



Real Estate Buyers Manual

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## BIO

After working many years in the Customer Service field, Daniel realized his strengths and expertise was working with clients, listening to their needs, and providing superior customer service.

Following his passion, Daniel chose to move into the real estate market. In Daniel's first three years he worked with a foreclosure team, where he learned and specialized in assisting Buyers and Investors, in the purchase of foreclosure properties and then became a Fannie Mae listing Agent. In 2015 Daniel transitioned from Foreclosure sales to traditional real estate.

Daniel's main direction is to consult with buyers and sellers in the transactions of their home. His passion, enthusiasm, determination and exceptional customer service skills differentiate him from other agents, and he strives to complete every transaction in a timely manner while keeping in mind the ultimate goal of meeting his clients' needs and expectations. Daniel's main areas of expertise are Blue Springs, Independence, Grain Valley, Lee's Summit, Raytown, Kansas City, Pleasant Hill, Buckner, Sibley, Kingsville and Overland Park.

## Ways to Stay Connected



[www.yourrealestateoption.com](http://www.yourrealestateoption.com)



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<http://tiny.cc/danslinkedin>



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<http://tiny.cc/DansPinterest>



<http://tiny.cc/DansYoutube>



[https://twitter.com/Dan\\_Harwood78](https://twitter.com/Dan_Harwood78)



<http://tiny.cc/DansInstagram>



## Reviews

### **Genuine and Honest approach**

"Dan made what could have been a very challenging experience easy. Dan was consistent in his help and expertise. Dan always had the answers to any question that I had or could find it quickly. Dan removed the complexities of buying a home and made it an easy and enjoyable process. Dan's genuine and honest approach inspires confidence and trust which made my buying experience less intimidating for a 1st timer. Dan worked with me to find the exact home and style that I wanted for the price that I wanted to invest. His expertise made it possible for me to find the home I wanted without having to settle and this was a big deal to me as it should be with any home buyer. Dan always made me feel like a priority. Working with Dan was an experience that mirrors teamwork as opposed to just hiring an agent. He consistently presented me with new and different ideas and locations that fit into the category of my home search. I cannot say enough positive things about Dan or the experience of buying a home with him on my team. I really do recommend Dan every chance I get and I will continue to recommend Dan in the future. When I grow out of my home and it's time to find the next perfect fit, Dan will be the first and last person I call."

- **Gary Huddleston**

### **He isn't in it to get his paycheck**

"Dan couldn't have been a better realtor. We told him what we were approved for and he made sure to show us homes well under that. He isn't in it to get his paycheck. He is very knowledgeable about what is and isn't going to pass inspection. He made sure to point out things that were very good as well as very bad and everywhere in between. He also makes it a point to listen to what you want and don't want in your house. We will without a doubt use Dan in any future property purchases."

- **Chris and Roslyn Colwell**

### **Kind and present throughout the whole process**

"I was a first time home buyer and needless to say, a little more than nervous and stressed out. Dan was so kind and present throughout the whole process. From making the offer and staying up 'til after midnight to get it all signed, to spending an hour on the phone trying to calm me down when my nerves got the best of me, I couldn't have asked for someone more attentive to my needs. I know I put him through the ringer, and he was such a champ the whole time, constantly reassuring me it would all be alright and taking the time to explain to me what to expect. And we got our home and everything worked out famously! 5 stars isn't enough for Dan!!"

- **Sarah and Shane Woltje**

### **Knowledgeable about the area**

"We had a great time working with Daniel on locating our first home. I lost track of exactly how many homes we looked at until we found one we could be happy in for the long run. Throughout the whole process Daniel was very patient and was always available for any questions or concerns that came up along the way. Daniel was knowledgeable about the area we were looking in and I feel we were able to purchase our home at a good price with his help. In the future we would have Daniel assist us for our realty needs either buying or selling and would recommend him for anyone else buying or selling a home."

