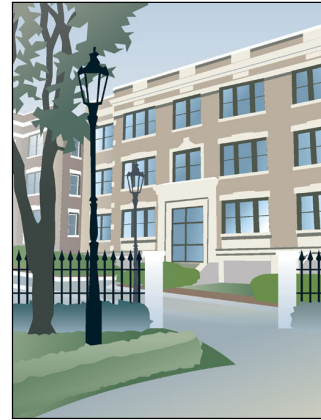
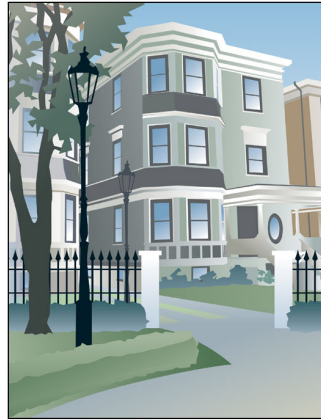


WILLIAM RAVEIS

— REAL ESTATE & HOME SERVICES —



THE RESIDENTIAL
GROUP

Buyers Guide

16 Clarendon Street | Boston | 617-296-SOLD or info@residentialgroup.com

WILLIAM RAVEIS

— REAL ESTATE & HOME SERVICES —

This guide is for demonstration purposes only, and is not intended as legal advice.
For any and all legal questions, please consult with an attorney.

START

Your Property Search Begins

Enlist a Residential Group Buyers Agent to assist you in your search

Get “Pre-Approved” for a Mortgage by a qualified Loan Officer

View properties with your Buyers Agent, based on your price & location preferences

Have the property inspected by a Home Inspector

Your offer is accepted by the Seller

typically 10-14 days

Buyer and Seller Sign a Purchase and Sale Agreement

Your Attorney and the Sellers Attorney negotiate the terms of the “P&S” agreement

If applicable, condominium documents are reviewed by Buyer and Buyers Attorney

Any inspection related issues are negotiated

Your Lender completes its “due diligence” on the property (appraisal, requests for additional financial documents from the buyer, etc)

Your lender issues a Commitment Letter for financing

Final property walkthrough before closing

You Found “The One”...
Make an Offer

CLOSING

After signing a series of lender paperwork, the transaction is recorded at the “Registry of Deeds” and the property is yours!

THE RESIDENTIAL
GROUP

The Home
Buying Process

16 Clarendon Street | Boston | 617-296-SOLD or info@residentialgroup.com

WILLIAM RAVEIS

— REAL ESTATE & HOME SERVICES —

Buyers Agent - A buyer can engage the services of a real estate agent to guide them through the real estate purchase process, show them properties and offer them professional advice. Once enlisted as a client, the *Buyers Agent* owes the purchaser undivided loyalty, disclosure, obedience to lawful instruction and confidentiality, and must put the buyers interest first in negotiating for the best price and terms for their client. What's more, these services are provided at no cost to the buyer, as the real estate agent's commission is paid by the seller at the completion of the transaction.

Sellers Agent - A *Sellers Agent*, sometimes also called a "Listing Agent," has the opposite responsibility as the Buyers Agent. The Sellers Agent's job is not to represent the buyer, but to market the seller's home to attract buyers to view it, and to negotiate the best price, terms and conditions for their client, the seller. Most times, when buyers visit an open house, the agent at that open house is a Sellers Agent, and is not representing the buyer's interest.

Mortgage Pre-Approval - For most of us, in order to purchase a home, we will need to borrow money from a bank. The first step in obtaining these funds is to speak with a qualified *Loan Officer*. The Loan Officer will take some basic information from you in order to figure out which mortgage programs you might qualify for, how much you qualify to borrow, and also give you a sense of what your monthly payments will be for the loan repayment. They can also provide what is called a "Good Faith Estimate of Closing Costs." Based on the information gathered by the Loan Officer, he/she will issue you a *Mortgage Pre-Approval* which outlines the amount that you are qualified to borrow, as well as the terms (interest rate).

Closing Costs - When you take out a loan from a lender, there are typically costs associated with that loan that must be paid by the buyer. These costs include such items as recording fees, bank fees, appraisal fees and title insurance. Further, when you close, you may also be required to "pre-pay" some future expenses up-front, including a few months of property taxes, insurance premiums on the property, or if a condominium, possibly a few months of condominium fees. As a general rule of thumb, *Closing Costs* will equal out to about $\frac{3}{4}$ -1% of the total purchase price (so for example on a \$500K purchase, your closing costs will likely be \$4000-\$5000). In some cases, these closing costs can be negotiated into the purchase price, or paid by the seller of the property, but this varies on a case-by-case basis. Your Buyers Agent can help identify opportunities where this can be negotiated.

