



Let me introduce myself and explain why I've created this **FREE** report to give you the information you need to Move Up!

# Knowing When It's Time to **Move Up**

This simple, yet profoundly powerful report, is a compilation of ideas I've discovered over the years. **Use this free guide to see if Moving Up is right for you.**



**Rhoda Fleming, Professional Realtor**

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[SellingGA@RhodaFleming.com](mailto:SellingGA@RhodaFleming.com)

**Let me introduce myself and explain why I've created this FREE report to give you the information you need to Move Up!**

Dear Move Up Buyer,

Moving up a home can be confusing. Why? Because you're often bombarded with misleading information, confusing claims, and bad advice from people who are not accountable or responsible to you for the advice they give.

How do you ever find solid, practical information to help you decide if moving up is the right decision for you? **You start by reading this free report.**

I'm providing this report so you may avoid some of the biggest pitfalls I see homebuyers make every day. In this fact filled report, you'll discover the amazing secrets I've used to assist my clients to move up to the right home.

What I'm going to share with you isn't theory. My clients and I have tested it. In this simple, yet profoundly powerful report, is a compilation of ideas I've discovered over the years.

**Now, with this information, you can see if moving up is right for you.**

If you have any questions about the information in this report, send me an email at [SellingGA@RhodaFleming.com](mailto:SellingGA@RhodaFleming.com) or give me a call at (770) 715-8955. I've dedicated my business to helping people just like you.

Warmly,



**Rhoda Fleming, Professional Realtor**  
**Estate Development Manager | REAL Broker, Llc.**  
**License #281719**

P.S. If you are feeling overwhelmed with the process of selling your home and you would like a personalized plan to help you get from point A to point B, I invite you to set up a home buying consultation with me by calling (770) 715-8955.



# Why a System for Moving Up?

The Move Up System has been developed to encourage you, the real estate consumer, to engage in a dialogue with our real estate specialists for the purpose of carefully examining the potential benefits to you of selling your present property and moving up to another.

You might ask, "Why is it necessary to have a Move Up System when many real estate consumers have enormously profited over the last several decades without the assistance of a Move Up System?"

The average home seller would be more likely to move up if they knew there was a system to help them do so without the fear of being homeless, unintentionally owning two homes or being completely stressed in the process.

This fear and lack of education of the process often causes the home seller to miss the opportunity to take that next step into their dream home and to grow their net worth by purchasing a larger, high quality home.

In recent years more than ten million plus North Americans bought or sold a home. Of that ten million, a significant percentage of individuals and families had to first resolve the following question:

"Would we be better off financially or in terms of our preferred lifestyle by staying put and making home improvements, or should we save ourselves the stress and struggles associated with a home improvement project and buy another home?"

First, you should determine the current price of your home. Second, make a list of new features and/or improvements you desire in your present home. Third, meet with a real estate professional who can:

- Connect you to superior local contractors and/or interior designers.
- Assist in selecting which renovations are more consequential regarding ultimate resale value.
- Provide you with information and previews of current and potentially soon-to-be-marketed properties to decide if the alternative of moving up is in your best short-range and long-range interest.

I am well trained to assist you in discovering the possibility of exchanging your lifestyle, net worth, and tax privileges through a Move Up System consultation. See my contact information to schedule a quick chat.

# Know Your Options

## Should you...

- Stay in your home as is until it might be a better time to sell?
- Stay in your home, improve its value and enjoy your personalized upgrades?
  - Consult with recommended architects and/or contractors and look to maximize your profit in your property.
  - Determine the value of your home as is, then calculate the costs of renovation and the projected market value once enhancements are fully executed.
- Market your property for sale while you plan your renovation?
- Consider pricing your home to sell as is, as well as pricing it to sell after renovation?
  - Determine which area and type of home is enjoying the greatest current and projected demand and consider the future resale of that property versus your current home.

