

YOUR HOME BUYING GUIDE

Complete guide to the home buying process.



CB
COLDWELL BANKER
TOMLINSON

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EACH OFFICE IS INDEPENDENTLY OWNED AND OPERATED.







YOUR SEARCH BEGINS

Buying a home is one of life's biggest investments and most exciting adventures. We are your partner in the process, guiding you along the way to make your experience smooth and successful.

Trusted Brand

The Coldwell Banker® brand is one of the world's best-known and trusted names in real estate. In our increasingly mobile world, the strength of our name and our 116+ year-old history gives our clients peace of mind and the assurance that we do things right.

Leading-Edge Technology

Our proprietary technology suite helps us to access big data and turn it into usable digital marketing intelligence. The metrics allow us to analyze consumer, demographic and economic information - allowing us to identify homes you might be interested in, that may not even be on the market yet.

Expert Guidance

Let's face it, sometimes the home-buying process is hard. Market conditions, pricing, interest rates, and other variables can change daily. To navigate this sea of information, you want someone who will give you the straight scoop, attend to details, and strive to help you meet your real estate goals.

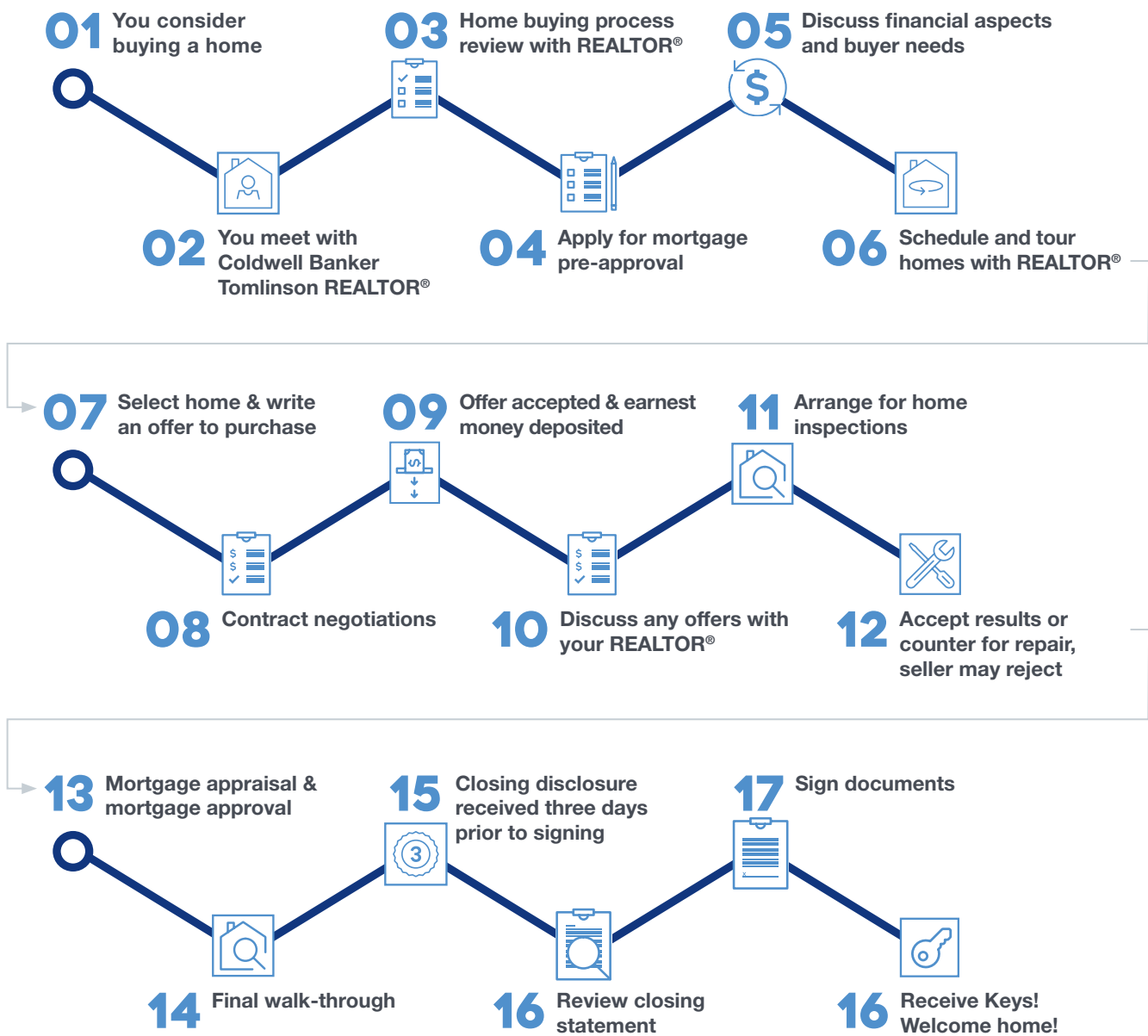
Experienced Professionals

Your Coldwell Banker Tomlinson REALTOR® is the best trained professional in the industry. Regular in-house classes, national speakers, and consistent continuing education keep our agents at the top of the industry. This expertise allows you a smooth home buying experience - consistently demonstrated by your advisors at Coldwell Banker Tomlinson.



THE HOME BUYING PROCESS

Buying a home is a complicated process. Proper research, defining goals and developing an action plan are the keys to a successful outcome. I will help guide you through it every step of the way.



PRE-APPROVAL ADVANTAGE

The first step in any home search is finding out exactly how much home you can afford and securing the financing to make the purchase. While you can get a rough estimate through pre-qualification, taking the extra step to obtain pre-approval will give you some added advantages.

Pre-Approval Helps You:

- Understand your financial condition
- Know exactly how much home you can afford before you begin your home search
- Strengthen your purchasing power when making an offer
- Save money with a seller who is confident about taking their home off the market with buyers who have a definite loan commitment
