



HOME BUYING HANDBOOK

THE BEST POSSIBLE PRICE,
with the fewest hassles.



What You Will Find

STEP 1:

Consult with
Your REALTOR

STEP 2:

Arrange/Research
Your Financing

STEP 3:

Conduct Your Home
Search

STEP 4:

Preparing a Pur-
chase Offer

STEP 5:

Contract for Your
Home

STEP 6:

Conduct
Inspections

STEP 7:

Finalize
Your Financing

STEP 8:

Preparing For
Your Closing

STEP 9:

The Final
Walk-Through

STEP 10:

Closing!

Appendix



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STEP 1:

Consult With Your Realtor

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- *WHO WE ARE*
- *OPTIONS FOR AGENT REPRESENTATION*
- *DUTIES OF A BUYERS AGENT*
- *AGENCY*



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Options for Agent Representation

Home buyers overwhelmingly elect to have a Realtor® represent their interests in the home buying process. There is no disadvantage to a choosing a buyer's representative in the Brevard County market, but the benefits are innumerable.

The commission paid to the buyers agent is almost always determined by the MLS and is paid by the seller to the sellers agent (through his/her real estate company) and then distributed to the buyers agent (through his/her real estate company.) Whether or not you elect to have buyer representation, this commission has already been determined contractually and is still due to the seller's agent/company.

Our clients choose us as their buyer representatives because:

1. They want the benefit of my advice and judgment at every step of the transaction.
2. They want a professional advocate representing their interests and not the interests of the other party.
3. They want their personal business kept confidential from all other parties to the transaction.
4. They want strategies on pricing, writing offers, negotiation, repairs, and contingencies.
5. They want to get the home they want, at the best possible price, in the least amount of time possible.

Most often, taking a buyers agent out of the equation will save neither the buyer or the seller any money, and it also results in under representation {or a total lack of representation altogether} for the buyer.

Duties of Buyers Agent.

To Represent You in the best manner possible, a Buyer Agent Should:

1. Have a thorough working knowledge of the mechanics of the real estate business.
2. Have solid knowledge of the real estate market and local neighborhoods.
3. Be a strong negotiator.
4. Be accessible.
5. Be able to anticipate pitfalls.
6. Have exceptional problem-solving abilities.
7. Have the ability and desire to work effectively and efficiently.
8. Have solid communication skills paired with the ability to work well with cooperating agents.
9. Pay close attention to detail, be well organized, and carefully follow through.
10. Exhibit a high level of client service.
11. Demonstrate commitment to advancing their real estate education through education and volume-based designations.
12. Be trustworthy and committed to working for your best interests only.

We make the commitment to bring all of these skills to the table on your behalf when you are our client.

The National Association of REALTORS® has shown that when a Buyer's Representative was used, the prospective Buyer found a home an average of one month faster and gained information & access to a minimum of eight more properties than those consumers who did not use a Buyer's Representative.



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Your Options for Representation

Seller Agency & Representation -when a Buyer elects not to be represented

- Agent represents the best interests of the Seller and owes the Seller statutory duties
- Agent owes honesty to both Buyer and Seller
- Agent must give Buyer all information regarding physical material defects of the property of which the Agent has actual knowledge

BOTTOM LINE: The Buyer has no one representing their best interests on price, terms, and conditions and no professional opinion on which to rely. Also, anything the Buyer reveals, i.e. his/her confidential information or financial situation, the Agent is required to tell the Seller if such information will better his/her position in the transaction.

Buyer Agency & Representation -when a Buyer elects to be represented

- Agent owes statutory duties to and represents the best interests of the Buyer
- Agent works to obtain the lowest and best terms possible on the home they choose to purchase
- Agent owes honesty to both Buyer and Seller
- Agent must share all material facts regarding the physical condition of the property and the transaction of which they have actual knowledge

BOTTOM LINE: A professional and fully licensed Realtor® works closely with the Buyer to find the best property, at the most acceptable price, terms, and conditions for their client and represents the Buyer's interests in every part of the transaction.

Designated Agency -when a Buyer Agent sells an in-company listing

- Broker/Manager becomes Dual Agent working for all parties in the transaction. All information is kept confidential unless written permission is gained from all parties.
- No confidential information is shared between Agents.

BOTTOM LINE: This occurs quite often in Brevard county since we have a relatively small market, and there is a limited number of real estate companies/brokerage. Sales will often occur with two Realtors® from the same company.

Dual Agency -when an agent sells their own listing and represents buyer & seller

- Agent/Broker owes BOTH parties to the transaction statutory duties. They may not give advice or opinion.
- Objective: To get a mutually satisfactory agreement among parties.
- Confidentiality is due to all parties unless written permission to disclose information is given.

BOTTOM LINE: Agency statutes require informed written consent of buyer & seller.



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STEP 2:

Arrange / Research Your Financing

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- THE LOAN APPROVAL LETTER
- ARRANGE YOUR FINANCING
- INFORMATION FOR PRE-APPROVAL
- INFORMATION FOR LOAN APPLICATION
- TOP TEN LIST: FINANCING YOUR HOME
- CALCULATE YOUR PAYMENT
- SAMPLE LOAN INFORMATION FORM
- PURCHASER'S ESTIMATED CLOSING COSTS
- OBTAINING HOME OWNER'S INSURANCE



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The Loan

Approval Letter

A written approval letter provides you with the leverage you need to obtain the very best price and terms. In a competitive situation, you gain an advantage with a strong approval letter.

The Benefits of an Approval Letter:

- You gain significant advantages in negotiating by being prepared where other buyers may not be.
- You prove to the seller that you are a very serious buyer who is ready to act.
- You eliminate wasted time, frustration, and stress.
- You are approved for your loan in advance-all “verifications” and contingencies are removed except for the appraisal, termite inspection, and contract.
- All you need to do is find the home you want and write an offer.
- You know what your monthly payment will be.
- You know how much cash you need to purchase your future home.

Important to keep in mind:

What you are qualified to pay versus what you are comfortable paying for a monthly mortgage payment may be two different numbers. You can often be approved for a much larger monthly payment than what you will actually be comfortable paying each month. This is something to discuss with your lender and/or your Realtor. A good Realtor will respect those boundaries regardless of what the numbers say you can afford. Do not let anyone convince you to look “just a little bit higher”.

Our Personal Recommendations:



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Arrange Your Financing

Seller Expectations:

The seller expects your financing to be approved prior to submitting an offer. Anything less will put you at a competitive disadvantage at contract time.

Pre-Approval is NOT Pre-Qualification

Pre-Approval means that you have made a written loan application with documentation and it has been approved by the lender. Pre-Qualification means that a conversation with the lender has taken place, but nothing has been verified and no commitment has been made by the lender.

Requirements for Pre-Approval

There are several documents that may be required by the lender in order to issue a commitment or pre-approval letter. A list of those documents may be found on the following page.

Lender's Commitment Letter

When your full loan application and documentation has been reviewed by the lender's underwriter and approved you will receive a commitment letter. Conditions for funding the loan after the lender commitment is made typically include:

- Appraisal
- Termite Inspection
- Survey
- Title Search

We strongly encourage you to make full written loan application with a reputable local lender very early in the process.

At the VERY latest a written loan application must be done within 5 days of a ratified contract.



