



Home Buyer Packet



**Real Estate
in
the Valley of
Hearts Delight**



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Your Dream Home... BOUGHT!



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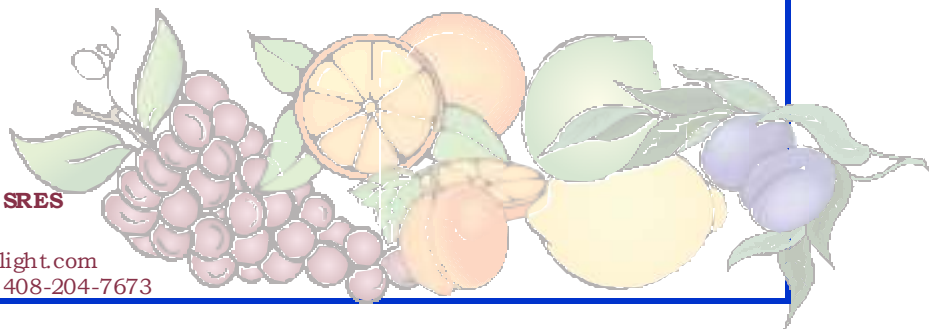
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Introduction

Thank you for choosing to speak with us about representing your interests regarding your real estate needs in Silicon Valley.

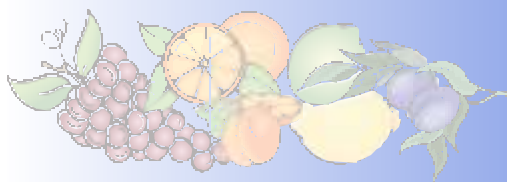
We're looking forward to counseling with you further to explore how we can best support you in achieving your real estate goals. Every move is motivated by a desire to change your present circumstances, whether you are moving into your first home, moving up, downsizing, or moving out. It is our mission to assist you in achieving your objective as smoothly and successfully as possible.

This book is designed to prepare you for the many critical decisions that come with purchasing a home. We believe it is important that you have a full perspective of the process and know what questions to ask.

Our intention is to demonstrate to you the value of superior service in one of the most important decisions in your life—purchasing a home.

Thank you for the opportunity to work with you. It is our pleasure to be of service!

Mary



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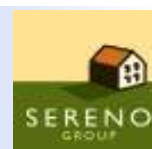
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The Right Choice to Represent Your Interests



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The Right Choice to Represent Your Interests

Buyer Representation—How We Can Help

Question: Do home buyers need the help of a Buyer Representative?

Answer: You bet! Because when buyers work with a real estate professional who is 100% loyal and completely committed to them, chances are that the entire home-buying process will go smoothly, with a higher level of buyer satisfaction.

Question: What is a Buyer Representative?

Answer: A Buyer Representative works *solely for you* and has no legal or other responsibilities to the seller.* When working with a Buyer Representative, you have the advantage of personal representation, independent counseling, loyalty, confidentiality, and trust. *In a case where the property your agent is representing you to buy is also that agent's listing, *dual agency applies*. We will discuss this in person, but dual agency applies if it's the same individual Realtor or the same "broker of record".

Question: Can a Buyer Representative show us the same properties as other agents??

Answer: Yes, a Buyer Representative can show you every home listed in the REALTOR®'s Multiple Listing Service (MLS), PLUS Real Estate Owned (REO) and For Sale By Owner (FSBO) properties. Additionally, a Buyer Representative can show you builder models to select your own, brand-new properties and unlisted homes. Agents are normally compensated by sellers, and homes listed in the MLS provide for that, but in some cases, homes are not on the market and no compensation is offered to a buyer's agent. In cases like these, as with "For Sale By Owners", the buyer may pay a commission in order to have representation. These are covered by a **Buyer Broker Agreement**.

Question: Will a Buyer Representative disclose more information to us?

Answer: Yes indeed. Because a Buyer Representative's fiduciary responsibility is to *you*, he or she can be more forthcoming with any negative aspects about properties that you are investigating for purchase.

Question: Does a Buyer Representative make decisions for us?

Answer: No. As your personal ally, advocating your best interests, a Buyer Representative is obligated to provide you with maximum information about buying a home, each step of the way. That means disclosing specifics about location, property values, offering price, negotiations, counteroffers, contingencies, financing, and the entire closing process. Armed with such vital and detailed information, you'll be thoroughly prepared to make decisions that are right for you and your family.



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The Right Choice to Represent Your Interests

Buyer Representation—How We Can Help

Question: What about negotiating the details?

Answer: First, a Buyer Representative is fully qualified and highly skilled in the back-and-forth negotiations and financing queries that precede the closing of most real estate transactions. Second, a Buyer Representative is also experienced and committed to helping protect your best interests in the purchase. Representing you and supporting you: That’s a powerful combination!

Question: What did you mean by “confidentiality”?

Answer: Since a Buyer Representative is legally obligated to only you, he or she can help you maintain absolute privacy with regard to financial and personal information. That’s another important benefit of working with a qualified Buyer Representative.

Question: A few more questions?

Answer: We can give you more details and answer all of your questions. Please jot them down here, so you can come back to them.

Your Question: _____ ?
_____ ?

The Answer: _____

Your Question: _____ ?
_____ ?

The Answer: _____

Your Question: _____ ?
_____ ?

The Answer: _____



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The Right Choice to Represent Your Interests

Benefits of Working With Us to Buy a Home

Acquiring real estate is a complex business. Mistakes can literally cost you thousands of dollars or the missed opportunity of owning the home of your dreams. As a buyer, you are always in competition with other buyers who also are looking to buy their dream homes. There is a vast difference in the level of expertise and quality of service provided by real estate agents. Give yourself the advantage of working with the very best—work with us and get these value-added services that will make a big difference for you!

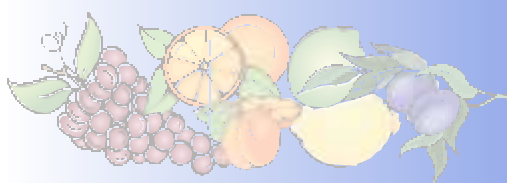
A Highly Trained Buyer Representative: who focuses on finding the ideal home for you. We are fully committed to you throughout the entire buying process; our sole career is real estate. Mary is an “**Accredited Buyer’s Representative**”(ABR) and an “**Accredited Consultant in Real Estate**” (ACRE).

A Computerized Tracking System: that alerts us about properties that come on the market and meet your needs. Through our sophisticated computer search system, we will constantly alert you to properties that meet your requirements as they hit the market and before most other real estate agents and their buyers even know about them.

Want to see more than just the average home on the MLS? With a Buyer-Broker Agreement, we give you access to virtually every available home, not just those on the Multiple Listing Service. We research new construction, contact For Sale By Owners, explore areas you want, contact owners of expired or cancelled listings, and stay abreast of clients who may be considering selling their homes but haven’t put them on the market yet.

Expert Negotiation Skills: Setting the stage for good negotiations happens before the exact home is even located and is part of every step of the transaction, from the initial inquiry made to the listing agent to the way the offer is written and any “issues” are later resolved, down to the closing and beyond.

A Highly Trained Team of Specialists: who work together as a cohesive unit to make sure that all of the important details are handled perfectly.



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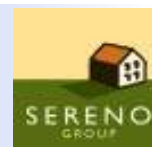
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Discovering What's Important to You



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Discovering What's Important to You

15 Things Every Buyer Should Know Before Purchasing

1. Property taxes and qualified home interest are deductible on an individual's federal income tax return.
2. Many times, a home is the largest asset an individual has and is considered one of the safest investments available.
3. A homeowner can exclude up to \$500,000 of capital gain if married filing jointly or up to \$250,000 if single or married filing separately when selling. The home must have been the taxpayer's principal residence for the two of the previous five years.
4. A portion of each amortized mortgage payment goes toward the principal, which is an investment.
5. A home is one of the few investments you can enjoy by living in it!
6. The majority of the time, a REALTOR® can show you any home, whether it is listed with a company or a builder or is even a For Sale By Owner.
7. Working with a REALTOR to purchase a For Sale By Owner property is very advantageous, because someone will be looking out for your best interests.
8. A real estate professional who can provide you financial information with a computer will give you a distinct advantage in making the right decisions.
9. A pre-approved program will actually approve you for a specific loan amount subject to the property. This will give you confidence and will help when negotiating with the seller.
10. Your real estate professional can provide you with a list of items that you'll need to make a loan application, so you'll be ready when the time comes.
11. The right to conduct a property inspection, included in your purchase agreement, gives you the ability to negotiate with the seller once you know all the facts about the property's condition.
12. A Home Protection Plan can provide coverage for selected items, such as central heat and interior plumbing, built-in appliances, water heaters, etc. If the seller is not providing this coverage, you can purchase it yourself.
13. Ask your real estate professional if he or she is familiar with the neighborhoods you want to live in. Ask how many homes he or she has sold in those areas in the past year.
14. Working with a REALTOR who has an office "team" helps assure the buyer that the transaction will be handled smoothly.
15. In a "seller's market," don't go looking for a deal. Set your sights on the right house for you, and then let your REALTOR help you negotiate the best price and terms.



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Discovering What's Important to You

Preparing to Purchase Your New Home

The following are important steps to take before looking at homes:

Before you begin the home-buying process, find out from your lender the largest amount for which you can qualify for to purchase a home. You can always choose to spend less. It is very easy to become excited about features found in homes out of your range. Please see our section on The Financing Process for additional information on obtaining a loan.

Complete the list below. Please take a moment to decide what features are "Must Haves" (location, number of bedrooms or bathrooms, garage, etc.) and which features are "Wants" (fireplace, den, spa, split floor plan, etc.). When you meet with us, we will talk with you regarding the features you are looking for in your home. Use this list as a point of reference for your meeting. Oftentimes, people change their minds regarding what they are searching for. Please make sure to let us know if any of your parameters change during the searching process. That way, we can better serve you and help you find the home that meets your criteria sooner.

The Top Features I Want in My Home!

I must have the following in my new home:

1. _____
2. _____
3. _____

I'd like to have the following in my new home, but they aren't necessary in order for me to buy the property!

1. _____
2. _____
3. _____

I would like to stay within the following areas:

1. _____
2. _____
3. _____

See the following page for specific items if you're finding challenges in listing features.



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Discovering What's Important to You

Personal Buyer-Profile Sheet

Name(s): _____ Date: _____

Address: _____

City: _____ State: _____ ZIP: _____

E-Mail: _____

Telephone: Home: _____ Work: _____

Number of people in household? _____

Children's names and ages (if applicable) : _____

Which of the following are important to you in this home purchase? (Check all that apply.)