- Have one less contingency that the seller will be concerned with to get their home sold
- Closing more quickly – the lengthiest contingency is usually the mortgage approval
- Minimizing the anxiety of not knowing whether or not you qualify for a loan

When you find a home you love and are ready to make an offer, your mortgage pre-approval lets the seller know that you're serious and fully prepared to buy their home, putting you in a stronger position than other potential buyers.





PRE-APPROVAL PROCESS

Here are some of the documents that you may need to provide your lender to get the pre-approval process started:

Income:

- Current pay stubs, usually for last two months
- W-2s or 1099s, usually for last two years
- Tax returns, usually for last two years

Assets:

- Bank statements
- Investments/brokerage firm statements
- Net worth of businesses owned (if applicable)

Debts:

- Credit card statements
- Loan statements
- Alimony/child support payments (if applicable)

Miscellaneous:

- Life insurance cash value (documented if used as cash down payment)
- If applicant is selling a home, provide a copy of sales contracts
- Social Security numbers for all parties
- Veterans - Certificate of Eligibility & DD-214
- Cash or check to pay for application fee

10 QUESTIONS TO ASK LENDERS

To ensure you have a successful partnership for the term of your loan, you need to find a lender and loan that fit your needs long-term. Asking lending companies these questions may help:

1. What are the most popular mortgage loans you make? Why?
2. Which type of mortgage plan do you think would suit us? Why?
3. Are your rates, terms, fees, and closing costs negotiable?
4. Will I have to buy private mortgage insurance? If so, how much will it cost, and how long will it be required? PMI is usually required if you put down less than 20 percent. Most lenders will let you discontinue the policy when you reach 20 percent equity by paying down the loan. But you'll likely have to initiate that change. Lenders are required to cancel your PMI only when you reach 22 percent equity.
5. Who'll service the loan—your bank or another company?
6. What escrow requirements do you have? Examples: number of days in advance of closing that money has to be deposited; form money must be in, such as cashier's check.
7. How long is your lock-in period (the time that the quoted interest rate will be honored)? Will I be able to obtain a lower rate if rates drop during this time?
8. How long will the loan approval process take?
9. How long will it take to close the loan?
10. Are there any charges or penalties for prepaying the loan?



