



HOME BUYER'S GUIDE & MANUAL

Office: 671-HOME (4663)

FAX: 850-671-4668

www.kingdomfirstrealty.com

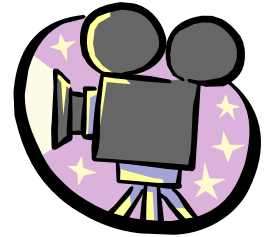
Home Buyer's Guide



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WELCOME TO THE HOME-BUYING EXPERIENCE!!!

Within the home buying experience, there are many actors, scenes, plots, and roles to be played. There are sellers and agents, inspectors and brokers, attorneys and loan officers. However, the entire production revolves around you, our main star!

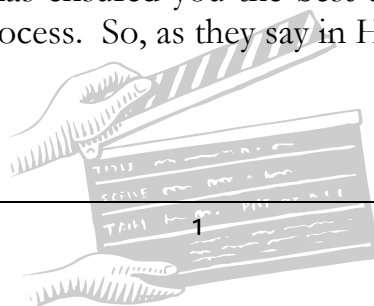


In this Buyer's Guide and Manual, we hope to provide you with the 'script' needed to make this a smooth process for you and your family. By providing you with a clear and precise overview of the entire home buying process, we hope to:

- ❖ Reduce your anxieties about taking on the role of buyer;
- ❖ Help you to see your Realtor and other professionals involved as your supporting cast; and
- ❖ Make you a smarter and more informed participant.

Purchasing a home is one of the most gratifying and complex experiences that an individual can participate in. There are so many components that must align correctly as well as so many opportunities for things to go wrong. However, you can be assured that we are equipped to handle any situation that may go wrong and provide the needed alternatives to ensure that the customer comes out on top. Our professionals are experts in all areas of the home-buying process—from Pre-Qualification through a Primary or Secondary Lending Institution, Home Inspection and Appraisal, Title and Hazard Insurance, to the final Closing and all costs associated with it. We pride ourselves in providing the kind of information and consultation that renders our customers capable of understanding and having an objective opinion on matters relating to the business of home buying.

As the plot unfolds, shifts, and thickens, the decisions you make as the homebuyer will dictate whether there will be a happy ending or the need for a sequel. Your decision to choose Kingdom First Realty has ensured you the best direction in the market to ensure your success throughout this process. So, as they say in Hollywood...



Lights...

Camera...

Action!!!



The Qualified Homebuyer

Mortgage Pre-Qualification is a pivotal step in the right direction-but you have to have the right 'credentials'.

So you're ready to take on the role of homebuyer. You have in your mind the picture of your ideal place, you have established a need to leave the place you currently own, and your resolve has landed you here. The next question you should ask yourself is 'How am I going to pay for this?' If you are capable of personally financing this endeavor, then this step is not for you. However, if you are like most homebuyers, you don't have tens or hundreds of thousands of dollars on hand to readily purchase real estate. Therefore, financing is a consideration that must be taken above all others.

Mortgage Prequalification and Pre-approval. Why get pre-qualified and then pre-approved for a mortgage before you begin your search for a home? Because there are 3 people who will benefit from your pre-approval: ***You, your agent, and the seller*** from whom you eventually buy a home!



You: The most important beneficiary, of course, is you. One of the most common questions we get from users of this site goes something along the lines of "Please let us know how much house we can afford." We're stumped! Why? There are simply too many variables--credit history, income, debt, special mortgage programs and variations in qualifying guidelines between different mortgage types--to answer that question. The only sure way of getting the question answered is through pre-qualification. The mortgage pre-qualification step is a relatively simple one, but it is an important one. It begins the process of formally applying for a mortgage, and it gives everyone involved--especially you--a clear sense of the direction they should be headed.

Your Agent: By knowing what your financial parameters are, your Agent can spend more time looking for houses that "fit" and less time pursuing dead ends. No matter how much you might *want* a 4000 square foot home for \$275,000, if you are pre-qualified for \$125,000, your purchase must remain around that price. When it comes to mortgages, "yes, but" doesn't carry much weight!





