

The Buyer's Guide for Success

The Complete guide to the Home Buying Process



Presented by



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800-306-2720

Keller Williams Realty of Brevard

www.WeKnowBrevard.com

Dear Prospective Home Buyer,

Congratulations! The decision to buy your own home is an exciting one. The experience should be enjoyable as well as one that gets you the perfect home with the least amount of hassle.

The purpose of *The Buyer's Guide for Success* booklet is to introduce you to the process of buying a home in general and more precisely the unique processes used by the Kuhns Real Estate Group.

We feel it is important for you to understand the process of buying a property as well as how we go about coaching you and facilitating the sale and closing the transaction.

This is a very competitive market so one of the important elements every buyer needs to pay attention to is how the Buying Agent approaches the offer and contract to purchase your new home. We view this as a team effort where you are the player and we are your coach.

To better serve you we take a consultative approach. An important task in the process is coaching you, the Buyer, through the decision making process so you can easily understand how your "needs and wants" affect the purchase process. In the end the goal is to purchase the property that best fits your needs and gives you as many features as you want at the price you are willing to pay.

Please keep *The Buyers Guide for Success, the Complete Guide to the Home Buying Process* handy for all house hunting related activities: meetings, house hunting trips, etc. Use it to take notes and to keep track of deadlines. You can even staple cards to relevant pages to keep related materials together.

Buying a house is an exciting and fun process, we look forward to working with you.

The Kuhns Real Estate Group

Brad Kuhns, Mike McGirr, Pam Jones and Chantal Conklin,

Kuhns Real Estate Group Mission Statement

The Kuhns Real Estate Group is a team of diverse professionals with a single minded commitment to the provision of Extraordinary Customer Service, every time. Our mission is to provide current relevant information and counsel to help you achieve your real estate goals.



Buying a property with The Kuhns Real Estate Group and **KELLER WILLIAMS®** means receiving the following benefits:

1. *Experience... Integrity... Skill... Effectiveness...*
2. *Advanced Techniques and Support...*
3. *Intimate Knowledge of the Marketplace...*
4. *Financial Counsel and Assistance.*
5. *Web Based Transaction Coordination*



Why Do You Need a Realtor?



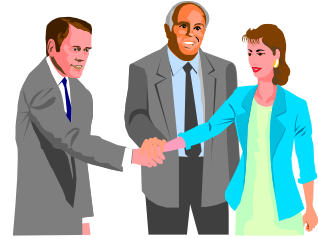
A Realtor brings a wealth of knowledge and experience to the business of buying a home. In fact, a licensed real estate professional provides much more than the service of helping you find the home of your dreams. Realtors are not just sales agents. They are expert negotiators, seasoned financial advisors, and superb navigators around the local neighborhood. They are members of the National Association of Realtors (NAR) and must abide by a Code of Ethics and Standards of Practice enforced by the NAR. A professional Realtor is your best resource when approaching to buy a home.

Let Us Be Your Guide —

- **Working with us can save you endless amounts of time, money and frustration.**
- **We know the housing market inside and out and can help you avoid many a “wild goose chase.”**
- **We can help you with *any* house even if it is listed elsewhere, or is being sold by the owner directly.**
- **We know the best lenders in the area; we can help you get pre-qualified for a mortgage; and discuss down payments, closing costs, and monthly payment options.**
- **We are an excellent source for general information about the community, specific information about schools, churches, shopping, transportation, plus tips on house inspections and pricing.**
- **We are experienced at presenting your offer to the homeowner and can help you through the process of negotiating the best deal. We bring objectivity to the buying transaction, and can point out advantages and disadvantages of a particular property.**

And the BEST thing is that all this help normally won't cost you a cent. Generally, the seller pays the commission to Realtors®. However, that doesn't affect our dedication or the spirit of teamwork that we will put into helping you find and buy the home of your dreams.

Five Items We Negotiate



1. Price
2. Terms
3. Inclusions
4. Possession
5. Contingencies

We'll work through all of these together!

That's Our Commitment to You!

Step by Step...