LEADING HOME-SEARCHING WEBSITES

The first stop on your home search? My website. Not only is it an easy way to check out all the available properties in your preferred area, it's also another way for your agent to get to know the types of properties that you like.



On my website:

- Search all available MLS listings in your preferred location, based on preferences you specify
- See your search results in map or list view
- Look at multiple images and read full details about properties that interest you
- Save your search so you can easily return to it each time you come back to the site
- Sign up for email alerts on new properties or open houses that meet your search criteria
- Share your favorite properties with your friends via email or social media
- Discover information about the community and area schools



On coldwellbanker.com:

- Compare locations with Move MeterSM, a first-of-its-kind tool that lets you compare locations based on living affordability, average home prices, and other important factors
- Get an instant estimate on your home's value with CB EstimateSM so you can tackle the real estate market with confidence

POINTS TO PONDER

When it comes to buying a home, there are numerous perks that come along with just the house itself, some of which aren't always obvious. Here are a few additional benefits to consider when buying a home:

Make It Your Own

Pride of ownership is a key reason for wanting your own home. Decorate it to your own taste and enjoy all of the benefits while making a great investment.

Build Equity

Real estate is considered a strong investment because, over time, most properties appreciate in value. Many times, the largest investment a person owns is their home. Homes have been a good hedge against inflation. Homeowners build equity and can borrow against that equity for a variety of reasons that could include college, medical, or to start a business.

Deductibles

Qualified mortgage interest and home equity loans are deductible for income tax purposes. Property taxes on a first or second home are deductible for income tax purposes.

No Landlord

You won't be helping make your landlord's mortgage payment.

Capital Gains Exclusion

A homeowner can exclude up to \$500,000 of capital gain if married, filing jointly, or up to \$250,000 if single or filing separately for homes that have been the taxpayer's principal residence for the previous two years. There is no age requirement for taking the capital gains exclusion like the "over 55" rule in the past. It is not necessary to purchase a replacement home more expensive than the one sold. Homeowners can buy a more or less expensive home with no tax consequences, assuming their gain is less than the allowable amounts.

Preferential Tax Treatment

Preferential tax treatment on gains that have been made from capital assets held more than one year are permitted by IRS. This is especially important for homeowners with gains in excess of the allowable exclusion.

Principal Accumulation

Mortgage payments include the interest for the time that the money has been used and principal to retire the debt over a period of time. Each month part of the payment is for principal accumulation.

MAKING AN OFFER

There are many factors that influence the market value of a home. I will advise you in making an offer that meets all of your needs. Some of the factors to consider include:

- How long the home has been on the market
- If the price has been reduced
- How much the home is worth - I will provide a comparable market analysis (CMA) showing the list and sale prices for similar homes in your area
- If there are multiple offers
- Other items that might be included in the sale (furniture, hot tub, etc.)
- The “list-to-sale-price ratio,” an indication of how competitive the market is for homes in this area
- Why the seller is selling

Once the offer is written, I will present it to the seller’s agent. At that point the seller can accept your offer, reject it or counter it to start the negotiation process. Through the collaboration with me, I will have a strategy in place to ensure the most advantageous terms and acceptable pricing for you and your budget.



CLOSING ON YOUR HOME

Once your offer has been accepted, the closing process begins. Here are some of the typical steps involved.

Home Inspection

Most property sales are contingent on the results of a home inspection, which is paid for by the buyer. The inspection typically occurs within 10 days of offer acceptance, and includes a review of the home's exterior elements like the roof, siding, trim and windows, as well as kitchen and bathroom fixtures and appliances, and major systems like heating and cooling, plumbing and electrical.