- **Tracy Tull**

### **Smoother than we could've imagined**

"From the very first steps in the process to buying our first home, Dan was very helpful. He was always available to answer any questions we had, and explain things in ways we would understand. The home buying process was so much smoother than we could've imagined, and I have to give credit to Dan for all of his friendliness, hard work, willingness to go the extra mile, and dedication"

- **Deron and Mary Forde**



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# 5 Reasons to Hire a Real Estate Professional

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They help with all disclosures and paperwork necessary in today's heavily regulated environment.

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They are well educated in and experienced with the entire sales process.

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They act as a "buffer" in negotiations with all parties throughout the entire transaction.

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They help understand today's real estate values when setting the price on a listing or on an offer to purchase.

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They simply and effectively explain today's real estate headlines and decipher what they mean to you.

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Dan Harwood

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## Steps To Finding And Buying Your Home

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**1** **Decide to Buy**  
Reasons for buying a home
- 

**2** **Hire Your Agent**  
Sign buyer agency agreement
- 

**3** **Determine Your Needs**  
Needs vs. wants  
Top search criteria
- 

**4** **Secure Financing**  
Purchasing power  
Monthly payment
- 

**5** **Find Your Home**  
Online search  
Open houses  
Agent showings
- 

**6** **Make an Offer**  
Offer terms
- 

**7** **Contingencies**  
Home inspection  
Financing  
Other contingencies
- 

**8** **Contract Accepted**  
Perform due diligence
- 

**9** **Final Walk Through**  
Check property condition
- 

**10** **Closing**  
HUD-1  
Transfer title
- 

**11** **Moving Day**  
Bribe your friends to help!
- 

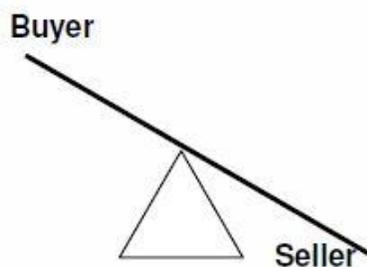
**12** **Keep in Touch**  
Client parties  
Events  
Future real estate needs



Dan Harwood

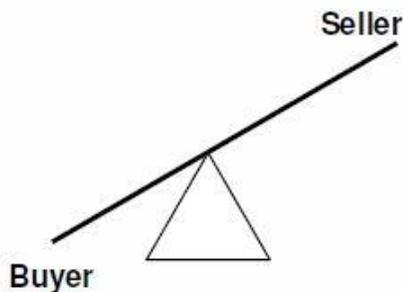
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## Buyer Agency



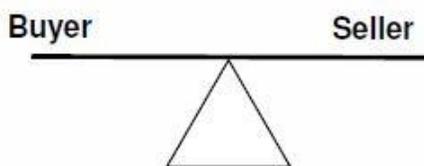
### SELLER AGENCY (SINGLE AGENCY)

- Agent will represent the best interests of the seller
- Agent will owe the seller fiduciary duties
- Agent must give the buyer all material facts so that the buyer can make an educated decision



### BUYER AGENCY (SINGLE AGENCY)

- Agent will represent the best interests of the buyer
- Agent will owe the buyer fiduciary duties
- Agent must give the seller all material facts so that the seller can make an educated decision



### TRANSACTION BROKER (DUAL AGENCY)

- Agent represents both the buyer and the seller equally
- Agent's objective is to facilitate a mutually satisfactory agreement among all parties
- Agent gives all options to the buyer and the seller
- Depending on the local market, all parties may be present at contract presentation to negotiate on their own behalf
- All parties have confidentiality. Agent may do nothing to the detriment of either the buyer or the seller
- Both the buyer and the seller have a right to counsel. Before making any decisions, both parties have the right to seek outside counsel



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## What Do I Need To Get Preapproved

1. Mortgage Application
2. Credit Report
3. Place of Residence – full addresses for any place you’ve live the last two years.
4. Employment Verification – list of employers for the last two years (names, addresses & phone numbers)
5. Self-Employment – profit loss statement, federal tax statements and or balance sheets of the last two years
6. Pay Stubs – last 30 to 90 days
7. W-2’s – most recent One to Two years
8. Bank Accounts – any bank accounts numbers, balances, money market accounts and statements.
9. Gift Letter – Only if receiving gift money for down payment or closing cost
10. Other Assets – CD’s, stocks, bonds, IRA account
11. Real Estate Contract
12. Monthly Expenses – some lenders may require itemized list of monthly expenses
13. Divorce Decree – if applicable



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## How To Buy A Great House

There are many factors to consider when selecting a neighborhood that is right for you. Below are just a few of the many factors -- you may think of others that are important to you.

