



HOME BUYER GUIDE



www.2MannyHomes.com

2Manny Homes Team

HOME BUYER GUIDE

This guide is meant to provide a complete overview of the process of buying a home

Your 2Manny Homes Team Estate Agents will take on a number of important roles for you as your fiduciary:

STRATEGIST

AMBASSADOR

NEGOTIATOR

COMMUNICATOR

Six Simple Steps To Buying A Home

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BUYER COUNSELING SESSION

- Summary of the buying process and how our team
- Works
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- Defining your needs, wants and expectations
- How to achieve your goals
- Answering your questions

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FINANCIAL PREPARATION

- Cash Purchase
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STRATEGICALLY CRAFT A STRONG OFFER & EFFECTIVELY NEGOTIATE ON YOUR BEHALF

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- Physical inspections and
- Buyer investigations
- Loan and Appraisal contingencies
- Insurance
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FINAL SETTLEMENT & CLOSE OF ESCROW

Buyer Counseling Questionnaire

Do you currently own/rent?_____ How long have you lived there? _____

If you rent, how much longer do you have on your lease? _____

If you own, will you need to sell your current home before buying? _____

Why are you moving? _____

How long have you been looking for a home? _____

Have you found anything you've liked? _____ Any offers written? _____

When would you like to be living in your new home? _____

If we found the perfect home today, are you be ready to make a move? _____

What has to happen for you to be ready? _____

Ideally, describe what you are looking for? _____

What area(s) are you considering? _____

Are you familiar with that/those area(s)? _____

What do you like about that/those area(s)? _____

Do you commute to work? _____ If so where? _____

Do you need/want to be in any specific school district or near any special facilities, and if so which ones? _____

What are the 5 most important features you can't live without and why?

1. _____

2. _____

3. _____

4. _____

5. _____

What are some features that you absolutely won't accept about a property?

1. _____

2. _____

3. _____

4. _____

5. _____

Would you be willing to compromise any features to make sure that you absolutely get another? _____

Buyer Counseling Questionnaire (continued)

What style home do you like? _____

What style do you not like? _____

How many bedrooms? _____ How many bathrooms? _____

Approximately how many square feet? _____

Tell me about your household / pets? _____

Any family members with special needs? _____

What are your parking needs? _____

Do you entertain often? _____

Where do you spend most of your time in your home? _____

Are there any other amenities you are looking for? _____

How do you feel about remodeling? On a scale of 1-5 (1 = not a chance, 5 = all for it) _____

How do you feel about new construction? On a scale of 1-5 (1 = not a chance, 5 = all for it) _____

Who else, if anyone, is involved in helping you with this purchase? _____

What are the best days/times for you to look at homes? _____

Are you available during Weekend Open Houses? _____

Are you available during Weekday Broker's Tour/Caravan? _____

Will you be paying Cash or Financing a Loan? _____

If Financing, have you had a chance yet to meet with a lender to determine your purchasing power? _____

Did they give you a pre-approval letter? _____

How much did they pre-approve you for? _____

What Price range are you comfortable spending? _____

How many homes do you expect to view before feeling comfortable enough to purchase? _____

What are your expectations in terms of listing price and an offer you will make? _____

If there are multiple offers on a property, does that affect your interest in making an offer? _____

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STEP ONE

BUYER COUNSELING SESSION

Buying a home is a big deal - for many people it is one of the largest financial decisions they'll make in their lifetime. We take this very seriously at Team Pichardo. and that's why we invite you for a no-obligation Buyer Counseling Session before we get started.

During this session, our goal is to provide you with a summary of the home buying process from start to finish. We'll get to know your expectations of what working together with us will look like. We'll share our expectations of what working together with you will look like. We'll share details about how our team works, learn about your needs and wants, and answer all of your questions about buying a home. We'll explain all of the protections that the purchase contract offers you and how we will protect you as your fiduciary should you choose to work with us.

Through the course of our working relationship, we'll take on a number of roles to fit situations that arise:

We'll be your **STRATEGIST**, helping you to identify the options you have in any given situation. We don't make up your mind for you, but we draw on our experience to advise you and present you with strategies that have worked for us and others in similar situations. We'll help you identify the best way to move forward and make the next best step.

We'll be your **AMBASSADOR**, interacting with other people involved

in every step of the process. In many instances, we'll be the first point of contact for you. This means we serve as an extension of you, and the impression we make is critical. Long before you step foot in a property, we are working to represent you in the best way possible. Our reputations can literally help open doors for you.