Title Search

This is a historical review of all legal documents relating to ownership of the property to ensure that there are no claims against the title of the property. It is also recommended that you purchase title insurance in case the records contain errors or there are mistakes in the review process.

Appraisal

As a standard part of the mortgage process, your lender will order an appraisal report to ensure that the loan will be guaranteed by the home's value.

Final Walk-Through

If it's requested in the contract, you'll be given the chance to look at the home to make sure it's in the same condition as when you signed the sales agreement.

Closing Costs

In addition to your deposit and down payment, there are a variety of other costs involved in closing, including:

- Loan origination fees, appraisals and reports
- Surveys and inspections
- Mortgage insurance
- Hazard insurance
- Taxes
- Assessments
- Title insurance, notary and escrow fees
- Recording fees and stamps





HOW I CAN HELP YOU

Not all real estate licensees are the same. REALTORS® are members of the National Association of REALTORS® and subscribe to its strict Code of Ethics. When you're buying a home, here's what I can do for you.

Expert Guidance

Buying a home typically requires a variety of forms, reports, disclosures, and other legal and financial documents. As a knowledgeable real estate agent, I know what's required in your market, helping you avoid delays and costly mistakes.

Expanded Search Power

You want access to the full range of opportunities. Using a cooperative system called the multiple listing service, I can help you evaluate all active listings that meet your criteria, alert you to listings soon to come on the market, and provide data on recent sales.

Experienced In Negotiations

There are many factors up for discussion in any real estate transaction—from price to repairs to possession date. I will represent you and look at the transaction from your perspective, helping you negotiate a purchase agreement that meets your needs and allows you to do due diligence before you're bound to the purchase.

Up-To-Date Experience

Most people buy only a few homes in a lifetime, usually with quite a few years between purchases. Even if you've bought a home before, laws and regulations change. Real estate practitioners may handle hundreds or thousands of transactions over the course of their career.

Emotional Support

A home is so much more than four walls and a roof. And for most buyers, a home is the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on the issues most important to you when emotions threaten to sink an otherwise sound transaction.

Fair & Ethical Treatment

A real estate agent is a REALTOR® when they become a member of the National Association of REALTORS® (NAR), the world's largest trade association representing 1.5 million members. Every member must adhere to the REALTOR® Code of Ethics, which is based on professionalism, serving the interests of clients, and protecting the public.



YOUR PARTNER IN THE PROCESS

When you choose a me to represent you, you'll have someone by your side every step of the way, giving you the insights and information you need to have confidence in your decision.

I Will:

- Meet with you to discuss your needs and goals, and to plan your property search
- Help you to get pre-approved and establish your budget
- Show you properties that meet your criteria
- Keep you informed of new properties that come on the market
- Work with you until you find the right home
- Help you determine your offer
- Negotiate the offer and contract according to your best interests
- Facilitate home inspection and resolution process
- Prepare you for closing and the associated costs
- Keep you updated throughout on the progress of your transaction





FROM START TO FINISH

Coldwell Banker Tomlinson is your partner in all aspects of the home-buying process. Our industry affiliations ensure you receive complete assistance from beginning to end, giving you one-stop-shop convenience.

Mortgage Services

We will introduce you to a lender who will work to provide the best interest rate, fantastic customer service, and a fast, simple process.

Warranty Services

A home warranty provides you with an extra measure of security to help you with any unexpected challenges after the sale. We will assist you in finding the best warranty for you.

Insurance Services

If you are not already connected with an insurance agent, we will provide you with the names of companies our clients have been pleased to work with.

Title Services

We will assist in getting title issues researched and resolved before the closing to help ensure your transaction closes smoothly and on time.

Concierge Services

We can guide you to third-party contractors for all your home needs before, during and after the purchase of your home - from moving to home repairs, maintenance and renovation.

