

Buyer Information Package



Service Provided by Cliff Hildreth

Broker Associate

Dilbeck Real Estate

www.cliffhildreth.com • cliff@cliffhildreth.com • (888) 835-HOME (4663)



Cliff Hildreth, Broker Associate
Dilbeck Real Estate
www.cliffhildreth.com • (661) 904-1194

7 Reasons to Buy a Home

1. Pride of ownership is a key reason for wanting your own home. Decorate it to your own taste and enjoy all of the benefits while making a great investment.
2. Real estate over time has been considered a good investment because most of it has appreciated. The effects of leverage can multiply the increase when borrowed funds are used to purchase the home.

Many times, the largest investment a person owns is their home. Homes have been a good hedge against inflation. Homeowners build equity and can borrow against that equity for a variety of reasons that could include college, medical, or to start a business.

3. Qualified mortgage interest and home equity loans are deductible for Income Tax purposes.
4. Property taxes on a first or second home are deductible on for Income Tax purposes.
5. A homeowner can exclude up to \$500,000 of capital gain if married, filing jointly or up to \$250,000 if single or filing separately for homes that have been the taxpayer's principal residence for the previous two years. There is no age requirement for taking the capital gains exclusion like the "over 55" rule in the past.

It is not necessary to purchase a replacement home more expensive than the one sold. Homeowners can buy a more or less expensive home with no tax consequences assuming their gain is less than the allowable amounts.

6. Preferential tax treatment on gains that have been made from capital assets held more than one year are permitted by IRS. This is especially important for homeowners with gains in excess of the allowable exclusion.
7. Mortgage payments include the interest for the time that the money has been used and principal to retire the debt over a period of time. Each month part of the payment is for principal accumulation.

Reasons to Buy a Home From Me

MLS Member

As a member of the Multiple Listing Service, I can show you any property in almost all of Southern California. Even if you should see an ad in the paper or a sign in a yard, call me to find out the information. If you want to see it, I'll show it to you. I also have access to other agents with advanced notice of homes not yet listed. I don't only provide the available properties but I can also give you important information about the area such as schools, crime, demographics and amenities.

Santa Clarita Valley Advisory Group Member



The SCV Advisory Group is a professional organization of Real Estate agents and Affiliate Members, who are dedicated to providing The Highest Standard of Competence and Service. Our main purpose is to network, bringing buyers and sellers together. The SCV Advisory Group prides itself in having individuals from the top real estate brokerages working together for our clients. We have our own personalized Marketing Department that goes to work for you. Our Network has grown to be the most significant marketing concept in Real Estate. It gives today's buyers and sellers the greatest advantage for their Real Estate needs.

How The Advisory Group Benefits Buyers

Buyers learn about our new listings first before the “For Sale” sign pops up. Our members communicate on a daily basis with each other learning each other’s inventory. Advisory Group agents will prospect on your behalf in any neighborhood that you are interested in to find just the right home for you.

Through networking, we are kept up-to-date on issues affecting the community. We network with premier affiliates who keep us up-to-date on issues that affect the industry.

Having Members from 24 different Brokerages assist us in keeping our ears to the ground of any new potential listing that may meet the right criteria for your new home.

Builder’s Homes

Most builders are more than willing to work with agents who accompany the buyer to the property on the initial visit and can get all the information you need to make any decisions. **Also, the builders are representing themselves!** Their first priority is NOT you. **You should never deal directly with a builder without your own representative!** You need someone in your corner to insure that you are getting the best terms available. By working through me with builders, you get all the services offered by me in addition to those offered by the builder. You'll get more, but you won't pay more for it.

Vendor Referrals

If you need anything such as a mortgage broker, home warrantee company, home inspector or termite company, I can provide you with a list of reputable vendors I have used in the past.

Peace Of Mind

You will have a professional in your corner working only for you. **My only goal is to help you find the best home for the best price in the right area and make your home buying experience as stress-free as possible.**

You Pay Nothing

The best part is that it is free! As a buyer, you pay nothing for my services. The home seller pays all commissions and costs of selling the home. You only pay your own down payment, loan and tax costs. Everything I have listed above is free to you.

Search Criteria

How many bedrooms? _____

How many baths? _____

Minimum square footage? _____

What is your maximum price? _____

What city or cities would you like to live in? _____

What style home do you like? _____

When do you want to move in? _____

What is most important to you in a home? _____

Are schools important? Yes ☐ No ☐ If yes, which ones and why: _____

Where do you work? _____

When is the best time to look? _____

If we found the right home for you today, is there be any reason that could keep you from buying it? _____

Does anyone else have to approve of your purchase? _____

Automatic Search: Please fill in the information that is important and send the form back to me. I have a great new search system that will send you the homes that match your search criteria each morning in an email. The advantage of the new system is that you no longer have to take time to go online. It will send the properties to you. That way you receive only the properties that match your search. It will even resend properties you have seen before if there is a price reduction or other change. That way you don't waste time looking at homes that won't work or miss out on a possible good deal because you didn't know about it or have the time to go online when it came up.

You can fax to me at: (661) 295-1336 or email it to cliff@cliffhildreth.com. (For those of you already on my search system you can disregard this form unless you would like to make any changes to your search.)

Good Financial Information Leads to Good Decisions

Better decisions are made when they are based on good financial information. The following information is important to have prior to beginning your home search. Knowing there are alternatives helps to determine the right choices. I can explain them or provide you information for review.

Estimated Purchase Costs – It is important to know how much you'll need to buy a home not only for the down payment but for all of the fees that are charged in connection with getting the loan and conveying title.

Mortgage Qualification – Discover what size mortgage you can qualify for using the same guidelines that a mortgage company uses. Get a general snapshot of what you can qualify for on my website: cliffhildreth.com/financing/. (Remember, there are many factors in determining your qualifications so don't rely solely on my calculator).

80-10-10 – This will show you the savings achieved by eliminating Private Mortgage Insurance. Not only will you save money in the initial purchase costs but also in the monthly payment.

Alternate Financing Plans – Choices will help you to make a better decision as to how to finance your new home. You deserve to know what options are available and that is exactly what you'll get.

Mortgage Accelerator – Discover the advantage of adding an additional amount of principal to your fixed rate mortgage on a regular basis to shorten the term and save tens of thousands of dollars in interest.

Financial Data

What size monthly payments do you want: \$ _____

What price range are you looking: \$ _____

Do you have the funds to cover your down payment & closing costs? Yes ☐ No ☐

Do you currently own? Yes ☐ No ☐

Do you need to sell before buying? Yes ☐ No ☐

How much do you think your home is worth? \$ _____

What is the unpaid balance? \$ _____ Interest rate _____% term _____ yrs. dated
____/____/____ type of loan _____

Monthly payment \$ _____

If renting, how much is your rent? \$ _____

Are all debts current? Yes ☐ No ☐

Is there any problem with your credit? Yes ☐ No ☐

Where are you employed? _____

How long have you been employed at your current job? _____

Have you or your spouse ever taken bankruptcy? Yes ☐ No ☐

If yes, explain: _____

Have you or your spouse had a home foreclosure? Yes ☐ No ☐

If yes, explain: _____

These are all important questions. Be as accurate as possible as some of these issues will determine if you get a loan or not. Many loan officers may be able to address and even overcome many past credit issues if given the time.

Pre-Approval an Advantage

Applying for a loan and obtaining approval before a buyer finds a home they want to buy can be a distinct advantage. Making a loan application is going to need to be necessary eventually anyway unless they are going to pay cash for the home.

Pre-qualification is a procedure where you get an opinion from a mortgage officer about how much you qualify for. In the process, any obvious difficulties that might cause problems might be discovered. This process is always recommended but it doesn't have the advantages of a pre-approval.

Pre-approval requires a complete application with credit reports and verifications. The Mortgage Company will issue a commitment subject to a specific interest rate and points and a satisfactory appraisal when the property is identified.

Time limits are usually placed on pre-approval commitments. It is recommended to be ready to look at homes and make a decision after you receive your pre-approval commitment. **More importantly, most home sellers in our market will not even accept an offer on their property without a letter of pre-approval.**

The advantages of being pre-approved is:

- Looking at the right-priced homes.
- Avoiding disappointment in deciding on a home that you can't afford.
- Saving money with a seller who is confident about taking their home off the market with buyers who have a definite loan commitment.
- The few sellers that will accept an offer without a pre-approval will generally leave the home on the market while you are going through the process and you may lose it to another buyer who has been pre-approved already.
- Closing more quickly the lengthiest contingency is usually the mortgage approval. The appraisal can be done quickly.
- Minimizing the anxiety of not knowing whether or not you qualify.
- As you can see from the above - It's just a good idea!

Preparation for a Mortgage Application

Employment

- Names and addresses for two full years
- Gross monthly income
- W-2s for two years, if available
- Year to date pay stub
- Proof of income from rentals, investments, etc
- Proof of retirement, disability or Social Security
- Proof of child support or alimony paid/received

If self-employed:

- Two years Federal Income Tax Returns
- Current year profit and loss statement

Creditors

- Each creditor's name, addresses and type of account
- Account numbers for each
- Monthly payments and approximate balances
- Amounts of child care expenses

Banking

- Names and addresses of banking institutions
- Account numbers for all accounts
- Type of accounts and present balances

Miscellaneous

- List of assets in stocks, bonds, and property
- If applicant is selling a home, a copy of sales contracts
- Social Security numbers for all parties
- Veterans - Certificate of Eligibility & DD-214
- Cash or check to pay for application fee

Property

- Copy of sales agreement
- Copy of listing on property
- Instructions on how appraiser is to gain entrance

Not all of these things may be necessary but it's good to be prepared.

My Unique Selling Position

There are a lot of agents available and willing to help you with your home purchase. To make a solid case for letting me help you, I have to provide more services and higher-level services both before the sale and after the sale. I am not just looking for one sale to you. I want you to consider me as your real estate professional for life.

The reasons for doing business with me must be so compelling that not only will you not consider doing business with anyone else, you will refer me to your friends who are looking to buy or sell a home.

Neighborhood Knowledge

I'll know the neighborhoods that you are considering or will find someone who does. I will identify comparable sales, and information on the schools, shopping, crime, demographics, and other things you feel are important.

Appropriate Houses to Consider

I'll look for what you want and can afford in an area you want to live. I'll show you all the homes that are available not just the ones that I have listed. I will look for homes that are not yet on the market.

Good Financial Decisions

Every buyer needs basic financial information to make a good buying decision. You'll know that you qualify for the home, what the payments and the closing costs will be. I'll also make additional suggestions like making extra principal contributions with your regular payment and suggest an alternative type of mortgage to allow for the least expensive cost of housing.

Work Diligently to Find Your Home

I'll work hard to find your new home. I understand that finding a home is a priority and will consider it the same. I'll screen and preview homes so as to not waste your time and when I find one that I feel meet your needs, I'll show it to you as quickly as possible. Most importantly, I have been through the process myself. I understand the anxiety and concerns home buyers have and will work hard to make the process as stress-free and smooth as possible.



Who Pays the Commission?

The Seller

In most cases, the Seller has signed a listing agreement with his agent specifying a certain fee to be paid for selling the home. It can include provisions for splitting that fee with the selling agent, regardless of agency representation.

The Buyer's Advantage

Since the buyer's agent is normally paid from the seller's proceeds, the Buyer does not pay his/her agent directly for their services.

This puts you, the Buyer, in the best of all worlds. You get my time, effort and expertise working on your behalf with no money out of pocket for the representation.

Free is always the best price!

Home Protection Plan

Some sellers provide a Home Protection Plan for the buyer that covers certain items for a one-year period like:

- Heating and air conditioning systems
- Interior plumbing
- Built-in appliances
- Electric pool equipment

If a Home Protection Plan is not provided on the home you contract for, you can acquire the coverage yourself. The price of programs will vary in price and coverage and among carriers. I can provide information on Home Warranty Vendors.

Home Inspection

Usually, the seller will provide a property disclosure for interested buyers prior to writing a contract. This will declare the material facts about the physical condition of the property.

The property disclosure does not take the place of a buyer's inspection that is usually made after a contract is completed.

A provision for a home inspection can be added to the sales contract identifying the areas to be inspected by a professional inspector. The purpose of the inspection is to find major defects in the home.

The areas of concern include but not limited to:

- Mechanical – heating, air-conditioning, appliances.
- Plumbing – fixtures, lines, water heaters, sewers.
- Electrical – wiring, out of date systems.
- Structural – doors, windows, roof, foundation, drainage, ventilation, and environmental hazards.

I will be happy to supply a list of recommended inspectors. You are encouraged to accompany the inspector to ask questions and receive a written report itemizing any areas of concern.

Process of Buying a Home

Orientation

During the initial interview, you'll share your expectations and learn about the process of buying a home. You'll obtain valuable market knowledge about areas, prices, financing, your qualifications, and normal procedures. You can find a lot of great information and downloadable publications on my website at: <http://cliffhildreth.com/buyers/> .

Considering your wants, abilities, and needs, you decide on price, size, style, and area. At this point, we will begin the search to find your new home.

Financing

A strategy for a successful purchase is to apply for pre-approval prior to finding a home. Negotiating a contract with a loan commitment can be advantageous to you.

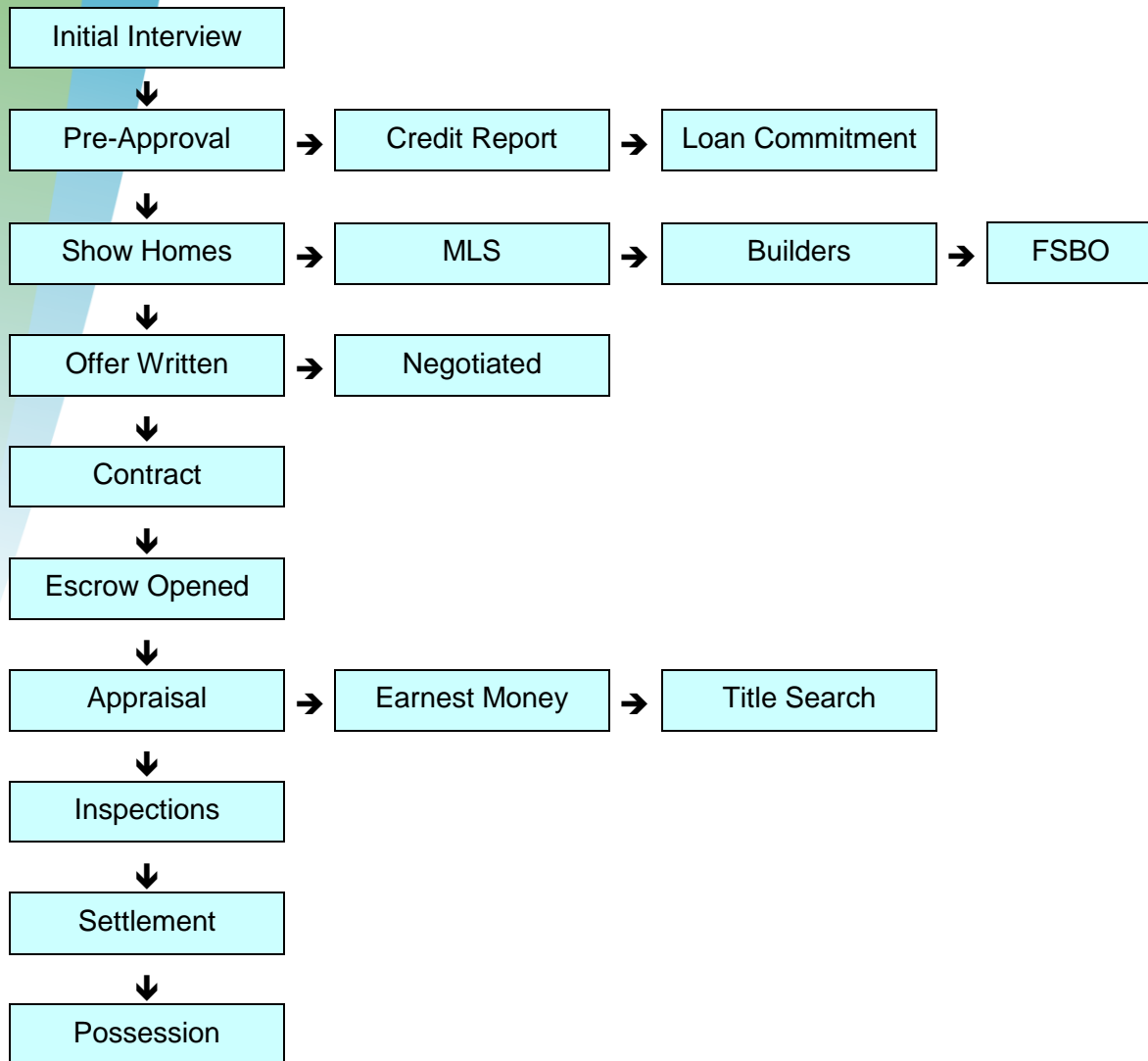
There are specific things necessary to make a loan application and assembling them can take some time. It is recommended to use the enclosed list.

Formulating an Offer

When you find the right home, you will want to make an offer to purchase it. This is done in writing specifying every detail that is part of the agreement. There are standard forms that your real estate agent can provide you.

The last step is to assemble all of the loan papers at the settlement. You will need to pay the balance of your down payment and your closing costs at this time. Usually, a cashier's check is required for these funds.

Home Buying Process Cont...



Mutual Commitment

If I will:

Make my best effort to find the home that meets your needs until you either find a home or tell me to stop looking,

Commit my time, resources, and experience to find exactly what you want, while incurring my own expenses



Cliff Hildreth

Will you:

Tell me what you like and dislike about the homes we look at?

Let me know if your plans change?

Work with me until we find you the right home?

I would encourage you to watch my videos on Home Buying at <http://cliffhildreth.com/buyers/> for an overview of the buying process.