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Information for Loan Pre-Approval

Pre-approval:

- **Employment** - Name, address, and phone numbers for employer(s).
- **Pay Stub** - Most recent.
- **Previous Employment** - If you have been with your present employer for less than two years, you will need name, address, and phone numbers for your previous employers.
- **Other Income** - Such as alimony, child support, disability, VA benefits, Social Security benefits, rental income. Evidence of receipt must be supplied.
- **Authorization to obtain credit report**
- **Current Mortgages** - Name, address, account numbers, monthly payments and balances, including any recently paid-out accounts. If the property is to be rented or sold, provide lease or sales agreement.
- **Charge Accounts** - Name, account numbers, and balances.
- **Other Loan Accounts** - For personal loans, student loans, and any installment type loans, provide the name, address, account numbers, payments, and balances.
- **Auto Loans** - Name, address, account numbers, monthly payments, and balances.
- **Other Liabilities** - Alimony, child support, student loans, monthly payments.
- **Self-Employment or Part Owner of a Company** - Year-to-date profit and loss statement, complete personal and business tax returns, and 1099's for the past two years. Ownership is defined as 25% or more shares of stock in the company.
- **Tax Returns** - Needed for the past two years if overtime, commission, bonus, or tip income is to be used for qualification purposes.

This list may look daunting at first glance, but many of these items are easily available with a quick trip to your lending institution and a look over your old tax forms. Your lender will help walk you through the document collection process.

Information for Loan Application

Formal Loan Application:

- **Contract for Sale** - Ratified and with all addenda, a copy of the deposit check, and a copy of the listing property data sheet.
- **W-2. Forms** - For the past two years.
- **Checking and Savings Account** - Name, address, account numbers, and balances (provide at least 3 months of statements).
- **Other Assets** - Stocks, bonds, cash value of life insurance, vested interest in retirement plan, and household and personal effects (approximate value).
- **Landlord Information** - If presently renting, name and address.
- **Photo ID** - Copy of your driver's license is sufficient.
- **VA Applicants** - Certificate of Eligibility, DD-214 or Statement of Service, name, address, and phone number of closest living relative.



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Top Ten List:

Financing

1. In addition to your down payment, you are going to pay closing costs, which is approximately 3% of the sales price, plus any points.
2. If you ask the seller to pay your closing costs, you will most likely reduce or eliminate any chance of the seller lowering their price.
3. Your interest rate will be determined by your credit scores. Lower scores will increase your rate.
4. You can lower your rate by paying one or more points to the lender at settlement. A point is normally 1% of the loan amount. Unless your credit is near perfect you won't likely have both a low rate and zero points.
5. If you do pay points to the lender, the current tax laws allow them to be taken as a deduction in the year of settlement, treating them as prepaid interest.
6. Your actual monthly payment will be the total of the principal and interest payment plus one-twelfth of your annual property tax bill and your hazard insurance policy. If you are buying a condominium or home with an Association, your monthly condo fee or association fee will be due as well.
7. You will receive tax benefits as a result of homeownership. Just how much will depend on your entire financial picture and must be calculated by a tax advisor.

Deductible items are:

- Interest paid
- Property Taxes paid
- Points in the year paid

8. You need to be approved for financing before contracting for your home. Sellers prefer to see buyers who are not at risk for failing to obtain financing, evidenced by an approval letter submitted with the offer to purchase.

Pre-approval requires the following:

- Credit report
- Verification of assets (bank statements)
- Verification of income (pay stubs and/or tax returns)

9. Your lender should always be selected on the basis of their track record of delivering the loans on a timely basis and for the price quoted. Never select a lender on the basis of rate alone.

10. Lenders who tout low rates often base them on additional points, financing fees or a hope that the market will decline prior to settlement. Service is almost as important as a good loan rate.



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Calculate Your Payment

Mortgage Payment Calculator

Multiply your Monthly Payment Per Thousand Dollars
by the number of thousands you plan to borrow

Interest Rate	Monthly Payment Per Thousand Dollars			Interest Rate	Monthly Payment Per Thousand Dollars		
	15 years	20 years	30 years		15 years	20 years	30 years
4.25%	\$7.53	\$6.21	\$4.93	9.25%	\$10.29	\$9.16	\$8.23
4.50%	7.65	6.31	5.08	9.50%	10.44	9.16	8.41
4.75%	7.78	6.48	5.22	9.75%	10.60	9.49	8.60
5.00%	7.91	6.60	5.37	10.00%	10.75	9.66	8.78
5.25%	8.04	6.74	5.53	10.25%	10.91	9.82	8.97
5.50%	8.18	6.89	5.69	10.50%	11.06	9.99	9.15
5.75%	8.31	7.03	5.84	10.75%	11.22	10.16	9.34
6.00%	8.44	7.17	6.00	11.00%	11.37	10.33	9.53
6.25%	8.58	7.32	6.16	11.25%	11.53	10.50	9.72
6.50%	8.72	7.46	6.33	11.50%	11.69	10.67	9.91
6.75%	8.85	7.61	6.49	11.75%	11.85	10.84	10.10
7.00%	8.99	7.75	6.65	12.00%	12.01	11.02	10.29
7.25%	9.13	7.90	6.82	12.25%	12.17	11.19	10.48
7.50%	9.27	8.06	6.99	12.50%	12.33	11.37	10.68
7.75%	9.41	8.21	7.16	12.75%	12.49	11.54	10.87
8.00%	9.56	8.36	7.34	13.00%	12.66	11.72	11.07
8.25%	9.70	8.52	7.51	13.25%	12.82	11.90	11.26
8.50%	9.85	8.68	7.69	13.50%	12.99	12.08	11.46
8.75%	9.99	8.84	7.87	13.75%	13.16	12.26	11.66
9.00%	10.14	9.00	8.05	14.00%	13.32	12.44	11.85



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Sample Loan Application

PURCHASER INFORMATION

I/We understand and agree that the following information is to be used to establish our Preliminary Qualifications to purchase and/or obtain financing for real estate we may purchase. This information is true to the best of my/our knowledge and belief.

Name _____ Age _____ Marital Status _____
 Co-Applicant _____ Age _____ Marital Status _____
 Address _____ Years _____
 Phone _____ Office _____ Co-Applicant _____
 Occupation _____ Years _____
 Employer & Address _____
 Co-Applicant Occupation _____ Years _____
 Employer & Address _____

ASSETS		LIABILITIES		
Cash	\$	INSTALLMENT LOANS	MONTHLY PAYMENTS	BALANCE
Stocks & Bonds	\$			
Cash Value of Life Insurance	\$	Real Estate	\$	\$
Real Estate	\$	Automobile	\$	\$
Automobiles	\$	Student Loan	\$	\$
Household Furnishes	\$	Credit Card	\$	\$
Other Assets	\$	Alimony and/or Child Support	\$	\$
Other Assets	\$	Other Debts	\$	\$
TOTAL ASSETS	\$	TOTAL LIABILITIES		\$

Annual Income \$ _____ Present Mortgage or Rent Payment \$ _____
 Co-Applicants Annual Income \$ _____ Lawsuits or Judgements \$ _____
 Other Income \$ _____ Collections \$ _____
 Source _____ Ever Filed Banruptcy? _____
 If so, when? _____

TOTAL INCOME \$

The Undersigned hereby authorizes Signature Mortgage Services to obtain a mortgage credit report for the purpose of determining qualification for a residential mortgage loan.

I certify that the above informaton is accurate to the best of my knowledge

Applicant: _____ Co-Applicant: _____
 SSN: _____ SSN: _____
 Date: _____ Date: _____



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Purchasers Estimated Closing Costs

In addition to the amount of the loan, these are some costs that you should expect to provide at closing.