GLOSSARY

Buying a home can be a daunting process for even seasoned home-buyers. Knowing basic vocabulary and terminology can greatly aid communication. Here are some common real estate terms to know when getting ready to buy a home.

Adjustable Rate Mortgage (ARM): A mortgage with an interest rate that changes over time in line with movements in a financial index. ARMs can also be referred to as AM Ls (adjustable mortgage loans) or VRMs (variable rate mortgages).

Adjustment Period: The length of time between interest rate changes on an ARM. For example, a loan with an adjustment period of one year is called a one-year ARM, meaning that the interest rate can change once a year.

Amortization: Repayment of a loan in installments of principal and interest, rather than interest-only payments.

Appraisal: An estimate of the property's value.
Assessed Value: The value placed on a property for purposes of taxation.

Assumption of Mortgage: A buyer's agreement to assume the liability under an existing note that is secured by a mortgage or deed of trust. The lender must approve the buyer in order to release the original borrower (typically the seller) from liability.

Balloon Payment: A lump sum principal payment due at the end of some mortgages or other long-term loans.

Buy-Down: A permanent buy-down is prepaid interest that brings the note rate on the loan down to a lower permanent rate. A temporary buy-down is prepaid interest that lowers the note rate temporarily on the loan, allowing the buyer to more readily qualify and increase payments as income grows.

Cap: The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of a mortgage.

Cash Reserves: The amount of the buyer's liquid cash remaining after making the down payment and paying all closing costs.

CC&Rs or Covenants, Conditions & Restrictions: A recorded document that controls the use, requirements and restrictions of a property.

Commission: An amount paid by the seller to the listing and buyer's agent for handling the real estate transaction.

Commitment Period: The period of time during which a loan approval is valid.

Condominium: A form of real estate ownership in which the owner receives exclusive title to a particular unit and shares ownership in certain common areas with other unit owners. The unit itself is generally a separately owned space whose interior surface (walls, floors and ceiling) serve as its boundaries.

Contingency: A condition that must be satisfied before a contract is binding. For example, a sales agreement or offer may be contingent upon the buyer obtaining financing.

Conversion Clause: A provision in some ARMs that enables home buyers to change an ARM to a fixed rate mortgage, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed rate mortgages. This conversion feature may involve an extra charge.

Cooperative: A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.

CRB or Certified Residential Broker: To be certified, a broker must be a member of the National Association of REALTORS®, have five years of experience as a licensed broker and have completed required Residential Division courses.

Debt Ratios: The comparison of a buyer's housing costs to his or her gross or net effective income and the comparison of a buyer's total long-term debt to his or her gross or net effective income. The first ratio is the housing ratio and the second is the total debt ratio.

Deed: A document which, when properly executed and delivered, conveys title of real property.

Disclosure: To make known or public. By law, a seller of real property must disclose facts which affect the value or desirability of the property.

Discount Points: A negotiable fee paid to the lender to secure financing to the buyer. Discount points are interest charges paid up-front to reduce the interest rate on the loan over the life or a portion of the term.
Due-on-Sale Clause: A clause that requires a full payment of a mortgage or deed of trust when the secured property changes ownership.

Earnest Money: The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.

Easement: A right to use all or part of the land owned by another for a specific purpose. For example, an easement may entitle the holder to install and maintain sewer or utility lines.

Encumbrance: Anything that affects or limits the ownership of real property, such as mortgages, liens, easements or restrictions of any kind.

Escrow: A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties' instructions and assuming responsibility for handling all of the paperwork and distribution of funds. An escrow fee, typically paid by the buyer, is charged by the title company to service the transaction and to escrow money and documents.

Equity: The difference between what is owed and the amount for which the property could be sold.

FHA Loan: A loan insured by the Federal Housing Administration (of the Department of Housing and Urban Development).

