

HOME BUYING MADE EASY

How to Buy a Home in 2012



This presentation can also be downloaded from:

www.KnowPayneKnowGain.com



Your Home Buying Packet

A Complete Guide to the Home-Buying Process

Welcome! You are about to embark on the exciting journey of finding your ideal home. Whether it is your first home or your tenth home, a retirement home, or an investment property, I will make your home-buying experience fun and exciting. I can help you find the ideal home with the least amount of hassle; and I am devoted to using my expertise and the full resources of my office to achieve these results!

Purchasing a home is a very important decision and a big undertaking in your life. In fact, most people only choose a few homes in their lifetime. I am going to make sure that you are well equipped and armed with up-to-date information for your big decision. I am even prepared to guide you through every phase of the home-buying process. This packet gives you helpful information during and after your transaction. Use its reference pages, note pages and agency explanations, as an invaluable guide on your home-buying journey.

Please keep this packet with you during your home-buying process. There are pages that contain important phone numbers and dates and areas for notes to help you stay organized.

So let's take an exciting journey together! I look forward to meeting your real estate needs every step of the way!



Keller Williams Success Realty
309 Richard Jackson Blvd, Suite200
Panama City Beach, FL 32407

Home Buying Packet:
My 10+ Customer Service Commitment

As the REALTOR® you have chosen to exclusively represent you in the purchase of your new home, I promise that I will:

- 1. Provide you with 10+ customer service during the entire buying process.**
2. Organize and schedule your home search process.
3. Discuss the benefits and drawbacks of each home in relation to your specific needs.
4. Provide you with on-going updates on available homes.
5. Help you to compare homes and make a decision.
6. Advise you on the terms and issues of the offer and fill out the purchase offer contract.
7. Present your offer and negotiate on your behalf.
8. Coordinate and supervise the preparation of all closing documents and guide you through the closing process.
9. Help you resolve any closing issues.
10. Coordinate move-in and assist with any post-closing issues.

“THE PROFESSIONAL’S CREED”

*I’m a professional.
I know what I know and I know what I don’t know; and I know the difference between the two.
When I know, I’ll tell you.
When I don’t know, I’ll go find out.
My top priority is that you always get the right answer.
I’m a professional*

Testimonials from past buyer clients who have used The Payne Group ...

“Jeff Payne was very easy to work with. He was always early for appointments, he always had an answer for your questions, and from beginning to end you felt so comfortable that you knew he was doing the job, that you had nothing to worry about. Thank you so much! We tell all our friends to go through Jeff. We will use him again in the future!”

-Renee Watford

“Being out of state trying to locate a home here took time – But! You managed to find one that we could live with after only our second meeting. Thank you. I would be happy to refer anyone needing your company. You said you like to help people. It shows.”

-Joy Raponi

“It was great to have the feeling when I was looking for my next home, that I had my own personal Real Estate Agent.”

-Doug Reed

“You won’t find a better realtor than Jeff Payne, period!”

-Daniel R. Hood

“This was our first purchase and it couldn’t have gone any better than it did. We weren’t stressed about anything. Jeff was always keeping us up to date in what we had to get done, and what we didn’t need to worry about. It was a painless process. We are very happy with our home.”

-Trent and Angie Johnson

“Your service was exceptional.”

-Wilson Camp

“I wanted to take a moment and email you and thank you for a job well done. Through out the entire process I never felt any worries and I believe a large part of that is due to the team at Keller Williams! Thanks for all you do and your dedication. I’ll be sure to tell everyone I know about my positive experience!”

-Ruth Corley

“This was a long and complicated transaction but Lynn was very helpful with all aspects and kept a stellar attitude no matter how up or down things went. A+”

-Dr. Jeffrey Hanes

“I would recommend The Payne Group – Keller Williams and Lynn Boyd to anyone interested in buying homes or property in Bay County and the Panama City Beach area. Great job by everyone. Thanks again.”

