrow officer will then provide the buyer with the keys to their new home.

The documents to be signed at closing generally include the following items:

- Borrower’s Certification Authorization;
- Closing Disclosure (replaced the HUD-1 statement for most loan transactions around 2007);
- Errors and Omissions Insurance and Compliance Agreement;
- Flood Hazard Notice;
- Request for Transcript of Tax Returns;
- A Loan Estimate (replaced the Good Faith Estimate (GFE) and the Truth in Lending (TIL) Statement around 2007);
- Identification Verification Form;

- Impound Account Letter (for two months of property taxes and homeowner's insurance advance payments - AKA "escrow deposits");
- Initial Escrow Account Disclosure Statement;
- State Mandated Property Insurance Requirements;
- An Annual Percentage Rate (APR) Form (this shows the amortization schedule for the loan amount financed);
- A Mortgage or a Deed of Trust (the form used depends on whether you are buying a home in a "Lien Theory" state or a "Title Theory" state);
- The Note (this is the actual "promise to pay" loan document and is transferable because it has value);
- The Notice of Right to Cancel (for condominium purchases);
- A Payment Letter;
- And any additional riders that are applicable, such as a PUD, HOA or Condo Association Covenants, Conditions, and Restrictions (CCAs);
- Second Home rider;
- Loan Servicing Disclosure Statement;
- Signature and Name Affidavit; and, lastly,
- A Typed Copy of the 1003 Loan Application.

Once all the documents are signed and verified, you will receive the KEYS to your NEW HOME!

It's Time to Pop Open a Bottle of Champagne!
CHEERS!!!

Conclusion

To summarize what you have learned in this book, we began chapter 1 with a discussion of how to examine the local market conditions before you start home shopping to determine whether or not now is a good time for you to buy – depending on your short-term and long-term goals, wants, and needs. Next, we walked through the home buying process, from saving up for a down payment to shopping interest rates, to getting pre-qualified for a loan and locking in a current interest rate. Third, we discussed how to find a qualified buyer's agent to represent you in securing a purchase contract and negotiating the purchase price and terms, and any contingencies that may arise from the time of signing the contract until closing. Fourth, we reviewed items to consider when shopping for the perfect neighborhood for your wants and needs, as well as how to compare buying a newly constructed home versus purchasing an older, existing home.

Next, you were introduced to the features versus benefits analysis and were prompted to “think outside of the box” when it comes to finding the *almost perfect* home. After that, we briefly covered bidding wars and the purchase contract, as well as deal killers (the appraisal and the home inspection reports). And finally, we wrapped things up with a discussion of what to expect at closing, introduced you to the difference between a “New York closing” and the “California closing,” and identified the standard closing documents you will likely encounter on closing day.

Finally, I want to thank you for selecting this book among the many options in the marketplace to guide you through your home shopping experience.

We at **Coleman Tanner Realty** love all things real estate and we hope that it shows in everything we do. It is our hope that we may be of service to you, whether now or in the future, and that we may add value to you and your family by being your professional guide when you are buying, selling, or leasing real property, your trusted advisor when you are dealing with a real estate related problem, and your “brick-and-mortar” investment planning advisor when you are considering how to start building a real estate investment portfolio.

When it comes time for your succession and estate planning, we can help you analyze your available exit strategies – you can trust us to be your *fiduciary* real estate consultant and counselor, always protecting you and always serving you with **your best interests** in mind. That is our commitment to you.

In closing, we invite you to become our clients and friends.

Our intention is plain, simple, and humble: that over the upcoming years of working closely together, adding value to you and your family, that we may be counted as your close, personal friends and trusted advisors.

Thank you for your consideration and happy home shopping!

Coleman Tanner Realty
Your Home for Real Estate Solutions!

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Your Home Shopping
Workbook



Checklist #1: The Home Loan Process

Documents Needed:

- 1004 URAR Loan Application
- Proof of Identity (usually a Driver's License)
- Proof of Income (pay stubs or tax docs)
- Proof of Assets (bank statements)
- Proof of Liabilities (a credit report)
- Pre-approval Letter: expiration date: _____
- Interest Rate Lock: expiration date: _____

Checklist #2: My "Forever" Home Wishlist

Future Home Needs:

Price Range: \$ _____ - \$ _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