Federal Home Loan Mortgage Corporation (FHLMC): Often referred to as "Freddie Mac," it purchases loans from savings and loan lenders within the Federal Home Loan Bank Board.

Federal National Mortgage Association (FNMA): Popularly known as "Fannie Mae," it purchases and sells residential mortgages insured by the FHA or guaranteed by the VA, as well as conventional home mortgages.

Fee Simple: An estate in which the owner has unrestricted power to dispose of the property as he or she wishes, including leaving by will or inheritance.
Fixed Rate Mortgage: A conventional loan with the same interest rate for the life of the loan.

Fixtures: Personal property that is attached to real property and is legally treated as real property while it is attached - such as light fixtures, window treatments and medicine cabinets.

Foreclosure: The legal process in which mortgaged property is sold to pay the loan of the defaulting borrower.

Fully Indexed Rate: The maximum interest rate on an ARM that can be reached at the first adjustment.

Gift Letter: A letter from a relative stating that an amount will be gifted to the buyer and that said amount is not to be repaid.

Government National Mortgage Association (GNMA):

Known as “Ginnie Mae,” a governmental part of the secondary market that deals primarily with recycling VA and FHA mortgages, particularly those that are highly leveraged.

Graduated Payment Mortgage:

A residential mortgage with monthly payments that start at a low level and increase at a predetermined rate.

Home Warranty Plan:

Protection against failure of mechanical systems within the property and usually includes plumbing, electrical, heating and cooling systems and installed appliances.

Index:

A measure of interest rate changes used to determine changes in an ARM's interest rate over the term of the loan.

Initial Interest Rate:

The introductory interest rate on a loan, which signals that there may be rate adjustments later in the loan.

Joint Tenancy:

An equal, undivided ownership of property by two or more persons. Upon the death of any owner, the survivors take the decedent's interest in the property.

Jumbo Loans:

Mortgage loans that exceed the loan amounts acceptable for sale in the secondary market. Jumbos are packaged and sold differently to investors and have separate underwriting guidelines.

Lien:

A legal hold or claim on a property as security for a debt or charge.

List-to-Sale Ratio:

The ratio between the price at which a property is listed and the amount for which it is actually sold.

Loan Commitment:

A written promise to make a loan for a specified amount on specified terms.

Loan-to-Value Ratio:

The relationship between the amount of the mortgage and the appraised value of the property, typically expressed as a percentage of the appraised value.

Lock-In:

The fixing of an interest rate or points at a certain level, usually during the loan application process. It is typically fixed for a specified amount of time, such as 20 to 30 days or some other period of time determined by the lender.

Margin:

The number of percentage points the lender adds to the index rate to calculate the ARM interest rate at each adjustment.

Mortgage (Deed of Trust):

A legal document that provides security for repayment of a promissory note.

Mortgage Insurance Premium (MIP):

The mortgage insurance required on FHA loans for the life of said loan. The MIP is either paid in cash at the time of closing or financed over the course of the loan.

Multiple Listing Service (MLS):

The pooling in a central bureau of all properties for sale. The listings are held individually by members of a group of real estate brokers, with the agreement that any member of the group may sell the properties and the commission will be divided between the broker that sold the property and the broker who filed the listing.

Negative Amortization:

Occurs when monthly payments fail to cover the cost of the interest on a loan. The interest that is not covered is added to the unpaid principal balance, meaning that even after making several payments the borrower could owe more than at the beginning of the loan. Negative amortization may occur when an ARM has a payment cap that results in monthly payments that are not high enough to cover the interest.

Origination Fee:

A fee or charge for work involved in evaluating, preparing and submitting a proposed mortgage loan. The fee is limited to 1 % for FHA and VA loans.

PITI:

The term for a mortgage payment that includes principal (P), interest (I), taxes (T) and insurance (I).

Planned Unit Development (PUD): A zoning designation for property developed at the same or slightly greater overall density than conventional development, often with improvements clustered between open or common areas. Use may be residential, commercial or industrial.