-Doug and Cindy Rooks

“I really appreciate what Lynn Boyd at Keller Williams Realty did to help me find a wonderful home. I was getting nowhere searching online for foreclosures in Panama City, Florida. Finding good foreclosure listings online is like getting cheerful service at the DMV ... impossible. They are scantily detailed and far and few between. What’s more, I was looking for my first home, and more specifically, a home with real investment potential. This task was made even more daunting because I had never before lived in Panama City. It was clear, I had to find a realtor who knows the area and above all a person I could trust. I needed to employ somebody with the resources, instincts, and ability to listen, in order to help me find, not just the right home for me, but a great deal on that home. I asked Amy Bresser with Keller Williams in Madison, Wisconsin if she could help me get started over in PC, she enthusiastically agreed and asked me some questions about the type of person I’d like to work with and what I was looking for in a home. Well, she must have been listening, because she got me in touch with Lynn Boyd at Keller Williams in Panama City. I ended up buying a beautiful beach house foreclosure, 5 years old, 3 stories, 4 bedrooms, 2.5 baths, with an ocean view for well under \$200,000. I won’t even boast how much the house sold for a couple years back. This was the first home Lynn showed me, and after a day of footwork, I came right back to it. She obviously knows how to read a client. I can only hope to work with Lynn again in the future, as some gifts can only be opened by closing! I just wanted to thank you Lynn for helping me in this journey.”

-Aaron Eichstedt, 2009

"I am not into Sales – my background was with an electrical utility. However, I would recommend Keller Williams (The Payne Group) to anyone who is either buying or selling real estate! Lynn always kept in touch and informed us of changes!! We found your company good, honorable, and reliable in all areas of our closing."

-Bill and Vonna Murrin

"Lynn was always very professional, she returned calls promptly and provided us all necessary paperwork via email and even showed us how to look up the Bay County Property Tax records. This was very helpful, as we purchased a foreclosure vacant lot and wanted to be sure all property taxes were paid and current. Thank you Lynn for your professionalism and quick responses to all our needs."

-Mitch and Kathy Hirth

"You bet, you will be the only person I call, I really do appreciate you taking the extra time to help me out, and when we do get ready to buy you WILL be the person I call. I'm in sales myself, and I appreciate someone that takes the extra step. So KUDOS. ...Just know as soon as we are ready you will be my Realtor."

-Testimonial from Mathew Murphy for Buyer Specialist Ben Gulley

Home Buying Packet: **Your Top Five**

The five most important criteria for my new home are:

1. _____
2. _____
3. _____
4. _____
5. _____



The Payne Group Loyalty Agreement

Duties of your Payne Group Buyers Specialist:

1. I will accommodate your schedule.
2. I will respond to your phone call or email by the end of the day.
3. When I am not available, there will always be a Payne Group partner available to assist you.
4. I will always be honest with you.
5. I will search the MLS daily and inform you of all new homes that meet your wants and needs.
6. I will contact you frequently and keep you updated throughout your home buying process.
7. I will provide you with a list of qualified lenders.
8. I will guide you through the contract and closing process including monitoring deadlines, home inspection, and negotiations on your behalf.
9. I will provide you with an experienced closing coordinator to ensure a seamless and smooth closing.

Short Sale Disclaimer:

This is a short sale, short sales can take 6 months or more for lender approval and approvals are not guaranteed. Buyer understands that the short sale contract is between the buyer and the sellers and upon meeting of the minds between buyer and seller, the contract is then valid.

Buyer agrees that buyers agent will make diligent effort to qualify the short sale listing before viewing the property and if buyers agent deems that the property does not qualify for a short sale, buyer agrees the property will not be shown.

Buyers Obligations:

JUST CALL ME IF YOU FIND YOURSELF INTERESTED AFTER ...

- *You Hear About a Property For Sale*
- *You See a Sign – For Sale by Owner or Any Other Realtors' Sign*
- *You Want to Visit Any Open House*
- *You See An Ad*
- *You Want to Tour a New Construction Project*

Buyers Specialist Signature: _____

Date: _____

Buyer Signature: _____

Date: _____

**Home Buying Packet:
About Keller Williams Realty**

The Keller Williams culture is based upon a belief system that is summed up by:

<i>Win-Win</i>	<i>or no deal</i>
<i>Integrity</i>	<i>do the right thing</i>
<i>Commitment</i>	<i>in all things</i>
<i>Communication</i>	<i>seek first to understand</i>
<i>Creativity</i>	<i>ideas before results</i>
<i>Customers</i>	<i>always come first</i>
<i>Teamwork</i>	<i>begins with honesty</i>
<i>Success</i>	<i>results through people</i>



The Home Buying Process

I have designed this packet to assist you with the purchase of your new home. I assure you that it is my goal to provide you with the most professional and informative service available. I am always just a phone call away!