The Buying Process

Find a Realtor you can trust...	<p>The First Step...</p> <p>In the home buying process is to find an experienced Realtor that you can trust and sign a Buyer's Agent Agreement. This guarantees, by the laws of the state, that your needs are met professionally and represented throughout the entire process of buying your home.</p>
Get Pre-Qualified for a Mortgage	<p>The Next Step...</p> <p>Ask your Realtor® to help you find the best mortgage lender for you. Some lenders have a wider range of products and services than others, this is an important step. Once the financing is in place you will gain a real peace of mind.</p>
Looking for a home...	<p>The Hunt Begins:</p> <p>Is to look at various homes. We are available at anytime to help you find your dream HOME.</p>
Your Offer	<p>Be Careful – This is a BIG Step...</p> <p>When you find your dream home, you should present a competitive offer immediately. We have extensive experience in contract negotiations. We will ensure you get just what you want for a fair price – a transaction in your best interest.</p>
The Contract	<p>We're Starting to Jog Now ...</p> <p>When the seller accepts your offer, you "go under contract." You want to make sure every detail is handled accurately and immediately. We will ensure your home closes properly and on time.</p>
Inspections	<p>You're on the "HOME" Stretch!</p> <p>Final details are handled and inspections are performed to ensure the property is "perfect" for you. Contract details are further negotiated, and we head to closing!</p>
Now it is YOURS!	<p>The Next Step Will Be Into Your New Home...</p> <p>Be prepared to bring your checkbook to the closing procedure – the next steps you will take will be over the threshold of your new home!</p>

Using a Realtor® to Purchase a New Home

Why should I use an Agent to purchase a new home?

The advantages of having an agent help you purchase a new home are the same as those for purchasing a resale home...knowledge of the market, help in finding the perfect home quickly, expertise in contract writing/negotiation, and closing assistance. The builder has a professional representative watching out for his needs, and you need the same expert representation.

We can professionally guide you through the process of buying a new home. We have experience working with builders and have access to a database of information about subdivisions, floor plans and community amenities. We are also familiar with new home warranties and builders purchase contracts.

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

Is there any advantage to not using an Agent to purchase a new home?

No. There is no financial advantage for you to buy directly from the builder. Builders have a “single-price” policy, meaning 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.

REMEMBER – the Builder requires that your Agent accompany you on your first visit to the Builder’s sales office, or they will NOT PAY your representative’s fee!

Advantages of a Buyer’s Agency Agreement

This article originally appeared in the Denver Post

“Should You Use a Realtor When Buying a New Home? YES!”

Think of planning a trip to Europe without the help of a travel agent...or how about buying insurance without an insurance agent? Then imagine being involved in a major league business dispute, and you’re representing yourself in front of the judge and jury. If you depend on people in the service industry for travel needs, filing a claim for hail damage to your roof, or handling legal matters, then why would you want to represent yourself in the most expensive and probably most important purchase of your lifetime...your new home?

It is a common conception that buying a new home directly from the builder, without the assistance of a Realtor, will save you money. Not so! The price of a new home is the same whether you have a Realtor or not. Since this is the case, common sense would tell you to utilize a professional to help you with contract negotiations, researching loans, or helping you to decide which lot is best suited for you!

Phyllis Sinclair, a broker associate, has been on both sides of the fence. For 10 years she represented builders as an on-site salesperson. During the past three years she has represented both buyers and sellers in resale and the purchase of new homes. Sinclair sums up new homes sales as, “A one price policy...buyers receive all of the services and don’t pay them any extra, but they also don’t receive any discounts. I always felt concern for buyers who weren’t associated with a Realtor, as they didn’t have the support system they deserve in such a major lifetime transaction.”

In our current, fast-paced real estate market, there are many new home communities to choose from. You need to ask yourself some pertinent questions when looking for a new home. Is this a good builder? Does he have a solid reputation, years in business, etc.? How does the quality of his product compare to that of other builders? What are the existing inventories of the various builders? How do builder models meet your needs (floor plans, square footage, and location)? If I sell in a few years, what upgrades should WE include to be competitive?

When you find the answers to these questions, ask yourself if the time spent in researching these answers was time well spent – put a dollar value on your time. Real estate professionals can be a valuable asset in collecting information in areas which may affect your decision on the purchase of a new home.

If builders rely on real estate professionals to sell their homes, then why wouldn’t you, the buyer, take the same precautions in assuring yourself the best service and expertise in making this important decision?

YOUR INTERESTS ARE PROFESSIONALLY REPRESENTED —

Enlisting the services of a professional Buyer's Agent is similar to using an accountant to help you with your taxes, a doctor to help you with your health care, or a mechanic to help you with your car. You already have a full-time career to which you are committed. This is why you allow other professionals to help you in their specific areas of expertise.

Members of the Kuhns Real Estate Group have devoted our time to perfecting a career in real estate service. Continuous education, market research, market experience, processes and systems are combined to form an excellent team of real estate professionals. We will take care of all the many details of the real estate transaction for you. We let you concentrate on your full-time job, while we do ours. We will guide you through the home buying process and exclusively represent your interests as we help you find a home, present your contract offer, negotiate, and close!

YOU WILL GET A GREAT HOME QUICKLY AND CONVENIENTLY —

The advantage to entering into a Buyer's Agency Agreement with us is that you will have a professional working to find and secure the best home for you. We use our market experience, processes and systems to get you in your new home in the shortest time possible. We have computer networks to make sure you only tour homes that meet your specific needs. You won't waste your time driving around looking for homes for sale or trying to search computer networks yourself. When you tour homes with your professional Buyer's Agent, you will already know that the homes meet your criteria for bedrooms, bathrooms, garage space, square footage, and neighborhood. Most importantly it will be within our budget.

YOU GET A PERSONAL SPECIALIST WHO KNOWS YOUR NEEDS —

Just as your accountant, doctor, and mechanic know your needs through their relationship, your Buyer's Agent gets to know your real estate needs and concerns. Our relationship is built through open communication at all times and by touring homes with you so we get your feedback and concerns about each home. If you try to jump from agent to agent, you will not receive the best real estate services possible, and you will be violating your agreement to your agent. There is nothing to gain from trying to find and tour homes on your own, and you will save a lot of time when your agent can tell you everything about any home before you see it.

WHAT IS THE BUYER'S AGENCY AGREEMENT —

Entering into a Buyer's Agency Agreement has countless advantages and no disadvantages. When you sign the agreement, you are simply agreeing to "hire" a personal representative who, by law, must represent your best interests to the best of his/her ability. All of this personal service is available at absolutely NO COST TO YOU! The Seller's Agent is responsible for paying your Buyer's Agent fee. With the Kuhns Real Estate Group, you get a professional devoted to protecting your needs to help you make one of the most important investment decisions of your life — and you don't even have to pay the fee!

The Kuhns Real Estate Group
Exclusive Buyer Broker Agreement

This agreement made and entered into by and between:

Buyer's Name Here (*Principal/Purchaser/Buyer/lessee*) and
Michael McGirr, P.A. (*Broker Associate, Keller Williams Realty of Brevard*).

1. Broker's Role: The broker will meet with Buyer(s) to discuss property requirements, financing alternatives, possession time schedules, financial capabilities and acquisition and negotiation strategies. The broker will assist in obtaining available information of material nature relative to desired properties. The broker will identify and locate properties suitable to purchase and monitor the closing and deadlines. Buyer(s) understands that other potential buyers may consider, make offers, or purchase through broker, the same or similar properties the Buyer(s) is seeking to acquire.

2. Buyer's Role: The Buyer(s) agrees to work exclusively with broker during the term of this agreement. The Buyer(s) agrees to make appointments to view properties exclusively with broker and not any other broker, salesperson, owner, builder, etc. Buyer(s) will refer to broker all inquires in any form from any source regarding any potential properties for sale or lease. Buyer(s) will provide reliable information including financial information necessary for the performance of this agreement. Buyer(s) will make himself/herself available to meet with broker to view properties, in order that the broker will be able to perform, the covenants of this agreement. Buyer(s) will provide to broker general information regarding location, price range, amenities, and any other information needed to help identify desired properties.

3. Term of Agreement: The Buyer(s) engages and grants the broker the exclusive right and authority to negotiate for the purchase, lease or other acquisition of real property identified during the term of this agreement, which shall begin on Date, 2007 and shall continue until midnight on Date, 2007.

4. Compensation to Broker: Buyer(s) authorizes broker to negotiate and receive compensation from the listing broker and/or owner of the property. In the event that, during a **90** day period following the termination agreement, Buyer(s) purchases or leases any property identified to Buyer(s) during the term of this agreement, then Buyer(s) will pay broker a professional fee. Buyer(s) shall pay broker in whole and/or in part, a commission of **3%** of the purchase price of each property purchased by Buyer(s).

Buyer A	Buyer B	<i>Date</i>
The Kuhns Real Estate Group		<i>Date</i>

How Much Home Can You Afford?



When you are ready to begin looking at various houses to find your dream home, you need to prepare all of the necessary materials to present to the lender. Your lender will tell you exactly what you can afford so that you do not spend time looking at “too much” home. There are three key factors that you will need to consider when determining how much home you can afford. These are: 1.) the down payment, 2.) your ability to qualify for a mortgage, and 3.) the closing costs associated with your transaction.

Down Payment Requirements:

Most loans today require a down payment of between 3.5% and 5.0% depending on the type and terms of the loan. If you are able to come up with 20-25% down payment, you may be eligible to take advantage of special fast-track programs and possibly eliminate mortgage insurance.

Closing Costs:

Don't forget to think ahead carefully. In addition to the down payment on your dream home, you will be required to pay fees for loan processing and other closing costs. These fees must be paid in full in cash at the time of the final settlement, unless you are able to include these in your financing. Typically, total closing costs will range between 2-5% of your mortgage loan. A more detailed schedule is included herein in the section detailing your closing.

Qualifying for the Mortgage:

Most lenders require that your monthly payment range between 25-28% of your gross monthly income. Your mortgage payment to the lender includes four items...the PITI. These items are discussed in detail on the page entitled, “Predicting Your Monthly Payment (The PITI).” Remember, when you buy a home all interest is tax deductible, so you will qualify for a major tax advantage that will effectively increase your take-home pay. Your total monthly PITI and all debts (from installments to revolving charge accounts) should range between 33-38% of your gross monthly income. This is a general rule of thumb, but other key factors specifically determine your ability for a home loan. These factors are:

INCOME: History of employment, stability of income, potential for future earning, education, vocational training and background, and any secondary income such as bonuses, commissions, child support, etc.

CREDIT REPORT: History of debt repayment, total outstanding debt and total available credit. If you have concerns about your credit report, consider contacting one of the major credit bureaus for a copy of your file: TRW (1-800-422-4879), Trans Union (1-602-933-1200), and CSC Credit (1-800-759-5979).

ASSETS: Cash on hand, other liquid assets such as savings, checking, CDs, stocks, etc.



PROPERTY: The home you are buying must be appraised to determine that it has adequate value and is marketable to ensure it will secure the loan.

As an added service to you The Kuhns Real Estate Group and Keller Williams Realty of Brevard have a relationship with the Bank of America that is proven to save you money. When you purchase a home through a member of the Kuhns Real Estate Group the Bank of America can even contribute money to cover some of the closing costs.

Finding the right mortgage involves a lot of choices. Choosing Bank of America for the resources you need is a great way to start. We're ready with more financial options, simpler processes and innovative mortgage tools that make a real difference.

You can rely on me for fast answers and expert advice on how to achieve your home ownership goals. I'm always available to help you compare lending options, lock in a competitive rate or even pre-qualify for a mortgage loan. As a preferred lender with the Kuhns Real Estate Group, part of Keller Williams Realty of Brevard, I will also be able to offer you some additional incentive for choosing Bank of America for your new home loan.

At Bank of America, we think finding the right mortgage should be easy. That's why so many families all across the nation put their trust in us every year. I'm looking forward to showing you all the reasons why they made the right choice.



Shelley Culp
Mortgage Loan Officer
321.323-1325 (office)

Shelley.W.Culp@bankofamerica.com

Contract Administration

The screenshot displays the SettlementRoom web application interface. At the top, there is a navigation bar with tabs for 'Proposed', 'Reports', 'Event Log', and 'Calendar'. Below this, a sub-navigation bar includes 'Summary', 'Contacts', 'Open Items', 'Documents', and 'Messages'. The main content area is titled 'Transaction Summary' and features a 'Transaction Details' section with the following information:

Address:	1435 Sample Road
City:	Anywhere
State/Province:	Indiana
Zip/Postal Code:	22046
Country:	United States
Property Type:	Attached
Status:	Listing
Listing Date:	03/10/2004
Contract Date:	04/12/2004
Inspection Date:	02/15/2003
Closing Date:	05/30/2004
Closing Time:	05:00 pm
Deposit:	\$10,000.00
Deposit Held By:	ABC Title
Listing Price:	\$250,000.00
Selling Price:	\$250,000.00
Loan 1 Amount:	\$200,000.00
Appraised Value:	\$255,000.00
County:	Montgomery
Tax ID:	R45-9098
Legal Description:	Lot 5, Block A
Case Number:	C-4511
Down Payment:	\$50,000.00
MLS Number:	Maple Leaf Model
Buyer 1:	Mike Buyer
Buyer 2:	Jane Buyer
Seller 1:	Sally Seller
Mortgage Broker:	Ben M Broker

To the right of the details is an 'Actions' section with links: 'Invite/Add a Contact', 'Post a Message', 'Upload a Document', 'Fax-In a Document', 'Email a Document', 'New Web Link', 'New Task', 'New Order', 'Feedback Request', 'Printable Schedule', 'Printable Case Sheet', and 'Edit Transaction Details'. Below this is a 'Documents' section with 'No Web Links' and a 'Web Links' section with 'No Web Links'. A left-hand navigation menu includes sections for 'TRANSACTIONS', 'INFORMATION', 'POLICIES', and 'OTHER PRODUCTS'.

What is SettlementRoom?

SettlementRoom is web-based software which will manage your real estate business from the time of listing until after the closing, saving you time and impressing your clients at every turn. SettlementRoom is easily implemented at any level, with packages affordable for agents and small teams, up to full service plans for large offices and multi-office organizations.

You access your SettlementRoom account using a normal web browser, so you can work on your transactions from anywhere in the world. Because your data is housed in a top tier national data center, it is safe and secure.

The basic SettlementRoom concept is to have our software automatically create for you a virtual website for each real estate transaction (listing, closing, loan, etc.) in which you are participating. Each website has your name on it and gives you and your invited guests secure point and click document management, messaging, ordering, calendars, contact management, task tracking and more. Your clients can log in at any time for up to date transaction and status information. You also automatically get management reports showing all of your current transactions and their status, with single click access into the details of any one of them. At the end of the transaction, you can get an archive of all of your documents, information, messages, and tasks for that property.

Now We CLOSE your Transaction!



What is a Real Estate “Closing?”

A “closing” is the meeting the Buyer, Seller, and their agents, and representative from the lending institution and Title Company wherein the actual transfer of title to the property occurs. The purchase agreement or contract you have signed describes the property, states the purchase price and terms, sets forth the method of payment, and usually names the date and place where the closing or actual transfer of the property title and keys will occur. This meeting is also referred to as the settlement.

The settlement is summarized on a standard form from the US Housing and Urban Development Department (HUD). The HUD 1 will be thoroughly reviewed by your Kuhns Group Team and explained to you in terms you will understand.

The title company transferring ownership of the property to you will prepare a new deed. Your lender will require you to sign a document, usually a promissory note, as evidence that you are personally responsible for repaying the loan. You will also sign a mortgage or deed of trust on the property as security to the lender for the loan. The mortgage or deed of trust gives the lender the right to sell the property if you fail to make the payments. Before you exchange these papers, the property may be surveyed, appraised, or inspected, and the ownership of title will be checked in county and court records.

There are two kinds of title insurance. A lender or mortgagee’s title insurance policy protects only the lending institution. Lenders require this type of insurance and require the borrower to pay for it. That does not mean that the borrower will receive its protection. An owner’s policy is necessary to protect the owner against loss.

What Should I do to Prepare for the Closing?

You will also be required to pay all fees and closing costs in the form of “guaranteed funds” such as a Cashier’s Check. You will be notified of the exact amount by your agent or escrow officer at closing.

What is an Escrow Account?

An escrow account is a neutral depository for funds that will be used to pay expenses incurred by the property, such as taxes, assessments, property insurance, or mortgage insurance premiums which fall due in the future. You will pay one-twelfth of the annual amount of these bills each month with your regular mortgage payment. When the bills fall due, they are paid by the lender from the special account. At closing, it may be necessary to pay enough into the account to cover these amounts for several months so that funds will be available to pay the bills as they fall due. You may also be required to refund items prepaid by the Seller. For example, if the Seller has paid the special

assessments or taxes for that year, you may be required to refund the value of the months remaining the year when you take possession of the property. An escrow fee is usually charged to set up the account.

