# HOME BUYING

## In A Nutshell


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# New Home-Buying Rules:

## Understanding the Buyer's Agency Agreement

**Before exploring homes, it's now required to formalize a Buyer's Agency Agreement, ensuring clarity and commitment for a smoother real estate journey.**

## Explanation: What You Need to Know

Recent changes in the real estate industry emphasize the importance of transparency and mutual commitment between buyers and agents. These updates require buyers to sign a Buyer's Agency Agreement before viewing homes in person.

Here's what it means for you:

## What is a Buyer’s Agency Agreement?

This document formalizes the relationship between you and your real estate agent. It outlines our roles, responsibilities, and the level of service you can expect from me as your agent.

## Why Is This Agreement Important?

- Protects Your Interests: By signing, I am legally obligated to work in your best interest throughout the home-buying process.
- Clear Communication: It ensures we’re aligned on goals, expectations, and the terms of our partnership.
- Streamlined Process: This agreement allows us to focus on finding your perfect home without misunderstandings.

## What Happens Without It?

Without this agreement, I wouldn’t be able to show you homes in person, as state law & industry regulations now mandate a formal commitment to ensure professionalism and compliance.

## It’s Not as Scary as It Sounds!

Signing a Buyer’s Agency Agreement doesn’t lock you into an extended contract. Most agreements are flexible and can be tailored to meet your needs, including specific timelines or geographic areas. They can even only cover a few homes for one day while we get to know each other!

## What’s Next?

If you’re ready to start your home search, we’ll review and sign this agreement together. I’ll walk you through each step, answer all your questions, and ensure you feel comfortable. My goal is to make your home-buying journey as smooth and enjoyable as possible!
Let me know when you’re ready to begin exploring homes!

# LOOKING FOR A HOME

There's a lot more inventory and some homes are sitting longer on the market - however, some of the good homes can still go fast so it's ideal to call me as soon as possible so we can schedule a showing when a home you like comes on the market.

# MAKE AN OFFER

If you've found a home you like it's time we make an offer which we'll go over - keep in mind that our contracts here are long, but it's nothing to be intimidated about. It's a lot of disclosures and they really are worth reading through!

## MOSTLY WE'LL BE TALKING:

- Price
- Loan Amount or Cash
- Down payment/Close date
- Contingencies *(Loan/Inspection/ Review of Disclosure/Appraisal are the main ones)*
- What stays with the property *(i.e. Refrigerators are 50/50, but dishwashers almost always stay)*
- What doesn't stay if Seller has specifically asked for an exclusion

# WHAT YOU'LL NEED FOR THIS OFFER:

- Some time to go over it with me on Zoom or in person.

- Your pre-approval letter and proof of funds for your down payment & closing costs OR just proof of funds for a cash purchase. This is to be submitted with your offer. Proof of funds can be:

  - Page 1 of an official bank statement with your name or a balance of at least as much cash as needed for the transaction.

  - An official letter from the bank on their letterhead from a manager saying you have sufficient funds to cover the amount needed for the transaction

# GETTING AN OFFER ACCEPTED

Next steps... keep in mind when I say Buyer I'm with you in every step of the way! I'll give you any referrals you need/forms you need to sign/explanations for those forms etc.:

- Buyer wires Earnest Money to Escrow.
- Buyer hires home inspector (around $ 350- $ 550)
- Buyer submits a request to Seller for any repairs, if applicable.
- Buyer checks on insurance rates ASAP!
- Buyer works with the lender to make sure they have all documents.
- Seller does pest inspections & provides a report.
- Seller provides disclosures, including HOA if applicable, for Buyer's review & approval.

- Escrow orders HOA documents, if applicable, and sent them to the Buyer for review.
- Lender orders Appraisal (can take several weeks).
- Appraisal report review (Does the appraiser require repairs or is appraisal low?; and things to discuss...)
- Buyer removes contingencies after the appropriate timeframe has expired assuming everything has been provided in a timely manner.
- Buyer gets final loan approval and signs a Closing Disclosure to ensure all amounts are as originally quoted.
- Once Escrow receives the Buyer's loan documents, they will call both parties to sign either in their office or they will send a mobile notary.


**Understanding California Supplemental Property Taxes**

When you purchase a home in California, the county reassesses the property’s value based on the purchase price, which can trigger a one-time supplemental tax bill. This is separate from your regular property tax bill and covers the difference between the previous owner’s assessed value and your new assessed value for the remainder of the tax year. Since this bill can arrive months after closing and is not typically included in your mortgage impound account, it's wise to set aside extra funds in the first year of ownership to cover it. The exact amount depends on how much the assessed value increases, but being financially prepared ensures there are no surprises. Your county will send a notice before issuing the bill, but if you’d like an estimate of what to expect, I can guide you through that process!

- Within 5 days prior to closing, Buyer's do a final walk-through -- this is not a contingency just an opportunity to see if any issues arose after the inspection and home was kept in reasonably same condition as originally viewed. If there are any issues we will
discuss them. Usually it's all fine!

- Closing will typically take place within 1-2 business days after signing the loan documents with Escrow.

- Once closing happens (typically afternoon) or whatever time specified by the contract (usually 6 p.m. if owner is occupying home). Buyer gets the keys and it's all official!

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