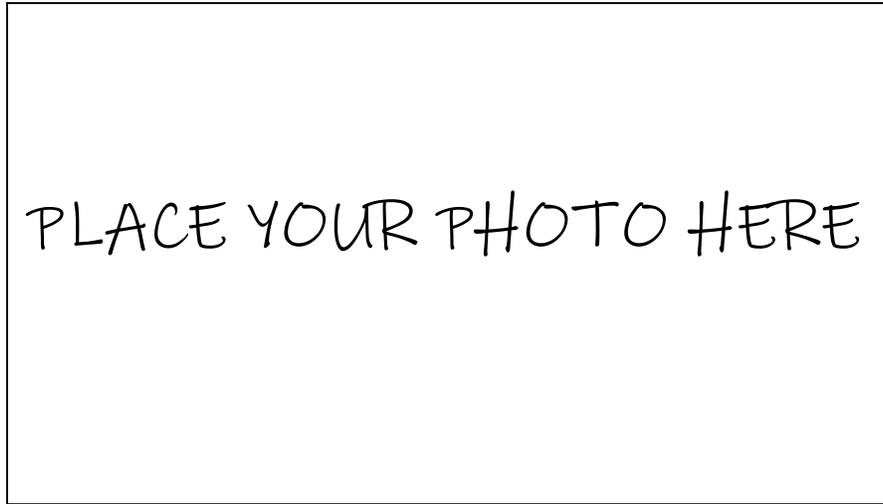
Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Desired Amenities:

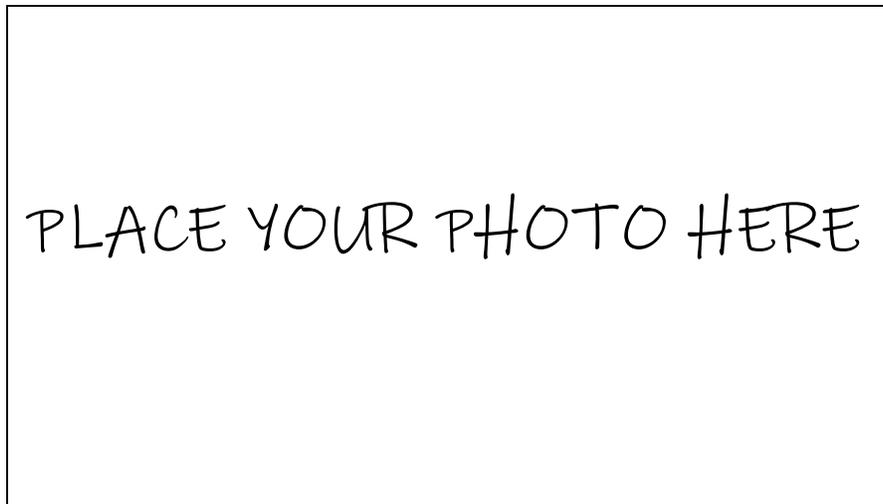
- | | | |
|---|--|-------------------------------------|
| <input type="checkbox"/> Clubhouse | <input type="checkbox"/> Golf Course | <input type="checkbox"/> Basketball |
| <input type="checkbox"/> Fitness Center | <input type="checkbox"/> Playground | <input type="checkbox"/> Gated |
| <input type="checkbox"/> Pool | <input type="checkbox"/> Tennis Courts | <input type="checkbox"/> Marina |