- **Find a Realtor You Can Trust**
- **Analyze Your Needs in a Consultation**
- **Obtain Financial Pre-Qualification and Pre-Approval**
- **Select Properties**
- **View Properties**
- **Write an Offer to Purchase**
 - Earnest Deposit
 - Money Up Front:
 - Earnest Money
 - Option Money
 - Inspection Fee
 - Appraisal
 - Credit Report
- **Negotiate and Counteroffer**
- **Accept the Contract**
 - Inspections
 - Remove Contingencies
- **Complete the Mortgage Application***
 - Credit Report
 - Appraisal
 - Verifications
- **Secure Underwriting**
 - Conditions
- **Obtain Loan Approval***
- **Schedule Termite & Survey**
- **Contact Title Company**
 - Title Exam & Title Insurance
- **Close on the Property**
- **Take Possession of Your New Home**

**If not already pre-approved*

Home Buying Packet: **Pre-Qualification and Pre-Approval**

Many buyers apply for a loan and obtain approval before they find the home they want to buy. Why?

Pre-qualifying will help you in the following ways:

1. Generally, interest rates are locked in for a set period of time. You will know in advance exactly what your payments will be on offers you choose to make.
2. You won't waste time considering homes you cannot afford.

Pre-approval will help you in the following ways:

1. A seller may choose to make concessions if they know that our financing is secured. You are like a cash buyer, and this may make your offer more competitive.
2. You can select the best loan package without being under pressure.

HOW MUCH CAN YOU AFFORD?

There are three key factors to consider:

1. The down payment
2. Your ability to qualify for a mortgage
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 a 20-25% down payment, you may be eligible to take advantage of special fast-track programs and possibly eliminate mortgage insurance.

CLOSING COSTS:

You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at the final settlement, unless you are able to include them in your financing. Typically, total closing costs will range between 2-5% of your mortgage loan.

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 the following items:

- The principal on the loan (P)
- The interest on the loan (I)
- Property taxes (T)
- The homeowner's insurance (I)

Your total monthly PITI and all debts (from installments to revolving charge accounts) should range between 33-38% of your gross monthly income. These key factors determine your ability to secure a home loan: Credit Report, Assets, Income, and Property Value.

Home Buying Packet:
The Ten Commandments
When Applying for a Real Estate Loan

1. Thou shalt not change jobs, become self-employed or quit your job.
2. Thou shalt not buy a car, truck or van (or you may be living in it!)
3. Thou shalt not use charge cards excessively or let your accounts fall behind.
4. Thou shalt not spend money you have set aside for closing.
5. Thou shalt not omit debts or liabilities from your loan application.
6. Thou shalt not buy furniture.
7. Thou shalt not originate any inquiries into your credit.
8. Thou shalt not make large deposits without first checking with your loan officer.
9. Thou shalt not change bank accounts.
10. Thou shalt not co-sign a loan for anyone.

Home Buying Packet: **The Home Tour**

Property Address: _____

PROPERTY	COMMENTS	EXTERIOR	COMMENTS
✓ View		✓ Foundation	
✓ Lot Size		✓ Roof	
✓ Landscaping		✓ Architectural Style	
✓ Square Footage		✓ Deck/Patio	
INTERIOR	COMMENTS	✓ Swimming Pool	
✓ Number of Bedrooms		✓ Garage	
✓ Number of Bathrooms		✓ General Exterior Condition	
✓ Living Room		LOCATION	COMMENTS
✓ Kitchen		✓ Convenience to Work	
✓ Dining Room		✓ Convenience to Shopping	
✓ Family Room		✓ Convenience to Schools	
✓ Study		✓ Convenience to Day Care	
✓ Fireplace(s)		✓ Nearby Recreational Facilities	
✓ Openness of Home		✓ General Appearance of Houses in the Area	
✓ General Interior Condition		✓ House Value Relative to the Area	
ADDITIONAL COMMENTS			

Home Buying Packet: **The Home Tour**

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✓ Family Room		✓ Convenience to Schools	
✓ Study		✓ Convenience to Day Care	
✓ Fireplace(s)		✓ Nearby Recreational Facilities	
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ADDITIONAL COMMENTS			

Home Buying Packet: Making an Offer



Once you have found the home you wish to purchase, you will need to determine what offer you are willing to make for the home. It is important to remember that the more competition there is for the home, the higher the offer should be – sometimes even exceeding the asking price. Remember, be realistic. Make offers you want the other party to sign!