Community Services

- Child-care services available
- YMCA/park-district facilities
- High-quality healthcare

Convenience

- Close to present or future jobs
- Near grocery and other stores
- Parks/play areas
- Easy freeway access

Neighbors

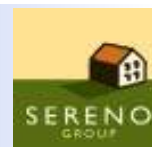
- Relatives/friends in the neighborhood
- Children for your kids to play with
- Active community groups

Home Requirements

- Home style (please elaborate): _____
- Age of home: _____
- Number of bedrooms: _____
- Number of bathrooms: _____
- Price range: _____
- Finished square footage: _____
- Pool
- Other: _____
- _____
- _____



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Discovering What's Important to You

Purchasing New Construction

Why should I use an agent to purchase a new-construction home?

The advantages of having us help you purchase a new home are the same as those for purchasing a resale home. We can provide you with valuable insight into the new construction industry, help you find the perfect home quickly, and then provide you with expertise in contract writing, negotiation, and closing assistance. **The builder has a professional real estate representative who watches out for his or her best interests, and you need and deserve the same expert representation watching out for yours.**

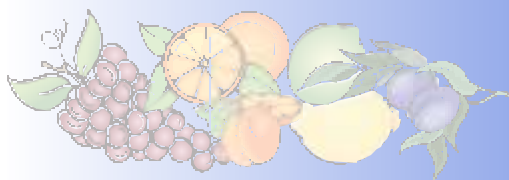
Buying a new home is a little more difficult and time-consuming than buying a resale home. We can professionally guide you through this process. Having experience and extra training for working with builders, we can guide you through the process of purchasing your home. We are also very familiar with new home warranties and the nuances of the builder's purchase contracts and various home inspections.

It is very important that your interests be professionally represented when you are entering into a contract for a semi-custom or a build-to-suit home. These transactions are complex and the contract details must be exactly in order to protect you and to ensure that you get exactly the home you want!

And when it comes to the home inspection, we will explain to you why it is essential to hire an independent home inspector to thoroughly inspect a newly constructed home.

Are there any advantages to not using an agent to purchase a new home?

There is no financial advantage for you to buy directly from the builder. Builders have a "single price" policy, meaning that you will be charged the same price whether your interests are represented by an agent or not. Just as in any resale, the seller pays your agent's fee. Most builders will make you give up your right to representation if you visit their model homes without an agent on the first visit. Therefore, please call us if you would like to look at some model homes, so you are given the representation you deserve! Additionally, in some cases, the builder will pay your agent a "referral fee" and then insist that you work with the builder's agent. In this case, you lose your buyer representation in favor of either dual agency or sub-agency. Finally, often, the purchase agreement used does not favor the buyer, but instead, the builder (it's not the standard contract). So there are many, many reasons why you'd want to have a buyer's representative to assist you in purchasing a new home.



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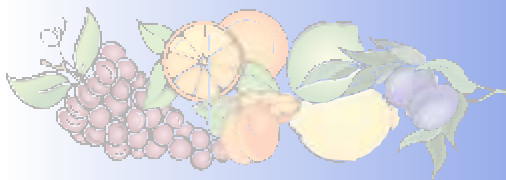
Discovering What's Important to You

The Real Cost of Renting

Based on a 6% Rental Increase Each Year, If You Now Pay...

	\$600/ month	\$700/ month	\$800/ month	\$900/ month	\$1,000/ month	\$1,200/ month	\$1,400/ month	\$1,600/ month
This year	\$7,200	\$8,400	\$9,600	\$10,800	\$12,000	\$14,400	\$16,800	\$19,200
Next year	\$7,632	\$8,904	\$10,176	\$11,448	\$12,720	\$15,264	\$17,808	\$20,352
3 rd year	\$8,090	\$9,438	\$10,787	\$12,135	\$13,483	\$16,180	\$18,876	\$21,573
4 th year	\$8,575	\$10,005	\$11,434	\$12,863	\$14,292	\$17,151	\$20,009	\$22,868
5 th year	\$9,090	\$10,605	\$12,120	\$13,635	\$15,150	\$18,180	\$21,210	\$24,240
6 th year	\$9,635	\$11,241	\$12,847	\$14,453	\$16,059	\$19,270	\$22,482	\$25,694
7 th year	\$10,213	\$11,916	\$13,618	\$15,320	\$17,022	\$20,427	\$23,831	\$27,236
8 th year	\$10,826	\$12,631	\$14,435	\$16,239	\$18,044	\$21,652	\$25,261	\$28,870
9 th year	\$11,476	\$13,389	\$15,301	\$17,214	\$19,126	\$22,951	\$26,777	\$30,602
10 th year	\$12,164	\$14,192	\$16,219	\$18,246	\$20,274	\$24,328	\$28,383	\$32,438
TOTAL	\$94,901	\$110,721	\$126,537	\$142,353	\$158,170	\$189,803	\$221,437	\$253,073

*Think about the home you could have purchased using that money.
Not to mention the potential annual tax deduction for mortgage interest paid!*



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Discovering What's Important to You

Why Buy?

Renting Versus Buying Your Home

Pride in Owning: Most people buy homes to have control over where they live. Although investment features are important, the psychological reasons for buying—the satisfaction of owning and freedom from paying rent—are at least as important.

In a survey done by the National Association of REALTORS® of 6,000 homeowners and 2,000 renters—perhaps the largest survey ever of attitudes toward home ownership—it was shown that 76% of owners and 66% of renters considered pride of ownership an important reason for buying.

Dislike Paying Rent: Close to 7 in 10 of almost equal portions of owners and renters expressed a dislike of paying rent as an important reason to buy. Renting offers a lifestyle that's nearly maintenance-free. That may appeal to you, but consider that renting offers you no equity, no tax benefit, and no protection against regular rent increases. Writing a rent check is just like watching your hard-earned money sail away!

Settling Down: More than 6 in 10 renters said “settling down” was an important reason to buy.

Good Investment: 76% of owners and 69% of renters said that the investment aspect of ownership was important.

Tax Advantages: Property taxes and qualified home interests are deductible on Schedule A, for itemized deductions.

Long-Term Appreciation: People consider homeownership a good investment because they view it as a long-term venture. Historically, home prices have risen at relatively steady rates. Existing home prices rose an average of 4% per year between 1980 and 1992.

Leverage Investment: People borrow a great deal to buy homes, yet they receive the full benefits of price appreciation. In the long run, investments in homes far outpace inflation rates.

Source of Savings: Homeownership always has been and continues to comprise the single largest source of savings for American households. Homeowners build equity and can borrow against it.

Sacrifices Are Worth It: Almost 7 in 10 renters in the National Association of REALTORS homeownership survey said that they planned to buy a home in the future. More than three-quarters of these people said they were willing to sacrifice to do that.



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How the Search for Your Home Unfolds



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How the Search for Your Home Unfolds

Steps in the Home-Buying Process

Get pre-qualified



View homes with us



Select a home



Complete contract to buy



Negotiate any counter offers



Obtain a home inspections



Negotiate repairs with seller



Submit inspections to loan officer



Complete loan process



Appraisal ordered and title



Loan package submitted to underwriting



Possible request for additional information



Back to underwriting



Final approval



Completion of home repairs



Obtain fire/homeowners insurance



Documents are drawn by the lender



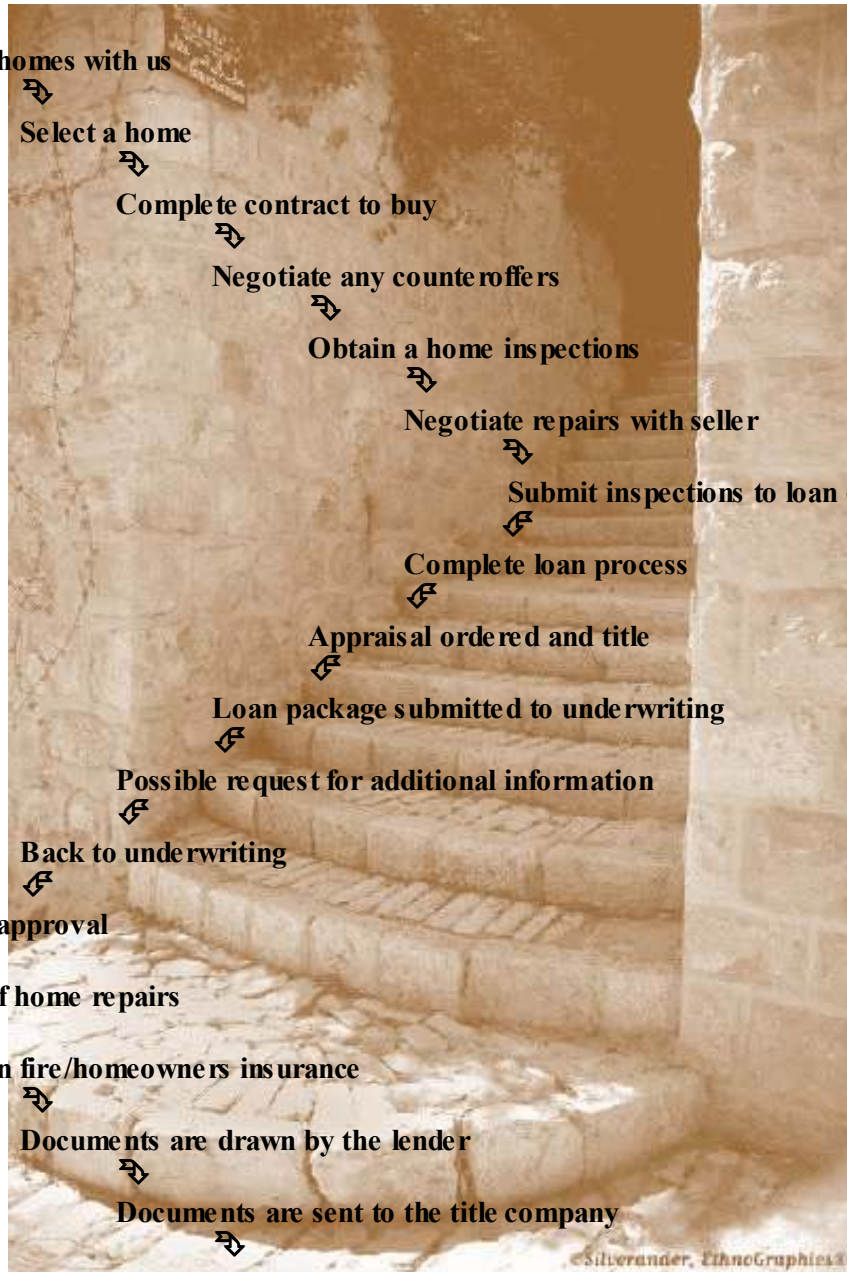
Documents are sent to the title company



Documents are recorded



Welcome to your new home!



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How the Search for Your Home Unfolds

Step by Step—The Buying Process

Find a REALTOR® who you can trust

The First Step... Now that you have chosen a specialized buyer representative who you can trust, you have accomplished the first step in the home-buying process. We will make sure that all of your needs are met and will be representing you through the entire process of buying your new home.

