



# We Know

REAL ESTATE.ORG



# BUYER GUIDE

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# YOUR PATHWAY, OUR MISSION

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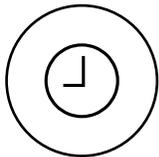
Prompt and professional service is our guarantee.

Our goal is to provide tremendous value, be informative and endlessly helpful. Through our service we hope to earn your business with our exemplary level of service and extensive local knowledge of the Greater Boise area.

Yes, we help our clients buy and sell homes, but our number one mission is providing YOU with great value. Whatever your needs may be, lean on *We Know Real Estate* to guide the way.

# WHY EVERY BUYER SHOULD HAVE AN AGENT

With so much information readily available online, it makes sense for clients to sometimes wonder, "Why should we hire a real estate agent?" While a few may manage on their own, here's why you should hire a professional:



## **SAVE TIME**

No need to take the time to figure out what to do... allow a local and educated real estate agent do what they're trained to do. A professional will not only navigate a situation but handle all of the paperwork as well.



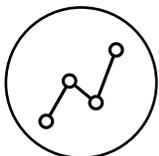
## **PROTECTION**

Your agent will keep other agents from trying to undercut you. Their knowledge of contracts is invaluable.



## **NEGOTIATION**

A professional knows how to decipher and negotiate contracts and situations.



## **MARKET KNOWLEDGE**

Your agent has intimate access to current market analyses. Additionally, they can complete a Comparative Market Analysis on your home to help determine the right price to offer.



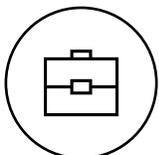
## **RELATIONSHIP**

The best agents want referrals and to work with you again. They will treat you the very best they can even after closing.



## **IMMEDIATE ACCESS TO INFORMATION**

Use your agent's website to guarantee what you're getting is current and accurate. Your agent will lead you quickly, ethically and with utmost care and knowledge.



## **RESOURCES**

A professional will have a network of other trusted professionals, such as mortgage officers, title and escrow agents, and also have relationships with other agents in the area which can help get you closer to a winning situation.

# THE HOME BUYING PROCESS

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**1**  
**FIND A REALTOR  
YOU CAN TRUST**



**7**  
**ACCEPT THE  
CONTRACT**



**2**  
**ANALYZE YOUR NEEDS  
IN A CONSULTATION**



**8**  
**COMPLETE MORTGAGE  
APPLICATION**



**3**  
**FINANCIAL PRE-  
QUALIFICATION AND  
APPROVAL**



**9**  
**SECURE  
UNDERWRITING**



**4**  
**SELECT & VIEW  
PROPERTIES**



**10**  
**CONTACT THE TITLE  
COMPANY**



**5**  
**WRITE AN OFFER &  
DEPOSIT EARNEST MONEY**



**11**  
**CLOSE ON THE  
PROPERTY**



**6**  
**NEGOTIATE &  
COUNTER OFFER**



**12**  
**TAKE POSSESSION  
& MOVE INTO YOUR  
NEW HOME**

# 12 STEPS TO BUYING A HOME



## 1. WHAT ARE YOUR GOALS

Your goals may evolve as you start looking at homes, but be sure to have a checklist of a few things that are important to you:

- Why are you buying? (Building equity, downsizing, etc.)
- Location to work, schools, shopping, activities, family, etc.
- Style of home: single level, two-story, townhome, etc.
- Size: how many bedrooms, backyard, etc.
- Home characteristics: gourmet kitchen, dual vanity, walk-in closet, 3-car garage, etc.
- And do you prefer a fixer-upper? Move-in ready? Are you open to building?

## 2. SELECT A REAL ESTATE AGENT

Hire a professional to represent you. This person will go to bat for you and only you. They will help set up a plan of action through an analysis of your needs, the current housing market, homes currently available (or coming up) in your price range and have many resources to help you get exactly what you need financially.

## 3. GET PRE-APPROVED

There are many loan programs available so be sure to work with an experienced lender who can personalize a plan for you. Many factors will influence your decision, such as:

- Do you have money for a down payment?
- Will a first-time home buyer program work for you?
- How long are you planning on living in your new home?
- Is your income or family size going to change significantly in the near future?
- Is conventional or government-backed financing best for you?