Neighborhoods have characteristic personalities designed to best suit single people, growing families, two-career couples, or retirees.

### **SCOUT THE NEIGHBORHOOD!**

It is important that you scout the neighborhood in person. You live in more than your house.

- Talk to people who live there.
- Drive through the entire area at different times of the day, during the week and on weekends.
- Look carefully at how well other homes in the area are being maintained; are they painted, are the yards well cared for; are parked cars in good condition, etc.

### **NEIGHBORHOOD FACTORS TO CONSIDER**

- Look for things like access to major thoroughfares, highways, and shopping.
- Listen for noise created by commerce, roads, railways, public areas, schools, etc.
- Smell the air for adjacent commerce or agriculture.
- Check with local civic, police, fire, and school officials to find information about the area.
- Research things like soil and water.
- Look at traffic patterns around the area during different times of the day and drive from the area to work.
- Find out if the neighborhood is near parks, churches, recreation centers, shopping, theaters, restaurants, public transportation, schools, etc.
- Find out if the neighborhood belongs to a Homeowner's Association.



## We Found A Home, What Happens Next?

Now that you have decided to buy your home, what happens between now and the time you legally own the home?

**Inspections** –We will coordinate home inspection and termite inspection of the property within one week of having a valid contract. Payment of home inspection is due at time of inspection.

**Repair Requests**–After receiving a copy of the home inspection, we will request the items that are not in working order to be repaired. Please keep in mind that these items are not necessarily required to be fixed by the seller. The seller may opt to complete none of the repairs. It is then up to the buyer if they would still like to purchase the property. Most of the time though, repairs are negotiable and an understanding between buyer and seller may be reached.

**Title Search** – Copies of documents are gathered from various public records: deeds, deeds of trust, hoa associations, etc. by the closing attorney. Various assessments and matters of probate, heirship, divorce, and bankruptcy are addressed. Taxes are also checked to see what is owed. They will be prorated at closing.

**Document Preparation** – Appropriate forms are prepared for conveyance and settlement by the closing attorney

**Settlement** – An Attorney 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.



## What Are The Costs To Buying A Home

**Earnest Money Deposit:** Upon submitting a written offer, a buyer should be prepared to submit a check or certified funds in a minimum amount of \$500 as consideration with your offer. This amount will count toward your down payment. Also you should keep in mind, if you back out of a contract after the inspection period ends the earnest money will be forfeited to the Seller.

**Home Inspections:** Every Buyer should have a home inspection. Home Inspection need to be completed within the 10 day inspection period, unless negotiated for a longer inspection period. The home inspection will help guide you on the condition of the home and possibly bring defects to light. During a home inspection you should have a Termite and Radon Inspection.

**Appraisal:** A typical appraisal runs around \$500. Buyers sometimes pay for their appraisal before it takes place and sometimes the fee is included in the closing cost on settlement day. Check with your lender to know when payment is expected.

**Down Payment:** While some low- to moderate-income borrowers can find low down payment programs and zero down payment programs, in general, most people need at least 3.5 % of the purchase price as a down payment FHA (Federal Housing Administration) loan. Conventional Loans have a down payment amount from 5%-20%. VA and USDA Rural Loans are a 100% Loans with zero down payments.

**Mortgage Origination Fees:** An up-front fee charged by a lender for processing a new loan application, used as compensation for putting the loan in place.

**Title Insurance:** is a form of indemnity insurance predominantly found in the United States which insures against financial loss from defects in title to real property and from the invalidity or unenforceability of mortgage loans.

**Moving Cost:** How much moving costs depends a lot on how far you are moving. If you are moving nearby and have friends and family to help, it can cost almost nothing. But a long-distance move of a 2,000-square-foot home, including having the packing done for you, could cost \$5,000 to \$7,000.