Name: _____ Purchase Price _____

Application Fee: **\$500** (processing: \$350, underwriting: \$150)

Credit Report: **\$14-\$28**

Appraisal: **\$300-\$500**

Survey: **\$300 and up** (often optional)

Homeowners Insurance: Approx. **\$200-\$500**

Mortgage Title Insurance: **\$2.00-\$2.90/\$1,000 of loan amt.**

Owner Title Insurance: **\$3.00-\$3.90/\$1,000 of loan amt.**

(Discount if both Mortgage & Title Ins. Is purchased)

Attorney's Fee (**\$300-\$600**) OR Settlement Company (**\$250-\$325**)

Discount Points - **0% to 4% of loan; if applicable**

Tax Escrow: **2-3 months**

Insurance Escrow: **2-3 months**

PMI Escrow: **1 month, if necessary**

Pre-paid Interest: **per diem to the end of the month**

Recording Deed

A) State & Local - **\$3.33/\$1,000** of sales price

B) Recording Fee - **\$33.00**

Recording Deed of Trust

A) State & Local - **\$3.33/\$1,000** of loan amount

B) Recording Fee - **\$46** for over 10 pages

Other

Other

Estimated Total _____



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Obtaining Home Owners Insurance

Obtaining hazard/homeowner's insurance used to take a matter of minutes- now it can take days or even weeks. Because of a string of weather-related losses and many other factors, hazard insurance is now more expensive and it takes longer to get.

Insurance underwriters not only look at the claims history of the current homeowner and specific property; it is highly likely that they will also be evaluating your own claims history as well. Therefore, it is critically important to initiate the process of getting hazard insurance before we have even identified the home you wish to purchase. Getting started on this process is as important as getting your mortgage.

I strongly recommend that you call your current insurance company or insurance broker right away. If you do not have a preferred company, I will be happy to recommend several names. Bear in mind that the length of time you have been a customer of a particular insurer or the amount of business you do with them does not mean as much as it used to and the underwriting guidelines that insurers use change on an almost daily basis.

Please do not leave this important task to the last minute. Unless you are purchasing a condominium closing will most likely not be able to occur until you have proof of homeowner's insurance. In today's market, it is critical to begin the process of obtaining hazard insurance as soon as you have a ratified contract. Under no circumstances should you leave this to the last minute.

Your lender requires that you keep the property insured against damage or destruction and name them as the co-insured. This is referred to as hazard insurance.

Homeowner's Insurance is hazard insurance plus liability and contents coverage for the owner. Almost without exception, purchasers obtain Homeowner's Insurance.

Your policy must be paid for and a binder issued prior to settlement. Evidence of such must be delivered to the lender prior to funding the loan.

For Condominium Purchasers

The master policy covers the structure of the building on behalf of you and your lender and is paid for in your condo fees. However, this provides no liability and contents coverage for you, and no coverage if another unit is damaged by something that occurs within your unit. Please speak with your insurance agent to discuss adequate separate coverage for your personal belongings.

Please Note:

Insurers in Florida typically do not issue hazard insurance policies when a hurricane watch is in effect for any part of the state. Please do not leave this for the last minute or settlement may be delayed.

OUR PERSONAL RECOMMENDATION ON HOME OWNER'S INSURANCE

Brightway

www.brightway.com

Viera Insurance

www.vierainsuranceagency.com



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STEP 3:

Conduct Your Home Search

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- *FINDING THE RIGHT HOME*
- *WHAT IF WE DON'T FIND ANYTHING?*
- *WHEN WE FIND THE RIGHT ONE*



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Conduct Your Home Search

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Be clear about what you are looking for

Identify and communicate to me what is important to you and why. A failure to identify the “why” closes you off to acceptable alternatives when your dream home doesn’t immediately appear. Develop a sense of what you want to see when you drive up that generates a sense of ‘home’ to you.

We are able to search on a wide variety of features that most people aren’t aware of. If you can’t live in a house without hardwood floors, central AC, or you just don’t like the looks of brick exterior or ranchers - we can define our search based on those parameters. Please let us know what your absolute requirements are and we can save you a lot of time during the search process.

Where to look

We will employ a wide range of resources to help find your home. They will include, but are not limited to:

Coastal Life Properties Homepage BeCoastal.life

Our website is a great source for information about the Brevard County market and for finding homes in Brevard County. One of the features that can be found on our website is the ability to search for specific homes and save your search criteria to your own account. You may also save specific homes to your profile to retrieve later. If you aren’t able to make your search as specific as you’d like, we can set up a more detailed search with your exact requirements. Please ask me for more information about this. Our site enables you to search all homes covered by the Space Coast Association of Realtors and our local MLS. We can show you any of these homes and can help you determine how and where they should be priced. Whether you are ready to make a home purchase now, or are just hoping to get a feel for what is out there, BeCoastal.life is a great place to start and a good resource to use throughout the course of your home search. Check back often for new articles, blog posts, marketupdates, and our personal listings, as well as listings that are new to Brevard County!

Publications

It is not unusual for new listings to appear in the local papers just prior to popping up in the MLS. I regularly check the papers for new listings.

New Construction

Much new construction, but certainly not all, is listed in the multiple listing service. Many builders invite agent participation and pay an agency fee. Please check with your associate prior to visiting any new home projects.

Our Sphere of Influence

More often than not, we will know of potential sellers who have homes similar to the home you are looking for. Additionally, when appropriate we will contact some prior clients to see if a move is in their plans and if a showing can be arranged.

Company ‘Coming Attractions’

At our monthly Sales Meetings, we routinely announce our purchaser’s needs as well as announce properties that will be coming on the market in the near future. We will try to make a match from the information we have there.

For Sale By Owners (FSBO’s)

Most people who are marketing their own homes are prepared to work with agents and, in some cases, pay a fee. If this scenario occurs, we will need to discuss the differences between a “For Sale By Owner” sale and a sale ushered by two Realtors® and through the MLS.



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Finding the Right Home

Your Priorities May Shift

On the following page, you will find "The Buyer Wish List" - please take a look and fill it out. You will note that there are a lot of options. A word of caution: As we begin this process, you may have "needs" in mind that will actually turn into "wants" once we've looked at some homes together and there may also be "wants" that turn into "needs." The "wish list" is a starting point-your criteria may change over the course of our search. If you find this to be the case, please let us know so that we can adjust our strategy to suit your best interests.

We Employ a Host of Tools to Find the Home that is Right for You

- **Multiple Listing Service** - We create custom reports for our clients containing their specific search criteria. While we are in the process of searching for a home, we will perform regular searches and keep you apprised of any new listings suited to your needs.
- **Upcoming Listings** -We make it a point to network regularly with our colleagues and learn of any new homes that will be coming on the market, giving our clients a jump on the competition.
- **For Sale by Owner Properties** - We keep our eyes open for "For Sale by Owner" properties that might suit your criteria and solicit the people on our mailing list on a regular basis to let us know if there are any "For Sale by Owner" properties in their neighborhoods.

Of Additional Value to you.... Previewing Versus Showing:

To leverage your time and energy, another service we provide is previewing properties for you. Through our REALTOR® network and our access to the Multiple Listing Service we learn about new properties the moment they come on the market. Many times we will learn about new listings matching your search criteria and will be able to visit the property on our own time to determine if it is something you might like to consider.

Tour Reports: At the end of a day of viewing properties together, you may find that the details become a little blurry and you can't remember some of the features, upgrades, layouts or other factors that impressed or deterred you. For that reason, we provide regular "tour reports" detailing the properties we've seen together and their distinguishing features. You'll be amazed how helpful these reports will be as you begin ranking the homes and trying to decide which home might be the right one for you.



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Conduct Your Home Search

Learn the Neighborhoods.

The goal is not only to identify which communities appeal to you the most but also identify those to exclude from your future search.

Focus your Search.