## Other factors to consider:

Are you considering investing in and/or expanding your present property?	Yes	No	Maybe
Would you like to renovate before you sell?	Yes	No	Maybe
Would renovating your home be stressful?	Yes	No	Maybe
Would renovating your home be something you'd enjoy doing?	Yes	No	Maybe
Would construction overly disrupt your life?	Yes	No	Maybe
Would you like to remain in your present neighborhood?	Yes	No	Maybe
Does your current neighborhood support home improvement or would your money grow more potentially if put into another property in a different location?	Yes	No	Maybe
Would you qualify for a construction loan?	Yes	No	Maybe
Do you need a current market value analysis for your home?	Yes	No	Maybe
Would you like non-obligatory advice regarding the following?			
• Present home value	Yes	No	Maybe
• Cost of renovations	Yes	No	Maybe
• Recommended home improvement professionals	Yes	No	Maybe
• Information on alternative homes and locations	Yes	No	Maybe
• Improving your present home for sale and moving to another home	Yes	No	Maybe

## Questions to ask your potential real estate agent:

1. What do you think makes my home distinctive and how will this influence how you market it?
2. How do you network with local realtors to increase their awareness of a home you market?
3. How do you market properties online?
4. How many photos do you suggest for our home?
5. What is your negotiating philosophy?
6. How do you decide on the best pricing strategy?
7. Can you give me examples of when you sold a property for significantly more than your fellow agents thought was possible?
8. How do you determine the right marketing mix?
9. What are the pros and cons to having open houses?
10. What makes you and your company different from your competitors?
11. Are you more focused on selling more homes, or selling homes for more?
12. Do you provide staging guidance and, if so, what do you charge for this service?



# FAQs

## **Q: How do I time my move? Should I buy first or sell first?**

The question to consider is, do you have the funds to buy without selling your home? And if you do are you okay with having the expense of two properties potentially for a period of time? Would you consider the option of a bridge loan? If the answer to all of these is no and you need the funds from your current home, then you would need to sell first so you would not be making a contingent purchase. It would still be a contingent purchase but at least it would be contingent on the close of a qualified sale.

The challenge is, if you try to buy first, you're not going to get your offer accepted because they're not going to feel comfortable not knowing what's going to happen on the other transaction. In this case, you really need to sell your property first to give you more leverage when you go to negotiate on your move up property.

## **Q: What happens if I do sell but then can't find the right home?**

If we find a buyer who's willing to give us a "rent back", it would give you time to be able to close your transaction and find another property and hopefully close the transaction at the end of the rent back period.

## **Q: Is there some type of financing that would help me bridge the gap? What is a bridge loan?**

A bridge loan is essentially interim financing you apply for to pull your equity or a portion of your equity out of your property in advance. And normally a bridge loan will not give you more than 70-75% loan to value. You'll need to check with your lender because the programs change, and they are normally for a short period of time. The terms vary but they are available. Consult with your real estate agent and they can connect you with a resource for this type of financing.

## **Q: If I'm leaving the area, how do I find the right agent in a new location?**

You could search online but you could also ask the real estate agent you're working with to find someone. This could be the best option for you because they will be able to work with that agent to help coordinate a relatively stress-free transition. They can also do some research to vet the agent to make sure they truly are an expert in the community you're moving into. Now this would mean that most likely, the agent who helps you find your new agent would receive a referral fee, which is a very standard practice in the industry. This would obviously give them an even bigger vested interest in making sure all goes well.

**Q: Can I list my home contingent on finding a home or buy contingent on selling?**

Yes, you can list your home contingent on finding a home to purchase. However, when a buyer makes an offer, they do not have to automatically agree to those terms. They are going to submit an offer and most likely you are going to have to make a counter-offer to get them to agree. And typically, if they will agree to this, they will only give you a limited amount of time to do so. Now, you may be able to negotiate to buy a home contingent on selling the home you're in, however, that's typically going to only happen in a market where there's not a high level of demand for the home you're purchasing. And often the seller, who is willing to accept your contingency, is going to want a very high price and not be very flexible on terms, because after all, they're taking a chance waiting on you.