**Necessary Home Purchases:** If you are moving from an apartment to a single-family home, you may have to buy items such as a lawn mower, a snow shovel or window treatments.

**Cash Reserves:** Some Lenders might require you to carry up to two house payments, including principal, interest, taxes and insurance in the bank after closing.



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## 88 Things That Might Go Wrong During Your Transaction

### The Buyer/Borrower:

1. Does not tell the truth on loan application.
2. Has recent late payments on credit report.
3. Finds out about additional debt after loan application.
4. Borrower loses job.
5. Coborrower loses job.
6. Income verification lower than what was stated on loan application.
7. Overtime income not allowed by underwriter for qualifying.
8. Applicant makes large purchase on credit before closing.
9. Illness, injury, divorce or other financial setback during escrow.
10. Lacks motivation.
11. Gift donor changes mind.
12. Cannot locate divorce decree.
13. Cannot locate petition or discharge of bankruptcy.
14. Cannot locate tax returns.
15. Cannot locate bank statements.
16. Difficulty in obtaining verification of rent.
17. Interest rate increases and borrower no longer qualifies.
18. Loan program changes with higher rates, points and fees.
19. Child support not disclosed on application.
20. Bankruptcy within the last two years.
21. Mortgage payment is double the previous housing payment.
22. Borrower/coborrower does not have steady two-year employment history.
23. Borrower brings in handwritten pay stubs.
24. Borrower switches to job with a probation period.
25. Borrower switches from job with salary to 100% commission income.
26. Borrower/coborrower/seller dies.
27. Buyer is too picky about property in price range they can afford.
28. Buyer feels the house is misrepresented.
29. Veterans DD214 form not available.
30. Buyer comes up short of money at closing.
31. Buyer does not properly "paper trail" additional money that comes from gifts, loans, etc.
32. Buyer does not bring cashier's check to title company for closing costs and down payment.

### The Seller:

33. Loses motivation to sell (Job transfer does not go through, reconciles marriage, etc.).

34. Cannot find a suitable replacement property.
35. Will not allow appraiser inside home.
36. Will not allow inspectors inside home in a timely manner.
37. Removes property from the premises the buyer believed was included.
38. Cannot clear up liens — is short on cash to close.
39. Did not own 100% of property as previously disclosed.
40. Encounters problems getting partners' signatures.
41. Leaves town without giving anyone Power of Attorney.
42. Delays the projected move-out date.
43. Did not complete the repairs agreed to in contract.
44. Seller's home goes into foreclosure during escrow.
45. Misrepresents information about home and neighborhood.
46. Does not disclose all hidden or unknown defects and they are subsequently discovered.

### The Realtor(s):

47. Has no client control over buyers or sellers.
48. Delays access to property for inspection and appraisals.
49. Does not get completed paperwork to the Lender in time.
50. Inexperienced in this type of property transaction.
51. Takes unexpected time off during transaction and can't be reached.
52. Misleads other parties to the transaction — has huge ego.
53. Does not do sufficient homework on their clients or the property and wastes everyone's time.

### The Lender(s):

54. Does not properly pre-qualify the borrower.
55. Wants property repaired prior to closing.
56. The market raises rates, points or costs.
57. Borrower does not qualify because of a late addition of information.
58. Lender requires a last-minute second appraisal or other documents.
59. Lender loses a form or misplaces entire file.
60. Lender doesn't simultaneously ask for all needed information.
61. Lender doesn't fund loan in time for close.

### The Property:

62. County will not approve septic system or well.
63. Termite report reveals substantial damage and seller is not willing to fix.
64. Home was misrepresented as to size and condition.
65. Home is destroyed prior to closing.
66. Home is not structurally sound.
67. Home is uninsurable for homeowner's insurance.
68. Property incorrectly zoned.
69. Portion of home sits on neighbor's property.
70. Unique home and comparable properties for appraisal difficult to find.