The Seller: Want to strengthen your bargaining position? Get pre-qualified. Want your offer to stand out in a case of multiple offers for the same house? Get pre-qualified. Look at it from the seller's perspective. If you had 2 offers on the table for your house, one from a fully pre-qualified buyer and the other from an "I'll get around to that soon" buyer--to which offer would you devote the most attention? Even if the pre-qualified buyer's offer was \$1000 less, would you take the chance on the buyer that perhaps may not be qualified? When it comes to a seller evaluating offers, "a bird in the hand..." definitely applies.

It is important to remember that the amount of mortgage you will qualify for is the *maximum*. It is the amount that the lender feels you can *afford*, but it is not necessarily the amount that you *want to pay*. It sometimes is advantageous to be conservative here. For example, if you qualify for a \$100,000 mortgage and you have \$15,000 available in cash for down-payment and closing costs, you are qualified to buy homes with a maximum selling price of \$115,000. So as to not push yourself to the limit, you may want to look at homes that sell in the \$100,000 to \$110,000 range. Too many buyers simply rush off to the \$115,000 level and some find themselves strapped when it comes time to purchase necessary items (such as draperies, additional furniture and lawn and garden tools, for example) or when they forget to factor in increases in monthly expenses (for example utilities and maintenance and repair costs).

Finding a Mortgage Broker

The Drelise Team of Real Estate® members are licensed professionals who can facilitate all sides of the real estate transaction. Besides having a licensed mortgage broker on staff, we can also connect our customers to other trustworthy professionals in the banking and secondary lending arena. Our goal is to get you pre-qualified at the amount you need to shop for the house of your dreams. We also offer credit repair services for the future homebuyer who may not have the necessary credit rating to qualify for a mortgage, and work hand-in-hand with lenders to provide financial packages for those with 'bruised' credit histories.



The Hunt for the Perfect Realtor

The quality of your home buying experience is dependent upon your skill at selecting the best-qualified person.

It's interesting that in the real estate business, someone with many successfully closed transactions usually costs the same as someone who is inexperienced. An experienced agent could mean a lower price at the negotiating table, buying in less time, and with the minimal amount of hassles. Your agent should be a skilled win-win negotiator. Qualities that distinguish Kingdom First Realty from other Realtors include (but are not limited to):

- The #1 Real Estate firm in Tallahassee in terms of sales volume;
- Board Certified by the Florida Department of Banking and Finance as a licensed Mortgage Broker;
- Can supply references on demand;
- Are full-time Realtors devoted to personally handling your transaction.

Some buyers like to leave their name with four or five different agents in hopes getting more time spent on their search for a home.

But, because the buyer is not committed to one real estate professional, no one real estate professional will be committed to them. It is in your best interest to choose an agent through a counseling session, choosing the one you feel the most comfortable with, understands your needs, and will best represent you in your real estate transactions.



Now that you have selected a Realtor...

A counseling session is held between you and your Realtor to discuss your needs. Staff at Kingdom First Realty will immediately look for homes that match your preferences. This will save you time and reduce the hassle of shopping for a home. We will work with you whether you buy a home for sale on the market through the multiple listing services, from a builder, bank foreclosure, or a 'for sale by owner'. Our services are paid for by the seller but you receive the benefit of our services. Spend a little time with us now, and save a lot of money in the future.



Home is where...?

Having an ideal in mind can either help make the selection process easy or difficult.

After your initial counseling appointment, Kingdom First Realty will mobilize your wants, needs, price range, and location. They will be entered in the Multiple Listing Service (MLS) computer. From the many listings in its inventory, the computer will print a list of homes tailored just for you. We will also make arrangements to show you those that seem to meet your desires.

As you walk through the homes, feel free to open the cabinets and closets. Most often the sellers will be absent, but should they be present, they will understand your need to examine the home carefully. When a home appeals to you, make notes. It is easy to forget details. Often there will be a brochure available for you to take along to help you recall the home as you review your tour, and whenever possible, I will have given you a copy of the MLS information on homes you are viewing.