Favorite Exterior Designs|Elevations

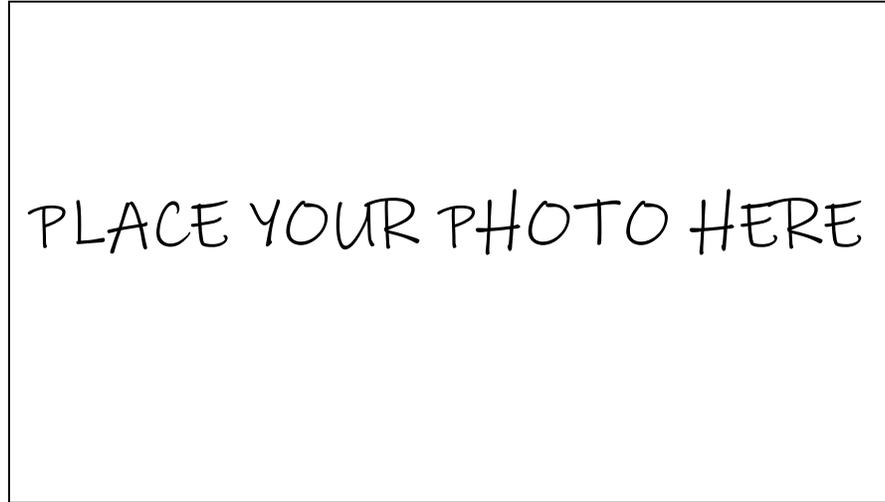
#1



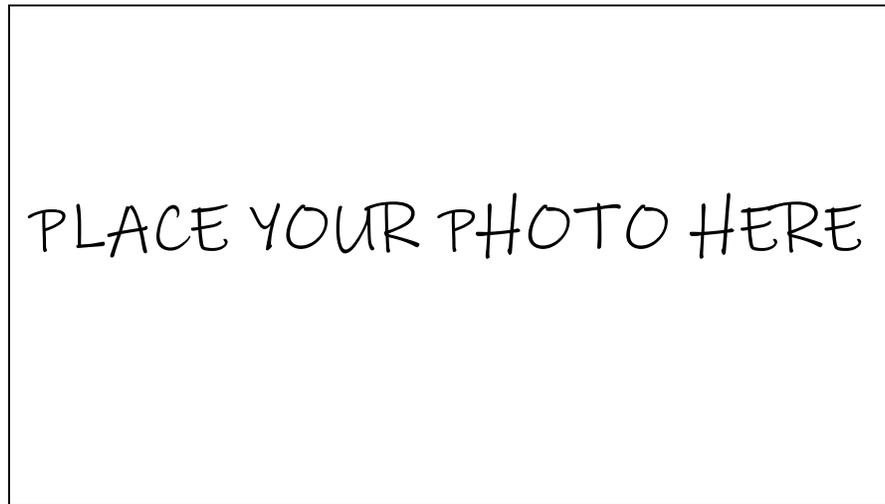
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#3

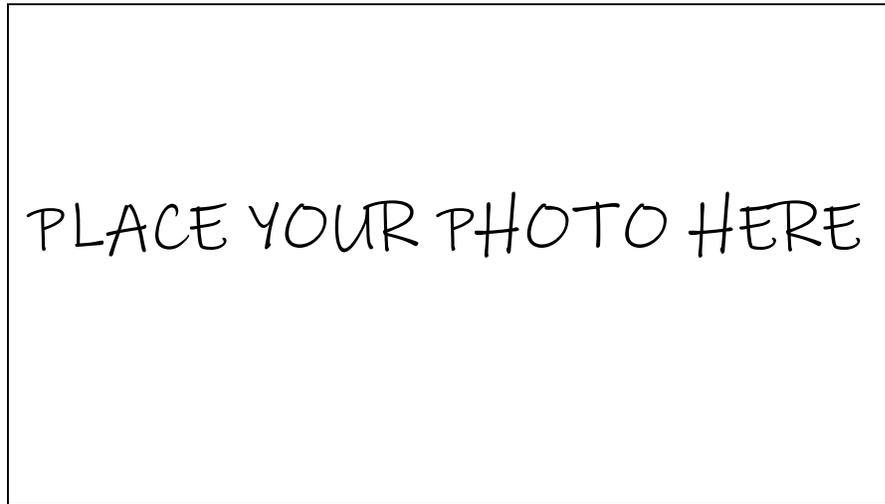


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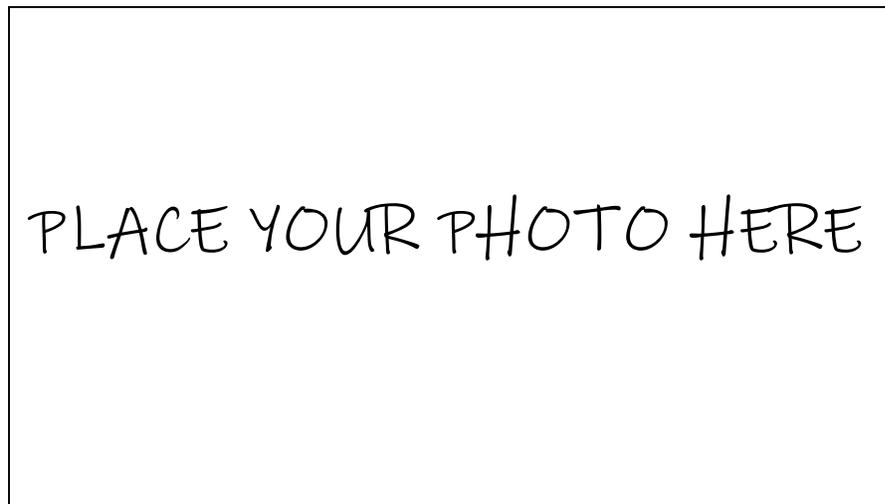