To communicate your interest in purchasing a home, we will present the listing agent with a written offer. When the seller accepts an offer it becomes a legal contract. When you write an offer you should be prepared to pay an earnest money deposit. This is to guarantee that your intention is to purchase the property.

After we present your offer to the listing agent it will either be accepted, rejected, or the seller will make a counter-offer. This is when we will negotiate terms of the contract if necessary. The step-by-step contract procedure for most single-family home purchases is standard. The purchase agreement used is a standard document approved by our local real estate board. The purchase agreement or contract constitutes your offer to buy and, once accepted by the seller, becomes a valid, legal contract. For this reason, it is important to understand what is written on the contract offer.

A Note About Short Sales, Pre-Foreclosures and Foreclosures

These days, there are many, many short sales, pre-foreclosures and foreclosures on the market for sale. This is a short explanation of what those terms mean and what that means to you as a buyer. A short sale is really the same thing as a pre-foreclosure. A house that has not been foreclosed on (yet) may be sold for less than what is owed on it, providing the seller's lender agrees to doing that. This type of home will be so marked in MLS, or you will hear a buyer's agent refer to either of these terms. Please understand that while you may be able to offer and/or buy a house for thousands less than what is typical for that house, there is almost always a very long waiting period (sometimes months at a time) where the lender will need to make the decision whether to agree to the short sale. They must have time to submit the numbers to their bank's investors, and in the meantime neither real estate agent has control over how quickly that process moves along. Once a lender gives their approval to do a short sale, then typically they want the sale to be finalized within 30 days, and it will closely resemble a normal real estate closing. A foreclosure means the lender has already seized the property and is putting it for sale again on the market, usually for a much-reduced price. You can make an offer on these properties as well, but lenders usually need an offer to come in at where they have it listed, as they have costs incurred to this point in taking the property back. Once an offer is accepted, then the sale is a normal real estate closing, usually within 30 days or so.

Short Sales, PreForeclosures, Foreclosures – Timelines / What You Can Expect

Short Sales (Pre-Foreclosures): As a buyer, you submit an offer on a short sale through your buyer's agent. This is the beginning of the listing agent's work toward short sale approval. The listing (seller's) agent will then put together a short sale packet. This packet includes all the pertinent information that the seller's lender will need to process the short sale. This packet gets faxed in and uploaded into the lender's system, but can take several days to a few weeks, depending upon which lender it is. The next step may be, again depending upon who the lender is, to ask the buyer for some basic identification information from them. The reason for that is, a short sale is approved for a specific seller and a specific buyer. After that, the lender will order either an appraisal from a licensed appraiser, or a broker price opinion (BPO) from a local realtor. The reason they order one of these is so that they can determine what fair market value for the property is, and compare that value to what your offer was. At this point there is the possibility that the lender may reject your offer, if there is a large discrepancy. The next step is for the lender to assign a negotiator, a representative of their company, who is responsible for reviewing the short sale packet, the appraisal or broker price opinion (BPO), or any supporting documentation. The next step is for the lender to ask the seller to provide some documentation verifying that they as a seller qualify financially for a short sale. Again, this is the listing (seller's) agent responsibility to do. And typically after that step is the review process. Lenders must answer to their investor groups, and must present to that group all information and documentation they have gathered along the way. It is not unusual to hear that a lender's negotiator cannot present to their investor group but once per month. So the review process can be the longest part of the journey. However, your buyer's agent should be asking for regular updates on the progress of the approval, so that they can keep you as buyer updated and informed. If the investor group accepts the terms of the short sale as presented from the negotiator, then an approval letter will be issued to the listing (seller's) agent with specific terms of what their net must be in order to close, and they typically give 30 days for all parties to close. Approval letters sometimes have conditions to close, so both agents should check those over carefully to make sure the terms of the sale are still doable for all involved. If the investor group does not accept the terms of the short sale as presented from the negotiator, then they will either counter offer, or reject the offer all together. Any of the above ... an acceptance, a counter or a rejection, should be expected to be communicated in writing to the listing (seller's) agent. Once everyone has come to terms and an approval letter is issued, the approval letter is forwarded to the title company and from there it is a normal sale and closing.

Foreclosures: As a buyer, you submit an offer on a foreclosure through your buyer's agent. The bank has already gone through foreclosure proceedings, and now owns the property, thus the difference between a short sale and a foreclosure. The bank hires an asset manager as part of the foreclosure process, who is responsible for preparing the property for listing on the market and negotiating part of the contract process. The listing agent will work closely with this asset manager in accepting and presenting offers for the property from the buyer's agent. Sometimes banks will decide to keep bidding open on a property for several days and then evaluate any and all offers that come in, and sometimes they will accept all offers up to midnight and evaluate those offers the next day. The bank may then either accept one of the offers as acceptable, or it may ask some or all of the buyer's agents to ask their buyers for their highest and best offer. This typically happens when they receive several offers that are very similar to each other. If your offer is accepted, your agent will receive a contract package that you will need to complete and submit as soon as possible. That contract package will give all instructions to your agent as to how to proceed to fully execute the contract. After that the contract package goes to the bank for official signatures and execution, which can take several days. And then further closing instructions are issued to both the buyer's agent and the listing agent. Closing on a foreclosure property is similar to a regular closing; the only difference being that the seller is a bank, and almost all closings for foreclosure properties are held via an out of town title company in the form of a law office. Typically law offices will execute closing for a buyer remotely; they will allow the buyer to choose a title company of their choice locally, or they will send a travelling notary to execute the documents at a location convenient to the buyer.

Home Buying Packet:
Making Winning Offers for
Distressed Properties, Short Sales and Foreclosures

Making offers on short sales and foreclosures is simply a math problem. The properties are in pre-foreclosure or have already been taken back by the lender. Either way, the lenders must approve these sales based on their evaluation of the market and of the particular property. The lenders do not make emotional decisions, they make financial decisions based on what they believe a property is worth.

Making a winning offer:

- Determine market value. Find the best comparable sales and listings to determine fair market value. The lender will also determine market value through an appraisal.
- Make offer based on market value. The lenders are typically not discounting their offers far from market value. Consider that the lender also has to pay the expenses of the sale and will NET typically 10 to 12% below your offer. This is not the time to make lowball offers. Good offers will have the best chance of success. Lowball offers tend to never get approved.
- Keep seller concessions to a minimum. Remember, this is a math problem and the lender is only going to approve solid offers. Typically 3% of the purchase is the maximum that a lender will pay toward buyers expenses. Typical costs that a short sale lender will NOT approve are home warranties and any fees over and above 3%. It is best to NOT ask for any concessions and make a solid offer based on market value.
- Be prepared to wait long periods of time for approvals. Short sales can take 120 days or more for approval and foreclosures will take 45 days to close once you get approval.
- Be ready to close the short sale within 30 days of the lenders approval.
- Put on your "lender" cap and think like a lender. Why will they approve or why will they deny this offer? Remember, this is a math problem and not an emotional decision.

Contract to Close Checklist for Our Buyers

The following is a run-down of the Payne Group's roles in your real estate transaction, from beginning to end. We hope that this makes the real estate transaction clear to you, our customer, and helps you expect what will happen. Although we work together as a group, and we may share responsibilities in order to better serve you, we also try to specialize in responsibilities so that the best person is taking care of each of your needs. For the most part, the checklist is in order of the usual timeline that is followed for a real estate transaction.

Responsibilities: Your Buyers Agent

Write offers on potential homes
Present offers to selling agent and negotiate offers to execution
Review sellers disclosures with buyer
Discuss home inspections and disclosures
Discuss condominium or homeowners association disclosures
Collect earnest money deposit
Discuss speaking with a lender
Gather your contact information for the title company to contact you

Responsibilities: Administration

Get copies of contract and sellers disclosures to buyer
Get contract, EMD, buyer contact information to title company
Get contract to lender / let lender know which title company using
Order Survey
Order a home inspection and get report to buyer/selling agent/title company

Responsibilities: Your Buyers Agent

Be present at home inspection, if requested by buyer
Negotiate any repairs to be made with selling agent

Responsibilities: Administration

Order a termite inspection and get report to buyer/selling agent/title company
Order a home warranty for the buyer
Ensure title company has all invoices that affect HUD

Responsibilities: Your Buyers Agent

Communicate with buyer about homeowners insurance/ switch of utilities
Review HUD with buyer
Coordinate a final walk through/ assure punchlist is complete
Coordinate move in / move out dates with selling agent

If closing is in town - Responsibilities: Your Buyers Agent

Communicate to buyer where closing is / how to bring funds / attend closing
Arrange keys for closing / communicate to buyer to bring drivers license

If closing is a mail out - Responsibilities: Administration

Communicate with buyer and title co about wiring funds and closing package
Arrange for delivery of keys

In the event a contract will not be closing:

Communicate with selling agent / coordinate cancellation and EMD issues
Communicate with lender and title company
Communicate with buyer:

1. A release and cancellation will be forthcoming
2. Buyer will need to pay any costs incurred to date (inspections ordered)
3. Coordinate any issues from return of EMD

Buyers Agent
Administration
Buyers Agent

Home Buying Packet: **What Happens Next**

Now that you have decided to buy your home, what happens between now and the time you legally own the home? A Title Company may handle the following items. NOTE: In different parts of the country, attorneys, lenders, escrow companies and other persons who are independent of title companies perform some or all of these functions.

Earnest Money – An agreement to convey starts the process once it is received at the Title Company. Once you submit the loan application, it is usually subject to a credit check, an appraisal, and sometimes, a survey of the property.

Title Search – Copies of documents are gathered from various public records: deeds, deeds of trust, various assessments and matters of probate, heirship, divorce, and bankruptcy are addressed.

Examination – Verification of the legal owner and debts owed.

Document Preparation – Appropriate forms are prepared for conveyance and settlement.

Settlement – An Escrow Officer oversees the closing of the transaction: seller signs the deed, you sign a new mortgage, the old loan is paid off and the new loan is established. Seller, agents, attorneys, surveyors, Title Company, and other service providers for the parties are paid. Title insurance policies will then be issued to you and your lender.

Title Insurance - There are two types of title insurance:

- Coverage that protects the lender for the amount of the mortgage,
- Coverage that protects the equity in the property.

Both you and your lender will want the security offered by title insurance. Why?

Title agents search public records to determine who has owned any piece of property, but these records may not reflect irregularities that are almost impossible to find. Here are some examples: an unauthorized seller forges the deed to the property; an unknown, but rightful heir to the property shows up after the sale to claim ownership; conflicts arise over a will from a deceased owner; or a land survey showing the boundaries of your property is incorrect.

For a one-time charge at closing, title insurance will safeguard you against problems including those events an exhaustive search will not reveal.

SERVICE PROVIDERS

Here is a list of recommended Service Providers. These are vendors we have worked with in the past or that have been recommended to us by satisfied customers. These are only recommendations. The Payne Group accepts no responsibility, and you are free to choose from other vendors in the community.