Getting Pre-Approved

An Important Step... We feel an important aspect when starting the process of buying a home is to meet with a lender and get a pre-approval. We can put you in contact with a lender, if you desire, who can give you information about your approval and also explain some of the financing options available to you.

Consulting Session

Important Information... Your buyer representative will meet you one on one to discuss the features you desire in a home as well as to pin-point the area you wish to live in.

The Search Begins

The Next Step... Once you've established the type of home you're searching for, it's time to start looking. Your buyer representative is available, by appointment, to help you find your dream home.

Your Offer

Be Careful—This Is a Big Step... When you find your dream home, you should present a competitive offer immediately. Your buyer representative has extensive experience in contract negotiations; he or she will ensure that you get the home you want for a fair price—a transaction in your best interest.

The Accepted Offer

We're Starting to Jog Now... When the seller accepts your offer, you will have what we call a pending offer. You want to make sure that every detail is handled accurately and immediately. We will ensure that your home closes properly and on time.

Inspections

You're on the "Home" Stretch!... Final details are handled and inspections are performed to ensure that the property is "perfect" for you. Contract details are further negotiated and we head to closing!

Signing the Loan Documents

Finalizing the Lender's Commitment... Be prepared to bring your driver's license to the signoff and the cashier's check or wired funds to them a few days later. The next steps you take will be into your new home!

Now the Home Is YOURS!

You are Finally Home... After the deed is recorded and your possession date arrives, pick up the keys and move into your new home!



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How the Search for Your Home Unfolds

Buyer-Notification System

Searching for properties that match your criteria.

Notification by e-mail.

A systematized buyer process to save you time.

A team of trained professionals who work for and with you.

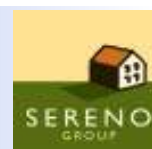
Once we have your criteria,
we search the Multiple Listing Service daily
and network with our colleagues
to find properties that match that criteria.

Once a match is found,
we email the property information to you.
This allows you to look at properties on your time
and to review all of the details of each property.

We are available via phone and email,
so you can easily contact us if you have any questions
or would like to make an appointment to see a specific
property with your buyer representative.



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How the Search for Your Home Unfolds

Estimated Time Chart

The following timetable has been suggested to give you an idea of the timing of the different events in the home-buying process. It is meant to be a guide and if you have any questions, please ask us.

First Week

Deposit earnest-money check. (It will be cashed.)
Arrange for property inspections (pest, roof, chimney, property, pool, etc.).
Review and sign off on disclosures.

Second Week

Attend property inspections.
Make repair requests to seller.
Confirm that all information requested by the mortgage company has been submitted.
Remove contingencies in writing on or before the due date.

Third Week

Confirm that repairs have been completed (or scheduled).
Call to find out if mortgage company needs additional information.
Arrange for mover.

Fourth Week

Walk through home to verify completed repairs.
Arrange for cashier's check or wire for closing.
Arrange for settlement and signing of papers.
Arrange for transfer of utilities.
Arrange for exchange of keys and personal items.



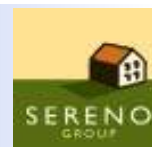
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Important Decisions in Buying



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Important Decisions in Buying

Preferred Buyer Agreement, page 1 of 2

I will be devoting a lot of time, energy and expertise to helping you find the perfect home. We are committed to helping you find the perfect property and we want you to be equally committed to us.

What is a Buyer Broker Agreement? Why use one?

This agreement simply states that when you buy a home in our coverage area, you agree to buy the home through us and not through any other agent. This assures us that we will be compensated for the time and energy that we devote to you.

Normally, I do not use this contract with my buyer clients. Instead, we discuss mutual expectations and work on a handshake. In some cases, though, a Buyer Broker Agreement can be especially helpful to us both:

- ◆ Are you interested in viewing **For Sale By Owner** homes? If so, a Buyer Broker agreement is necessary for me to help to locate the home and negotiate the transaction. In this case, the agreement can provide that you pay the commission for my services. In turn, we can ask the seller to pay some or all of it (it can be a closing cost).
- ◆ If you wish to pursue listings which offer little or no compensation (homes which are not listed, such as **expired or cancelled listings**, or **homes on the MLS with minimal compensation**—between one dollar to less than 2.5% offered), the agreement can provide that you pay the commission for my services.
- ◆ Would you like to also consider **New Construction** that might not yet be listed? Again, without a listing, it would not be on the MLS, which is the “offer of compensation” for agents.
- ◆ If **Pre-Foreclosure** homes interest you, the Buyer Broker Agreement would also be useful. Again, many of these are not listed properties, so the same principle as above applies: with the offer, we can request compensation for my assistance to you from the seller, who may agree to help with some or all of my fee.
- ◆ A Buyer Broker Agreement can protect you from unscrupulous agents at Open Houses (if you visit them on your own)
- ◆ If you would like to sign a Buyer-Broker Agreement so that we pursue these non-typical opportunities for you, I will, in turn, share with you 50/50 any bonuses offered to the buyer’s agent. Additionally, if the home offers a commission rate that is higher than 3%, I will split the overage with you 50/50.



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Important Decisions in Buying

Preferred Buyer Agreement, page 2 of 2

We will provide you with the following services:

1. We will arrange a free, no-obligation pre-qualification meeting for you with a foremost lender to find out exactly how much you qualify to borrow.
2. We will search the Multiple Listing Service for all homes listed by real estate companies to make sure that you know about every home or building site for sale in your price range. If you want a new home, we'll find the builder who will build you the most home for the best price.
3. We will arrange private showings for any and all homes you wish to see or we will coordinate meetings for you with the best home builders in the area.
4. We can help you with negotiation and purchases of any For Sale By Owner homes.
5. When you or I find the right home or builder, we'll assist you with preparing an acceptable offer that is in your best interest.
6. We will strategize about the offer price, financing terms, interest rate, and possession date.
7. We will recommend the best services: home inspections, appraisal, home warranty.
8. We will obtain answers to any and all questions you may have.
9. We will present the offer on your behalf to the seller, the builder, the For Sale By Owner, or the seller's agent. We will negotiate in your best interest at all times to get you the best deal possible.
10. We will help you find the greatest possible financing.
11. We will work hard to ensure that you receive exceptional service from everyone involved with your home loan.

You agree:

1. To immediately seek pre-approval from a home lender if your pre-qualification goes well.
2. To notify us of any listed homes you wish to inspect or builders you wish to interview.
3. To inform builders, For Sale By Owners, and real estate agents that you are working with us.
4. To make any offer on any home or new construction through us.
5. That you are under no obligation to buy or build a home.
6. That, for all these services, you owe us nothing unless otherwise agreed. Our fee will be paid by the builder or seller on any home that you purchase or build.
7. That if you choose to purchase a property from another real estate firm, For Sale By Owner, or builder without using us, then you agree to pay Mary Pope-Handy of Luxor Real Estate Group a fee of \$10,000 for our time, effort, and services.

This agreement expires one year from today's date and is applicable only within Santa Clara County.

Buyer's Signature

Date

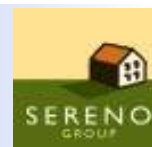
Buyer Representative's Signature

Date

Please sign, remove from the book, and present to us at your next appointment.



Your Dream Home... BOUGHT!



Important Decisions in Buying

Getting Pre-Approved

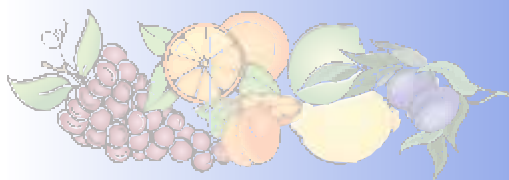
It is extremely important that you connect with a good, experienced, and qualified lender. We can recommend lenders who have earned our trust and with whom we've had good experiences in the past. The lender will review your financial position to determine the price most suited to your ability to pay and your comfort level.

The pre-approval process will help you in the following ways:

- ◆ You will know in advance what your payments will be.
- ◆ You won't waste time considering homes you cannot afford.
- ◆ You can select the best loan package without being under pressure. There are many options and programs to choose from in today's market. Your lender will explain the alternatives to help you select the one best suited for you.
- ◆ Sellers will find your offer to purchase far more favorable if they know in advance of your ability to secure financing. This will make your offer more competitive if you are in competition with other offers. Nowadays, most listing agents require a pre-approval letter to accompany all purchase agreements. In our Silicon Valley market, it is expected that the buyer have a pre-approval letter.
- ◆ You'll have an estimate of your closing costs and we will explain them to you in detail.
- ◆ You'll have peace of mind.

Best Piece of Advice

Take the pre-qualification one step further and get a full loan approval. This is the best approach!



Mary Pope-Handy
Realtor, CRS, ABR, e-Pro, SRES
Sereno Group
www.ValleyOfHeartsDelight.com



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Important Decisions in Buying

Understanding Title Insurance

What Is Title Insurance?

A Title Insurance Policy is a guarantee by a title company that a thorough investigation of the title to the property has been conducted and that you have been notified of any outstanding claims to the property. The title insurance company reports any defects in the title in the form of a Title Commitment so that these matters can be corrected. It is important that you know of all claims on the property and have them resolved and declared removed prior to you taking title to the property.

The Title Commitment will carefully detail what items of encumbrance are not covered by the policy. You can either get these items resolved or bow out of the transaction. Title insurance covers matters that occurred before the policy's effective date but were discovered later. Your policy will detail what is covered, what is not covered, and the effective date.

Title insurance is issued by the title company when they are certain the property is free from all liens, encumbrances, interests, etc., and the insurance guarantees such. This is so the title can be legally transferred to the buyer to be used as security for the lender's funds. This is why title insurance is required by the lender. Your lender has an interest in knowing that you and the lender are the only parties with claims to the property.

The title insurance company thoroughly searches the public records to uncover any unpaid taxes, mortgages, judgments against previous owners, easements, and other court actions or recorded documents that can affect title to the real estate. The insurance also provides protection against any defect in the public record such as forgery, similar names, error in the records, etc., and protest against any undiscovered or unrecorded claims that may arise in the future.

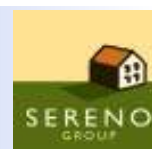
When title insurance is issued, the title-insurance company accepts the responsibility for any and all claims on the property prior to your purchase if they do not find the claim or call it to your attention prior to your purchase of the property. That responsibility includes defending your title in court, if necessary (at their expense), or bearing the cost of settling the claim (if it proves valid) in order to perfect your title and keep you in possession of your property.

Unlike other forms of insurance, the original premium is your only cost as long as you or your heirs own the property. There are no annual payments required to keep your Owner's Title Policy in force.

Title insurance protects you twice—it notifies you of claims against the property and insures you against any future claims on hidden items.



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Important Decisions in Buying

Why Title Insurance Is So Important!