## 4. THE HOME SEARCH

Beyond your personal goals, be aware of what you're looking at as you see homes. Ask yourself the following questions (and be sure to communicate your thoughts to your agent):

- Is there enough growing room, if necessary?
- Is the house structurally sound?
- Will your furniture fit?
- What needs repaired or replaced? Will the seller repair or replace those items?
- Will the neighborhood or area of the home work for you?

## 5. SUBMITTING AN OFFER

Once you have found the perfect home, work with your agent to submit an offer to the sellers. All real estate offers must be in writing. Idaho State Law requires you to sign an Agency Disclosure Brochure and Buyer Representation Form, if you haven't already done so. Your offer will be submitted via a Purchase and Sale Agreement which will protect you throughout the entire process of the sale.

The first step is determining the price and terms you want to offer for the home. At this time, earnest money is also required (typically 1% of the sale price). The earnest money will be placed in a trust account either with a broker or a title company and then credited to you at closing.

Your offer will be contingent upon several factors, such as securing acceptable financing, a satisfactory home inspection should you choose to have one, clear title to the property and an appraisal (if you're financing) that is at least equal to the purchase price.

## 6. SELLER RESPONSE TO YOUR OFFER

There are three seller responses:

- Accepted as is.
- Rejected.
- Responding with a counter offer.

You will have the same three options. Keep in mind price is only one of the many terms that may be negotiated. Closing date, repairs, change of possession date, or items included in the sale are typically contested by buyers and sellers.

## 7. ONCE YOUR OFFER IS ACCEPTED

Now is the time to open escrow with a closing agency, typically the title company. Your real estate agent will take care of this for you.

The escrow officer is in charge of the closing and is a neutral third party. This person will be responsible for the recording of the deed and deed of trust, carefully following all closing instructions agreed upon in the signed Purchase and Sale Agreement, and disbursement of funds. Escrow takes approximately 45 days but can be as short as a few days if it is a cash transaction.

# 12 STEPS TO BUYING A HOME



## 8. CONSIDER A PROFESSIONAL HOME INSPECTION

The purchase of your home can be made contingent on your approval of the home's condition. It is highly recommended that all buyers have a professional inspector (and/or contractors if so desired) to look over the home and write a report that judges the home's quality and condition. Based on this report, you can ask the seller to make repairs. If the seller refuses, you may withdraw your offer and get your earnest money back.

## 9. REMOVAL OF ALL CONTINGENCIES

Within the timeframes indicated on the contract, all contingencies, including the inspection, financing and title report shall be removed by the buyer. Additionally, the lender will order the appraisal (if financing is involved). Assuming the appraised value is agreed upon by both parties and there are no conditions of the appraisal, you are ready to head to the closing table.

## 10. FINAL WALK-THROUGH

The final walk-through typically takes place within 48 hours of closing to verify that the home is in the same condition as it was when you made the offer. This is also a good time to confirm that all required repairs have been made and all conditions of the sale have been met by the seller.

## 11. CLOSING

Prior to signing, you will be able to review your closing statement. This will designate all costs paid by the buyer to include escrow, closing fees, property taxes, interest (from the day of closing to the end of the month), loan origination fees, recording fees, title insurance, prepaid escrow fees, one year homeowner's insurance, and any document preparation fees. Your lender will give you a "good faith" estimate of all closing and prepaid costs required when you fill out a loan application. You will sign an AAmortgage note, promising to repay the loan. The seller will give you the title to the house in the form of a signed deed. The deed and mortgage will then be recorded in the State Registry of Deeds and you will be a homeowner!

## 12. CONGRATS - YOU ARE A HOMEOWNER!

Once all required documents are funded and recorded, you will receive the keys to your new home!





# COMMONLY ASKED Q&A'S

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## **Q: WHY IS CREDIT RATING IMPORTANT?**

A: Your credit score or rating is the process a lender uses to see how much of a risk you are when borrowing money. Several factors are used to determine your score:

- Promptness or lateness of payments
- Amount of credit/debt you carry
- How many times your credit reports have been requested (avoid purchasing any big ticket items prior to home buying)
- Various other factors

## **Q: WHAT KIND OF INFORMATION DO I NEED TO PROVIDE TO GET PRE-APPROVED FOR A MORTGAGE LOAN?**

A: Lending institutions may request any of the following:

- Social security numbers
- Two months of back checking and savings account statements
- Investment statements, including 401(k) and pension
- Gift letter(s) for any money received from relatives to purchase a home
- Copy of a current retirement benefit program
- Credit card account numbers and balances
- List of debts and creditors owed
- List of assets, including cars, furniture and estimated values
- Employer names and addresses from the past two years and earnings statements
- W-2 forms for the last two years (if overtime or commission is substantial)
- If self-employed, tax returns for the last two years, plus profit and loss statement
- If a VA loan, a certificate of eligibility or statement of service or discharge paper
- If previously owned in the past three years, name and address of mortgage company or lending institution, the mortgage loan number and balance
- If obtaining equity from the sale of a previously owned residence, a copy of the closing statement
- Divorce papers and property settlements, if applicable.
- Bankruptcy judgement papers, if applicable

# COMMONLY ASKED Q&A'S

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## **Q: HOW CAN I COVER MY DOWN PAYMENT AND CLOSING COSTS IF I DON'T HAVE CASH ON HAND?**

A: Funds can come from several resources. Most of the time, it's from your own savings or equity from the sale of your current home. For some buyers, though (and especially first-time home buyers), this is a difficult task. This is why many lenders and government agencies allow purchasers to receive money from sources other than their own pockets. Here are some ideas worth investigating:

- Amount of credit/debt you carry
- A mortgage co-signer
- Loans
- Personal Assets.



## **Q: WHAT IS EARNEST MONEY?**

A: When purchasing a home, you will need to deposit a percentage of the sale (typically 1%) to show your intent of purchase. It is deposited at the time a contract is accepted, to show you're "earnest" about buying the seller's home.

## **Q: WHAT ARE MY CLOSING COSTS?**

A: Your lender is required by law to provide a loan estimate of all costs involved in closing your loan. Closing costs do differ depending on the financing program being used, however, the typical costs include the following:

- Social security numbers
- Escrow closing fees
- Loan Origination Fees (approx. 1% of loan amount)
- Recording fees
- First year of homeowner's insurance
- Interest (paid from the date of closing to the end of the month)
- First premium mortgage insurance (if applicable)
- Prepayment of reserve accounts (usually 3 months) for property taxes and homeowner's insurance
- Title insurance
- Lender loan fees (document preparation, tax service, etc.) Please keep in mind, a home inspection fee and appraisal fee could be up front costs, if applicable.

# COMMONLY ASKED Q&A'S



## THIS IS GENERAL INFORMATION ONLY

If you have any specific title question or concerns, you should consult a title officer to understand your title policy clearly.

### **Q: WHAT IS TITLE INSURANCE?**

A: Title Insurance is issued by the title company when they are certain the property is free from all liens, encumbrances, and interests -- and the title company guarantees this. This is done so the title can be legally transferred to the buyer and to be used as security for the lender's funds. This is why your lender requires title insurance. They have an interest in knowing you and the lender are the only parties with claims on the property.

The title insurance company thoroughly researches the public records to uncover any unpaid taxes, mortgages, judgments against previous owners, easements and other court actions or recorded documents which can affect title to the property. The title insurance company accepts the responsibility for any and all claims on the property prior to your purchase if they do not find the claim or call it to your attention prior to your purchase of the property.

Owner's policies usually do not cover one or more of the following items unless an additional premium is paid:

- Boundary dispute lines
- Easements or claims of easements not shown by public records
- Unrecorded mechanic's liens (claims against the property by unpaid contractors)
- Zoning issues
- Environmental protection laws
- Anything that occurs after the date of policy
- Matters created or assumed by the insured
- Claims of the people who turn out to be living in the house if their presence is not a matter of public record, such as a prior owner's tenants or something living in the property without your knowledge

# 5 TIPS FOR HOME BUYERS

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## GET PRE-APPROVED FOR A HOME LOAN

Before you get serious about finding your next home, make sure your finances are in order. Do not make any large purchases or move money around. As soon as possible, find a reputable mortgage lender who can guide you to make smart money decisions. They will not only help you find the most suitable financing program, but they will assist you in building your credit (if needed). Plus, once you are pre-approved, you'll know exactly how much you can afford and will be able to act on it immediately.

## DON'T "TIME" THE MARKET

Trying to anticipate the housing market is impossible. The best time to buy is when you find the perfect house and you can afford it. Real estate goes up and down and by trying to forecast the market, you just might miss out.

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## INSPECT ANYTHING YOU PLAN ON BUYING

Have professional contractors inspect your future home and have these inspections written in the offer as a contingency of the contract. While they are at your own cost, they'll save you money in the long run. Plus, if you come across something during the inspection process that the seller will not fix, you still have time to walk away.