### The Escrow/Title Company:

71. Fails to notify lender/agents of unsigned or unreturned documents.
72. Fails to obtain information from beneficiaries, lien holders, insurance companies or Lenders in a timely manner.
73. Lets principals leave town without getting all necessary signatures.
74. Loses or incorrectly prepares paperwork.
75. Does not pass on valuable information quickly enough.
76. Does not coordinate well, so that many items can be done simultaneously.
77. Does not bend the rules on small problems.
78. Finds liens or other title problems at the last minute.

### The Appraiser:

79. Is not local and misunderstands the market.
80. Is too busy to complete the appraisal on schedule.
81. No comparable sales are available.
82. Is not on the Lender's "approved list."
83. Makes important mistakes on appraisal and brings in value too low.
84. Lender requires a second or "review" appraisal.

### Inspectors:

85. Pest inspector not available when needed.
86. Pest inspector too picky about condition of property.
87. Home inspector not available when needed.
88. Inspection reports alarm buyer and sale is cancelled.



## FAQ

### **What's the first step of the home buying process?**

**Answer:** The Mortgage Pre-Approval.

Unless you are paying cash for a house, you will need to get a mortgage. In order to know how much home you can afford, you will need to get pre-approved for a loan. This is the first-step in the home buying process.

### **How Long Does it Take To Buy a Home?**

**Answer:** Around 30 days

The timeline for finding a house varies greatly from person to person. Once you find a house and have an accepted offer, it usually takes around 30 days to close.

### **What Does A REALTOR® Do?**

**Answer:** Almost everything.

A REALTOR® is your most valuable asset when buying a home. They will walk you through every part of the home buying process. They will educate and inform you of all your options. They will represent you throughout the transaction and beyond. There is a difference between a REALTOR® and a real estate agent; many people do not know this. A REALTOR® is regulated by the National Association of REALTORS® and subscribes to a strict Code of Ethics. A real estate agent does not. It is recommended that you work with a licensed REALTOR® to avoid potential problems.

### **What's Your Best Advice for First-Time Homebuyers?**

**Answer:** Trust the Professionals.

Beware of advice from people who do not work in the industry. Real estate is a popular topic and almost everyone feels like they have some great insight to offer. In reality, the people who know best are the people that work in the business. Good REALTORS® have sold hundreds (maybe thousands) of properties. We know what to expect and what to look out for. Friends and relatives have only bought and sold a few homes, if any at all. Buying and selling a couple of homes does not make someone a well-rounded source of information. I've seen too many first-time buyers become persuaded by well-meaning friends and family, only to be disappointed later. Be confident in your decisions and trust the professionals.



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**What Kind of Credit Score Do I Need to Buy a Home?**

**Answer:** 620+

A 620 credit score, or higher, is recommended. As you are probably aware, a higher credit score offers better lending terms. This is an ever evolving topic, however, as loan requirements are constantly changing. There are some lenders who will approve buyers with a 580 score, sometimes even lower. Your loan officer will be the best source to give you a current answer for today's lending requirements.

**Are There Special Home Buying Programs That I Should Know About?**

**Answer:** Yes

There are some great home buying programs to research. The main ones would be VA loans, USDA loans, and FHA loans. Knowing the difference between these loan types is very important.

**How Much Money Do I Need for a Downpayment?**

**Answer:** It depends on your loan type. Usually 3% to 5% down.

The most common answer is 3% to 5% of the purchase price. FHA loans just dropped their requirement from 3.5% to 3.0%. There are also some conventional loans that only require 3% down. Veterans are usually eligible for a VA loan, which requires no money down. Properties in rural areas are usually eligible for a USDA loan, which also requires no money down.

**When do I get the keys?**

**Answer:** When the Property Funds

Under normal circumstances, you will get the keys after the closing when the property funds. A closing typically takes about an hour. In some cases, the lender will need time to fund the loan and you will need to pick up the keys after the loan has been funded. If you have a Friday evening closing and the loan cannot fund until Monday, you may not get the keys until Monday. Make sure to coordinate your closing to get the keys on the same day, if that is what you need.

**Remember to have fun. Buying a home is an exciting achievement!**