Don't be surprised if the first home you see is the perfect one for you, and don't be discouraged if none of those you visit the first day are what you want. We are committed to finding the one that you will want to call 'home' and will work diligently until you find it. Usually, we will be able to find the home of your dreams rather quickly and will find 3-5 homes that best fit the desires you expressed.

During the Home Search, we will:

- Discuss the benefits and drawbacks of each home in relation to your specific needs
- Keep you informed on a regular basis
- Check the MLS database and with other Brokers daily for new listings that meet your criteria



- Prepare an itinerary and tour map on which all homes meeting your criteria have been located
- Show you new homes as well as pre-owned homes (if you desire)
- Be available to answer your questions or to offer assistance regarding your home purchase
- Assist you with homes offered by 'For Sale by Owner'.

If you desire to build from scratch...

Kingdom First Realty can introduce you to local builders to discuss building your next home. We will work with builders to get all the information you to make any decision. By letting us help you with builders, you get all the services listed in this presentation and those offered by the builder as well. You get more without paying more.

Note

Sample Home Evaluation Forms are included in the Appendix of this packet. Feel free to use them while you are touring homes and nailing down your top three picks. Your Kingdom First agent will be available to review your notes with you and help make the selection process less 'painful'.

Home tours

There are several things to keep in mind when evaluating a home:

1. Keep the best three choices in mind and disregard the others. This will limit the confusion and frustration that is often felt by buyers who search for a home without a dedicated agent.
2. Sometimes, you find the perfect home in the first few you tour. If you are clear in what you are looking for in a home during the initial counseling session, your agent will have narrowed down the field of homes that match you requirements and tastes.
3. Don't be afraid to make an offer if you feel a particular home is what you want.



Completing the Contract

The Search for the perfect home is the 'fun' part.

Once you have decided on home that best suits your needs, we determine the fair market value of the home by examining past home sales in that area. Your agent will write the contract for you, including any addendums and disclosures. A check written for a percentage of the offering price is deposited as earnest money in our escrow account. If the sellers accept the offer, 100% of this deposit goes toward earnest money in our escrow account. If the sellers accept the offer, 100% of this deposit goes toward the purchase of the home during closing. The offer will include:

- The amount you are willing to pay
- Financing terms
- Any personal property specifically included (washers, dryers, etc.)
- Loan commitment date
- Closing and occupancy date
- Other contingencies, including Inspections

This offer will be written on a standard Tallahassee Board of Realtors contract form. If the seller does not accept the initial offer, further negotiations generally reach terms agreeable to both the buyer and the seller. Your agent is experienced in price negotiation and will ensure that you reach a compromise that will save you money and worry. When buyer



and seller agree on terms, the buyer immediately applies for financing and arranges for inspections. Your agent will assist you in these processes.

Earnest Money Deposit

At the time a written offer on a property is initiated, you will be required to make an earnest money deposit. The amount deposited will be kept in the trust fund account of the title company and will not be turned over to the seller. This money represents your sincerity in the attempt to purchase and is fully refundable if the offer is not accepted, if your loan is not approved, or if the seller does not meet some other condition of the contract. You should anticipate a minimum of \$1,000 for homes under \$100,000. In homes over this price range, expect to deposit one to five percent of the purchase price. The check will be made out to a title company. This earnest money will be credited to you at closing as part of your down payment and/or closing costs.

Note

“Megan’s Law” is legislation designed to protect the public by notifying communities when a convicted sex offender moves into the area. Information, including identities, photos, and addresses of convicted sex offenders is available from the Florida Department of Law Enforcement (FDLE) at (850) 410-7000, or on the Internet at http://www.fdle.state.fl.us/sexual_predators/. You are encouraged to contact the FDLE for further information.

Title Insurance

When property is sold or refinanced, the lender and/or buyer needs a preliminary title report to see exactly what liens and encumbrances are against the property. Items that have a preliminary title report show:

1. Easements of Record
2. Restrictions, covenants, and conditions
3. Liens and/or judgments
4. Exact vested owner of record
5. Legal description.