To understand why a title search is so important, you must understand the nature of real estate. Real estate has always been considered a person's most valuable possession. It is so basic a form of wealth that many special laws have been enacted to protect ownership of land and the buildings that stand on the land. The owner who is selling the property has extremely strong rights, as do his/her family and heirs. Also, there may be others who have "rights" in the property you are going to buy. These may be governmental bodies, contractors, or any other individuals who have perfectly proper unpaid claims against the property. Unscrupulous owners may have taken out a second mortgage on the home prior to closing.

Anyone who has such a claim in the property you are buying is, in a sense, a part-owner. The property may be sold to you without the knowledge of other parties who have claims against the property. Without a title check conducted by the title-insurance company, you know nothing about such claims at the time you buy. All such claims remain attached to the real estate you are purchasing and *not* to the previous owners. The title company will notify you of all liens, encumbrances, and interests in the property so that these can be resolved by the current owners prior to the sale. Proof of a "good" title—a title free of any liens, encumbrances, or interests—is important because otherwise you are liable for the claims.

Title-insurance policies are standard. Owner's policies usually do not cover one or more of the following matters (often referred to as "Standard Exceptions"), unless an additional premium is paid and/or extra investigative work or a survey is done and the necessary evidence is furnished to the title company. When the evidence is furnished and the insurance coverage is given, this is frequently referred to as "Extended Coverage." The Standard Exceptions are:

- ◆ Claims of people who turn out to be living in the house (such as prior owner's tenants or someone living without your knowledge on your property) if their presence there isn't a matter of public record.
- ◆ Boundary-line disputes.
- ◆ Easements or claims of easements not shown by public records.
- ◆ Unrecorded mechanic's liens (claims against the property by unpaid home-improvement contractors).
- ◆ Taxes or special assessments left off the public record.

Other important exclusions from coverage include zoning, environmental-protection laws, matters arising after the effective date of the policy, and matters created, suffered, or assumed by the insured.



Your Dream Home... BOUGHT!



Important Decisions in Buying

Understanding Your Options for Taking Title

Carefully consider how you intend to take title of your property. This will determine your legal status, rights, and obligations to the property. You may want to discuss your options with an attorney to determine which is best for you. Most of the possible ways to take title to your property are listed here.

Community Property

In a community-property state, there is a statutory presumption that all property acquired by a husband and wife is community property. Some states do not presume community property status unless you acquire title as such. Community property is a co-ownership method for married persons only. Upon the death of a spouse, the deceased spouse's interest in the property will pass by either a will or interstate succession.

Community Property With Right of Survivorship

This is a method of co-ownership that allows a married couple to hold title as husband and wife while providing for succession outside of probate upon the death of either spouse to convey or encumber. Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death.

Corporation

Title may be taken in the name of a corporation provided that the corporation is duly formed and in good standing in the state of its incorporation.

General Partnership

Title may be taken in the name of a general partnership provided that the general partnership was duly formed according to the laws of the state. A partnership is defined as a voluntary association of two or more persons as co-owners in a business for profit.

Limited Partnership

Title may be taken in the name of a limited partnership provided that there are one or more general partners and one or more limited partners. A certificate of limited partnership must be filed in the office of the Secretary of State, a certified copy of which must be recorded.

Joint Tenancy With Right of Survivorship

Joint tenancy is a method of co-ownership that gives title to the real property to the last survivor. Title to real property can be acquired by two or more individuals. If a married couple acquires title as joint tenants with the right of survivorship, they must specifically accept the joint tenancy to avoid the presumption of community property.

Sole and Separate

Title to real property owned by a spouse before marriage or any acquired after marriage by gift, descent, or specific intent may be taken as sole and separate. If a married person acquires title as sole-and-separate property, his/her spouse must execute a disclaimer deed if the state is a community-property state.

Tenancy in Common

Tenancy in common is a method of co-ownership in which parties do not have survivorship rights and each owns a specific undivided interest in the entire title.



Your Dream Home... BOUGHT!



Preparing to Buy

The Financing Process



Your Dream Home... BOUGHT!



Preparing to Buy—the Financing Process

Loan-Application Checklist

General:

- Picture ID with social security number of borrower and co-borrowers.
- Application fee.
- Name and complete address of all landlords for the past two years.
- Income verification as follows:
- Employment history for the past two years including names, addresses, phone numbers, and length of time with each company.
- Copies of your most recent pay stubs and W-2 forms (past two years).
- Verification of other income (social security, child support, retirement, etc.).
- If self-employed, you need copies of the past two years' signed tax returns, including all schedules, and a signed profit-and-loss statement for the current year. Retirees need tax returns for the past two years.
- If you have rental-property income, bring a copy of all lease agreements.

Assets:

- Copies of all bank and credit union statements for the past three months.
- Copies of all stock/bond certificates and/or the past three statements from all investment and retirement accounts.
- Prepare a list of household items and their values.
- Copies of title documents for all automobiles, boats, motorcycles, etc.
- Face amount, monthly premiums, and cash values of all life insurance policies. (Cash value may be used for closing costs or down payments. You need documentation from the carrier indicating cash value.)

Creditors:

- Credit card account numbers, current balances, and monthly payments.
- Installment loans (car, student, etc.). Same details as for credit cards.
- Mortgage loans (property addresses, lenders and lenders' addresses, account numbers, monthly payments, and balances owned on all properties presently owned or sold within the last two years). Bring proof of sale of properties sold.
- Child-care expenses/support (name, address, and phone number of provider).

Other:

- Bankruptcy: Bring discharge and schedule of creditors.
- Adverse credit: Bring letters of explanation.
- Divorce: Bring divorce decrees, property settlements, quit-claim deeds, modifications, etc., for all divorces for yourself and your spouse.
- VA only: Bring Form DD214 and Certificate of Eligibility.
- Retirees: Bring retirement and/or social security award letter.



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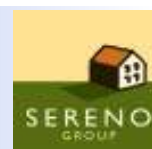


Your Closing Costs

Worksheet for Calculation



Your Dream Home... BOUGHT!



Your Closing Costs—Worksheet for Calculation

Who Pays for What at Closing?

The seller can normally be expected to pay for the following:

- ◆ Real estate commission (99% of the time).
- ◆ Owner's title-insurance premiums.
- ◆ In Santa Clara County, the escrow fee (except for VA loans, where the seller pays 100%).
- ◆ Payoff of all loans in seller's name.
- ◆ Fees, re-conveyance fees, and prepayment penalties.
- ◆ Home warranty according to the contract, if any.
- ◆ Any judgments, tax liens, etc., against the seller.
- ◆ Recording fees to clear all documents of record against the seller.
- ◆ Tax pro-ration. This is for any unpaid taxes at the time of transfer of title.
- ◆ Any unpaid homeowner-association dues.
- ◆ Any assessments according to the contract.
- ◆ Any and all delinquent taxes per the contract.
- ◆ Appraisal.
- ◆ State real estate tax fee for the county, and half for the City of San Jose, if applicable.
- ◆ New approval of well, septic, and as-built survey (if required).
- ◆ Re-inspection fee with appraiser or home inspector (as negotiated in contract).
- ◆ Some document-preparation fees (unless VA or FHA loan; then the seller pays 100%).

The buyer can normally be expected to pay for the following:

- ◆ Lender's title-policy premium—American Land Title Association (ALTA).
- ◆ Outside of S. Clara County, the escrow fee (unless you are a veteran and getting a VA loan; then the seller pays 100%).
- ◆ Recording charges for all documents in buyers' names.
- ◆ All new loan charges (except those required of the seller by the lender), including appraisal fee.
- ◆ Interest on a new loan from date of funding to 30 days prior to first payment date.
- ◆ Assumption/change-of-records fees for takeover of existing loan.
- ◆ Home warranty according to contract.
- ◆ Fire-insurance premium for the first year.
- ◆ Any inspections ordered by the buyer.
- ◆ Reserve account for taxes and insurance.
- ◆ Flood-certification fee.

There are some mandatory costs:

- ◆ Both FHA and VA require that the seller must pay for document preparation, tax service, warehousing, and loan-review fee (if any).
- ◆ VA: 100% of escrow closing fee.



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Your Closing Costs—Worksheet for Calculation

ESTIMATED PURCHASE PRICE....._____

Costs Related to Purchase of Home (often amounts to 2% of purchase price)

- Homeowners' title insurance
- Flood certificate, if applicable
- Fire-insurance premium for first year (homeowners ins)
- Reserve account for real estate taxes
- Reserve account for insurance
- Interest on new loan from closing through end of month.....
- Document-preparation fee.....
- Recording fees.....
- Escrow fee (if outside SCC).....
- Loan-origination fees (points, per your lender)
- Homeowner association dues, if applicable
- Home warranty (if applicable)
- Assumption change-of-record fees, if applicable
- Home inspection (often cheaper if paid at time of service)
- Any other inspections (roof, pest, chimney, fireplace, pool).....
- [Other expense]
- [Other expense]

Subtotal Estimated Expenses....._____

Credits (or costs paid outside of closing)

- [Credit]
- [Credit]
- [Credit]
- [Credit]

Total Credits..... < _____ >

ESTIMATED CASH TO BRING TO CLOSING....._____

Prepared for: _____
 Prepared by: _____
 Prepared on: _____

NOTE: This is an estimate only, and the information herein is deemed to be accurate but not guaranteed. All estimates are subject to change.



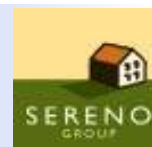
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Helpful Tips on Finding Your Home



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Helpful Tips on Finding Your Home

Viewing Homes

After your initial counseling session (either via e-mail, phone, or a face-to-face interview we will have a good idea of your wants, needs, price range, and desired location and will enter your requirements in the Multiple Listing Service (MLS) computer. From the many listings in its inventory, the computer will print a list of homes tailored just for you. We will make arrangements to show you those homes that meet your criteria.

As you walk through the homes, feel free to open cabinets and closets. Most often, the sellers will be absent, but should they be present, they will understand your need to examine the home carefully. When a home appeals to you, make notes. It is easy to forget details. Often there will be information at the home and, whenever possible, we will have given you a copy of the MLS information on the home you are viewing.

Don't be surprised if the first home you see is the perfect one for you, and don't be discouraged if none of those you visit the first day are what you want. We are committed to finding the house that you will call home, and we will work diligently until you find it. Usually, we will be able to find the home of your dreams rather quickly from a selection of three to five homes that best fit the desires you expressed.

During the Home Search...

We will:

- ◆ Discuss the benefits and drawbacks of each home in relation to your specific needs.
- ◆ Keep you informed on a regular basis.
- ◆ Check the MLS database and with other brokers daily for new listings that meet your criteria.
- ◆ Keep you up to date on changing financial conditions that may affect the housing market.
- ◆ Be available to answer your questions or to offer assistance regarding your home purchase.
- ◆ Discuss market trends and values relative to properties that may be of interest to you.
- ◆ Show you new homes as well as pre-owned homes if you desire.
- ◆ Assist you with homes offered by the sellers' themselves as For Sale By Owner (FSBO) listings. A homeowner who is trying to sell his home himself is usually doing so in hopes of saving the commission. Coincidentally, this is the reason a buyer wants to deal directly with a homeowner. Many times a homeowner will work with an agent, even though his home is not listed, if the agent introduces the buyer to the property. If you should see a FSBO and want the advantages of our services, please let us contact the owner and set the appointment.