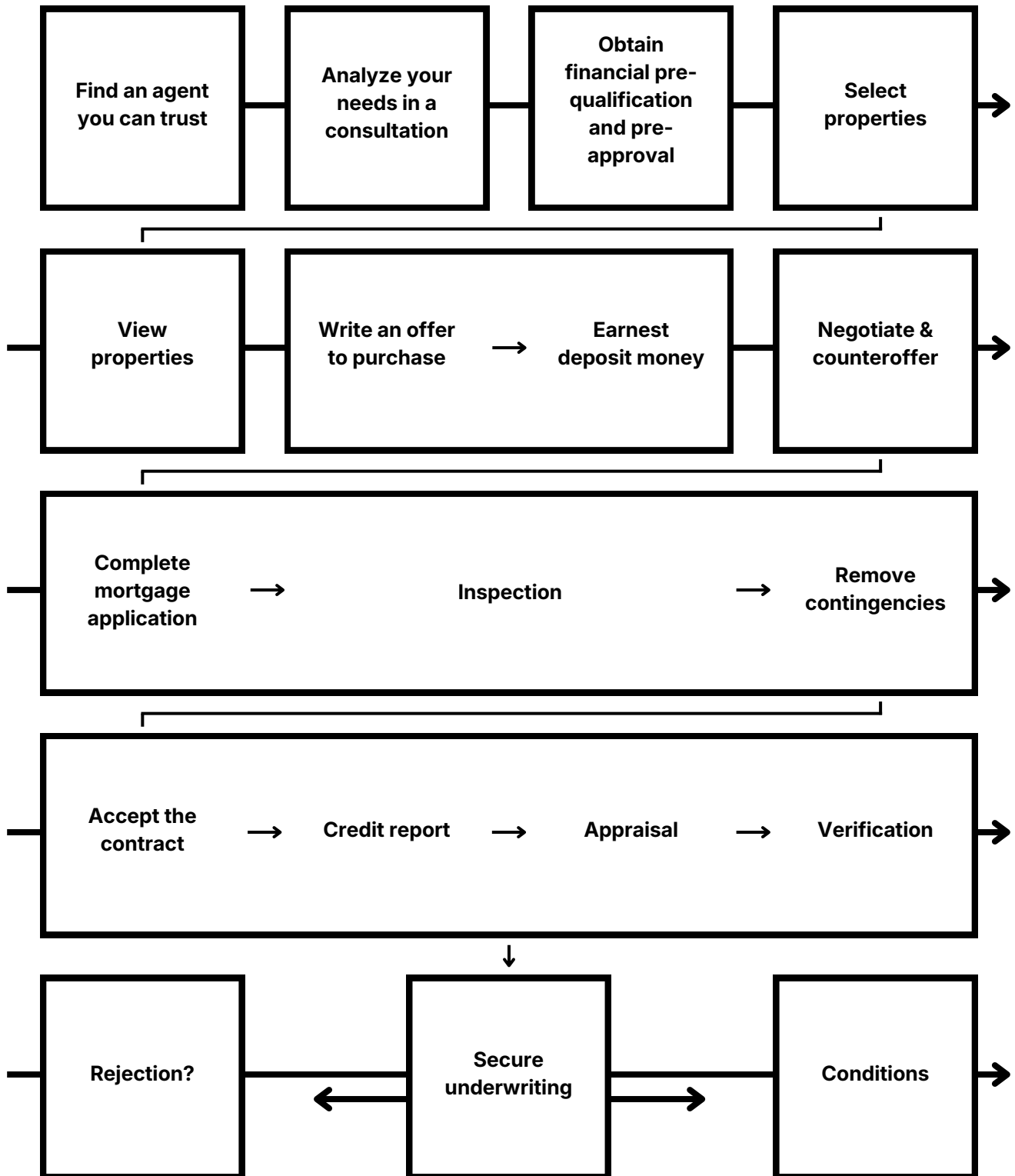
**Q: If I can't coordinate the closing of the two properties how can I avoid a double move?**

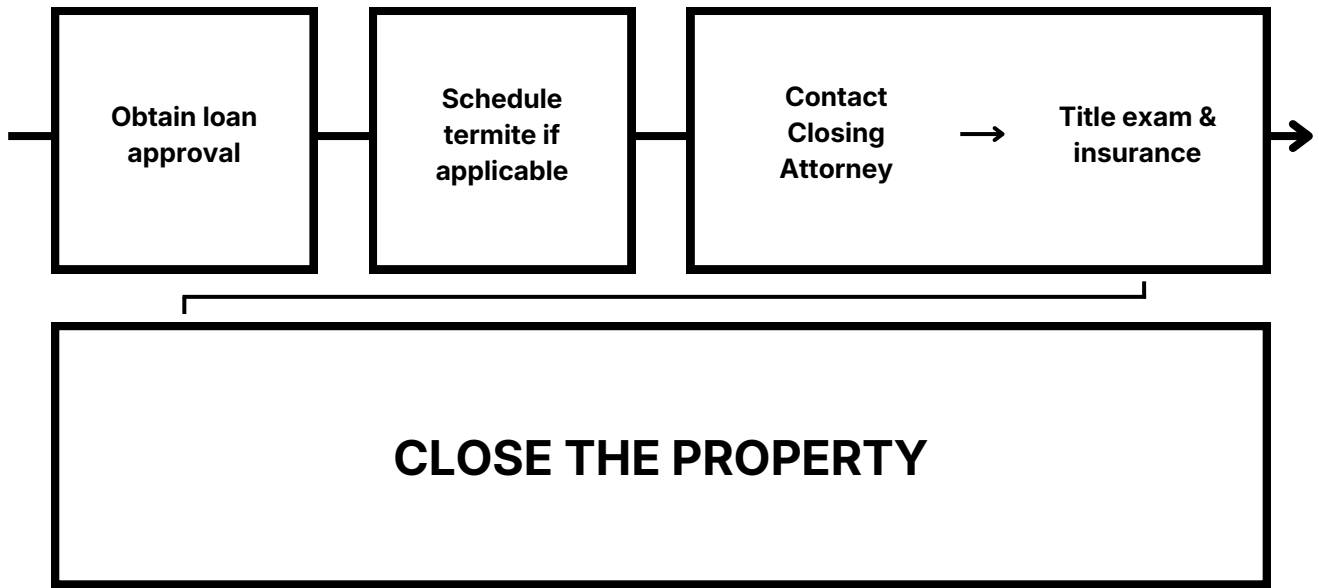
You could avoid a double move by negotiating with the buyer at the time they make the offer to arrange a rent back. You should be aware though, that they're going to charge you rent back most likely at the fee of their principle interest taxes and insurance payment because they are not going to want to absorb any of the cost of you living in the property. If you have a low or no monthly payment, you need to be aware that renting back from the new homeowner could be a substantial expense, depending on the amount of time you need to stay in the property. However, if they're willing to allow you to do so, it may still be less expensive and stressful than making a double move.