When the sale of the subject property is final and the title company has recorded the necessary documents, then they will issue a policy of title insurance to show the new lender and the buyer showing clear title to the property.

Final Contract

After the deal is done and all parties have signed the contract, the paperwork and closing details begin.

As a Kingdom First Realty client, you benefit greatly due to our team concept of Real Estate. Your agent (should you choose), Roosevelt McQueen understands contract negotiating for residential real estate transactions, and maintains a mastery of finding a way to see clients through sticky closing situations. As a Realtor, Roosevelt can steer our clients through both the contractual and financial sides of the transaction. The professionals on The Drelise Team of Real Estate will steer you through the 25 steps to closing, and work towards a timely and orderly conclusion. You will hear from us often by phone, email, and snail mail, as we will continually update you on where we are in the process of closing the sale on your new home.

The Home Inspection

It's easy to ensure that the home you've chosen is a smart buy. By having a Home Inspection, the home's vital systems are checked. A Home Inspection allows you to purchase your home with confidence. Kingdom First Realty recommends the following minimum standards when choosing an inspector:

1. Membership in ASHI (American Society of Home Inspectors) and adherence to its Standards of Practice and Code of Ethics.
2. Written report at the time of inspection.

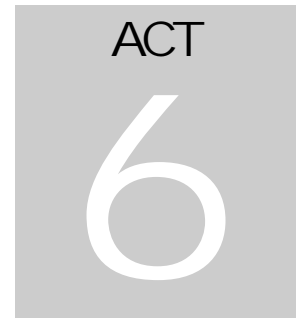
Items on your inspection report will include:

1. **FOUNDATIONS, BASEMENTS, AND STRUCTURES.**
Basement floor and walls, proper drainage and ventilation, evidence of water seepage.



2. **EXTERIOR SIDING, WINDOWS, DOORS.** Exterior walls, windows, and doors. Porches, decks, and balconies. Garage.
3. **ROOF.** Roof type and material, condition of gutters and downspouts.
4. **INTERIOR PLUMBING SYSTEM.** Hot and cold water system; the waste system and sewage disposal; water pressure and flow; hot water equipment.
5. **ELECTRICAL SYSTEM.** Type of service, the number of circuits, type of protection, outlet grounding, and the load balance.
6. **CENTRAL HEATING SYSTEM.** Energy source, type of cooling equipment, capacity, and distribution.
7. **INTERIOR WALLS, CEILINGS, FLOORS, WINDOWS AND DOORS.** Walls, floors, ceilings, stairways, cabinets, and countertops.
8. **ATTIC.** Structural, insulation, and ventilation information.
9. **FIREPLACE.** Notes about chimney, damper, and masonry.
10. **GARAGE.** Doors, walls, floor, opener.
11. **APPLIANCES.** Includes a wide range of built-in and other home appliances, smoke detectors, and television/cable hook-ups.
12. **LOT AND LANDSCAPING.** Ground slope away from foundation, condition of walks, steps, and driveway.





The Closing Act

By the time of closing, you will be a part of the Kingdom First Realty family of successful homeowners.

Your agent will accompany you to the closing on your new home. By the time of closing, more often than not, you will have developed a close and personal relationship with the members of Kingdom First Realty. A balloon-decorated bottle of non-alcoholic champagne will greet you on the steps of your brand new property, and we look forward to having an ongoing relationship with you by continuing to correspond through mail and sending you greetings for holidays and special events. You will also be invited to our Summer Barbeque and hope you will participate in our Spring Yard Showcase, in which the winner will receive a gift certificate from the hardware store of their choice. We really want to create a 'family' atmosphere, so that as your family grows and your home needs expand, we will be right here to help you.

As your tour guides to closing, we are available whenever you need us. Please contact us if there is anything you don't quite understand or if you just want to discuss our plan of action. We are excited that you have chosen us to facilitate your Real Estate needs. This is the largest single investment that most families will ever pursue, and we want you to be confident that you are in 'good hands'. It is our hope that at the close of this experience, we will have made your *dreams a Reality*.



Notes:

