

SAMPLE FIRST-TIME BUYER KIT



JONES HOLLOW
REALTY GROUP



Why You Should Work With a Realtor

Include this in your first-time buyer kit or in your buyers consultation packet to help clients and prospects understand the value of working with an expert, licensed realtor.

Not all real estate practitioners are realtors. The term realtor is a registered trademark that identifies a real estate professional who is a member of the National Association of Realtors and subscribes to its strict Code of Ethics. Here are nine reasons why it pays to work with a realtor.

1. **You'll have an expert to guide you through the process:** Buying or selling a home usually requires disclosure forms, inspection reports, mortgage documents, insurance policies, deeds, and multi-page settlement statements. A knowledgeable expert will help you prepare the best deal, and avoid delays or costly mistakes.
2. **Get objective information and opinions.** Realtors can provide local community information on utilities, zoning, schools, and more. A professional will be able to help you answer these two important questions: Will the property provide the environment I want for a home or investment? Second, will the property have resale value when I am ready to sell?
3. **Find the best property out there.** Sometimes the property you are seeking is available but not actively advertised in the market, and it will take some investigation by your realtor to find all available properties.
4. **Benefit from their negotiating experience.** There are many negotiating factors, including but not limited to price, financing, terms, date of possession, and inclusion or exclusion of repairs, furnishings, or equipment. In addition, the purchase agreement should provide a period of time for you to complete appropriate inspections and investigations of the property before you are bound to complete the purchase. Your agent can advise you as to which investigations and inspections are recommended or required.
5. **Property marketing power.** Real estate doesn't sell due to advertising alone. In fact, a large share of real estate sales comes as the result of a practitioner's contacts through previous clients, referrals, friends, and family. When a property is marketed with the help of a realtor, you do not have to allow strangers into your home. Your realtor will generally prescreen and accompany qualified prospects through your property.
6. **Real estate has its own language.** If you don't know a CMA from a PUD, you can understand why it's important to work with a professional who is immersed in the industry.
7. **Realtors have done it before.** Most people buy and sell only a few homes in a lifetime, usually with quite a few years in between each purchase. And even if you've done it before, laws and regulations change. Realtors, on the other hand, handle hundreds of real estate transactions over the course of their career. Having an expert on your side is critical.
8. **Buying and selling is emotional.** A home often symbolizes family, rest, and security — it's not just four walls and a roof. Because of this, home buying and selling can be an emotional undertaking. And for most people, a home is the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on both the emotional and financial issues most important to you.
9. **Ethical treatment.** Every member of the National Association of Realtors makes a commitment to adhere to a strict Code of Ethics, which is based on professionalism and protection of the public. As a customer of a realtor, you can expect honest and ethical treatment in all transaction-related matters. It is mandatory for realtors to take the Code of Ethics orientation.



Questions to Ask When Choosing a Realtor

Include this in your first-time buyer kit or in your buyers consultation packet as a resource for clients and prospects.

Make sure you choose a realtor who will provide top-notch service and meet your unique needs.

1. How long have you been in residential real estate sales? Is it your full-time job? While experience is no guarantee of skill, real estate — like many other professions — is mostly learned on the job.
2. What designations do you hold? Designations such as GRI and CRS — which require that agents take additional, specialized real estate training — are held by only about one-quarter of real estate practitioners.
3. How many homes did you and your real estate brokerage sell last year? By asking this question, you'll get a good idea of how much experience the practitioner has.
4. How many days did it take you to sell the average home? How did that compare to the overall market?
5. The realtor you interview should have these facts on hand, and be able to present market statistics from the local MLS to provide a comparison.
6. How close to the initial asking prices of the homes you sold were the final sale prices? This is one indication of how skilled the realtor is at pricing homes and marketing to suitable buyers. Of course, other factors also may be at play, including an exceptionally hot or cool real estate market.
7. What types of specific marketing systems and approaches will you use to sell my home? You don't want someone who's going to put a For Sale sign in the yard and hope for the best. Look for someone who has aggressive and innovative approaches, and knows how to market your property competitively on the Internet. Buyers today want information fast, so it's important that your realtor is responsive.
8. Will you represent me exclusively, or will you represent both the buyer and the seller in the transaction? While it's usually legal to represent both parties in a transaction, it's important to understand where the practitioner's obligations lie. Your realtor should explain his or her agency relationship to you and describe the rights of each party.
9. Can you recommend service providers who can help me obtain a mortgage, make home repairs, and help with other things I need done? Because realtors are immersed in the industry, they're wonderful resources as you seek lenders, home improvement companies, and other home service providers. Practitioners should generally recommend more than one provider and let you know if they have any special relationship with or receive compensation from any of the providers.
10. What type of support and supervision does your brokerage office provide to you? Having resources such as in-house support staff, access to a real estate attorney, and assistance with technology can help an agent sell your home.
11. What's your business philosophy? While there's no right answer to this question, the response will help you assess what's important to the agent and determine how closely the agent's goals and business emphasis mesh with your own.
12. How will you keep me informed about the progress of my transaction? How frequently? Again, this is not a question with a correct answer, but it reflects your desires. Do you want updates twice a week or do you not want to be bothered unless there's a hot prospect? Do you prefer phone, e-mail, or a personal visit?
13. Could you please give me the names and phone numbers of your three most recent clients?
14. Ask recent clients if they were pleased with the communication style, follow-up, and work ethic of the realtor



7 Reasons to Own Your Own Home

Consider including this in your first-time buyer kit or buyers consultation packet.

There are numerous reasons to own a home. Here are the top seven reasons and how becoming a homeowner can help you in the long run.

- 1. Tax breaks.** The U.S. Tax Code lets you deduct the interest you pay on your mortgage, your property taxes, as well as some of the costs involved in buying your home.
- 2. Appreciation.** Real estate has long-term, stable growth in value. While year-to-year fluctuations are normal, median existing-home sale prices have increased on average 6.5 percent each year from 1972 through 2005, and increased 88.5 percent over the last 10 years, according to the National Association of Realtors. In addition, the number of U.S. households is expected to rise 15 percent over the next decade, creating continued high demand for housing.
- 3. Equity.** Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home.
- 4. Savings.** Building equity in your home is a ready-made savings plan. And when you sell, you can generally take up to \$250,000 (\$500,000 for a married couple) as gain without owing any federal income tax.
- 5. Predictability.** Unlike rent, your fixed-mortgage payments don't rise over the years so your housing costs may actually decline as you own the home longer. However, keep in mind that property taxes and insurance costs will increase.
- 6. Freedom.** The home is yours. You can decorate any way you want and benefit from your investment for as long as you own the home.
- 7. Stability.** Remaining in one neighborhood for several years gives you a chance to participate in community activities, lets you and your family establish lasting friendships, and offers your children the benefit of educational continuity.

Online resources: To calculate whether buying is the best financial option for you, use the "Buy vs. Rent" calculator at www.GinnieMae.gov.

Professional guidance through the complex process of real estate transactions.

First Time Home Buyer



1st *Time*
Home Buyer

7 Advantages of Home Ownership

- **Pride of Ownership**
- **Good Investment**
- **Interest Deductibility**
- **Property Taxes Deductible**
- **Capital Gain Exclusion**
- **Capital Gain Treatment**
- **Amortization**



JONES
HOLLOW
REALTY GROUP

Jones Hollow Realty Group Inc.
136 Carelton Ave, East Islip, NY 11730
Office: 833-GO-JONES - Direct: 631-650-3977
www.joneshollowrealty.com

My Role in Helping you Find the Right Home



1st Time Home Buyer

BUYER COUNSELING INTERVIEW

- Explain “7 Reasons to Buy a Home”
- Cover the tax benefits of home ownership
- Point out the advantage of owning vs. renting, if applicable
- Explain the Multiple Listing Service & what it means to you
- Explain the importance of being “pre-approved” for a mortgage
- Introduce you to experienced loan officer
- Determine your priorities, wants and needs
- Explain the benefits of “buyer representation”
- Address the lead-based paint issues
- Present the Fair Housing flyer
- Explaining “Agency” and “Limited Dual Agency”
- Explain the home inspection provisions

SEARCH FOR THE RIGHT HOME

- Conduct an area tour, if needed
- Search the Multiple Listing Service
- Search for any new homes as well as existing homes
- Search “For Sale by Owner” properties
- Search advertisements and signs
- Check open house properties
- Provide objective information about each home
- Help you avoid mistakes that other buyers have made
- Coordinate showings and make appointments to sell all homes that are available
- Complete a “market evaluation” on properties of interest to help you determine the market value
- Obtain a copy of the “Seller Disclosure of Property Condition” report for your review
- Determine which personal items are to remain with property
- Explanation of “offer”, “counter offer”, and “acceptance” must be in writing

AFTER FINDING YOUR DREAM HOME

- Prepare the purchase of contract in your best interest
- Negotiate on your behalf
- Explain what “as-is” means
- Obtain seller’s acceptance
- Provide the checklist for loan application

- Assist with loan application details
- Follow through with a mortgage company regarding appraisal, verifications, credit report, etc
- Arrange for an appraiser to have access to home
- Arrange for a home inspector to access home
- Complete Inspection Form
- See that all inspection deadlines are met
- Negotiate items on inspection form to your satisfaction
- Connect you with a reputable builder, if new home is desired
- If a new home is selected I will:
 - Review new construction contract and highlight differences as compared to general contract
 - Discuss “cash advance” to builder, if applicable
 - Discuss probabilities you may expect from start of construction through completion
 - Discuss closing date as a target, or estimate of completion date
 - Discuss Home Builders Association membership and subsequent recourse available vs. non-member builder
 - Discuss type and extent of warranty to be provided and length of same
 - Schedule the selection process and assist, if needed
 - Assist with change orders

PREPARATION FOR CLOSING

- Order home warranty if applicable
- See that termite report is ordered
- Help you see that all repairs are completed
- Notify closing attorney with correct names for deed
- Consider purchase of owner’s title insurance
- Coordinate and schedule final walk-through
- See the insurance information is forwarded to closing attorney
- Obtain escrow check for closing
- Have final walk-through confirmation signed
- Attend closing
- Arrange for free moving estimates, if desired
- Arrange date of possession
- Arrange for transfer of keys
- Arrange for transfer of utilities
- Keep you informed from beginning to end



My Role in Helping You Find the Right Home

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- Explain the home inspection provisions

SEARCH FOR THE RIGHT HOME

- Conduct an area tour, if needed
- Search the Multiple Listing Service
- Search the Internet at www.425-6000.com
- Search for any new homes as well as existing homes
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- Provide objective information about each home
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- Deposit your earnest money in our secure escrow account, unless a new home is purchased
- Provide the checklist for loan application
- Assist with loan application details
- Follow through with a mortgage company regarding appraisal, verifications, credit report, etc
- Arrange for an appraiser to have access to home
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