**Which home search services your agent should provide:**

1. In-depth Home Buyer Consultation
2. Arrange a pre-qualification and introduction to quality lender
3. Enter your criteria in their search system and notify you of new matches via email
4. Be available to show you property as needed
5. Review and revise the search criteria as needed
6. Write the contract to purchase and handle the negotiations
7. Open escrow and supply the lender with the necessary paperwork
8. Arrange all inspections and appraisals
9. Keep you updated on all aspects of the transaction throughout the process
10. Supply reputable vendor referrals as needed
11. Arrange a final walk-through
12. Arrange signing of loan documents
13. Deliver the keys
14. Provide quarterly updates on market conditions post-closing

# The Home Buying Process







# Needs & Wants

NEEDS

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone (home) \_\_\_\_\_ Work \_\_\_\_\_ Cell \_\_\_\_\_

Children (names/ages) \_\_\_\_\_

Pets \_\_\_\_\_

Hobbies/special interests \_\_\_\_\_

Best times/days to look at homes \_\_\_\_\_

Reason for move/purchase \_\_\_\_\_

Current home purchase date/price \_\_\_\_\_ Estimated equity \_\_\_\_\_

Other \_\_\_\_\_

\_\_\_\_\_

What do you like and dislike about your current home? \_\_\_\_\_

\_\_\_\_\_

Type of home (number of stories) \_\_\_\_\_

Style of home \_\_\_\_\_

Size of garage needed \_\_\_\_\_

Exterior desired \_\_\_\_\_

Lot size/yard features \_\_\_\_\_

Number of bedrooms needed \_\_\_\_\_ Number of bathrooms needed \_\_\_\_\_

Special rooms needed \_\_\_\_\_

Distance to: \_\_\_\_\_

Employment \_\_\_\_\_ Public Transportation \_\_\_\_\_ Church \_\_\_\_\_

School \_\_\_\_\_ Shopping \_\_\_\_\_ Other \_\_\_\_\_

Other special needs \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

WANTS

Include features the buyer would like to have such as a family room, dining room, patio, porch, fireplace, heating/cooling systems, built-ins, recreation, sauna, hot tub, swimming pool, etc.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Estimated move up purchase price \_\_\_\_\_



# Information for Your Lender



Purchaser

Co-Purchaser

Employer \_\_\_\_\_

Employer \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

Position \_\_\_\_\_

Position \_\_\_\_\_

Years \_\_\_\_\_ Months \_\_\_\_\_

Years \_\_\_\_\_ Months \_\_\_\_\_

**Total gross income**

(include overtime, bonuses, other incentive pay)

**Total gross income**

(include overtime, bonuses, other incentive pay)