We're Moving!

Now that you have a new address, send out all your change of address notices.

Complete your Change of Address notices and mail them to the following. Keep in mind that the post office will forward your mail for 30 days but they do expect that you are sending notices to everyone who sends you mail.

- Post Office
- Friends and relatives
- Magazine and mail order subscriptions
- Professional organizations of which you are a member
- Clubs, social or civic organizations with mailings
- Charge accounts, insurance carriers, and creditors
- Driver's bureau to receive tag notices
- Voter Registration officials



Don't forget the needs of your furry friends!

Do not transport your pets much farther than they have safely traveled in the past without consulting your veterinarian. To transport animals by air, you need an airline-approved animal carrier. A moving company can inform you of any state regulations for pet entry, vaccination or quarantine procedures. Ask about regulations, licenses, tags, etc. for pets. Also, do not forget to obtain a copy of your pet's medical records.

Keep detailed records – some moving expenses are tax deductible!

Keep detailed records of all moving expenses if your move is job related. Many expenses, including house-hunting trips, are tax deductible. If your move is 35 miles or more from your home, you can deduct your family's travel expenses, including meals and lodging; the cost of transporting furniture, other household goods and personal belongings; food and hotel bills for up to 30 days in the new city if you have to wait to move into your new home; and the costs associated with selling your old home or leasing your new home.

Note: There is a ceiling on deductions which is outlined in detail in the IRS's Publication 521, "Tax Information on Moving Expenses," available free from the IRS offices.

When you close on your new home, you should complete the following:

- ❑ Ask your bank about electronically transferring your funds to a bank in your new area. Discuss branch options and arrange for check cashing in your new location.
- ❑ Close out your safety deposit box.
- ❑ Obtain travelers checks for traveling funds and for funds while you are settling into your new location.
- ❑ Ask your insurance agent to transfer coverage to your new home. Make sure all coverage (life, health, automobile, personal belongings, etc.) is in force while you are en route.
- ❑ Schedule a moving company to assist you or begin notifying people who are helping you of your planned move date.
- ❑ Begin depleting your store of canned and frozen foods. Defrost your freezer and use charcoal to dispel odors.

Brevard 411

Now that you have a new address, you can begin transferring or canceling home services:

ELECTRICITY

[Florida Power and Light Co.](#) 321-723-7795

GAS SERVICE

[Florida City Gas](#) 800-993-7546

4190 S. U.S. 1, Rockledge 321-636-4757

[Amerigas](#) 321-631-5070

TELEPHONE

AT&T 888-757-6500

WATER SERVICES

[\(Cocoa Water Services\)](#) 321-639-7500

[Melbourne, Eau Gallie, & Beaches](#)

[900 E. Strawbridge, Melbourne](#) 321-953-6390

CABLE TELEVISION

[Bright House](#) 866-309-EASY

Wireless Broadcasting Systems of Brevard 321-254-3300

VOTER REGISTRATION

[Brevard Co. Service Complex](#)

Merritt Island 321-455-1400

Viera 321-633-2124

AUTO TAG/DRIVERS LICENSE AGENCIES

1450 N. Courtenay Pkwy, M.I. 321-455-1412

1840 N S. US 1, Rockledge 321-633-1897

1515 Sarno Rd., Melbourne 321-255-4410

240 E. Eau Gallie Blvd., IHB 321-779-4009

BREVARD COUNTY TAX APPRAISER

Merritt Island 321-455-1444

Melbourne	321-255-4440
Viera	321-690-6880
Titusville	321-264-6700

www.BrevardPropertyAppraiser.com

SCHOOLS

[Brevard County School District](#)

Customer Service	321-633-1000 ext500
Administration Office	321-631-1911
School Transportation Office	321-633-3690

NEWSPAPER

<u>Florida Today Newspaper</u>	321-259-5000
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ACE HARDWARE

Cocoa Beach	321-783-1030
Titusville	321-267-1030
Merritt Island	321-452-3484
Suntree	321-254-2346