As members of the MLS, we can show you any listed property. If you should see an ad in the newspaper or a sign in a yard, call us to find out the information you're looking for. If you want to view the home, we'd be happy to show it to you!



Your Dream Home... BOUGHT!



Helpful Tips on Finding Your Home

Take Notes on Homes You Tour

Home #1

Address:
 Style of home:
 Subdivision:
 Bedrooms:
 Bathrooms:
 Living room:
 Fireplace:
 Kitchen:
 Lot:
 Square footage:

Dining area:
 Laundry:
 Additional rooms:
 Garage:
 Additional features:
 Home is near:

Comments:

Home #2

Address:
 Style of home:
 Subdivision:
 Bedrooms:
 Bathrooms:
 Living room:
 Fireplace:
 Kitchen:
 Lot:
 Square footage:

Dining area:
 Laundry:
 Additional rooms:
 Garage:
 Additional features:
 Home is near:

Comments:

Home #3

Address:
 Style of home:
 Subdivision:
 Bedrooms:
 Bathrooms:
 Living room:
 Fireplace:
 Kitchen:
 Lot:
 Square footage:

Dining area:
 Laundry:
 Additional rooms:
 Garage:
 Additional features:
 Home is near:

Comments:



Your Dream Home... BOUGHT!



Helpful Tips on Finding Your Home

Take Notes on Homes You Tour

Home #4

Address:
 Style of home:
 Subdivision:
 Bedrooms:
 Bathrooms:
 Living room:
 Fireplace:
 Kitchen:
 Lot:
 Square footage:

Dining area:
 Laundry:
 Additional rooms:
 Garage:
 Additional features:
 Home is near:

Comments:

Home #5

Address:
 Style of home:
 Subdivision:
 Bedrooms:
 Bathrooms:
 Living room:
 Fireplace:
 Kitchen:
 Lot:
 Square footage:

Dining area:
 Laundry:
 Additional rooms:
 Garage:
 Additional features:
 Home is near:

Comments:

Home #6

Address:
 Style of home:
 Subdivision:
 Bedrooms:
 Bathrooms:
 Living room:
 Fireplace:
 Kitchen:
 Lot:
 Square footage:

Dining area:
 Laundry:
 Additional rooms:
 Garage:
 Additional features:
 Home is near:

Comments:



Your Dream Home... BOUGHT!



Important Points About Home Inspections



Your Dream Home... BOUGHT!



Important Points About Home Inspections

After Finding Your Home

The Home Inspection

It's easy to make sure that the home you've chosen is a smart buy. By having a home inspection, the home's vital systems are checked. A home inspection allows you to purchase your home with confidence. We will help you schedule an inspection after you have chosen the home you like. Mary recommends the following minimum standards when choosing an inspector:

1. Membership in ASHI (American Society of Home Inspectors) and adherence to its Standards of Practice and Code of Ethics.
2. Written report at the time of inspection.

Your inspection report should include the following visible areas of the property:

- ◆ Foundations, basements, and structures.
- ◆ Basement floor and walls, proper drainage and ventilation, evidence of water seepage.
- ◆ Exterior siding, windows, and doors.
- ◆ Exterior walls, windows, and doors; porches, decks, and balconies; garage.
- ◆ Roof.
- ◆ Roof type and material, and condition of gutters and downspouts.
- ◆ Interior plumbing system.
- ◆ Hot-and-cold water system, the waste system and sewage disposal, water pressure and flow, and hot-water equipment.
- ◆ Electrical system.
- ◆ Type of service, the number of circuits, type of protection, outlet grounding, and the load balance.
- ◆ Central heating system.
- ◆ Energy source, type of cooling equipment, capacity, and distribution.
- ◆ Interior walls, ceilings, floors, windows, and doors.
- ◆ Stairways, cabinets, and countertops.
- ◆ Attic.
- ◆ Structural, insulation, and ventilation information.
- ◆ Fireplace.
- ◆ Notes about the chimney, damper, and masonry.
- ◆ Garage.
- ◆ Doors, walls, floor, opener.
- ◆ Appliances.
- ◆ Includes a wide range of built-in and other home appliances, smoke detectors, and television/cable hookups.
- ◆ Lot and landscaping.
- ◆ Ground slope away from foundation, condition of walks, steps, and driveway.



Your Dream Home... BOUGHT!



Important Points About Home Inspections

Home Inspections and Why You Should Obtain One

Home inspections are a routine part of nearly every residential purchase, whether a resale or, yes, even a new-construction home. Why, you might ask? Here are a few areas home inspectors look at:

Structural: Many home-inspection organizations, such as ASHI (American Society of Home Inspectors), have set standards on certain areas of the home that the home inspector looks at to determine the integrity of the essential internal and external structural components. Home inspectors are not structural engineers, but they can identify visual defects in areas requiring immediate repairs and will recommend a structural engineer should they feel it is warranted.

Electrical: Do all the outlets work? Are the GFCI (ground-fault circuit interrupters) operational? Is there any reverse polarity? Is there evidence of double lugging of breakers at the service panel? Any wiring not properly encased? Landscape watering or lighting systems improperly installed?

Plumbing: Are there any leaks or annoying drips? Are there any pipes that are vibrating because they are not properly secured? Reverse hot and cold taps in bathrooms or kitchen? Are there any toilets not secured to the floor? What about cracks in the shower-tub surrounds? Is the water pressure sufficient? Are there any slow-draining sinks or tubs?

Built-In Appliances: All appliances are tested, including running a dishwasher cycle, testing microwaves, and checking oven temperatures and burners. (Some inspectors do not test microwave ovens.)

Safety Hazards: Some of these items cross over electrical and plumbing and include making certain hot-water tanks are secured; verifying there is proper ventilation of all systems supplied by natural gas; and testing temperature variations on the furnace, weather conditions permitting.

Miscellaneous: Other items may or may not be included, but should be reviewed by a qualified professional, such as wells, septic systems, roofs, sufficient sealing of flashings, noting cracked tiles, exposed felt underlayment, adequate attic insulation and ventilation, drainage problems, wood decks, wood-infestation evidence (dry rot), patios, or other exterior structures.

You might question the necessity of an inspection on new construction. However, realize that even though city inspectors have passed certain phases of the construction process and the home has received a certificate of occupancy, there could be numerous small items that may require attention that may or may not surface during the course of homeownership and yet could be a potential structural or safety hazard. Home inspectors provide a unique customer service in identifying existing or potential problems and longevity or life expectancy of many systems in your home.

Buyer's signature below signifies receipt of this notice:

Buyer's Signature

Date

Buyer Representative's Signature

Date



Your Dream Home... BOUGHT!



**Our Reputation
Depends on
Clients Like You**



Your Dream Home... BOUGHT!



Our Reputation Depends on Clients Like You

“We turned to Mary to help us buy our first home. We met her at an open house of another property, and she made such an excellent impression on us - both professionally and personally - that after talking with her for a while we decided to work with her. We did not regret this decision.

“Mary is very experienced, and she knew exactly what are the main issues we need to pay attention to. As first time buyers, we definitely needed all the help we could get. She explained every process in detail, was always available for communication (even very early mornings/late nights), and always with a lot of patience. Her advice helped us save thousands of dollars!

“Mary is such a nice person, and we felt like we're going through this process with a friend, not with an "agent". We really could see she has our best interests in mind. We would definitely turn to Mary next time, and we recommend her whole-heartedly to our friends and family.”

First Time Buyer Couple
“S & D” (prefer to not disclose names)
Cambrian Park area, San Jose

“Ms. Mary Pope-Handy acted as a buyer agent for us. She worked closely with my family for over four months, and finally she found a house that my wife loves!

"Mary is an outstanding Real Estate professional. We bought our fifth house. By far, she was the best, the very best I have ever seen. She is prompt, diligent, courteous, considerate, has an in-depth knowledge of real estate market, and its trends, has an impeccable integrity, and a great memory and is very thorough when it comes to details.

"I have witnessed the above characteristics in her while she was helping us buy our last house in Almaden Valley. I will definitely ask for her guidance again."

Buyer Couple
Dr. Shahin Gerami, SJSU Faculty
Manoucher Brahman, Retired VP
San Jose (Almaden Valley)

“Mary's knowledge of the San Jose market for both buying and selling really paid off for my wife & I. We were only in San Jose for 1 1/2 years, but was able to find a home for purchase with Mary's help, and then was able to sell the home in 6 days--unbelievable!!!. We sold the home due to my job being restructured, thus we returned to Colorado. I can't say enough about Mary's knowledge, competency and ability to react quickly.”

Ernie & Phoebe
San Jose (Blossom Valley)



Your Dream Home... BOUGHT!



Our Reputation Depends on Clients Like You

“Mary is the best agent we have ever had! We have bought and sold homes in four different states, and this transaction was one of the best. Mary is very easy to work with, she is very professional and, most of all, she does what she says she is going to do! Actually, she goes beyond that because she makes sure that everything gets done correctly (even things that are the responsibility of the other agent). We have the highest regard for Mary, both as a great person and as a wonderful Realtor.”

Ruth & Michael
San Jose

(downtown, sold one home in the Vendome area and bought another in Japantown)

“We've lived in the bay area for over 8 years and had previously considering purchasing a home but being first time home buyers we had been tentative and uncomfortable with the process. We found Mary on the web and initially corresponded via email. We were very pleased with her quick, honest and informative responses that we took the next step and decided to meet Mary in person. The initial meeting went very well and we were impressed with Mary's knowledge and helpful advise especially with location, schools and our children's safety. Once Mary had an idea of what we were looking for she was willing to preview houses for us and even considered things that we may not have thought to look for. We found a great home in Blossom Valley and Mary was present and willing to answer questions every step of the way. She scheduled inspectors and waited for the inspectors for us to minimize our time away from work. Mary was always available by phone or email and still now, 3 weeks after we have moved in, she remains in contact with us and offers her help as we become accustomed to being home owners. We never felt pressured or as if we were just clients to her. She is personable, honest and caring and we're confident that she saved us money at every phase of the process. We could see her genuine happiness for us when we closed on the home and we highly recommend using her to buy or sell a home.”

The Nunes Family
San Jose (Blossom Valley/Santa Teresa)

"Mary was extremely helpful to my family and me as we recently sought a new home for my mother-in-law. Mary is very customer-focused, is well-attuned to market conditions, is detail-oriented and communicates well with her clients. It was a pleasure working with Mary, from start to finish."

Dan - early 2005
Santa Clara



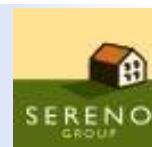
Your Dream Home... BOUGHT!