Now reduce your search area to one to two zip codes. Searching this way will insure that you do not miss finding homes which do not belong to larger communities. Further refine your search based on your neighborhood knowledge base.

Prioritize and Select.

Now is the time to begin looking at homes to select the one you want to acquire. As you inspect homes, keep the following in mind:

Understand the 30 to 60 day rule.

You want a minimum of 30 days, and a maximum of 60 days to process your paperwork prior to settlement. Settlement periods of more or less time can be managed but we will need to talk through these details.

Love or Like?

- Are you looking for a home you absolutely love or is like it a lot sufficient? Remember that most buyers choose a house that fit current and pending lifestyles and expect to move several times in their life.
- Identify a fall back home.
- When entering into negotiations with a seller, it can be very liberating to know that, if this doesn't work out, there is another home to fall back on. It will also provide leverage during negotiations.



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What If We Don't Find Anything?

Change Criteria

Most buyers use this opportunity to change some or all of their purchase criteria. Sometimes you need to look at properties that are not what you think you want.

Price Range

Moving up in range, especially by changing your financing approach, may open up much better possibilities.

Type

Detached, Townhouse, or Condo? Staying in the area and price range, but moving to a town home or condominium may give access to very workable properties which still meet your essential needs.

Size

Square Footage or Extras? Perhaps you can live without the extra bedroom, garage, or even family room, if everything else works for you.

Location

If you aren't finding what you want, where you want it to be, it might exist somewhere else. Often the tradeoff is location for a home, or less home in the right location. Keep your options open and ask me to help identify where your criteria might be best met. I will work to find you what you want, where you want it to be and for the price you want to pay.

Hang in there!

Revisit your criteria.

Also, new listings are constantly coming on the market

Don't give up.

Almost no one who has postponed a home purchase in this area has been happy with the outcome.

When We Find the Right Home!

Our team will do the following:

- Help you plan your offer strategy
- Prepare a competitive market analysis to determine if the price is fair and reasonable
- Help you select the target price to offer for the home
- Help you prepare your offer to purchase with your best interests in mind
- Negotiate the contract terms on your behalf
- Coordinate with the lender to complete the financing
- Schedule inspection(s) and address any issues which arise
- Prepare and finalize all paperwork for closing
- Help you with the sale of your current home, if needed
- Help you get comfortably settled into your new home
- Follow-up to make sure you're happy with your new home
- Stay involved after settlement to deal with any questions you might have



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STEP 4:

Preparing A Purchase Offer

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- DETERMINING PROPERTY VALUE
- NEGOTIATING PHILOSOPHY AND STRATEGY
- PREPARING YOUR OFFER TO PURCHASE



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Determining Value

Determining property value is an inexact science. There may be a range of value versus price. Fair market value is what a ready, willing, and able Buyer is willing to pay from an arm's length perspective. Final sales price is ultimately determined by the market - the Seller and the Buyer.

LIST PRICE

The price at which the seller lists the property for sale. It is the responsibility of the seller to determine the listing price of their property based upon sound advice from a real estate licensee.

MARKET VALUE

The most probable price a property should bring if exposed for sale in an open and competitive market, allowing a reasonable time frame to find a buyer. Both parties are fully informed; neither is under undue influence.

SALE PRICE

Also known as "Market Price," this is the price at which the property ultimately sells for as determined by the cooperative efforts of the buyer and seller.

OUR TECHNIQUE

We conduct a thorough competitive market analysis of the property you want to purchase as well as any comparable listings - ideally, within the last six months. We also analyze market conditions and trends to help you select a target price to offer for the home.

Negotiating Philosophy & Strategy

Take a look at your bargaining position. You are a strong contender if you don't have another house to sell and if you are already fully approved for a mortgage (letter in hand!) or you are a cash purchaser. A strong, clean contract is the indicator of a qualified Buyer who is prepared and ready to perform. This will favorably impress the seller and improve the power of your offer.

If this is the case, you may be able to negotiate downward, from list price; however, in a fastpaced competitive real estate market, you may want to offer the list price or better, to beat out any other early offers.

It may be very helpful to find out as much as we can about the Seller's situation and address their needs if possible in your offer.

It is our goal to develop a negotiating strategy that suits your needs and gives YOUR offer the highest probability of success.

Determining your primary objectives is critical to successful negotiating. Which of the following aspects of the property is most important to you?

- ☐ Price?
- ☐ The Property Itself?
- ☐ Settlement Date?
- ☐ Other Terms?

Additional Contract Strategies:

- Significant earnest money deposit
- Fast or reasonable settlement time
- Loan approved and full approval letter to accompany contract
- Disclosure of financial information
- Quick completion of contingencies
- Professional contract preparation and presentation



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STEP 5: Contract For Your Home

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- *RATIFIED CONTRACT AND MULTIPLE OFFERS*



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Preparing Your Offer To Purchase

Your main objective in constructing your offer to purchase is to purchase the home you want at the most favorable terms possible.

The strategy is to make your offer as attractive to the Seller as possible while retaining key items for yourself.

Give the Sellers what is important to them in return for terms that are important to you.

We will try to find out from the listing agent what the seller's critical needs are. If you can meet these, it gives the Seller a reason to concede to reasonable requests from you. There are seven areas of negotiation in your offer:

1. Offering Price: The most important issue for most Sellers is the amount they will be receiving for the home. I will assist you in identifying the most appropriate offering price for your offer.

2. Subsidies: Are you going to be asking the Seller to pay expenses, such as closing costs, on your behalf? If you are, remember you are reducing the net proceeds to the Seller thereby reducing your ability to negotiate the price as well. Also, subsidy amounts may be limited by the financing you are using. Consult your lender for details.

3. Deposits: Your deposit amount signifies your commitment to the transaction. Low deposits reduce the desire of the seller to accept your offer. Again, I will help you determine the amount you need to give the seller with your offer to increase the likelihood of success.

4. Settlement and Occupancy: The contract calls for you to receive occupancy at settlement. If you can settle when the seller wishes to move, your offer will be positively viewed by the seller. If occupancy will not concur with settlement, this should be noted in your offer and the proper agreements executed.

5. Property Condition: If you want the Seller to make repairs beyond the parameters of Sales Contract, then they will need to be included in your initial offer. If your contract includes a contingency for a satisfactory Home Inspection report, then requests for repairs will normally be made after receiving the report.

6. Inclusions & Exclusions: The Seller is offering to include certain items with the sale. Sometimes sellers offer to replace an item they wish to retain when they move. Please be sure that your offer accurately reflects both of these.

7. Contingencies: A contingency is a clause which states that the buyer will perform only if something else happens. Normal contingencies include Purchaser's financing, home inspection, radon or lead inspections, or the sale of the Purchaser's current home. The fewer contingencies your offer contains, the more desirable your offer will be to the Seller. I will help you with guidance in this area.

Demonstrate your ability to purchase by delivering one or more of the following:

- **Lender Pre-Approval or Commitment Letter:** Provided by your lender as discussed previously

- **Bank Statements:** To show the existence of sufficient cash to perform, especially when the contract is an 'all cash' offer.

- **Financing Statement:** May be presented to the seller when submitting an offer prior to obtaining a Commitment Letter.

Write a clear, concise offer.

The more difficult your offer is to understand, the more difficult it will be for the seller to accept. The local custom is to use the FAR/BAR sales contract and amendments which are clear, concise, and well-recognized. I will be able to provide all of these when we write your offer.

Giving the seller everything, and more!

When competing against other offers, your only option may be to give the seller everything and be willing to pay more than the asking price. I can also explain the use of escalation clauses in competitive situations.