CPA

James (Jay) R. Moody
Jinks & Moody, P.A.
(850) 785-6808

HANDYMAN

McDuff Services
Donnie or Debbie
(850) 722-4308

MLB Contracting, LLC
Mark Boyd
(850) 541-2768

HOME INSPECTORS

Five Star Inspections
Cory Brookins
(850) 819-3388

Wagner Home Inspections
Jason Wagner
(800) 792-4637

HOME WARRANTY COMPANIES

Old Republic Home Protection
(800) 445-6999

American Home Shield
(800) 735-4663

HVAC

Pat Green Heating & Cooling
(850) 277-2777
www.patgreenac.com

INSURANCE COMPANIES

Allstate
Harry Grizzle
(850) 769-7681

Don Hood Insurance
Cheryl or Roberta
(850) 215-8888

LAWN CARE / LANDSCAPING

Mark Lester
1st Choice Lawn Service
(850) 276-4393

CARPET CLEANING

American Carpet Care & Restoration
1-800-FLOOD-60
Phone 784-2555
Beach 230-0080

LOCK SERVICE

Dana's Lock Service (PCB)
(850) 234-5219

Panhandle Key & Safe (PC)
(850) 769-3030

A Friendly Locksmith
Jeff Jones
(850) 960-6821

MORTGAGE LENDERS

Trustmark Mortgage
Melissa Ingle
(850) 913-0324
mingle@trustmark.com

Bank Trust Mortgage
Nicole Cheesbro
(850) 265-2021

PAINTING

SnJ Painting
(850) 215-0630

PHONE

Verizon Wireless
Daniel Hood
(850) 233-2113
Daniel.hood@cellularsales.com

PLUMBING

Corbitt Moseley Plumbing
Main – (850) 722-7226
Beach – (850) 230-0701

TERMITE INSPECTIONS

Gulf Coast Pest Control
(850) 785-8844 (PC)
(850) 235-8806 (PCB)

RENTAL MANAGEMENT

David Burgbacher
Nautilus Realty
(850) 215-2800

SURVEYORS

Anglin Land Surveying
(850) 271-4055

TITLE COMPANIES

Southern Escrow and Title
(850) 233-5466

Florida Land Title
(850) 784-1222

Bay Co. Land & Abstract
(850) 763-8426

Home Buying Packet: **Home Inspection**

If you are purchasing a resale property, we highly recommend that you have a professional home inspector conduct a thorough inspection. The inspection will include the following:

- Appliances
- Plumbing
- Electrical
- Air Conditioning and Heating
- Ventilation
- Roof and Attic
- Foundation
- General Structure

The inspection is not designed to criticize every minor problem or defect in the home. It is intended to report on major damage or serious problems that require repair. Should serious problems be indicated, the inspector will recommend that a structural engineer or other professional inspect it as well.

Your home cannot “pass or fail” an inspection, and your inspector will not tell you whether he/she thinks the home is worth the money you are offering. The inspector’s job is to make you aware of repairs that are recommended or necessary.

The seller may be willing to negotiate completion of repairs or a credit for completion of repairs, or you may decide that the home will take too much work and money. A professional inspection will help you make a clear-headed decision. In addition to the overall inspection, you may wish to have separate tests conducted for termites or the presence of radon gas.

In choosing a home inspector, consider one that has been certified as a qualified and experienced member by a trade association.

I recommend being present at the inspection. This is to your advantage. You will be able to clearly understand the inspection report, and know exactly which areas need attention. Plus, you can get answers to many questions, tips for maintenance, and a lot of general information that will help you once you move into your new home. Most important, you will see the home through the eyes of an objective third party.

Home Buying Packet: **What is a Real Estate Closing?**



A “closing” is where you and I meet with some or all of the following individuals: a representative from the lending institution and a representative from the title company, in order to transfer the property title to you. The seller and the seller’s agent will meet separately with the title company representative to do the same. The purchase agreement or contract you 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 will occur.

If financing the property, your lender will require you to sign a document, usually a promissory note, as evidence that you are personally responsible for repaying 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.

At closing, you will be required to pay all fees and closing costs in the form of “guaranteed funds” such as a Cashier’s Check. Your agent or escrow officer will notify you of the exact amount at closing.

WHAT IS AN ESCROW ACCOUNT?

An escrow account is a neutral depository held by your lender 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, the lender pays them 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.

Home Buying Packet: **Helpful Phone Numbers**

Make arrangements for initiating or cancelling home utilities such as the following. Advise them of your desired date for beginning services and give them your billing address.

ELECTRIC COMPANY

Gulf Power	1.800.225.5797
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WATER/SEWER

Bay County Water	850.872.4785
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Springfield	850.872.7570
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Panama City Beach	850.233.5100
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City of Panama City	850.872.3166
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Lynn Haven	850.265.0087
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Callaway	850.871.1033
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Parker	850.871.4104
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LOCAL and LONG DISTANCE PHONE SERVICE

Bell South	888.757.6500
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Verizon Wireless	850.445.2361
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Daniel Hood, Cellular Sales

CABLE T.V.

Comcast	850.769.0392
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Knology	850.215.6100
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Mediacom	800.239.8411
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TRASH PICK-UP

Lynn Haven	850.265.5989
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Panama City	850.872.3172
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Home Buying Packet: **Local School Directory**

Bay County Schools	850.872.4100 www.Bay.k12.fl.us
Bay Haven Charter Academy	850.248.3500 http://www.bhca.ws/
Gulf Coast Community College	850.769.1551 www.gulfcoast.edu
Florida State University-PC	www.pc.fsu.edu/

Home Buying Packet: **Real Estate Glossary**

Acceptance: the date when both parties, seller and buyer, have agreed to and completed signing and/or initialing the contract.