Moving- Preparation Checklist



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Moving Preparation Checklist

Moving Timeline and Checklist

One month before your move:

- Arrange for moving your furniture and personal belongings either by hiring a moving company, renting a truck, or calling to reserve our FREE moving truck. Get estimates from several moving companies or truck-rental companies and be sure to obtain a hand truck (appliance dolly) if you're moving yourself.
- Gather moving supplies: boxes, tape, rope, and anything else you might need.
- Plan your travel itinerary and make transportation and lodging reservations in advance if you are driving to your new home. (Leave a copy with a friend or relative.)
- Some moving expenses are tax deductible, so you will want to save your moving-expense receipts (if the move is employment-related) for tax deductions, including meals, lodging, and gasoline. Record expenses incurred during your house-hunting trips.
- Develop a plan for packing, such as packing last the things you use the most. See page 46.
- Notify others of your new address: post office, charge accounts, subscriptions, relatives and friends, national and alumni organizations, church, mail order clubs (books, videos, catalogues), firms with which you have time payments, and your past employer to make sure that you receive W-2 forms and retirement-account information. Save your old address labels to speed up filling out change-of-address forms for your new address.
- Notify federal and state taxing authorities or any governmental agency necessary.

Two weeks before your move:

- Notify and get refunds from your present utilities: gas, electric, water, cable, and phone. Arrange for services at your new address. Notify long-distance phone company and arrange for service at your new address.
- Have your car serviced if you are driving a long distance to your new home.
- Recruit people to help you on moving day.
- Arrange for someone to take care of your pets and children during the move.
- Confirm moving company or rental-truck arrangements. Call to reserve our FREE moving truck, if you haven't already done so.

One day before your move:

- Keep moving materials separate so they don't get packed until you are finished.
- Pick up rental truck if you are moving yourself.
- Fill up your car with gas and check oil and tires.



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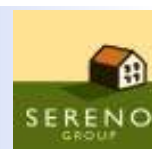
Moving Preparation Checklist

Additional Moving-Checklist Items

- Decide what to move and what not to move. Possibly have a garage sale (extra cash and less to move). See “Tips on Having a Garage Sale” on the next page.
- Transfer your bank accounts. Your new bank will be happy to open your account by mail.
- Contact your local credit bureau to find out if they are on the same system that your new home town subscribes to; if not, they will be able to transfer your credit file.
- Request records from doctors and dentists, including eye-glass prescriptions, dental x-rays, and vaccinations.
- Obtain your children’s school records to make for an easier transfer.
- Draw up a floor plan of where your furniture should be placed. This will help avoid confusion for you and your movers.
- Pay existing bills and close out local charge accounts.
- Arrange any special movers, such as may be necessary for an expensive piano or to break down and move a pool table or above-ground swimming pool.
- Cancel or transfer deliveries, newspaper, garbage collection, etc. Coordinate the transfer of gas, electric (water and sewer when not handled by title company) with the next occupant of your old home as well as with the previous owner of your new home, so as to avoid lapses in service and extra re-start expenses.
- Check on personal items that might be at the photo shop, in a safe-deposit box, at a neighbor’s house, on lay-away, or in a repair shop (e.g., shoe repair, jewelry store, small-appliance repair, or dress-maker).
- Make arrangements for transporting your plants and pets. See pages 49 and 50.
- Save the phone book from your former city residence for tying up loose ends or for future correspondence.
- Transfer insurance policies or arrange for new policies.
- Gather all valuables, jewelry, important papers (birth certificates, deeds, documents) to take with you personally.
- Pack an arrival kit of necessities just in case you arrive before the mover, if applicable.
- Purchase moving insurance. Your mover’s liability for lost or damaged goods will not equal their replacement cost. Have valuable items appraised.
- Check with your attorney about your will, if crossing state lines.
- Ask for professional referrals if available (e.g., doctor, accountant, etc.)



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Moving Preparation Checklist

Tips on Having a Garage Sale

1. Allow plenty of time—three or four weeks—to prepare for the sale.
2. Choose a date that will not conflict with holidays.
3. Weekends are more convenient for more people than weekdays.
4. Your sale is likely to attract more people if you join together with neighbors in an effort to have more merchandise. Some homeowners' groups are sponsoring neighborhood sales that are proving popular!
5. Practical household goods are popular items; adult clothing has less appeal.
6. Merchandise your items attractively in neat, clean surroundings.
7. Cluster like items together; place the more desirable items in the back of the garage so browsers are urged to look at other merchandise on their way to the most popular items.
8. All items should be clean, polished, and in good repair.
9. Locate your appliance table near an outlet so customers can try before they buy!
10. Be sure that there is adequate parking space and a place to load large items.
11. Have plenty of bags and boxes for packing and newspapers for wrapping glass items.
12. Place a classified ad in the local paper. Include 3-4 items for sale, directions, and other details.
13. Take advantage of free publicity on bulletin boards in grocery stores and other public places.
14. Provide directional signs to your property.
15. If your home is listed for sale, have flyers about your home available for people to take.
16. Visit other sales to form an idea on how to price things. Be prepared to bargain down your prices.
17. Post a notice that all sales are final and payment must be cash.
18. Have plenty of change in a cash box that is kept in a protected spot. Keep a record of sales, especially when there are several sellers. One recording method that is simple and efficient is to use small white stickers for prices. When an item is purchased, remove the sticker and place it next to the name of the seller on a piece of paper.
19. On a hot day, have ice water or lemonade available so people will stay longer, and on cold days serve hot chocolate.
20. Tell your real estate agent about some of the major items in your sale. She/he may have a client looking for just that thing! One person's trash is another's treasure!



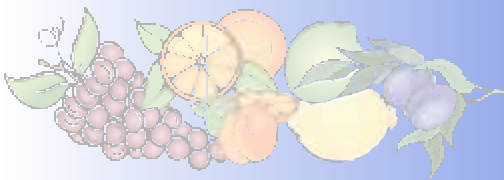
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Moving Preparation Checklist

Tips on Packing

1. Use strong containers that are in good condition and can be secured tightly with twine or strapping tape. These can usually be purchased from your moving company. Purchase special boxes for dishes, wardrobe, and other special items.
2. Label each box with its contents, which room it should go in, whether it is fragile, and whether it should be loaded last so as to be unloaded first.
3. Don't load more than 50 pounds into any one box, and make sure that the weight is evenly distributed.
4. Cushion contents with newspaper or other packing material to prevent breakage. Use newsprint paper or tissue paper for items that might be soiled by newspaper. Towels and cloth napkins are great for wrapping fragile items.
5. Pack books tightly in small boxes. Alternate bindings and wrap valuable books separately.
6. Have your rugs and draperies cleaned before moving and leave them in their wrappings for easier handling.
7. Remove all breakables and liquids from drawers and pack them separately. Seal medicines and other containers to prevent leaking and pack them in a leak-proof bag or container.
8. Pack linens and clothing in drawers, but don't overload them.
9. Carry all valuables with you. Do not pack jewelry, documents, coin or stamp collections, or anything that will be difficult to replace. The contents of a safety deposit box can be moved for you by your bank.



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Moving Preparation Checklist

Moving With Children

(Adapted from information at www.MoversGuide.com.)

If you think moving is hard on adults, imagine what it's like for children. They're starting over and trying to meet new friends while getting used to a new home, neighborhood, and school. Think about your children's specific needs before, during, and after the transition and you'll make a big difference in how your children feel about the move and how they adjust afterwards.

BEFORE THE MOVE: PREPARING

- Give your children a chance to express their feelings, and be honest about your own feelings. Children who have a chance to express themselves work through their doubts more easily.
- Help children compile a list of phone numbers and addresses of friends, relatives, and other important people. Knowing they can stay in touch with these people will be reassuring.
- Take your children to your new home before you move and explore the new neighborhood and town or city together.
- Try to line up some activities in which your child can participate after the move: a sports team, music lessons, or a scouting troop. Not only will activities like these keep your children involved but they will help the kids feel like part of the group.

DURING THE MOVE: REMEMBERING WHAT'S IMPORTANT

- Stay as upbeat and calm as you can. Your own mood will impact your children's moods.
- Involve your children in the packing. Older children can put their own belongings in boxes, and children of all ages will enjoy decorating the boxes containing their things.
- Stick to your routines. Have meals at the same times you normally do.
- Don't pack things that your children treasure. Take special blankets, favorite books, and other prized items in the car or on the plane with you.
- Help your children say goodbye to the important people in their lives. For their friends, a party is a fun way to celebrate the friendship.
- For many families, moving day means a long car trip or a cross-country flight. Prevent backseat blues and airline angst by adding travel fun and games to your plans. See the next page for ideas.
- Allow your child to bring an album with pictures of their old home and friends. This will allow them to express their feelings and provide you with a chance to reassure your child that it is natural to feel loss and initial discomfort with such a big change.

AFTER THE MOVE: GETTING SETTLED

- To make your new home seem more like home, hang your child's or family portrait in a prominent location or create a tabletop display of family photographs.
- Take pictures of the new home, neighborhood playmates, family members, and school. Start a new family album to show there is fun and family togetherness available at the new home.
- Don't spend too much time unpacking—at least not right away! In the first few days, take time to enjoy your new home with your family. Take walks and check out local restaurants.

Above all, listen. Be there when your children get home after the first day at their new schools, even if it means having to leave work early. Ask often how things are going, and take time to listen.



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Moving Preparation Checklist

Travel Fun and Games for Children

Prevent backseat blues and airline angst by adding travel fun and games to your plans. Use the following suggestions to make your trip more fun for your kids and more enjoyable for you too.

LITTLE SURPRISES

Purchase several inexpensive toys before your trip. Give them to your children as surprises throughout the journey. A new toy adds fun and excitement to more dull portions of the journey.

DOCUMENT THE TRIP

Give your child a disposable camera and have him/her record the trip. Keep a travel journal or diary recording interesting places and adventures. Save ticket stubs and mementos in a scrapbook.

TRIED-AND-TRUE TRAVEL TAKE-A-LONGS

- ◆ Travel versions of board games such as Connect Four, Battleship, or Checkers are easy choices. Travel Magnadoodle and Etch-a-Sketch have received top marks from children around the country.
- ◆ Hand-held video games or even a laptop computer can provide hours of fun. Save your sanity and turn off the sound.
- ◆ Exercise the mind with activity books filled with mazes, crosswords, and other puzzles. Quiz each other with trivia cards or giggle as you work your way through a book of Mad Libs.

REST-STOP RACES

Bring a soccer ball or football for rest-stop fun. Running games like tag or footraces are a great way to spend some of that saved up energy. Schools, city parks, recreation areas, and fast-food restaurants with playgrounds are great places for kids to do a little more than stretch their legs.