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Contract For Your Home

Approaches to Negotiation:

Every Buyer and Seller has different levels of risk-tolerance. We can discuss these approaches to writing an offer when the appropriate time comes.

Extreme or Fair Initial Offers:

Extreme offers generate extreme responses and often create a difficult environment for future negotiations. Fair initial offers far create a climate of trust between the parties and lead to mutually satisfactory transactions. The worst thing you can do is deliver an offer that offends a Seller or insults his/her home and leads them to feel that you are not a person they are willing to work with in the future.

Offers Generate Responses:

When creating an offer, ask yourself this question. "If I was the Seller of this property and I received this offer, how would I respond to it?" If the answer is not the one you like, then alter the offer until you feel that your offer will be well received.

Time Limits:

Be careful about placing time limits on your offers. We will discuss whether or not placing a time limit on your offer would fit your circumstances.

The Negotiation Process

Submitting the Initial Offer:

- **Presentation:** Most offers today are delivered to the Listing Agent for presentation. It is rare that we will have the opportunity to present your offer to the Seller in person.
- **Personal Letter:** You may want to consider including a personal letter to the Seller with your offer. We will discuss this strategy if it seems appropriate.
- **Questions from the Seller or Listing Agent:** Be prepared to hear from us prior to any acceptance or counter-offer with questions from the Seller or Listing Agent. You must be easily available to answer them in order to facilitate an agreement.

Possible Outcomes:

- **Acceptance:** Your offer will be signed as written.
- **Counter Offer:** Your terms will need to be modified in order for them to be acceptable to the Seller.
- **Rejection:** The Seller refuses to enter into negotiations with you because of a perceived inability to reach agreement. The offer is returned marked "Rejected".
- **No Response:** The Seller simply chooses not to respond but your offer will remain alive until you withdraw it.

Response to Counter Offers:

Your response to a counter offer should be handled as quickly as possible in order to avoid a change of heart on behalf of the seller.



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Ratified Contracts & Multiple Offers

You will have a ratified enforceable contract when:

- All parties have agreed, in writing, to all the terms without addition or amendment and
- A copy of the fully executed contract is delivered back to the other party.

Negotiating When There Are Multiple Offers

- **Awareness:** You may or may not know if you are competing against other offers because the obligation of the Listing Agent to inform buyers of the existence of other offers is up to the Seller.
- **Acceptance:** Seller will accept or counter only one offer, in most cases.
- **Best and Final:** It is possible that the Seller will counter none of them and send them all back out the Buyer's "best and final offer".

Three issues for your consideration ...

Maximize Seller's Net Proceeds by:

- Increasing your offering price
- Accepting all costs

Occupy at the Sellers convenience:

- Which might necessitate a quick settlement or
- A Seller rent back

Reduce Risk of Buyer's Non-performance by:

- Increasing deposit
- Demonstrating that financing is solid
- Removal of all contingencies, if possible



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STEP 6:

Conduct Inspections

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- HOME INSPECTION
- RADON INSPECTION
- LEAD INSPECTION
- REVIEWING THE HOME OWNER'S ASSOCIATION OF CONDOMINIUM DOCUMENTS



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Home, Radon & Lead Inspections

Your sales contract may contain a number of inspections as a condition of your sale. Whether or not you include inspections in your offer will depend on market conditions, the property, and your comfort level. The most common inspections are a general home inspection and an inspection for the presence of radon gas.

Home Inspection

- Consider scheduling your inspection at the time you prepare your offer to purchase. Most inspectors will take a tentative appointment if it will be confirmed in 24 hours.
- Be present for the entire inspection. Most will take three to four hours and are as much about education as discovery.
- The purpose for an inspection is to uncover any significant situations that might cause you to renegotiate your agreement or, in extreme cases, even void it.
- If you ask the Seller to fix certain items, you are in effect saying that you will only purchase the property if the Seller agrees to the repairs. Be sure that your response to the inspection accurately and clearly reflects your objectives.
- The dates referred to in the home inspection paragraph are 'hard dates' and must be met in order to maintain the validity of this agreement. Please consult with me carefully at every step of this process to stay on top of our deadlines.

Radon Testing

- Radon tests may be performed by your home inspector. It will take three days to obtain a reading with reasonable accuracy.
- The EPA has set a safe standard at less than 4.0 picocuries per decaliter. Any readings of 4 and above should be remediated, usually by the seller.
- Just as with the home inspection, the dates for performance are 'hard dates' and should be taken very seriously. Again, consult with us for guidance.

****We are able to schedule both of these inspections for you. If you know of a qualified home inspector OR a certified radon testing service you wish to use, please let me know as early as possible. Otherwise, we can recommend some to you.****

Home Owners Association Documents

If you have purchased a condominium or a home with a Homeowners Association, you have the right to review the legal and financial documents connected with the community.

****You also have a 3-day right to cancel your contract, beginning when we receive these documents.****

Your review might include, but is not limited to the following:

- Fees, what they include, and any plans for increasing them.
- Rules and regulations, particularly those dealing with parking, trash removal, and what you are allowed to do with your property's appearance.
- Pending suits.
- Anticipated major renovations.

As with the inspection deadlines, the deadlines for reviewing these documents are "hard dates" and must be taken seriously.



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STEP 7:

Finalize your Financing

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- *FINAL REVIEW WITH YOUR LENDER*
- *PROVIDE ALL ADDITIONAL REQUIRED DOCUMENTS*



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Finalize Your Financing

Your Lender needs to receive:

Copy of ratified sales Contract
(We will provide this.)

MLS printout for the listing
(We will provide this.)

Public Record information
(We will provide this.)

Documents pertinent to loan application
(You will provide these.)

Your Lender will order the appraisal.
(We will meet the appraiser at the home.)

Your Lender will prepare a new Good Faith Estimate of your settlement charges.

IMPORTANT

Please do not attempt to change lenders from the company Which issued your commitment letter without fully discussing it with us.

Changing lenders at this point creates the very real possibility of not being able to meet your settlement date, defaulting on your financing, and/or placing your deposit in jeopardy.

Using an Internet-based lender is problematic. We cannot help facilitate the process when a client uses an Internet lender and service is poor.
We highly recommend the use of a local lender.



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STEP 8:

Preparing For Your Settlement

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- SCHEDULING YOUR SETTLEMENT
- PREPARATION FOR SETTLEMENT
- SWITCHING YOUR UTILITIES
- FREQUENTLY ASKED QUESTIONS
- TITLE INSURANCE



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Scheduling Your Settlement

Choosing Who to Represent You For Settlement

Unless otherwise agreed, the Purchaser usually has the right to choose the settlement attorney or title company who will conduct the settlement.

- It is not unreasonable, however, for the Seller to request the use of a particular entity to facilitate a 1031 Exchange, to coordinate a sale with a purchase, or in the case of an estate sale.
- Relocation companies and new home builders routinely require settlement with a pre-determined settlement company or attorney.

Timing of Settlement

Settlement should be scheduled as soon as possible to insure that the most convenient time will be available. Settlement companies become very busy during the last week of each month. A request for a change in the date and time may not be possible as the settlement date approaches.

Title Search & Surveys

The settlement company will search the title and order any required surveys.

**MY PERSONAL
RECOMMENDATIONS
CLOSING COMPANY
OR CLOSING ATTORNEY**

Dawson Law

Island Title
www.islandtitle.net

Fidelity National
www.fnf.com

International Title
www.internationaltitleandescrow.com



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Preparation For Settlement

You will be required to bring several items to the settlement (closing), including a copy of your homeowner's insurance policy (for fire, theft, and other contingencies) and a paid receipt representing one year's coverage. In some cases, the lender will require delivery of this and the termite documentation prior to settlement. You must also have a cashier's or certified check for the balance of the down payment and closing cost.

