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### **The MORE Real Estate Team**

**CONGRATULATIONS!** You've made the decision to move forward toward your goal of buying or selling your home. The next step is to hire Cary Muhammad and The MORE Team of real estate professionals with Keller Williams Realty. We promise to keep you well-informed, which will make the process easy, speedy, and nice. The more you know about the entire home selling or buying process the easier it is, the faster we reach your goal, and the more pleasant your experience will be.

Our FREE consultation will help you define and fine tune your real estate needs. Our on-going service and real estate knowledge assures a clear path to your goal of buying or selling a home. In addition, our local office is full of resources to support us as we help you experience a hassle-free real estate transaction.

So whether you are a motivated seller, a first-time home buyer or a savvy investor, choosing to go through the real estate buying or selling process can be one of the most complex and stressful decisions you will make. That's why you need an ethical, conscientious real estate agent, backed by a solid team and the award winning services of Keller Williams Realty. We take pride in providing the invaluable FREE consultation and service that leads to a win-win experience.

## **You Are Here**

We have identified five (5) stages of the initial real estate selling and buying process, so we know what you are going through.

- First, you become aware that buying or selling a home is a real possibility for you.
- Second, you gather information about how you might make that happen.
- Third, you gather the different options you have for buying or selling a home.
- Fourth, you take action and hire a real estate agent.
- And fifth, after you have completed the transaction, you re-evaluate your decisions such as whether you made the right buying or selling choices, how helpful the professionals you hired were, and how the home buying or the selling process lived up to your expectations.

When you are ready to take action, which includes getting your financials together, and doing what it takes to move the transaction along to buy or sell your home, Cary Muhammad and The MORE Team are ready for you.

## **It Takes a Team**

It takes a team to buy or sell a home. There are many tasks in the home buying and selling process, like important timelines, documents, and responsibilities. All of these tasks need special care and attention. When you hire Cary Muhammad and The MORE Team of licensed real estate professionals, you become the "Principal" part of the team. The individual players on your real estate team are experienced team players who know every step of the real estate buying and selling process. Together we have the ability to effectively communicate with each other so that we can execute on important decisions.

As our "Client" it is important for you to know the most important members of The MORE Team: the transaction coordinator, marketing administrator, buyer agent, and the listing specialist. And as we work together, you will learn more about each team player and their responsibilities, as well as their background and experience. This will make it easier for you to hold us accountable to our commitment to you.

There are six essential teams of real estate professionals dedicated to help you throughout your real estate transaction. There's the real estate agent team, the mortgage company and their team of professionals, the insurance agents for the buyer and the lender. There's the title and escrow companies, the home inspector, and the appraiser. Below is a brief description of the responsibilities and duties that you can expect from each team of players:

### **Real Estate Agent**

Congratulations on taking action! You have decided to hire a real estate agent and her team. This is like hiring the team leader whose responsibility is to first consult with you then guide, direct and negotiate the actions of each team of players involved in the entire transaction. And that is why many agents are now called Real Estate Consultants. According to my license, a real estate agent is a licensed salesperson who has a commitment to a buyer or seller to act as a true fiduciary. A Fiduciary is an agent for a Principal/Client (You). The Fiduciary Duty is the legal or special relationship of trust, confidence, or responsibility between two or more parties, most commonly a "Fiduciary" and a "Principal/Client."

Between a Real Estate Agent and his Principal/Client, the fiduciary duty is established via written authorization in the form of a Buyer or Listing Agency Agreement that may or may not include consideration in the form of a retainer (fee).

So whether or not a licensed agent is a Consultant or a Realtor - a buying agent or a listing agent - he or she is always a Fiduciary Agent who abides by the legal requirements placed on them by their profession.

A few of the important roles we will perform:

- Determine your home buying needs
- Define your property search criteria – neighborhoods, school districts, local amenities, etc.
- Provide insight on market trends and property values
- Conduct market research to prepare a comparative market analysis (CMA)
- Negotiate purchase contracts
- Pay attention to due-diligence periods and other important timelines
- Articulate inspection and appraisal reports
- Professionally estimate fair market value (FMV) on listings

A common misconception of many first-time home buyers is that hiring a real estate agent will end up costing more money.

However, the typical arrangement in a purchase transaction is for the home seller to cover the buyer's agent commission. In some cases, for example, where a For Sale By Owner (FSBO) is listing a property and offering a lower price to deal direct, it is still a good idea for a buyer to have an agent in their corner to protect their financial and investment interests. And, of course, most costs are negotiable.

Considering that home sellers and buyers may have five to seven real estate transactions in a lifetime, compared to an agent that closes the same amount in a month, it is obvious to see that there is a big advantage to rely on a real estate professional when your money is on the line.