Offer to Purchase - Once you have identified a property that you like and that you are pre-approved to purchase, the first step is to make an *Offer to Purchase*. The "offer" outlines the amount that you wish to pay for the property, important dates (such as the closing date), specific terms (inclusions in the sale for example) and any contingencies to the sale (most notable of which are the *Inspection Contingency* and the *Mortgage Contingency* which are defined below). Your Buyers Agent will walk you through this paperwork. Additionally, a \$1000 deposit be made at this time to bind the offer. Upon acceptance of the offer, these funds will be deposited into an "escrow account" which is maintained by the Listing Broker.

Inspection Contingency - Generally speaking, before you purchase a home, you will want to have it inspected by a licensed *Home Inspector*. Once an offer to purchase is accepted, the buyer will hire an inspector of his/her choice to check for any issues that might exist with the property. The inspector will inspect the exterior, foundation, mechanical systems, interior, electrical and much more, and will deliver the buyer a report of his/her findings. The inspector will also provide helpful tips about general upkeep and maintenance. By placing an *Inspection Contingency* into your offer to purchase, if you are not satisfied with the results of the inspection because of substantial issues with the home, you will have the option of revoking your offer and receiving any deposits made back to you.

Mortgage Contingency - When you as a buyer go to your bank or lending institution to get "Pre-Approved," the lender is looking at your personal financial capacity and credit worthiness. The lender however also needs to be able to review the merits of the property that you would like to purchase, before they can commit to a loan. Because of this, an offer to purchase will generally include a *Mortgage Contingency*, which allows the bank a period of time to perform its own "due diligence" on the property and have it appraised. Additionally, once a specific property has been identified, the lender will also require the buyer to fill out a complete "Mortgage Loan Application," and may have requests for additional buyer documentation, such as bank account statements or tax returns. This contingency also allows the bank time to review these documents to ensure they are sufficient.

Mortgage Commitment - Once the lender is satisfied with both the buyers financial and credit worthiness, and is also satisfied with the property, they will issue a *Mortgage Commitment*, stating that they will loan the funds to purchase.

WILLIAM RAVEIS

— REAL ESTATE & HOME SERVICES —

I want to buy a home....how long does it take? From the date that an offer to purchase has been accepted by a Seller, the transaction will typically be scheduled to close in 30-60 days. The timeframe for closing is defined and negotiated in the offer to purchase. For a property that is currently vacant, the timeframe could be very fast. For a property where the Seller still needs to find suitable housing before closing, or where a Buyer has a current lease that does not end in the next 60 days, a longer timeframe can sometimes be negotiated.

Should I have a property I like inspected before I make an offer? No. You will want to make an offer to the Seller of the property, and include an “inspection contingency.” After the offer is accepted, you will have the opportunity to inspect the property, and if you find serious issues with the property, you can revoke your offer with no recourse and any deposits that you have made will be returned.

Should I talk to a bank/lender before I start looking at properties? Yes. You should speak with a Loan Officer to get a sense of what mortgage programs are available and how much you qualify to borrow before you begin a serious property search. With this knowledge, you will know what price range to focus your search in, and you will have a good idea of what your monthly payments will be.

Should I work with a Buyers Agent? It is advisable that you work with a Buyers Agent to assist in your property search. Your Buyers Agent will be able to give you valuable advise, arrange property showings, and negotiate to get you the best price, terms and conditions. If you do not work with a Buyers Agent to view and negotiate on properties, you could become stuck dealing exclusively with a Sellers Agent (Listing Agent) who does not have your interests at heart.

Does using a Buyers Agent cost me anything? No. Real Estate Agents are paid by commission, and this commission is paid by the Seller of the property, not the Buyer.

I have a child, should I be worried about lead paint? Homes built before 1978 may contain lead paint. Your Real Estate Agent can provide you with a copy of the “Lead Law,” which outlines the responsibilities of property Buyers and their rights to test for lead paint in housing that they wish to purchase.

What neighborhoods to you cover? The Residential Group specializes in properties in the Boston and surrounding suburbs, with a specific expertise in urban dwellings, single family and luxury properties, and new construction offerings.

Do I need to have more than one agent helping me with my search? It is best if you work with just one agent to ensure the highest level of service and to avoid conflicts. Our agents are experienced and have undergone extensive training in Buyer representation, negotiation, ethics training and many are *Certified Home Ownership Professionals* (CHP).

I saw a property online that I want to see...who do I call? Simply call your Buyers Agent, and he/she will make arrangements to see the property and will accompany you. If there is an open house scheduled, your agent can also provide you with that schedule. If you do visit an open house, it is important that you “sign in” and note your Buyers Agents name, so that the Listing Broker is informed that you are represented.

Can you provide me access to listings online? Yes. Your Buyers Agent can provide you with search access online, new listing updates, or can call you with new listings of particular interest.