Favorite Interior Designs

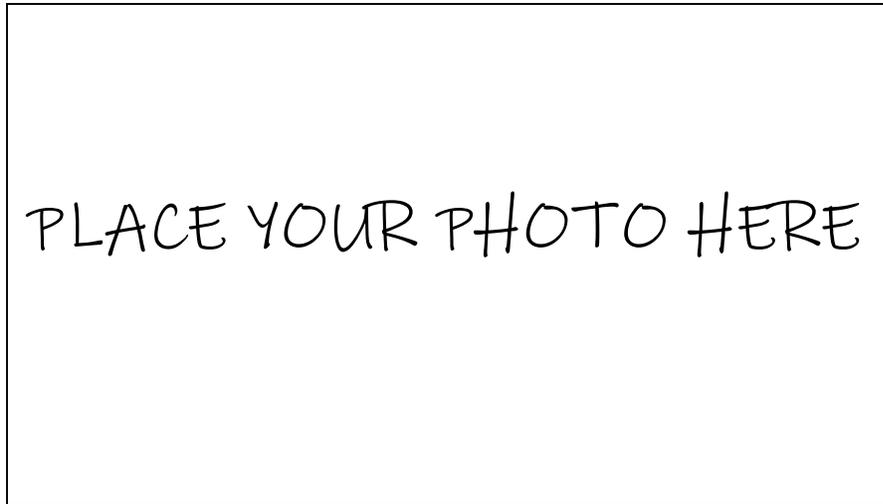
Living Room



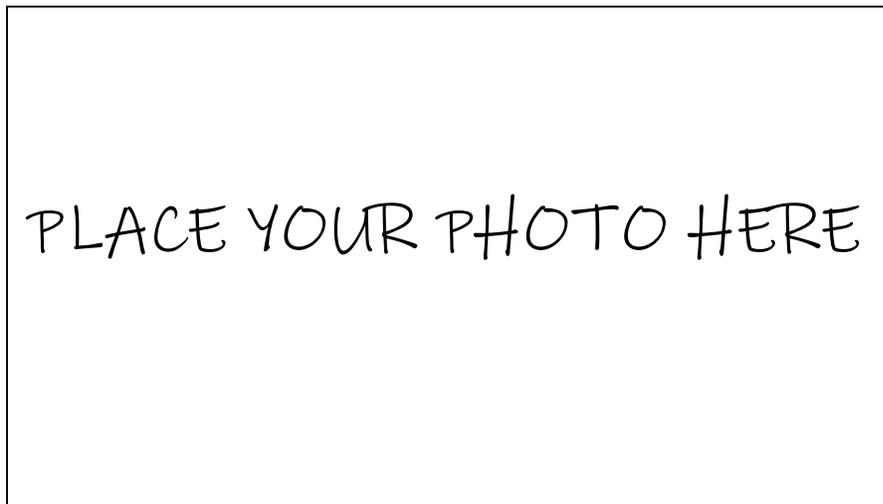
Dining Room



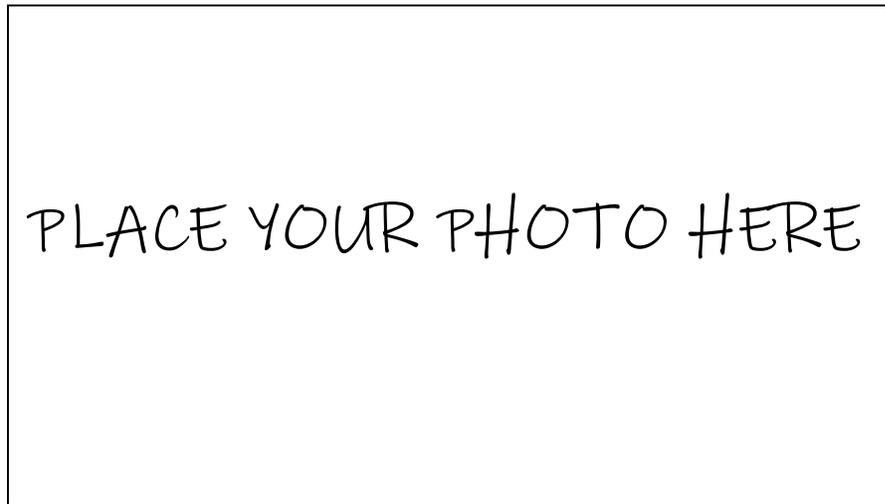
Family Room



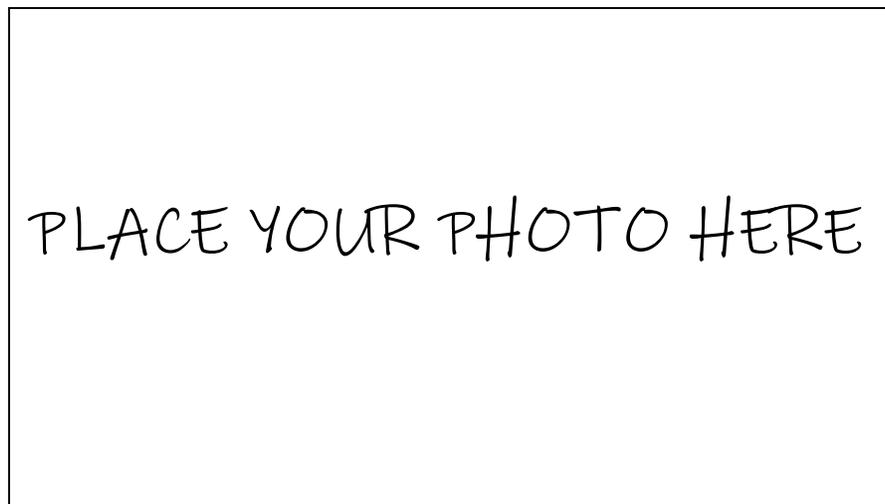
Bonus Room



Laundry Room



Kitchen



Furniture Shopping List

Bedroom #1:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Bedroom #2:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Bedroom #3:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Bedroom #4:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Bedroom #5:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Bathroom #1:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Bathroom #2:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Bathroom #3:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Bathroom #4:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Kitchen:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Living Room:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Dining Room:

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

Other Room: _____

Item 1: _____

Item 2: _____

Item 3: _____

Item 4: _____

Item 5: _____

Item 6: _____

Item 7: _____

Item 8: _____

Item 9: _____

Item 10: _____

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Checklist #3: Neighborhood Selection

Top 5 Neighborhoods

Neighborhood #1:

Neighborhood #2:

Neighborhood #3:

Neighborhood #4:

Neighborhood #5:

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Checklist #4: Homes to Visit in Person

Home #1: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #2: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #3: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #4: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #5: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #6: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #7: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #8: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #9: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Home #10: _____

Neighborhood Name: _____

Price: \$ _____

Estimates Taxes: \$ _____

HOA Fees: \$ _____

MLS #: _____

Number of Bedrooms: _____

Number of Bathrooms: _____

Square Footage (GLA): _____