We'll be your **NEGOTIATOR**, helping you to get the terms that are important to you, but also keeping in mind a sense of balance so that the other side also feels satisfied with those terms too.

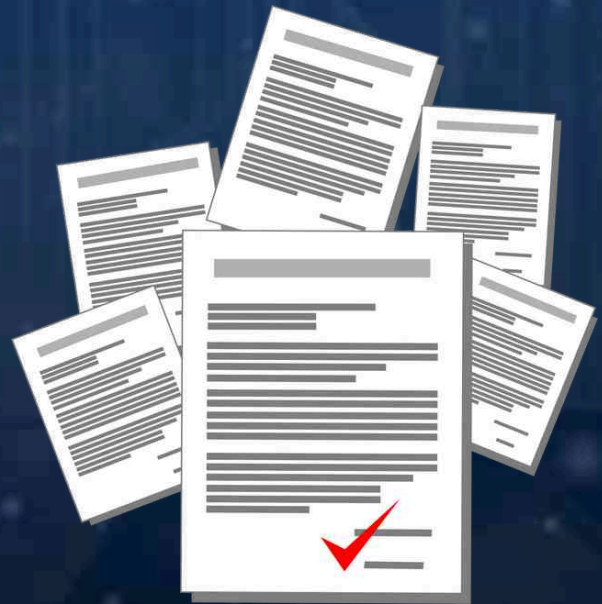
Everyone has to be happy with the deal.

Perhaps above all, the most important role we'll fulfill for you is as a **COMMUNICATOR**. We have to be able to write contracts which achieve your objectives. Even after that contract is accepted, there are still weeks, sometimes even months of communication ahead, and that has to be executed well to be able to keep everyone in the transaction satisfied.

At the conclusion of this Buyer Counseling Session, we hope to have fully demonstrated how we will work for you, and we'll decide if we'd like to work together in your home buying search. If you decide that you would like to work together with us, we will ask you for an acknowledgement of our working relationship and provide you with a commitment to provide you with the services to help you successfully find and buy the right property.

RELATIONSHIP

DISCLOSURES



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An Acknowledgement of Our Working Relationship

As your Buyer's Agent, I am committed to providing you with the following services in order to help you successfully find and buy the right property. My goal is for you to have an enjoyable and wonderful experience.

Finding you your ideal property for the best price and a smooth transaction is my #1 goal.

My Commitment to you as your Buyer's Agent to the best of my abilities:

- | | |
|--|---|
| <ul style="list-style-type: none">• Buyer Counseling Session• Confidentiality• Complete property search of the area MLS• Loan pre-approval• Timely notification of new listings• Notification of Off-Market "pocket" listings that you might not otherwise know about• Property previews and showings• Property condition disclosure review• Market analysis and property evaluation | <ul style="list-style-type: none">• Offer review and presentation• Negotiation strategy for best property price• Management of all contingency fulfillment• Concierge services for recommended service providers• Estimate of required funds• Final inspection and verification of property condition prior to the close of escrow on your new property• Continuous follow up until closing• After sale services |
|--|---|

A Small Favor of Commitment from You in this Process

First, openly and honestly communicate. The success of our relationship depends on open, honest communication.

I need to know your likes and dislikes in every home we view. Above all, when you have concerns, let me know so I can address your questions.

Second, because you'll be receiving many hours of our time and guidance in this process, for which I will NOT be compensated until and unless we can accomplish your goals, I would like to ask a small favor of commitment from you:

- Allow me to be your Exclusive Buyer's Agent
- Allow me to be the sole contact person for searching New, Re-Sale or For Sale By Owner property.

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STEP TWO

FINANCIAL PREPARATION

As you prepare for the home search process, you'll need to decide if you are in a position to pay cash for your purchase or if you'll need to obtain a loan.

Everything starts with knowing your finances and establishing your comfort level. How much are you comfortable spending on a monthly basis? How much would you like to put down? How much do you want to pay overall?

There are many types of home loans. It's important to meet with a reputable lender who is able to explain.

The different types of loans which may be available for you and to make suggestions as to what is the best fit for your circumstances and goals.

For some people, working on improving their credit scores may be necessary before loan pre-approval may be possible. It's a vital first step to do a deep dive into your finances before we begin looking at homes.

We can provide you with a number of referrals to reputable lenders who have helped our other clients in the past

ITEMS YOUR HOME MORTGAGE CONSULTANT MAY REQUEST:

Pay Stubs:

- Most recent pay stub for each applicant

Tax Information:

- W2's for the past 2 years for salaried and hourly income.
- Complete Federal tax returns for the past 2 years (including W2s, 1099s and all schedules) for commissioned, bonus or 1099 income.
- Self employed: the above plus corporate or partnership returns including K-1s for the past 2 years and a year-to-date profit and loss statement.