READ ALOUD AND SING ALONG

Bring several books and take turns reading aloud in the car. Be expressive and entertaining. Sing-along cassette tapes can be fun for the whole family. Cast recordings of popular musicals as well as movie soundtracks are a great way to sing away the miles.

MAP YOUR JOURNEY

Learn about your destination and exciting places along the way. Plan rest stops at museums, historical sites, and other interesting places. Trace your route on the map, and look up interesting facts in a guidebook.

SCAVENGER HUNTS

Search roadside billboards and signs for the letters of the alphabet, in order. Make your own list of things to find: gas station, school, church, horses, cows, river, and anything else that you may find between your starting point and your destination.

FUN AND GAMES

Bring a deck of cards. Popular children's card games include War, Rummy, and Go Fish.

GET PLUGGED IN

Children enjoy being read to, so bring a portable cassette player with headphones and some books on tape. Set the volume at a safe level, and don't be surprised if they want to hear the same story over and over again.



Your Dream Home... BOUGHT!



Moving Preparation Checklist

Moving Your Pets

Cats and Dogs

Cats and dogs can either be shipped by air or taken along in the car. If you are flying to your new destination, your cat or dog can ride in the baggage compartment. Your pet will need a health certificate from your vet. Call the airline in advance to find out about special boxes they may have. If you are going to make a container for your pet, make sure that the container complies with airline regulations. It is a good idea to put a piece of clothing with your scent in the animal's box so he/she feels more at home.

If you aren't flying with your pet but are having it shipped by air, make sure that someone is on the other end to pick your pet up at the airport and take care of him/her until you arrive. The easiest way to care for your pet before your arrival is a kennel. Many kennels can take your pet several days before your move (keeping him/her safe and out of your way). Or you can take your pet to the airport and arrange to have a kennel on the other end pick him/her up and take care of him/her until you arrive.

Think twice about taking your dog or cat with you on a long cross-country trip. Not only can animals get car sick, but being cooped up in a car all day can make them nervous and upset. They must be fed and have plenty to drink (make sure that you take along a water dish), they have to make "rest stops," and they have to be on a leash to keep them from running off anytime the car door is opened.

Some motels and hotels don't allow pets. Others have special facilities for handling travelers' pets. Call in advance and check out the available literature on hotels along your route. National chains usually publish such information.

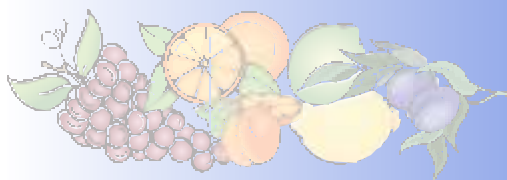
Smaller Animals

Hamsters, birds, mice, and such can be transported in the family car fairly easily. Make sure that the animals have enough food and water in their cages and are out of drafts or extreme temperatures. Cover cages with a cloth to keep the pets quiet and restful.

Fish

It is not practical to move fish in their aquarium. A gallon of water weighs eight pounds. Plan on giving the fish away and restock the aquarium when you arrive at your new home.

Your veterinarian and pet stores are also valuable sources of information.



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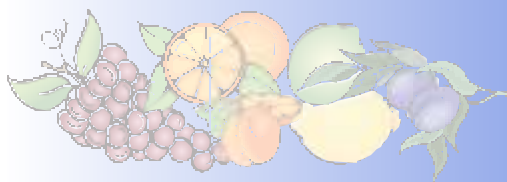


Moving Preparation Checklist

Moving Your House Plants

You can take your plants with you when you move without harming them. Here are some tips:

- ◆ Call your local U.S. Department of Agriculture to check on regulations if moving from one state to another. Many states have restrictions on certain kinds of plants to prevent importing bugs or pests that can destroy valuable cash crops in the state.
- ◆ A couple of weeks before you move, prune plants to facilitate packing. Consult a florist or a plant book for instructions.
- ◆ A week before you move, put your plants in a black plastic bag. Prior to placing your plant in the bag, place a bug/pest strip, conventional flea collar, or bug powder in the bag. Close the bag and place it in a cool area overnight. This will kill any pests on the plant or in the soil.
- ◆ The day before you move, put your plants in cardboard containers. Make sure that they are held in place by dampened newspaper or packing paper. Use paper to cushion the leaves and place a final layer of wet paper on top to keep them moist. Water the plants normally in summer, a little less in winter.
- ◆ On the day of your move, set the boxes aside and mark "DO NOT LOAD" so they won't be taken on the moving van.
- ◆ On the day you leave, close boxes, punch air holes in the top, and load them in your car.
- ◆ When on the road, be careful where you park your car. Look for a shaded area in the summer and a sunny spot in the winter.
- ◆ Unpack the plants as soon as you can after arriving. Remove plants through the bottom of the box in order to avoid breaking their stems. Do not expose the plants to much sunlight at first. Let them get accustomed to more light gradually.
- ◆ If you must leave your plants behind, take cuttings. Put them in plastic bags with wet paper towels around them.



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Service Providers to Accommodate Your Needs



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Service Providers to Accommodate Your Needs

AIR CONDITIONING/HEATING

AAA Furnace & Air Conditioning
408 293-4717

Valley Heating & Cooling
408-294-6290

CHIMNEY INSPECTORS

Jones Masonry, Greg Jones
408 377-7512

JK Masonry, Jim Kelly
408 287-2398

CONCIERGE SERVICE

Karin Doll-Nichols*
**Can suggest many more providers
for landscape, home improvement etc.*
www.A-Y-Service.com
650 302-1927

HOME FURNISHINGS

Lawrence Contract Furniture
www.lawrencecontract.com/
408 374-7590

HOME INSPECTORS

Tri Star Home Inspections
Duane Serrano
408 266-2706

Compass Home Inspections, LLC
Brett Reeder
408 980-7177

MORTGAGE LENDERS

Debi Merchain, Diversified Capital
408 335-1448

Sylvia Nanez, The Loan Source
408 357-5718

Todd Flesner, Stern Mortgage
(650) 322-7277

Rich Iacovetta
RMI Lending
408 249-1919

PEST CONTROL

Thrasher Termite & Pest Control
(408) 354-9944

Tyler Termite
408 927-6300

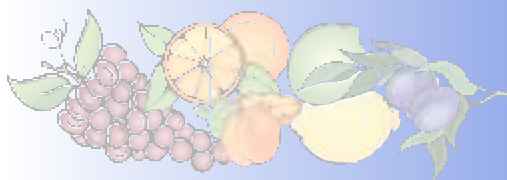
Fraboni Termite Control
408 287-8111

ROOFER/ROOF REPAIR

Hardy Roofing (Inspections, Repair)
Steve Hardy
408 408 348-4746

Old Country Roofing
408 782-8300

**PLEASE NOTE THIS IS NOT AN
EXHAUSTIVE LIST! Contact Mary for more!**



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Glossary of Terms



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GLOSSARY OF TERMS, continued

Abstract of Title

The summary of the public records relating to the ownership of a particular piece of land. It represents a short legal history of an individual piece of property from the time of the first recorded transfer to present.

Acceptance

Consent to an offer to enter into contract.

Adjustable Rate Mortgage (ARM)

A mortgage in which interest and payment rates vary periodically, based on a specific index, such as 30-year Treasury Bills or the Cost-of-Funds index.

Adjustments

Money credited or debited to either/both buyer and seller at closing, including real estate taxes, association fees, garbage fees, rents, etc.

Agency

A mutual-consent, legal relationship in which a seller or buyer engages a broker-agent in the sale or purchase of property.

Agent/REALTOR®

A licensed person who represents the seller (and/or buyer) and who provides market assessment, offers sales or buying strategy, recommends various services and sources important to the seller or buyer, is a member of the National Association of REALTORS (NAR), and subscribes to NAR's strict Code of Ethics.

Amortization

A method by which monthly mortgage payments are equalized over the life of a loan, despite the fact that the proportion of principal to interest changes.

Annual Percentage Rate (APR)

The total finance charge (interest, loan fees, points) expressed as a percentage of the mortgage amount.

Appraisal

A professional and unbiased written opinion of a property's value that is based on recent, comparable sales; quality of construction and current condition; and style of architecture.

Appreciation

Increase in value to any cause.

Asking Price

The price at which a property has been placed on the market for sale.

Assessed Value

The established value of a property for tax-assessment purposes, which may or may not reflect market value.

Assumption of Mortgage

The taking of title to property by a grantee, wherein he or she assumes liability for payment of an existing note secured by a mortgage or deed of trust against the property, becoming a co-guarantor for the payment of a mortgage or deed for trust note.



Your Dream Home... BOUGHT!



GLOSSARY OF TERMS, continued

Balloon Mortgage

A short-term mortgage, generally at a fixed rate of interest, to be paid back in predetermined, equal monthly payments with a large final payment for the balance of the loan to be paid at the end of the term.

Broker

A person licensed to represent home buyers or sellers for a contracted fee. Brokers manage real estate offices and employ licensed agents to sell properties.

Bridge Loan

A short-term mortgage made until a longer-term loan can be made; it's sometimes used when a person needs money to build or purchase a home before the present one has been sold.

Building Codes

State and local laws that regulate the construction of new property and the rehabilitation of existing property.

Cap

A limit on the total amount an interest rate can be increased in a specified time and over the lifetime of an adjustable-rate mortgage.

Capital Gains

The taxable profit derived from the sale of a capital asset. A gain is the difference between the sale price and the basis of the property, after making appropriate adjustments for closing costs, fix-up expenses, capital improvements, allowable depreciation, etc.

Closing

The final settlement at which time the title is transferred from seller to buyer, accounts are settled, new mortgages are signed, and all fees and expenses are dispersed or satisfied.

Closing Costs

All fees, taxes, charges, commissions, surveys, lender fees, inspection fees, and other costs paid by the buyer and/or seller at the closing.

Commission

A previously agreed upon percentage of the home's sale price paid to the listing and selling agent(s).

Comparables

Similar properties in type, size, price, and amenities that have sold recently, been adjusted, and are used for comparison in the appraisal report.

Condominium (Condo)

Real estate ownership in which a property owner has title to a specific unit but shared interest in common areas.

Contingency

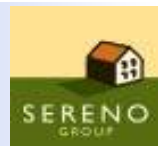
A condition that must be satisfied before a contract is binding.

Contract

An agreement to do or not to do a certain thing.



Your Dream Home... BOUGHT!



GLOSSARY OF TERMS, continued

Contract for Deed

A contract ordinarily used in connection with the sale of a property in cases where the seller does not wish to convey title until all or a certain part of the purchase price is paid by the buyer.

Contract of Title

A summary or digest of the conveyances, transfers, and any other facts relied on as evidence of title together with any other elements or records that may affect the marketability of the title.

Conventional Mortgage

Most popular home financing form not insured by Federal Housing Administration (FHA) or guaranteed by Veteran's Affairs (VA). Available from many lenders at varying rates, terms, and conditions.

Conversion Clause

Clause in an ARM permitting conversion from an adjustable loan to a fixed-rate loan.