Although the lender will have provided you, as the purchaser, a Good Faith Estimate of Closing Costs as part of the loan application process, your settlement agent or attorney will also calculate for you approximately what you will owe. The following checklist includes some of the items included in the closing costs. Some of them are tax-deductible and some may not be applicable in your situation:

CLOSING COSTS MAY INCLUDE:

- Loan origination fee
- Loan discount(s) or points
- Appraisal fee (due with mortgage application)
- Credit report (due with mortgage application)
- Underwriting and document preparation fees
- Mortgage insurance fee
- Assumptions fee
- Settlement or closing fee
- Abstract or title search
- Title examination
- Title insurance binder
- Survey fee
- Termite inspection fee
- Transfer tax
- Recordation tax
- Escrow for taxes and insurance



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Preparation for Settlement

Once all inspections have been done and your financing finalized, you will need to attend to the following. The earlier these are done, the fewer last minute surprises will arise.

Contract with your mover.

Unless otherwise agreed in writing, you will not receive keys to your new home until settlement and recordation of the deed transfer. Any arrangements for your early access of the seller staying after settlement must be arranged through your Realtor® and will require a written agreement.

Contact utility companies.

Gas, Electric, Water, Telephone, Cable
(Contact information for local utility companies is located in the appendix of this buyer book!)

Wire funds for required cash to settle.

Certified funds: The amount of cash needed at settlement can be obtained from the attorney or title company one - two days prior to settlement. This number can be obtained from your HUD-1 Settlement Statement and can be estimated from your Good Faith Estimate, but it is best to call your attorney or dosing company 1-2 days prior to closing for the most accurate number. You will then wire these funds directly to their office.

Are you going to be using funds generated by the sale of another residence as all or part of your own down payment on this one? If so, be sure that we have discussed this with your settlement company and have coordinated the timing of the two settlements to allow for an Assignment of Funds.

Personal checks may be Used only for small amounts owed at settlement if the final figures change at the last minute. Otherwise, wiring information will be needed. This can be obtained from your bank and will usually require a small banking fee.

Establish time of walkthrough.

We will coordinate the walkthrough with both you and the seller. Normally the walk through will take place within 24 hours before settlement and after the seller has vacated the property.

Directions to settlement office.

Make sure you have received directions to your settlement company, either from the company or from myself.

I will be happy to attend settlement with you.



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Purchasing Title Insurance

At Closing, You Will Be Offered Title Insurance. We Always Recommend Purchasing It.

What is Title Insurance?

Before answering “what is the title insurance”, it might be best to first answer “What is title?” “Title” is the ownership in real property. Among other things, it means that you have the legal right to possess, occupy, peacefully enjoy, and sell your property without interference from others, subject only to restrictions imposed by governmental authorities or previous owners. In most cases, title is transferred by deed, which is recorded in the land records of the county in which the property is located. Generally, when property is sold, an attorney for the Buyer or a title examiner goes to the record room and searches the land records for any title defects. A title defect is anything in the entire history of ownership of a piece of real estate which may encumber the owner’s rights under the title. A title defect may cause the owner of real property to lose all or part of his land to a superior ownership interest or claim of another. This is the type of loss which title insurance protects against. In short, if you own a title insurance policy, the title insurance company will defend you, without cost, against an attack or claim upon your ownership interest in your property as insured and you will be protected against financial loss caused by a title defect.

If my title has been examined for defects, why do I need Insurance?

There are many defects which even the most meticulous search of the land records will not uncover. For instance, it is impossible for an examiner to know whether the marital rights of all previous owners have been relinquished; whether all deeds, mortgages and judgments affecting the property have been properly indexed in the land records; whether all signatures are valid; or whether an unknown heir of a previous owner had a valid claim against the property. Without owner’s title insurance, you may have no avenue of recovery for these types of problems.

If I have to purchase lender’s insurance, why do I need owner’s coverage as well?

In almost every instance, a lender will require you to purchase lender’s title insurance protecting it up to the value of its loan on the property. This coverage only protects the lender, not you, and the coverage diminishes as the loan is paid off. As you build more equity in the property, you expose yourself to a higher risk of loss occasioned by a title defect. In this situation, the protected lender will suffer no loss while you as the owner of record bear the substantial risk of the damage. Owner’s title insurance will protect you against any covered loss from failure of title up to the full amount of the policy.



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Purchasing Title Insurance

What are some reasons or examples of why I should have Owner's Title Insurance?

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Owner's Title Insurance will protect you against those hidden risks that would not be disclosed by even the most meticulous search of the public records. Some examples of those hidden risks are:

- Forgery
- Inadequate Surveys
- Fraud in connection with execution of document
- Incorrect legal descriptions
- Undue influence on a grantor or executor
- Non-delivery of deeds
- False impersonation by those purporting to be owners of the property
- Unsatisfied claims not shown on record
- Incorrect representation of the marital status of grantors
- Deeds executed under expired or false powers of attorney
- Undisclosed or missing heirs
- Confusion due to similar or identical names
- Wills not properly probated
- Dower or curtesy rights of ex-spouses or former owners
- Mistaken interpretation of wills and trusts
- Incorrect indexing
- Mental incompetence of grantors
- Clerical errors in recording legal documents
- Conveyance by a minor
- Delivery of deeds after death of grantor
- Birth of heirs subsequent to date of will

We highly recommend title insurance to all of our clients! This will protect you if there ever becomes a question over ownership of the property!



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Purchasing Title Insurance

Are there different types of title insurance?

Yes. There are three different types of Title Insurance: a Lender's Policy, Standard Owner's Policy, and the Owner's Advantage Policy.

Lender's Coverage is required by all corporate lenders as a condition of the purchaser's loan. This covers only the lender for the amount of the loan they are making to a borrower. The Lender's Policy that the lender is provided with is the standard ALTA 1992 Loan Policy. It provides coverage to the Lender against such title encumbrances as fraud in connection with the execution of the document, incorrect representation of the marital status of granters, wills not properly probated, and many other circumstances that might jeopardize the Lender's security in the property.

The Standard ALTA 1992 Owner's Policy protects you as the owner of real property against fraudulently executed documents, incorrect representations, and improperly probated wills, as well as any unsatisfied claims that may not appear in the County land records.

The Owner's Advantage Policy covers you, the owner, against all that is included in a standard ALTA 1992 policy but with additional and enhanced coverage. Subject to limitations, some of the benefits of an Advantage Policy include:

Mechanic's lien coverage is provided for work done prior to the date of your policy.

- Zoning coverage is now provided, insuring that your land is properly zoned for a single-family residence.
- Subdivision coverage is now provided in the event your land is a portion of an improperly created subdivision.
- Coverage is provided if you as the owner are forced to remove an existing structure, other than a boundary wall or fence, due to a previous owner's failure to obtain the necessary building permit.
- Coverage is provided if an adjacent builder builds onto the homeowner's property without permission.
- Coverage is provided for forgeries affecting your ownership after the date that your title insurance policy is issued.



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STEP 9: The Final Walkthrough

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- *SCHEDULE YOUR FINAL WALK-THROUGH*
- *CONDUCT YOUR FINAL WALK-THROUGH*
- *HANDLE ANY FINAL ISSUES*



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Conduct Your Final Walk-Through

Your Right to a Walk-Through

The Florida Association of Realtors® Sales Contract allows for the purchaser to conduct a final walkthrough inspection prior to settlement. At the end of the walk-through is buyers opportunity to confirm any negotiated repairs are complete and property is in the condition it was originally viewed. Therefore, this inspection is best performed after the seller has vacated the property.