## **Mortgage Professional**

A mortgage professional (loan officer, mortgage planner, loan consultant, etc.) can be considered the glue that holds the entire transaction together.

In addition to establishing the purchase price and monthly payment for which a borrower can qualify, the mortgage team will also need to communicate with all of the other players on the team throughout the entire process.

If down payment is less than 20 percent, the buyer needs Private Mortgage Insurance (PMI).

If the seller is doing a "carry back loan" or is a "FSBO," he should purchase lender's title insurance to protect himself if the buyer cannot pay.

To highlight a few details your mortgage team is paying attention to:

- Initial pre-qualification to determine purchase price / loan amount
- Explain all loan program options that may fit your investment goals
- Collecting / organizing loan approval documents
- Watching economic indicators that influence daily rate changes
- Locking rates
- Communicating with title / escrow officers
- Submitting loan package to underwriting departments
- Updating disclosure / GFE (Good Faith Estimate) paperwork within proper time frames
- Following funding through to the final recording
- Tracking inspections, insurance and other lending requirements
- Post closing rate / program monitoring

### **Insurance Agent**

The lender in any mortgage transaction might require two types of insurance policies - home warranty and homeowner's insurance.

The homeowner's insurance policy protects the property in the case of fire, theft or other damage that could affect the entire structure of the home (except flood or earthquake, those are separate policies and may be optional).

The home warranty is a contract between the homeowner and a home warranty company that provides for discounted repair and replacement service on a home's major components.

### **Title and Escrow**

It is possible to have a title company and an escrow officer work for different companies. Also, some states use closing attorneys and there are still a few states where they use abstract of title instead of title insurance. In most purchase transactions, the seller has the option of choosing the title company.

The title and escrow officers are often thought of as the same role, but in reality are quite different positions. The title officer takes care of all issues that have to do with the title (also referred to as the deed) of the property. The lender may require a title insurance policy guaranteeing that the title is free and clear of all liens except those being filed by the lender. Escrow takes care of receiving, signing, and notarizing the final loan documentation, as well

as collecting the other paperwork associated with the home sale. The escrow officer is a neutral third party that makes sure no money is transferred until all conditions for each side are met.

The money management of an escrow company includes:

- Real estate commissions
- Funds to mortgage company
- Homeowner's insurance premiums
- Home warranty plan
- Property taxes
- HOA (home owner association) dues and other third-party fees

Finally, the escrow officer will see that you have a properly recorded title or deed showing you as the new owner with the county.

### **Home Inspector**

When you have found the home that you like, it is a wise idea to have a professional take a look at the home to see if there are any issues with the property that could be a problem in the future.

A certified Home Inspector can be money well spent.

They will look at the functionality of the home to make sure the electrical, plumbing and physical aspects of the home are strong, which will help the buyer make an educated decision about following through with the purchase, or renegotiating certain aspects of the contract.

Keep in mind, a home inspector is not an appraiser. An appraiser determines value, while the inspector looks for structural problems, defects or maintenance issues.

The inspector is doing this strictly for the buyer's sake. The lender is not concerned if a faucet has a minor leak as long as the property is worth the sales price. Therefore, the lender generally does not require an inspection unless the purchase contract requires one.

So, an inspection is not required, but it is recommended. As a matter of fact, one of the forms in an FHA application package is one that says "For Your Protection: Get a Home Inspection."

### **Appraiser**

While the appraiser is typically never seen by the home buyer, an appraisal is obviously an important component of a home purchase transaction. The bank will always require an appraisal, and in some cases need a second opinion of value if the loan program guidelines or loan amount require it. The appraiser will conduct an analysis of the property to determine the current market value.

Appraisers compare the sales prices of similar properties sold in the neighborhood and surrounding areas with the subject property. This can be a very tricky process, especially if there are few properties to choose from, or if there is an overwhelming amount of foreclosures and short sale listings. Since two homes are rarely identical, the appraiser has the difficult job of trying to compare homes with similar features. When done, the estimate of value is given. If that value is below the purchase price, then negotiation may take place. If it is at or above the purchase price, we are ready to go forward.

### **Cary Muhammad and the MORE Team**

Now you know a little more about the key players on your team, and knowing what to expect from each team of players empowers you and builds the confidence you need to have a successful real estate transaction. Rest assured that we will help you every step of the way by providing on-going consultation and negotiation with all the key players, on your behalf.

In addition, we are tech-savvy, Internet marketing and research specialists. So by whatever means it takes to market your home or find a home for you, we know how. This also means that we are limitless in how we communicate. Just let us know your preferred method, and it will be our pleasure to keep you well informed. Thank you.

Sincerely,

***Cary Muhammad (213) 444-6168***