Assets

- Your most recent two month's statements (at minimum) for all accounts (all pages)

Divorce

- All pages of your final, recorded divorce decree

VA Loans

- DD214 (discharge papers)
- Original certificate of eligibility (green form)
- Name and address of daycare provider (for all children under the age of 12)

Child Support:

- If you would like to use child support payments for qualifying, you will need your divorce decree or the court order indicating amount of support you are to receive (proof of receipt is required)

Bankruptcy:

- Petition
- Schedule of liabilities
- Discharge papers
- Letter of explanation

If you don't need a loan and intend to pay all cash for your new home, we'll ask you to provide a proof of funds document we can submit along with our offer as evidence of the liquid funds available to complete the purchase, including purchase price and closing costs. Generally a bank statement or a letter from your financial institution stating you have the funds available to complete the purchase will be sufficient.

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STEP THREE

VIEW HOMES

We make every effort to streamline the process. Seeing homes with you, we work to understand your needs and narrow down the options to find the right fit. As your exclusive agent we'll use tools and websites to work with you to find the right home.

We ask that you provide us with the mode of communication that works best for you so that we can tailor our communication style to fit your needs.

Additionally, we find it helpful if our clients forward all their requests for information about properties they find anywhere directly to your Estate Agent so that they can find the details you're looking for.

There are many locations for us to collaborate in your search for homes:

- 1
2MannyHomes.com
- 2
Our Agents Websites
- 3
Homes.com
Realtor.com
Zillow.com
Trulia.com
Realestate.com
Redfin.com
and other listing aggregators

We suggest you select your Team Pichardo Real Estate Agent as your agent through these sites or add them as a co-buyer so that if there is a particular website you prefer to use, you can easily ask questions about a particular home to your agent or request that they set up a showing.

- **MLS**
- **Homes not yet on the market and for sale by owners**

We will work with you to arrange property viewings through previews, open houses, and private showings.

We ask that you provide us continuous feedback so that we can continue to refine and optimize your search to help you find the home that fits your requirements best in the timeframe that suits your needs.

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STEP FOUR

STRATEGIC OFFER PREPARATION & NEGOTIATION

The Purchase Agreement

The Residential Purchase Agreement is the contract created for the purchase of residential property. Team Pichardo Estate Agents regularly attend contract classes and meetings so that they may better explain key aspects of the contract and work with you to incorporate terms of importance to you into the agreement. It is vital that you carefully review each aspect of the contract. Ask any questions that you may have at every step of the process, we're here to help.

Pre-Approval Letter & Proof of Funds

We'll include the pre-approval letter and/or proof of funds documents to illustrate that you are well qualified to complete the sale.

Effective Negotiation

We'll skillfully negotiate to achieve the terms that are important to you while balancing to achieve a win-win situation that will ensure the other side is satisfied with those terms too. In our experience, everyone in the deal has to be happy to successfully reach the finish line.

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STEP FIVE

ESCROW

Escrow is the period of time from mutual agreement to the terms of a contract to the point of property recordation, facilitated by a neutral third party company which fulfills the terms of the agreement between the buyer and seller.

CONTINGENCIES

PHYSICAL INVESTIGATION, APPRAISAL & LOAN

The contract contains three major contingencies for your protection.

These are essentially dependencies on a stated event that has to occur before the transaction becomes binding

When you write an offer to purchase a property, there will be a time period for you to investigate the property, obtain financing, verify the value of the property and if necessary, exit the contract without penalty. Contingency clauses include:

PHYSICAL INVESTIGATION CONTINGENCY

As a buyer you have the right to investigate any and all conditions and elements of the property. You may engage the services of multiple advisors and inspectors. This contingency will help you to determine whether or not you would like to move forward with the transaction prior to the deadline for removal of this contingency.

Additionally, this contingency also provides you the opportunity to review disclosures and reports provided by and on behalf of the seller. Examples may include the following:

- **Property Investigation**

This can include inspection reports

Performed by professionals and experts you may hire to help you identify the condition of the home at the time of your purchase. Every property is sold As-Is, however, you have the right to perform any inspections you may need to give you a complete understanding of the condition of the property you're purchasing. You also are fully within your rights to ask to renegotiate the agreement based on your findings

- whether that be through a credit, price reduction or asking the seller to complete repairs to the property.