## BE AWARE OF ADDITIONAL COSTS

Do your homework. What are all of the lender, title and escrow fees? Consult your tax professional regarding any risk of capital gains. What are the property taxes? HOA fees? Ask your real estate agent to provide a Net Sheet so you can have an estimate of what you will owe at closing.

## KNOW THE PROPERTY

What's the neighborhood like? Does it back up to a road that will someday be a highway? Or how about a cow pasture that might become a subdivision? Are there any easements? Is it the biggest house on the block? How are the schools? Is there nearby shopping? How long is your commute? Prepare for the future. Even if you think this is your forever home, things can happen that could affect the resale someday. Home buying is an emotional decision but you need to keep your head in the game.



# HELPFUL CONTACTS



Intermountain Gas 208.377.6840

Idaho Power 208.388.2323

US Post Office 800.275.8777

Republic Trash 208.345.1265

Century Link 866.963.6665

Sparklight 208.375.8288

Suez Water 208.362.7304

Eagle Water 208.939.0242

Garden City Water 208.472.2900

Meridian Water 208.888.5242

Idaho Press 208.377.6200

Cable One 208.375.8288



## PUBLIC UTILITIES

Be sure to contact Idaho Power, Intermountain Gas, trash service, and your water company to transfer these services in your name as of the day of closing. This will avoid unnecessary shut-offs and reconnection fees.



## SEWER AND TRASH

Sewer is typically on a 3-month advance billing process. This will be handled at closing. Any pro-rated adjustments will be done by the title company on the settlement sheet. No action should be necessary.



## INSURANCE

Please contact your homeowners insurance agent to cancel your insurance, effective the day all your possessions are removed, or the day after closing, whichever is later. Have your insurance agent refund any premium directly to your new address.



## OTHER SERVICES (IF APPLICABLE)

Be sure to contact the telephone company, irrigation or lawn care services, newspaper, cable company, TV satellite company, post office, schools, dentists, doctors or anyone else where a contract was made. This information will be helpful for final billing and/or to start these services at your new home.



## AT THE CLOSING TABLE

We will ensure the entire buying process is as smooth as possible. You will be contacted as to what time and day you will sign papers at the Title Company. This will happen after your final walkthrough and sometimes a day before your new home is funded and recorded. Please bring the following:

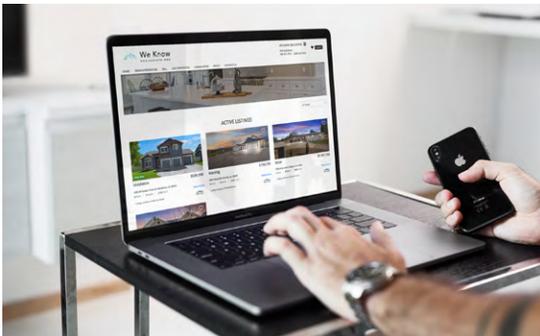
- Driver's license or appropriate identification
- Funds to close

If you have any questions, please do not hesitate to call your agent at any time... even after closing!

# WHEN YOU ARE READY TO SELL

At We Know Real Estate, we hire only high-caliber agents with high levels of integrity, ethics and experience. Our agents empower home buyers & sellers through daily support beyond the norm. As someone who is listing their home, you'll appreciate our 3-dimensional and virtual reality technology. Talk to your agent about a customized plan for you. Below are some features we offer:

- Professional grade DSLR cameras and digital enhancement techniques to present your home in the best light.
- Most up-to-date equipment to bring you the very best in 3D tour technology.
- The latest in drone technology to showcase your home and its surroundings



- Accurate and up-to-date website access
- An extensive network of Realtors who are notified daily of Agency Exclusives and upcoming pocket listings
- Marketing and industry specialists always on-hand
- Up-to-date industry market reports to further help determine the most-accurate listing price  
Administrative support beyond the average work day
- Access to resourceful industry professionals (from lenders to contractors)
- A wide spectrum of marketing support through postcards, flyers, and duraboard
- Visibility of your listing at our Showroom at the Village of Meridian
- Open houses on multiple days (as needed)

At We Know Real Estate, we are extremely proud of our relationship with you, the client. We start the process with a one-on-one meeting to discover your needs and guide you through all of the above with our know-how and expertise. We look forward to being a part of your journey.



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