Lot Location: Corner or Interior (circle one)

Lot Size: _____ Sq. Ft.

Parking: 1 2 3 4 5 Car Garage (circle one)

Lot View: Golf Course, Waterfront, Preserve,
Or Residential

Top 3 Homes

Home #1 _____

Notes...

Offer(s) Made:

Accepted? YES or NO

Contract Date: _____

Inspection Period: _____

Closing Date: _____

Repairs Needed:

Home #2 _____

Notes...

Offer(s) Made:

Accepted? YES or NO

Contract Date: _____

Inspection Period: _____

Closing Date: _____

Repairs Needed:

Home #3 _____

Notes...

Offer(s) Made:

Accepted? YES or NO

Contract Date: _____

Inspection Period: _____

Closing Date: _____

Repairs Needed:

Other Notes: _____

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Contractors

Plumber Name:

Company: _____

Phone #: _____

E-mail: _____

Website: _____

Electrician Name:

Company: _____

Phone #: _____

E-mail: _____

Website: _____

Carpenter Name:

Company: _____

Phone #: _____

E-mail: _____

Website: _____

Landscaper Name:

Company: _____

Phone #: _____

E-mail: _____

Website: _____

HVAC Repair Name:

Company: _____

Phone #: _____

E-mail: _____

Website: _____

Security Alarm Name:

Company: _____

Phone #: _____

E-mail: _____

Website: _____

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Moving Checklist

- Purchase Packing Boxes & Supplies
- Hire a Moving Company
- File a Change of Address with the Post Office
- Register Prescriptions with a Local Pharmacy
- Locate a New Primary Care Physician
- Register Children in New Schools
- Transfer Cable TV/Internet Service
- Transfer Electric
- Transfer Water
- Transfer Gas
- Update Driver's License, Auto Insurance, Voter's Registration, & Library Accounts
- Other...

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Congratulations on the purchase of your new or "forever" home!

Warmest Wishes,

Coleman Tanner Realty



Your Home for Real Estate Solutions!

Want a New Career in Real Estate?

Join over 15,000 students from over 130 countries around the world! Enroll in my FREE 7-Part Online Course:

[“Residential Real Estate Mastery Blueprint!”](#)

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Home Value Inquiry:

<https://homeasap.com/ColemanTannerRealty/homevalue>

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