Earning for last 3 years

Earning for last 3 years

20 \_\_\_\_\_ \$ \_\_\_\_\_

20 \_\_\_\_\_ \$ \_\_\_\_\_

20 \_\_\_\_\_ \$ \_\_\_\_\_

20 \_\_\_\_\_ \$ \_\_\_\_\_

20 \_\_\_\_\_ \$ \_\_\_\_\_

20 \_\_\_\_\_ \$ \_\_\_\_\_

Is purchaser or co-purchaser eligible for federal VA? \_\_\_\_\_

Is purchaser or co-purchaser eligible for any special home mortgage programs? \_\_\_\_\_

Type \_\_\_\_\_

## Assets & Liabilities of Purchaser(s)

Checking (bank) \_\_\_\_\_ \$\$\$\$ \_\_\_\_\_

Checking (bank) \_\_\_\_\_ \$\$\$\$ \_\_\_\_\_

Assets

Savings (bank) \_\_\_\_\_ \$ \_\_\_\_\_

Stocks/bonds \_\_\_\_\_ \$ \_\_\_\_\_

Market value \_\_\_\_\_

Life insurance \_\_\_\_\_ \$ \_\_\_\_\_

Cash value \_\_\_\_\_

Real Estate \_\_\_\_\_

Equity available from sale

Other \_\_\_\_\_

Other \_\_\_\_\_

Other \_\_\_\_\_

Total \_\_\_\_\_

Liabilities

Unpaid balances | Monthly payments

Real estate \$ \_\_\_\_\_ \$ \_\_\_\_\_

Automobile \$ \_\_\_\_\_ \$ \_\_\_\_\_

Automobile \$ \_\_\_\_\_ \$ \_\_\_\_\_

Charge accounts... monthly payments beyond six months

\$ \_\_\_\_\_ \$ \_\_\_\_\_

\$ \_\_\_\_\_ \$ \_\_\_\_\_

Alimony/child support

Other \$ \_\_\_\_\_ \$ \_\_\_\_\_

Other \$ \_\_\_\_\_ \$ \_\_\_\_\_

Total \$ \_\_\_\_\_ \$ \_\_\_\_\_

Have you been involved in any bankruptcy, mortgage foreclosure, garnishment, judgement or receivership proceedings, or any other credit problems in the past 7 years?

Money available for initial investment \_\_\_\_\_

Money available for monthly investments \_\_\_\_\_

Estimated home price range \$ \_\_\_\_\_ to \$ \_\_\_\_\_

**Notices/disclosures:** This is not a loan application and may not apply in every circumstance. Price range and costs can vary depending on the type of financing selected. Figures are based upon an estimated home purchase price and are not guaranteed to be complete or accurate. Any and all representations made by the sales executive to the purchasers as to their ability to qualify for a new home is subject to receipt of a satisfactory credit report. The Realtor/Broker has an ethical obligation to quote the full asking price of the property being offered for sale. If your current home (which you may be selling) does not close title prior to the closing of the home, which you are purchasing, you may incur additional carrying charges for bridge financing. The Realtor/Broker hereby discloses he/she may also be representing the purchasers in the capacity of a seller of their existing home. All financial information should be discussed with your CPA or financial advisor.

# Moving Up System Analysis

Sale of Current Home

Purchase of Property

Purchase price \$ \_\_\_\_\_

Purchase price \$ \_\_\_\_\_

Estimated market value \$ \_\_\_\_\_

Down payment \$ \_\_\_\_\_

Mortgage \$ \_\_\_\_\_

Estimated cash available from sale \$ \_\_\_\_\_

## Buying expenses

Points (tax deductible in first year) \$ \_\_\_\_\_

## Selling Expenses

Attorney fees \$ \_\_\_\_\_

Real estate commission \$ \_\_\_\_\_

Title insurance \$ \_\_\_\_\_

Attorney fees \$ \_\_\_\_\_

Miscellaneous recoding fees \$ \_\_\_\_\_

Preparation deed/affidavit title \$ \_\_\_\_\_

Survey \$ \_\_\_\_\_

Transfer fee \$ \_\_\_\_\_

Inspections \$ \_\_\_\_\_

Total selling expense \$ \_\_\_\_\_

Mortgage application fee \$ \_\_\_\_\_

Net Cash available \$ \_\_\_\_\_

Prepaid taxes/insurance \$ \_\_\_\_\_

Total purchase expense \$ \_\_\_\_\_

Mortgage required \$ \_\_\_\_\_  
(see mortgage analysis form)

## \*Tax Analysis

	Current	New Home	Difference
Mortgage interest payment	\$ _____	\$ _____	\$ _____
Real Estate taxes	\$ _____	\$ _____	\$ _____
Insurance	\$ _____	\$ _____	\$ _____
Total taxable deductions	\$ _____	\$ _____	\$ _____
Tax bracket	x _____	x _____	x _____
Tax benefit	\$ _____	\$ _____	\$ _____