Counteroffer

An offer made by a buyer or seller to the other party, responding to the asking price or a subsequent adjustment to that price to complete a purchase of sale.

CRV

Certificate of Reasonable Value. A document of appraisal issued by VA establishing their opinion of the maximum value.

Curb Appeal

A term used by REALTORS® that encompasses all that a buyer sees from the street that may induce the buyer to look more closely at the property.

Deed

A legal "instrument" that conveys the title to a property from seller to buyer.

Disclosure Laws

State and federal regulations that require sellers to disclose such conditions as whether a house is located in a flood plain or if there are any known defects that would affect the value of the property.

Discount Points

Additional charges made by a lender at the time a loan is made. Points are measured as a percent of the loan, with each point equal to one percent. These additional interest charges are paid at the time a loan is closed to increase the rate of return to the lender so as to approximate the market level.

Down Payment

The buyer and lender determine the down payment requirements during the pre-qualification process. The down payment is usually expressed as a percentage of the purchase price: e.g., 0%, 5%, 10%, 20%, 25%, 30%.

Earnest Money (Escrow Deposit)

Money paid by the buyer at the time an official offer to purchase is submitted to the seller, intended to demonstrate the good faith of the buyer to complete the purchase. Earnest money is applied against the purchase price when the sale is finalized. Under certain conditions, the earnest money may be forfeited if the buyer fails to complete the purchase under the terms of the sales contract.



Your Dream Home... BOUGHT!



GLOSSARY OF TERMS, continued

Easement

A right to use the land of another.

Encroachment

A condition that limits the interest in a title to property such as a mortgage, deed restrictions, easements, unpaid taxes, etc.

Equity

The difference between the sale price of a property and the mortgage balance owed on the property.

Equity Mortgage

A mortgage based on the borrower's equity in their home rather than on their credit worthiness.

Escrow Account

A third-party account used to retain funds, including the property owner's real estate taxes, the buyer's earnest money, or hazard insurance premiums.

Exchange

The trading of equity in a piece of property for equity in another property.

Fair Market Account

The highest price an informed buyer will pay, assuming there is no unusual pressure to complete the purchase.

Fannie Mae

The Federal National Mortgage Association (FNMA) is a privately owned corporation created by congress to buy mortgage notes from local lenders and provide guidelines for most lenders to use to qualify borrowers.

Fee Appraisal

The act or process of estimating values of real estate or any interest therein for a fee.

FHA-Insured Mortgage

A loan made by a local lending institution and insured by the Federal Housing Administration, whereas the buyer pays the premium.

Firm Commitment

A lender's agreement to make a loan to a specific borrower on a specific property. An FHA or Private Mortgage Insurance (PMI) agreement to insure a loan on a specific property, with a designed purchaser.

Fixed-Rate Mortgage

A mortgage with a set interest rate for the entire term of the mortgage.

FMHA Loan

A loan insured by the Federal Home Loan Mortgage Corporation (FHLMC), a federally controlled and operated corporation to support the secondary-mortgage market.

Foreclosure

A legal procedure whereby mortgaged property is seized and sold as payment for a debt in the event of default.



Your Dream Home... BOUGHT!



GLOSSARY OF TERMS, continued

Freddie Mac

The nickname for Federal Home Loan Mortgage Corporation (FHLMC), Freddie Mac is a federally controlled and operated corporation to support the secondary-mortgage market. It purchases and sells residential conventional home mortgages.

Graduated-Payment Mortgage

This mortgage offers low initial monthly payments that increase at a predetermined rate and then cap at a final level for the duration of the mortgage.

Home Inspection

A formal survey of a home's structure, mechanical systems, and overall condition, generally performed by an inspector or contractor.

Home Warranty

A policy available to the buyer or seller as insurance against unanticipated home-repair costs.

Homeowner's Policy

A hazard insurance policy covering, at the very least, the appraised value of a house and property.

Inspection Contingency

A written stipulation contained in an "offer to buy" that makes the sales contract predicated upon the findings of a professional home inspector.

Installment Debts

Long-term debts that usually extend for more than one month.

Interest

The predetermined charge or fee paid to a lender by the borrower for the use of monies loaned.

Investor

The holder of a mortgage or the permanent lender. Any person or institution that invests in mortgages.

Joint Tenancy

Joint ownership by two or more persons with right of survivorship; all joint tenants own equal interests and have equal rights in the property.

Land Contract

A contract ordinarily used in connection with the sale of property in cases where the seller does not wish to convey title until all or a certain part of the purchase price is paid by the buyer.

Lease Purchase Agreement

The buyer makes a deposit for the future purchase of property with the right to lease the property in the interim.

Lien

A legal claim against a property that must be paid when the property is sold.

Listing

A contract through which a seller agrees to terms and fees with an agent who will sell the property to a buyer.



Your Dream Home... BOUGHT!



GLOSSARY OF TERMS, continued

Loan Commitment

A written promise by a lender to make a loan under certain terms and conditions. These include interest rate, length of loan, lender fees, annual percentage rate, mortgage and hazard insurance, and other special requirements.

Loan-to-Value Ratio

The relationship between the amount of a home mortgage and the total value of the property.

Lock-In Rate

A commitment made by lenders on a mortgage loan to “lock in” an interest rate pending mortgage approval. Lock-in periods vary.

Market Price

The actual price at which a property is sold.

Market Value

The price that is established for a property by existing economic conditions, property location, size, etc.

Marketable Title

Merchantable title, free and clear of objectionable liens or encumbrances.

Mold

Mold is a superficial and often woolly growth produced on damp or decaying organic matter or on living organisms. See www.epa.gov/iag/molds/moldguide.html for a guide that provides information and guidance for homeowners and renters on how to clean up residential mold problems.

Mortgage

A legal claim received by the lender on a property as security for the loan made to a buyer.

Mortgagee

The lender of money or the receiver of the mortgage document.

Mortgage Broker

An independent, third-party, licensed broker who arranges loan transactions between lenders and borrowers by facilitating the application and approval process.

Mortgage Insurance Premium (MIP)

The consideration paid by a mortgagor for mortgage insurance either to the FHA or a PMI company. On an FHA loan, the payment is one half of one percent annually on the declined balance of the mortgage. It is a part of the regular monthly payment and is used by the FHA to meet operating expenses and provide loss reserves.

Mortgagor

The borrower of money or the giver of the mortgage document.



Your Dream Home... BOUGHT!



GLOSSARY OF TERMS, continued

Multiple Listing Service (MLS)

A system through which participating brokers agree to share commissions on a predetermined percentage split on the sale of properties listed on the system.

Origination Fee

This fee is a supplemental fee paid by buyers to lenders, usually stated as a percentage or as points.

Personal Property

Any property which is not real property: e.g., money, savings accounts, appliances, cars, boats, etc.

PITI

Common real estate acronym meaning Principal, Interest, Taxes, Insurance.

Point

A single percent of the loan principal, often charged by the lender in addition to various fees and interest.

Prepayment

When a borrower pays off an entire mortgage before the scheduled payoff date.

Prepayment Penalty

A fee included in the mortgage agreement that is required of the borrower in the event the loan is paid off before the due date. Look for a clause that says, "There shall be no prepayment penalty."

Prequalification

An informal estimate of the "financing potential" of a prospective borrower.

Principal

The amount of money borrowed against which interest and possibly fees will be charged. OR: One of the parties to a contract.

Private Mortgage Insurance (PMI)

Insurance issued to a lender by a private company to protect the lender against loss on a defaulted mortgage loan. Its use is usually limited to loans with high loan-to-value ratios. The borrower pays the premiums.

Promissory Note

A written contract that contains a promise to pay a definite amount of money at a specific time in the future.

Pro-ration

Proportionate division of expenses based on days or time occupied or used by the seller and/or buyer.

Purchase Agreement

A written, legally binding contractual agreement between a buyer and a seller for the purchase of real estate.

Qualification

Ability of a borrower to satisfy a lender's mortgage-approval requirements.



Your Dream Home... BOUGHT!



GLOSSARY OF TERMS, continued

Radon

A colorless, odorless gas formed by the breakdown of uranium in sub-soils. It can enter a house through cracks in the foundation or in water and is considered to be a hazard. Your REALTOR® can supply a radon brochure.

Real Property

Any land and whatever by nature or artificial annexation is a part of it.

Referral

The recommendation by one agent of a potential buyer and/or seller to another agent either locally or long-distance.

Refinancing

The process of applying for a new mortgage to gain better terms or use of equity.

Relocation Specialists

A firm or person specializing in advising buyers or sellers on relocating to different and/or new communities. There are designations for REALTORS that indicate additional educational training. Look for the Certified Relocation Professional (CRP) designation.

RESPA Statement

The Real Estate Settlement Procedures Act requires a precise listing of all closing costs for both sellers and buyers.

Return on Investment (ROI)

The profit gained as the result of money spent on an improvement or addition to a home or property.

Settlement Disclosure Statement

A statement or list providing a complete breakdown of costs involved in finalizing a real estate transaction prepared by the lender's agent prior to closing and reviewed at closing by the buyer and seller.

Survey

The process by which a parcel of land is measured and its area ascertained. Title companies study the survey to check for encroachments.

Title

A legal document that defines the property, right of ownership, and possession.

Title Defect

An outstanding claim or encumbrance on property that affects marketability.

Title Insurance

An insurance policy that protects the buyer against errors, omissions, or any defects in the title.

Title Search

A highly detailed search of the document history of a property title for the purpose of identifying any and all legal encumbrances to the property prior to title transfer to a new owner.



Your Dream Home... BOUGHT!



GLOSSARY OF TERMS, continued

VA Mortgage

The Department of Veterans Affairs has made guaranteed mortgages available through banks and other lending institutions to active military personnel, veterans, or spouses of veterans who died of service-related injuries.

Variance

A special suspension of zoning laws to allow the use of property in a manner not in accord with existing laws.

Walk-Through Inspection

The final inspection by the buyers, usually in the company of the buyers' real estate sales agent, to ensure that all conditions noted in the offer to purchase and all seller-related contingencies have been met. This inspection is most often completed immediately prior to the closing and after the seller has vacated the premises.

Zoning

Virtually all local communities have established specific restrictions for land use, new construction, and remodeling activity. These are available to you through a local regulatory department such as the Building Inspector's Department or office or the Planning and Zoning Board.

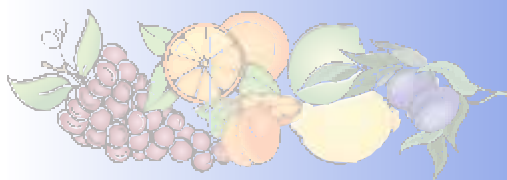
Anytime you have a real estate question, remember...

Always Call

Mary Pope-Handy

408 204-7673

We are here to help!



Mary Pope-Handy
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Purchase Contracts

and Other Important Documents