

## Buyer Phase 1-FAQ's

Q: Does it cost anything to work with a realtor to help me buy?

99% of the time, the answer is no! The seller pays all of our costs.

Q: Will you and your team be able to show me any home—not just your company's listings?

Absolutely! When we work with a buyer, we are your personal shopper. One of our jobs is to find you the best deal possible!

Q: How much cash do I need to buy a home?

This depends on what kind of loan program you are getting. For a VA loan, you will not need a down payment. For an FHA, you will need at least 3.5% of the purchase price. For a conventional, the down payment depends on your lender—figure at least 5%.

In addition to your down payment, you will need money for your home inspection—\$500 as well as sewer scope (\$250) and furnace (\$125) if necessary. Most lenders will require an appraisal deposit--\$500. You will also need generally 1% of your purchase price as an earnest money deposit. Finally, depending on your cash position, you may want to pay your own lender closing costs (rather than financing them into the loan) which is generally 3%.

Q: What's important about getting preapproved for a loan before actively looking for a home?

Before shopping for anything, it's a good idea to know how much you can afford. If you estimated too low, you are generally having to compromise too much. If you estimate too high, then you are not going to like the homes that are really in your price range.

Knowing what kind of loan also helps us narrow the search as to what kind of homes would not be a good fit for your lender.

Q: Who are the members of the team and what do they each do?

-- Zach Entwistle — [zach@zachentwistle.com](mailto:zach@zachentwistle.com) - 253-820-9808, Team Lead, Lead Negotiator

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-- Laura Olivares — [support@zachentwistle.com](mailto:support@zachentwistle.com) — 253-432-9406, Director of Operations

Q: We are thinking about buying furniture as well as looking for a home...what are your thoughts?

Do not buy furniture (or anything over \$1,000) unless your mortgage lender first approves it. We have seen numerous clients go out and buy furniture only to find out it changes their debt to income ratio so now they can't qualify for a mortgage. Wait until after the house closes to buy your furniture.

## Buyer Phase 2-FAQ's

### Q: Can I make any offer?

Yes. When anyone makes someone an offer, that person only has 3 possible responses:

1. Say "Yes."
2. Say "No."
3. Counter offer.

Our goal when we make an offer is to get either an acceptance or a counter so we want to try and not be insulting with our offer.

### Q: How do I determine what a competitive offer would be?

You will definitely want to discuss this with Zach. Keep in mind the \$1000 rule, which says you don't want to lose out to another offer that's only \$1000 more than yours.

### Q: If I'd like to ask for closing cost as part of my offer price how do I do that?

We highly recommend you don't ask for closing costs. In this market, asking for closing costs is like being contingent on the sale of another property. In a multiple offer situation, your offer will go to the bottom of those considered.

### Q: Other than price, what other things do we negotiate in an offer?

There are 5 major elements to an offer.

1. Price.
2. Dates (i.e. when do we close—typically about 45 days for non short sale offers).
3. Inclusions/Exclusions (What appliances and personal property stay or go)
4. Financing Terms—What type of loan (FHA, VA or Conventional), what kind of down payment, etc.
5. Contingencies (i.e. Inspection, Ability to get financing, etc).

### Q: In order to make an offer, what are the key things you need from me to draft the paperwork?

--The address/MLS # of the property.

--If getting a mortgage, the contact info of the mortgage lender you've chosen (if you haven't given it already).

--How much you'd like to offer

--If you'd like closing costs financed into the offer (generally around 2-3%)

--What appliances that were at the home you'd like to stay (i.e. washer, dryer, etc)

--There are certain sellers (HUD, Fannie Mae, etc) that ask other info including your full social security number, your date of birth, your full middle name, etc. We only gather that info as needed in order to keep your information as secure as possible.

### Q: Once we make an offer, how long do they have to respond?

As long as they want. Typically, we get a response back in 1-2 days. If it's taking longer than that, then the seller/listing agent may not be very motivated.

## Buyer Phase 3-FAQ's

### Q-How do I make homeowners insurance application and who do I call?

Often times, people will work with the same company that insures their car in order to get a discount for multiple policies.

If that is not your situation, there are many different good companies that insure homes. To make application, you simply call them and tell them you are buying a home. They'll ask you for the address and often have other questions you may or may not know the answer to (i.e. how far is the nearest fire hydrant). If you don't know the answer, simply write them down and bring those questions with you to the inspection.

### Q- If we don't like the inspection, can we walk away?

Yes. You have 4 options. Take home as is, walk away and get your earnest money back, additional inspections (if called for by inspector) or negotiate.