Move-Up Analysis

	Current	New Home	Difference
Monthly mortgage payment (P&I)	\$ _____	\$ _____	\$ _____
Real estate taxes	\$ _____	\$ _____	\$ _____
Total monthly expenses	\$ _____	\$ _____	\$ _____
Monthly tax benefit	\$ _____	\$ _____	\$ _____
Net total monthly expenses	\$ _____	\$ _____	\$ _____

**Move Up Systems Analysis Summary**

*To be completed with your agent.*



# Upgrades that Boost Your Property Value

**Curb appeal** is critical. You don't have to spend a fortune to give your home a facelift!

**Kitchens and bathrooms** can be a turn on or turn off. A complete remodel usually is not necessary and may not be a wise use of funds. Anything you can do to update on a budget in these rooms can make a significant difference. Replace an old appliance, changing an old toilet or upgrading the countertops can be affordable and do make a big difference.

**Declutter** and then declutter some more. Make your home decor as lean and clean as a model home. In fact, taking a walk through a few model homes could give you some simple staging ideas you can implement easily in your own home.

**Remove wallpaper** and brighten up especially dark rooms with lighter colored paint. A neutral palette is best to allow the buyers' imaginations to run free.

**Fix obvious defects:** broken tile, torn screen, cracked driveway, etc. Buyers may feel these minor flaws are hiding bigger issues, or they may ask for significant discounts for repairs that won't cost you much to do.

**Clean or replace carpet** and remember to keep the color neutral. If your carpet is bad and there are hardwood floors underneath, you may be able to get away with stripping the carpet and cleaning up the floors. Even if they aren't perfect the buyer may prefer it to dirty carpet.

Ask your realtor to **begin at the front curb** and complete a curb-to-curb check up with you. They will be able to best advise you what improvements are a must-do and what improvements would be an over-do for your market conditions and price point.

### **Outdoors**

- Keep lawn mowed, trim hedges
- Store hoses neatly; be sure sprinklers don't water walkways
- Repair gates, fences and sidewalks
- Remove or replace dead/dying plants
- Add color with blooming flowers
- Clear yard of all debris
- Sweep front walkway
- Paint, fix, or wash railings, storm drains, screens and doors

### **Garage**

- Keep the floors clean and swept
- Store or neatly arrange all items
- Show maximum storage space

### **Bathrooms**

- Polish the floor, mirror and fixtures
- Repair grout and caulking
- Repair running toilet or faulty plumbing

### **Closets**

- Replace burned out light bulbs
- Hang clothes neatly; store shoes in boxes
- Not overcrowded, suggest inadequate storage space

### **Kitchen**

- Clean appliances, cabinets and floors
- Organize cabinets
- Sink should be spotless
- Clear and clean countertops
- Repair faucets and appliances

### **Overall**

- Wash windows
- Quick once-over with vacuum
- Flowers in main rooms
- Play soft music and add air fresheners
- Keep pets out of the way
- Oil hinges, tighten knobs and faucets

# Key Features to Showcase When Marketing My Home

This worksheet will give your real estate agent valuable information to help them showcase your home and highlight key features and benefits in the marketing campaigns. Supply as much detail as possible and they will know which items are best to use to add value and create excitement.

## 1. What I have enjoyed most about living in this community

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## 2. The most recent upgrades and improvements

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## 3. The features about the home we utilize most

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## 4. What we will miss most about living here

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## 5. The order I believe photos should be taken in to give the buyer the best sense of the home's style

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# 4 Steps to Getting Your Home Sold

## **Step 1: Make a Commitment to Act**

Funny as this may sound, I can't tell you how many times people have requested this report and then said to me, "If I would have known what you just showed me, I would have avoided so many problems!"

I've shared a few simple ideas in this report. Ideas that if acted upon could prove to be worth thousands of dollars when selling your home. But these ideas are only as good as the action put into them. Decide to act right now.

## **Step 2: List Your Objectives**

Jot down what your goals are in selling your home. What is your ultimate goal? Selling quickly? Getting top dollar? Not selling before you have an accepted home offer on your next home?

What do you expect from the agent you hire? How and how often do you want them to communicate with you? Do you want an open house done? If so, how often do you expect it?

## **Step 3: Contact an agent that knows how to market your home effectively**

Of course, I'd love to be the agent you choose to work with, but let's face it, I'm not right for everyone. That's why I've given you the questions to ask your potential agent – or as I like to call them – your marketing partner.