Point: An amount equal to 1% of the principal amount of the investment or note.

Pre-Approval: When a borrower has completed a loan application and provided debt, income and savings documentation which an underwriter has reviewed and approved. A pre-approval is usually done at a certain loan amount and making assumptions about what the interest rate will actually be at the time the loan is made, as well as estimates for the amount that will be paid for property taxes, insurance, etc.

Prepayment Penalty or Clause: A fee charged to a borrower who pays a loan in full before the stated due date.

Private Mortgage Insurance (PMI): Insurance written by private companies to protect the lender against loss if the borrower defaults on the mortgage. PMI is often required on mortgage loans in which less than 20% has been put forth for the down payment. Depending on the conditions of the mortgage, the borrower may request cancellation of PMI when equity in the property reaches 20%.

Purchase Agreement: A written document in which the purchaser agrees to buy certain real estate and the seller agrees to sell under stated terms and conditions. Also called a sales contract, earnest money contract or agreement for sale.

Rate Gap: The difference between the current rate and the rate to which it could adjust on an ARM.

REALTOR®: A real estate broker or sales associate active in a local real estate board affiliated with the National Association of REALTORS®.

Recording Fee: Charged by the County Clerk to record documents in the public records.

Refinance: A new loan with new terms, interest rates and monthly payments that completely replaces your current mortgage.

Regulation Z: The set of rules governing consumer lending issued by the Federal Reserve Board of Governors in accordance with the Consumer Protection Act.

Short Sale: The sale of a home for less than the balance remaining on the homeowner's mortgage.

Tenancy in Common: A type of joint ownership of property by two or more persons with no right of survivorship.

Title: The rights of ownership recognized and protected by law. It is a combination of all elements that constitute the highest legal right to own, possess, use, control, enjoy, transfer and dispose of real estate.

GLOBAL REACH

Through our affiliation with the Coldwell Banker® brand, we have access to a nation and global network of well-connected real estate agents, allowing us to capture more leads and sell your home faster.

Coldwell Banker® Worldwide in (2022)

100,000+

REALTORS®

2,900

OFFICES

40

COUNTRIES & TERRITORIES



STRENGTH IN NUMBERS

We have Coldwell Banker Tomlinson offices and REALTORS® across our regions, actively bringing in buyers and creating more opportunities to showcase your home.

Coldwell Banker Tomlinson in Market (2022)

533	5	2.02 BILLION	4,442
REALTORS®	REGIONS	SALES VOLUME	CLOSED UNITS



Your home-buying needs are one of a kind.
Your interests will be represented with the utmost care, honesty, integrity and discretion.

LET'S GET STARTED!

The image shows a business card for Cody Kerr, a Green Bluff Specialist at Coldwell Banker Tomlinson. The card features the Coldwell Banker Tomlinson logo (a blue square with a white 'CB' and a star) and the text 'COLDWELL BANKER TOMLINSON'. To the right of the logo is the text 'Real Estate Sales & Consulting'. Below this, a green banner contains the name 'CODY KERR' and the title 'GREEN BLUFF SPECIALIST'. Further down, the contact information is listed: '509.944.5071', 'CODYKERR.REALESTATE@GMAIL.COM', and 'WWW.CODYKERR.COM'. A portrait of Cody Kerr, a smiling man with short blonde hair, is on the right side of the card. At the bottom of the card, the address '4102 S REGAL ST, STE 201 | SPOKANE, WA 99223' and phone number '509.535.7400' are listed, along with the website 'WWW.CBSPOKANE.COM'. The bottom of the card also features the Equal Housing Opportunity logo and the text 'EACH OFFICE IS INDEPENDENTLY OWNED AND OPERATED.'

My real estate business is built on the foundation of
REFERRALS.

If this information has provided value for you, please feel free to share it and my contact information with anyone you think may benefit from the same kind of service.