****We will attend the walk-through with you. We will arrange this time/date with you within 24 hours to the date of closing.**

The purpose of the walk-through is:

- To be sure that all included appliances, HVAC, and plumbing are in working order, as per Paragraph 3. Make sure to test all appliances and run water from all water sources to check for leaks.
- To ensure that the property is free and clear of debris, broom-clean, and in substantially the same condition as date of contract.
- To ensure that any contractual obligations have been met.

Paying for Repairs

Since lenders normally forbid the creation of an escrow fund to allow for repairs not made prior to settlement, it may be possible- with the mutual agreement of the seller and the buyer- for the seller to credit to the buyer an amount that allows for the buyers to make the repairs themselves at a later date. This should be arranged prior to settlement.



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STEP 10:

Closing!



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- *ATTEND YOUR CLOSING*
- *CELEBRATE!*



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Attend Your Closing

Prior to the Meeting

- **Resolve walkthrough issues:** Any monetary issues arising from your walkthrough need to be resolved before the final settlement statement (Closing Disclosure) can be prepared. I will attempt to resolve these prior to settlement, but if not, these must be discussed before anything else takes place.
- **Review the Closing Disclosure:** Prior to signing we will review the statement to be sure that all charges and credits are the correct amounts and charged to the proper people.
- **Review sample settlement documents:** If you are going to want to read all the documents prior to signing, please let us know prior to closing so we can have the title company email you the package.

Important things to understand about closing delays:

Closings are typically scheduled every hour, so please allow for one hour in order to complete the process. Late in the day settlements are often delayed so do not be surprised if your 3 PM settlement doesn't start until 3:30 or even 4PM. Additionally, if you go to closing after 1 PM, please know that your home may not fund before end of day.

Avoid Friday closings when possible- a Friday closing often leads to a late recording, which cannot take place over the weekend and must then wait until Monday. If you plan to have access to your home over the weekend, schedule an earlier settlement to allow for unexpected delays.

The typical settlement meeting agenda is as follows:

- **Resolve remaining walkthrough issues**
- **Approve Closing Disclosure**
- **Purchaser selects title insurance coverage**
- **Seller signs the deed**
(Often times, the Purchaser and Seller typically attend their own separate closings and do not meet face-to-face. The seller will have signed the deed prior to our settlement time.)
- **Purchaser signs loan documents:**
Loan application
Truth in Lending statement
Note
Deed of Trust
- **Seller's attorney or closing company provides the keys to purchaser's attorney or closing company**
- **Purchaser tenders the check and receives keys and possession** as soon as your lender has approved documents and funds the loan. This could take anywhere from 1-5 hours after settlement, provided everything runs smoothly.



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Appendix



- *FLORIDA REAL ESTATE PRACTICES*
- *COMMON MISTAKES MADE BY HOME BUYERS*
- *YOUR RIGHTS UNDER FAIR HOUSING*
- *IMPORTANT AND USEFUL NUMBERS*
- *GLOSSARY OF TERMS*
- *QUESTIONS AND ANSWERS*



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Florida Real Estate Practices

Buying Real Estate in Florida Differs From Other Areas in the U.S.

- **Agents write contracts not binders.** Buyers and sellers reach agreements without the use of attorneys in creating those agreements. While either party has the right for an attorney to review any document for them prior to signing it; in practice relatively few buyers or sellers find it necessary to do so. In addition, all of the terms of the agreement are established from the beginning, not just the major issues.
- **Kitchen appliances including refrigerators are typically included in the sales price.** In some parts of the country, ranges and refrigerators are not included and are absent from the property when the new buyer moves in. The listing specifically spells out what appliances are/not included in the offering, and all appliances are routinely included in the "items to convey" in the contract unless otherwise noted in the MLS offering. Often, washers and dryers do not convey; but are often "negotiable".
- **Earnest money deposits-** In many locations in the US, an offer to purchase a home will be accepted with a deposit of \$500 to \$1,000. The typical escrow is usually 1-2% of the purchase price.
- **The pace of the transaction is faster.** Unless you are coming here from major metropolitan urban area, the rate of speed at which real estate is done here may feel awfully fast. Offers are often written hours after initial viewing and answers may be received the same evening. Clearly some parts of our market do not move quite that fast, but acting quickly has always been critical.
- **Seller Disclosure or Disclaimer and Inspect.** Florida has a fairly "weak" disclosure law. Sellers can either disclose what they know or "disclaim" and have the buyer's inspector report any issues. Coastal Life Properties absolutely recommends a home inspection of the property.
- **Closing.** While many buyers still use an attorney, many closings are now performed by title companies. The purchasers and the sellers can each have their own separate closing and most likely will never "meet at the closing table" or meet at all, but it is not uncommon to have a simultaneous closing either.



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Real Estate Mistakes Made by Buyers

- **Utilized Interest-Only Mortgages.** Many home-hungry buyers discovered the only way you can pay top-of-market prices is to get an interest-only mortgage. With declining prices and no monthly principal payments, these homebuyers could fuel a foreclosure market in the event the prices decline again. Fixed-rate mortgages will become the majority as mortgage underwriters and educated consumers are reunited.
- **Overlooked Resale Characteristics.** New construction was the rage in 2005, everyone wanted to select finishes, floor coverings and kitchen cabinets. 2005 buyers should beware when this year's homebuyers become sellers, buyers could bypass their resale that was new in 2005 for the chance to design their own new home. Look to future before signing on the line.
- **Skipped Performing a Home Inspection.** Before some markets shifted away from sellers markets, many homebuyers waived their right to a property inspection. Never skip or waive the right to a inspection as the benefits far outweigh the costs and could save you numerous headaches and expenses later. Hire a professional, not Uncle Bert.
- **Misinterpreted Developers Give-Away's.** Two years of free condominium assessments, stainless appliances, and plasma tv's were thrown in to induce buyers to write contracts to purchase. What many buyers thought were freebies were actually a signal that markets were softening and that projects were slow to sell from increased competition and a lack of buyers. Incentives are a band aid for a languishing development.
- **Were represented by the same agent representing the sellers.** Thinking they might get a better deal or out of ignorance, buyers used the listing agent to represent them as well. Most states require written acceptance of this situation known as dual-agency by both parties under agent license laws. All buyers should be represented by an agent who has a fiduciary responsibility to them.
- **Didn't Read Homeowners Association Documents.** Getting rid of Fido because you didn't know you were moving into a no-dog building is an example why every buyer should request and read home owner association declarations, rules and regulations, association meeting minutes, and budgets. Ask if there are any special assessments (typically for capital improvements; new roofs, windows, elevators) or planned ones. Special assessments can run into the thousands.



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Your Rights Under the Fair Housing Act

The Fair Housing Act

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap or disability.

Title VI of the Civil Rights Act of 1964

Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Section 504 of the Rehabilitation Act of 1973

Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 of Title I of the Housing and Community Development Act of 1974

Section 109 prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

Title II of the Americans with Disabilities Act of 1990

Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance, and housing referrals.