If you would like additional information, please reach out to me at **(770) 715-8955** or via email at **SellingGA@RhodaFleming.com**.

## **Step 4: Act**

Do I need to say anything more? Reach out to me and let's talk about how to get your home sold for top dollar. Let's work together!



# Referral Request

If Applicable

I am leaving the area and need a referral agent to provide preliminary information to me.

**My destination** \_\_\_\_\_

**When I would like to be contacted by the agent** \_\_\_\_\_

**Best method of contact** \_\_\_\_\_

**When I expect to be in town to view homes** \_\_\_\_\_

\_\_\_\_\_

Please complete the enclosed needs and wants list so that I can forward it to the agent in your new destination so he or she can begin the search.



# Glossary of Terms

## A

1. **Acceptance** – The time at which an offer to purchase is accepted. The fact that it was accepted must be relayed to the person that made an offer for all parties to be bound to the contract.
2. **Amortization** – The repayment of a loan over time. With each payment, there is a reduction of both principal (the original amount borrowed), plus the interest.
3. **Appraisal** – A professional determination of value. Mortgage companies usually require an appraisal of the property by a licensed, disinterested party before agreeing to loan money on the property. Methods of determining value may be based on many things, such as comparable sales in the area, the cost approach, the income approach, or the highest and best use of the property.
4. **As-Is Condition** – Disclaiming any warranties or representations regarding the condition of the property.

## B

1. **Back-Up Contract** – A contract or offer that is in a secondary position to an already existing contract. This contract shall be elevated to the first position if some condition in the first contract is not met. If the first position contract is consummated, then the second contract is no longer in effect.
2. **Bridge Loan, also called a swing loan** - A short term loan used to transition in between paying off an old loan, and the inception of permanent financing. This is often used to build or purchase a new home, when the previous home is still owned, but is up for sale. Once the previous home is sold, and the owner receives the proceeds from that sale, permanent financing is usually obtained.

## C

1. **Certificate of Title** - A statement verifying who has the rights and responsibilities of ownership in a property. This may be ascertained by a public record search but does not guarantee that any other parties may not stake a claim to the property. Title insurance protects against claims that may arise against the title.
2. **Clear Title** - Ownership that is free of liens, defects and encumbrances, beyond those which the owner agrees to accept.
3. **Closing** - The transaction where title passes from seller to buyer and the seller is paid. A settlement statement shows all costs incurred and gained by both parties.
4. **Closing Costs** – The expenses incurred in obtaining the property and transferring title to the new owner. This may include, but is not limited to attorney's fees, points, title charges, credit report fee, document preparation fee, mortgage insurance premium, inspections, survey, appraisals, prepayments for property taxes, deed recording fee, and homeowner's insurance.
5. **Commitment Letter, also known as a loan commitment** - A written offer by a lender to make a loan by a particular date under certain conditions. A buyer has more clout with a seller if they submit a letter of loan commitment from their lender to the seller at the same time, they submit their offer to purchase to the seller than a buyer who has not even applied for the loan yet.
6. **Contingency** - A condition that must be met before a contract is legally binding, or before a sale is to be completed. The contingency provides an out or an escape from performing if the condition is not met.
7. **Conventional loan or conventional mortgage** - A real estate loan, which is neither insured by the government agency FHA nor guaranteed by the Veterans Administration. Typically, subject to the terms of their institution, the conditions may be more flexible, as the lender is not required to follow federal guidelines. The lender looks to the credit of the borrower and the security of the property to insure payment of the debt.
8. **Counteroffer** - If the receiver of an offer makes any changes to the original offer, it is considered a rejection of the initial offer and becomes a counteroffer.

## D

1. **Deed of Trust** - Some states use a deed of trust to convey property being held as security for a loan. This document is then conveyed to a trustee and can be used to sell, mortgage or subdivide the property.
2. **Deposit** – (also called Earnest Money) - A good faith deposit of a sum of money offered by the prospective purchaser at the time of the offer to purchase. These funds are typically deposited into an escrow account and held until the real estate closing takes place. At the closing, the buyer is most often given credit for the earnest money that has already been paid, but in some cases, it may be returned to the buyer at closing. These funds may also be returned to the buyer in some cases if the contract on real property doesn't go through to a final sale.