Please keep in mind, while you are fully within your rights to ask, the seller is also under no obligation to renegotiate or provide any credit, price reduction or make any repairs. Your protection is that you may remove yourself from the agreement without penalty if you do not wish to move forward with the purchase should the seller be unwilling to renegotiate.

- **Title Report**

The Title Report is typically paid for by the seller. The buyer receives the Preliminary Title Report which specifies any encumbrances, easements, and legal matters that may affect the property. Title insurance ensures that the property is delivered to you free of any "clouds" on the title of the property.

- **Seller Disclosures**

This includes but is not limited to the Real Estate Transfer Disclosure Statement (TDS), Seller Property Questionnaire (SPQ), Natural Hazard Disclosure Statement (NHD), Lead Based Paint Disclosure for properties constructed prior to 1978, HOA

Documents if applicable, Municipal Reports which may indicate if the property is connected to city sewer or septic or any pending assessments. It's important to order reports early in escrow to ensure delivery prior to the deadline for removal of the contingency.

- **INSURABILITY**

Prior to the deadline for the removal of the Physical Investigation contingency, you will want to investigate the availability and pricing of Homeowner's Insurance and make arrangements to have the Insurance Company send a binder to the Escrow company to commence insurance coverage as of the date of close of escrow.

- **APPRAISAL CONTINGENCY**

If you are purchasing the property using a loan instrument, the lender may require an appraisal of the property to ensure that the appraised value

is at least that of the agreed-upon purchase price. If the property appraises for less than the agreed-upon purchase price, you have the right to cancel the agreement without penalty or ask the seller to renegotiate the purchase price.

If the seller is unwilling to renegotiate, you may have to make up the difference in order to get the lender to agree to fund the loan. Many lenders will only lend a percentage of the appraised value, and you may have to cover the difference if you still want to move ahead with the purchase.

- **LOAN CONTINGENCY**

If you cannot secure the loan, mortgage terms, and maximum interest rate as stated in the purchase contract, you can legally withdraw your offer without penalty.

ESCROW TIMELINE

Offer Acceptance Typically Seller's Agent opens escrow with agreed upon Escrow Company

Buyer's Initial Deposit Due in Escrow Typically due within 3 days of offer acceptance

Secure Financing Agent provides lender with ratified contract, Buyer speaks with Home Mortgage Consultant about locking in an interest rate, signing a lock-in agreement and provides additional requested documentation, Lender orders Appraisal, Buyer provides follow-up information as requested from Lender ASAP

Seller Disclosures Typically delivered within 7 days of offer acceptance

Insurability Have homeowners insurance binder prepared and sent to escrow

Physical Contingency Removal Deadline Typically 17 days after offer acceptance

Appraisal Contingency Removal Deadline Typically 17 days after offer acceptance

Loan Contingency Removal Deadline Typically 20 days after offer acceptance

Verification of Property Condition Typically within 5 days prior to close of escrow

Final Settlement Estimated Settlement Statement from Escrow typically provided 2-5 days prior to close of escrow. "CD" (Closing Disclosure) issued by lender 3 business days before buyer can sign loan documents

Funding Buyer's final funds must be in escrow 1-2 days prior to close of escrow. Buyer's lender reviews closing documents and funds loan - all funds must be in escrow the day before close of escrow in order for the file to be released by title to be recorded at the County Recorder's office

Close of Escrow Possession of property typically delivered at confirmation of recording or as agreed upon in contract

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STEP SIX

FINAL SETTLEMENT AND CLOSE OF ESCROW

While buyers from the East may be familiar with round-table closings, final settlement and close of escrow is actually done in counterpart and the buyer does not need to be present on the day of recording.

The Escrow Company will work with you to complete fulfillment of the requirements of the contract, signature of closing documents and loan documents, final delivery of all funds into escrow prior to the close of escrow and the actual recordation takes place without either the buyer or seller present. Both the Buyer and Seller signed documents are

delivered to the County Recorder after having been signed independently in counterpart.

Once we receive written confirmation of recordation, escrow has officially closed.

Congratulations! Possession of the property is typically delivered upon this confirmation, however other terms may be negotiated by the buyer and seller if a pre-closing occupancy is desired by the buyer or the seller wishes to remain in possession of the property after the close of escrow.



manny@2mannyhomes.com
407.904.5992

www.2MannyHomes.com



Your Guide Through All The Moving Parts.

When you decide to buy a house, it's easy to get frustrated and overwhelmed by the entire process. Can we ease your mind a bit?. The truth is, there are a lot of moving parts, and it's easy to become frustrated - **you are not alone.**

We have the experience and skills you need. We will guide you every step of the way, lessen frustration and help you buy a space you will love to call home.

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