### Q- Now that the seller accepted my offer, I'm starting to have second thoughts. Any wisdom on this?

The question is, have you ever had buyer's remorse before? The person you went to the prom with? The college you decided to go to? The car you decided to buy? For some people, buyer's remorse has shown itself before so you may welcome it like an old friend.

For others, it's the first time you've ever experienced this feeling. In either case, it's good to be a little nervous. That's your body's way of being extra aware. Bottom line, we can take our time because with the inspection contingency, you have an out and don't have to buy this home.

### Q- If we ask the seller to do work, can they walk away from us?

No. The worst case is that they say no to our request. Most likely is they meet us in the middle and best is they say they'll do everything.

### Q-I live in a rental. When should I give notice to my landlord?

I understand you want to save money by not paying an extra month's rent. At the same time, until the home is yours, the deal is not for sure. One time in my career, a client gave notice to save on the rent, then the deal fell apart through no fault of hers and when she tried to go back to the landlord, she found out it had already been rented out.

Zach's strong recommendation is don't give notice until the home is yours. If it makes you feel better, your first mortgage payment isn't due for at least 30-55 days from when you close (i.e. You close January 10th, your first mortgage payment is due March 1st) so there shouldn't be overlap. Plus, you can take your time getting your new home ready and having a relaxed move instead of rushing to get out.

## Buyer Phase 4-FAQ's

### Q—When should I think about switching over the utilities?

You are right about thinking about that now. At closing time, usually the seller will call all of the utility companies. Before then, you'll want to make sure you have contacted the homes utility companies to make sure that they transfer the bill to your name vs. having them cancel and reinstall (which is much more expensive!). NOTE: Do not have the bills transferred in your name until the property actually closes and the home is in your name.

### Q-We asked for some work to be done before closing. When does it need to be finished? How do we know it's been done?

The work needs to be done in a workman like manner within 5 days prior to closing. Often, if the seller has had the work professionally done, they will give us copy of the receipts. If they do it themselves, we ask that they take pictures.

We have pre-negotiated a chance for you to walk through the property a few days before closing in order for you to check on this very type of thing! Just text us to schedule if this is something you would like to do.

### Q: I remember you saying something about a re-inspection. How does that work?

We strongly recommend you walk through your home 1-2 days before the closing takes place if people were living in the home when you bought it for a few reasons:

- 1) If you asked the seller home repairs, this is the time to make sure it was done correctly.
- 2) To make sure that it looks like the seller will be moved out in time.
- 3) To take a closer look around now that the home is nearly empty to make sure there were no defects with the home that may have been hidden by the seller's stuff.
- 4) To make sure everything that should stay (all the appliances negotiated, light fixtures, etc) are still there and working.

## Buyer Phase 5-FAQ's

### Q: How does escrow signing work?

Escrow will be scheduling you to come in and sign papers. If you have any logistical issues with being available, please let us know ASAP.

Normally, people treat this just like a doctor's appointment. Sometimes that's not possible so we may have to coordinate a courtesy signing on the weekend or during the evenings (which usually costs you roughly \$100).

You'll want to make sure you bring your ID, and your reading glasses, if necessary. There is a lot of loan paperwork you'll be signing so if you have any specific questions, your lender will have the best information for you.

### Q- When do we get keys?

We'll be connecting with the listing agent to figure out the key transfer plan. Know that the seller has up until 9pm of the closing date to give over possession unless otherwise stated in the contract.

### Q- We got a home warranty with our home...how does it work?

Before you have any work done on your home that you think may be covered, you need to call the warranty company FIRST. They will send out a technician to see if the damage is covered and charge a service call of \$50-100 depending on the company you choose.

If the work is covered, then there is no extra charge. If the work is not covered, then you are out the service fee. If you forget to have them come out first and end up just getting the work done, you will generally not be reimbursed.

Finally, if you have not yet ordered a home warranty, you need to before you close on your home so if you'd like to, let us know right away.

### Q: How do we change our address?

You'll want to connect with the USPS to redirect your mail. Their website is [www.usps.com](http://www.usps.com) Go to manage your mail and then change your address. If you Google "change my address" you may get a third party that charges you \$19 or more for this service. Don't get scammed! USPS only charges \$1 to change your address.

Also, don't forget to tell the DMV and the auditor's office for voter registration.

As we said previously, you are entitled to keys and garage door openers on the closing day which means the documents are recorded at the county and the sale proceeds are available to the seller—which all happens around 4:30pm on the closing day.