## E

1. **Earnest Money (also called Deposit)** – Funds given by the buyer and held in an escrow account until the real estate closing. In some cases, these funds are refundable if the loan fails to close, but if the loan does close, the purchaser is given credit at closing for the earnest money.
2. **Escrow** – A neutral third party holds other people's funds in a secure account for future use. An earnest money deposit is held in a real estate broker's escrow account. It is the broker's account, but he is holding the buyer's funds in the account for safekeeping until closing. In the case of a mortgage, the total monthly mortgage payment may include funds to pay for future taxes and insurance paid in addition to the principal and interest. This escrow is held by the lender until taxes and insurance are due, at which time the mortgage company pays the taxes and insurance on the borrower's behalf. After the taxes and insurance are paid, the lender may re-adjust the total monthly payment to insure sufficient funds for future escrowed items.
3. **Exclusive Agency Listing** – A written agreement between a property owner and a real estate broker giving the broker the exclusive right to sell the property for a specified period and at a specified fee. Agents whose licenses are held by a broker may sign on their broker's behalf.

## F

1. **First Right of Refusal** - A legal right by an individual giving that person the first opportunity to purchase or lease real property.

## H

1. **HUD** -The U.S. Department of Housing and Urban Development. This is the agency responsible for enforcing the federal Fair Housing Act. Among HUD's many programs are urban renewal, public housing, rehabilitation loans, FHA subsidy programs, and water and sewer grants. The Office of Interstate Land Sales Registration, the Federal Housing Administration (FHA) and the National Mortgage Association (GMNA) are all under HUD.

## L

1. **Loan Commitment** - A lender's written approval granting a specific loan amount, conditions, and a set time limit for closing the loan.
2. **Loan Origination** - The process of applying for a mortgage loan.
3. **Loan Originator** - The person who assists borrowers in obtaining their new loan.
4. **Loan to Value** - The ratio of the amount of the loan divided by the value or sales price of the home.
5. **Lock In** - An agreement in which the lender guarantees a specified interest rate for a certain amount of time at a particular cost.

## N

1. **Non-Conforming Loans** - Loan amounts that exceeds FNMA's \$417,000 (as of July 2006) maximum lending.

## P

1. **Possession** - The buyer occupying the property that is purchased or a tenant occupying the property that is leased. In a real estate sale, possession is rarely granted prior to closing when the seller receives their funds.
2. **Pre-qualification** - Having a mortgage lender advise that debt ratios and credit report plus other factors show a borrower qualifies for a particular loan amount before signing a contract.
3. **Purchase and Sale Agreement** - The contract between the buyer and seller stating terms, conditions, sales price and other pertinent information about the property being purchased.

## Q

1. **Qualify** - To meet the guidelines based on debt, income, and credit worthiness.
2. **Qualifying Ratios** - Comparing a borrower's income to their proposed monthly housing expense. Also comparing their income to monthly housing expense added to all the borrower's other debt obligations.
3. **Quit Claim Deed** - A document by which one property owner releases his or her claims, rights and interest in a particular property.

## R

1. **Rate Lock** -When the lender issues a written commitment to a borrower as to a specific interest rate for a specific period.
2. **Real Estate Owned** – (REO) - Real estate that is owned by a bank or financial group. Usually a result of their borrowers defaulting on the loan and the subsequent foreclosure of the property from that buyer.
3. **Right of first refusal** - The right to the first opportunity to lease or purchase real property. For example, apartment tenants might retain the right of first refusal when their units are being converted to condominiums.

## S

1. **Sweat Equity** - The equity earned as a result of the owners' labor in upgrading and improving the property.

## T

1. **Tax Lien** - A lien against a property for unpaid taxes.
2. **Ten Thirty-One Exchange** – (1031 Exchange) – A means of deferring capital gains taxes on real estate exchanges for like kind properties. This is allowed under the U.S. Internal Revenue Code, Section 1031.
3. **Term** - The length of time it will take to pay the mortgage in full.
4. **Time Limit of an Offer** - An offer should include a specified time period during which the other party must decide to accept, reject, or counter the offer.
5. **Title Company** -The company that, for a fee, checks and insures the title against liens, ownership claims, and title problems.
6. **Title Insurance** - An insurance policy that may be purchased to protect the new owner from any liens or clouds against the title. In order to issue title insurance, the issuer will perform a title search in the county records. Since title is searched at the time of closing, title insurance is usually less expensive at the time of closing, rather than if a buyer called the title company at a later time as an additional title search would have to be performed prior to issuing the insurance.
7. **Title Search** - A review done by the title company's representative of all records available to determine if the title is indeed clear of all liens and claims.