Adjustable Rate Mortgage: a mortgage that permits the lender to adjust the mortgage's interest rate periodically on the basis of changes in a specified index. Interest rates may move up or down, as market conditions change.

Amortized Loan: a loan that is paid in equal installments during its term.

Appraisal: an estimate of real estate value, usually issued to standards of FHA, VA and FHMA. Recent comparable sales in the neighborhood is the most important factor in determining value.

Appreciation: an increase in the value of a property due to changes in market conditions or other causes. The opposite of depreciation.

Assumable Mortgage: purchaser takes ownership to real estate encumbered by an existing mortgage and assumes responsibility as the guarantor for the unpaid balance of the mortgage.

Bill of Sale: documents used to transfer title (ownership) of PERSONAL property.

Cloud on Title: any condition that affects the clear title to real property.

Consideration: anything of value to induce another to enter into a contract, i.e. money, services, a promise.

Deed: a written instrument, which when properly executed and delivered, conveys title to real property.

Discount Points: a loan fee charged by a lender of FHA, VA or conventional loans to increase the yield on the investment. One point = 1% of the loan amount.

Easement: the right to use the land of another.

Encumbrance: anything that burdens (limits) the title to property, such as a lien, easement, or restriction of any kind.

Equity: the value of real estate over and above the liens against it. It is obtained by subtracting the total liens from the value.

Escrow Payment: that portion of a mortgagor's monthly payment held in trust by the lender to pay for taxes, hazard insurance and other items as they become due.

Fannie Mae: nickname for *Federal National Mortgage Corporation* (FNMA), a tax-paying corporation created by congress to support the secondary mortgages insured by FHA or guaranteed by VA, as well as conventional loans.

Federal Housing Administration (FHA): an agency of the *U.S. Department of Housing and Urban Development* (HUD). Its main activity is the insuring of residential mortgage loans made by private lenders. The FHA sets standards for construction and underwriting but does not lend money or plan or construct housing.

FHA Insured Mortgage: a mortgage under which the *Federal Housing Administration* insures loans made, according to its regulations.

Fixed Rate Mortgage: a loan that fixes the interest rate at a prescribed rate for the duration of the loan.

Foreclosure: procedure whereby property pledged as security for a debt is sold to pay the debt in the event of default.

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

Graduated Payment Mortgage: any loan where the borrower pays a portion of the interest due each month during the first few years of the loan. The payment increases gradually during the first few years to the amount necessary to fully amortize the loan during its life.

Lease Purchase Agreement: buyer makes a deposit for future purchase of a property with the right to lease property in the interim.

Lease with Option: a contract, which gives one the right to lease property at a certain sum with the option to purchase at a future date.

Loan to Value Ratio (LTV): the ratio of the mortgage loan principal (amount borrowed) to the property's appraised value (selling price). Example – on a \$100,000 home, with a mortgage loan principal of \$80,000 the loan to value ratio is 80%.

Mortgage: a legal document that pledges a property to the lender as security for payment of a debt.

Mortgage Insurance Premium (MIP): the amount paid by a mortgagor for mortgage insurance. This insurance protects the investor from possible loss in the event of a borrower's default on a mortgage.

Note: a written promise to pay a certain amount of money:

Origination Fee: a fee paid to a lender for services provided when granting a loan, usually a percentage of the face amount of the loan.

Private Mortgage Insurance (PMI): see *Mortgage Insurance Premium*.

Second Mortgage / Second Deed of Trust / Junior Mortgage / Junior Lien: an additional loan imposed on a property with a first mortgage. Generally, a higher interest rate and shorter term than a "first" mortgage.

Settlement Statement (HUD-1): a financial statement rendered to the buyer and seller at the time of transfer of ownership, giving an account of all funds received or expended.

Severalty Ownership: ownership by one person only. Sole ownership.

Tenancy In Common: ownership by two or more persons who hold an undivided interest without right of survivorship. (In the event of the death of one owner, his/her share will pass to his/her heirs).

Title Insurance: an insurance policy that protects the insured (buyer or lender) against loss arising from defects in the title.