For additional information on Equal Housing:

**U.S. Department of Housing &
Urban Development**
Phone: (202) 708-1112

TTY: (202) 708:1455

**Visit them online at
www.hud.gov**



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A Few Important & Useful Numbers

UTILITIES

Bright House Networks	321-254-3300
Florida Power & Light	321-723-7795
AT&T	888-757-6500
Florida City Gas Co.	321-639-7071
City Water Co.	
Cocoa Beach, Cape Canaveral, Cocoa, Port St. John, Viera, Rockledge, Merritt Island	321-433-8800
Indian Harbour Beach, Satellite Beach, Melbourne, Melbourne Beach	321-953-6390
Titusville	321-383-5790
Palm Bay & Malabar	321-952-3400
West Melbourne	321-727-7700
Waste Management (Garbage Collection)	(North) 321-636-6894 (South) 321-723-4455

NEWSPAPERS

Florida Today	321-242-3876
Orlando Sentinel	800-359-5353

AUTO TAG/TAX COLLECTOR

Melbourne	321-255-4410
Merritt Island	321-455-1412
Rockledge	321-633-1897
Palm Bay	321-952-4540
Indian Harbour Beach	321-779-4009
Titusville	321-264-5224

HOSPITALS

Cape Canaveral	321-799-7111
Holmes Regional	321-434-7000
Parrish Medical Center	321-636-9393
Viera Hospital	321-434-9164
Wuesthoff Hospital	321-636-2211

DRIVER'S LICENSE OFFICES

Melbourne	321-984-4930
North Melbourne	321-752-3160
Titusville	321-383-2763

VOTER REGISTRATION

Melbourne	321-255-4455
Palm Bay	321-952-6328
Titusville	321-264-6740
Viera	321-633-2124
Brevard County Courthouse Information	321-637-5413



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Preferred Inspectors

If you are planning to purchase a home, you need to become knowledgeable about the condition of the home you wish to purchase. An informed buyer will make an informed decision.

A home inspection is also extremely important in guarding your investment. We recommend you also obtain inspections in specialized areas. For example, termite, land surveys & environmental or pollution inspections should be completed for your own protection.

Blue Heron Property Inspections (Travis Johnson) 321-209-3735
BlueHeronInspectionsFL.com

D&D Inspection Services (Mike Dogoda)..... 321-243-7765
InspectorPages.com/MDogoda

E.J. Hartigan Inspections (EJ Hartigan)..... 321-302-3349

Florida Home Inspection Bureau (Adam Marrara) 321-313-3190
FloridaHomeInspectionBureau.com

Green Leaf Home Inspections 321-208-6561
GreenleafHomeInspections.com

Hound Dog Home Inspections..... 321-626-8959
HoundDogHI.com

O'Brien Inspections (Tom O'Brien) 321-383-9445
OBrienInspections.com

Owens Construction & Inspection Services (David Owens) 321-863-3542
321 Contractors.com

Space Coast Home Inspectors (Eric Rewis)..... 321-403-7457

Preferred Title Companies

Fidelity National Title (Leanne Shufelt)..... 321-254-3300
Fntic.com

Island Title (Cathy Penner)..... 321-453-6099
IslandTitle.net

International Title & Escrow (Donna Harris)..... 321-784-7999
InternationalTitleandEscrow.com

Landmark Title Agency Inc. (Michele Brenner) 321-403-7457

Sunbelt Title Agency (Claire Mathews) 321-454-9985
SunbeltTitle.com

The Title Station (Penny Bell) 321-593-3002
theTitleStation.com

Company of my/our Choosing: _____



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Preferred Title Companies

Fidelity National Title (Leanne Shufelt)	321-254-3300
Fntic.com	
Island Title (Cathy Penner)	321-453-6099
IslandTitle.net	
International Title & Escrow (Donna Harris)	321-784-7999
InternationalTitleandEscrow.com	
Landmark Title Agency Inc. (Michele Brenner)	321-403-7457
Sunbelt Title Agency (Claire Mathews)	321-454-9985
SunbeltTitle.com	
The Title Station (Penny Bell)	321-593-3002
theTitleStation.com	

Preferred Lenders

BB&T

Brian Giannone
321-543-8199 (mobile)
321-373-1820 (office)
bgiannone@bbandt.com
BBT.com

COMMUNITY CREDIT UNION

Chris Wurtzbacher
321-302-1422 (mobile)
321-637-3146 (office)
wurtzbacher@ccuflorida.org CCUFlorida.org

EQUITY PRIME, LLC

THE THOMAS LOUIS GROUP
Tim Horr
321-698-0417
thorr@equityprime.com
Stacey Oldaker
321-537-1778
soldaker@equityprime.com
http://meritt.equityprime.com

EVERBANK

Scott Levy
321-795-3968 (mobile)
321-574-8405 (office)
Scott.levy@everbank.com
EverBank.com

CALIBER HOME LOANS

Josh Quibodeaux
321-917-6247 (mobile)
321-408-5155 (office)
josh.quibodeaux@caliberhomeloans.com
CaliberHomeloans.com

CERTIFIED MORTGAGE PLANNERS

Eddie Rutledge
321-704-0195 (mobile)
321-250-2943 (office)
eddie@cmpfl.com
cmpfl.com

LIONSGATE LENDING GROUP

John Kendall
321-698-4053 (mobile)
321-220-1779 (office)
johnk.lionsgate@gmail.com
LionsgatelendingGroup.com



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Glossary Of Terms

Adjustable Rate Mortgage - (ARM)- A mortgage permitting lender to periodically adjust the interest rate on the basis of changes in a specified index.

Amortization Schedule- A timetable schedule showing the amount of each payment applied to interest and principal and the remaining balance after each payment is made.

Annual Percentage Rate- The cost of a mortgage stated as a yearly rate, includes interest, mortgage and loan origination fee (points).

Appraisal- A written document stating that a loan is fully approved. It frequently contains conditions, such as satisfactory appraisal, review of the contract and termite inspection, that have to be met before the loan can be funded. Approval Letter-A written document stating that a loan is fully approved. It frequently contains conditions, such as satisfactory appraisal, review of the contract and termite inspection, that have to be met before the loan can be funded.

Broker- A person who, for a commission or a fee brings parties together and assists in negotiating contracts between the parties.

Buyer Representation- Occurs when a Buyer executes an "Exclusive Right to Represent Buyer Agreement" with professional and fully licensed REALTOR® who represents their best interests and works closely with them to find the best property at the most acceptable price, terms and conditions.

Certificate of Title- A statement provided by a title company or attorney stating that the title to real estate is legally held by the current owner

Client- The person who has formed a brokerage relationship with a REALTOR®, usually by executing an agreement in writing; also called a principal

CLUE- The Comprehensive Loss Underwriting. Exchange, a property claims database that enables insurers to check the claim history of a purchaser, the homeowner and the property which the homeowner is purchasing. This helps underwriters determine the risk of loss.

Collateral-An asset, such as a home, used to guarantee the repayment of a loan.

Commission- The fee charged by a broker for providing services such as transaction coordination, facilitating the search process, negotiating the terms and conditions of the contract, etc.

Contingency-A provision placed in a contract that requires the completion of a certain act, or the happening of a particular event before that contract is binding.

Credit Score- A numeric representation of a borrower's financial responsibility, based on their credit history. Typically based on a scale of 300 to 850, these scores are the measure that most lenders will look at when evaluating a credit or loan application.

Customer- A party who is not represented by and does not have a relationship with a REALTOR® Deed-The legal document conveying title to a property.

Dual Agency- Occurs when a REALTOR® represents both the Seller and the Buyer in the same real estate transaction; legal in Florida.

Earnest Money Deposit- A deposit made by the prospective purchaser to show that he/she is serious about buying the property.

Encumbrance- A claim, lien, charge or liability attached to real property that may lessen its value or obstruct the use of the property; also a right or interest in property held by one who is not the legal owner of the property.

Equity- A homeowner's financial interest in the property.

Exclusive Listing- A written contract giving a licensed Realtor® the exclusive right to sell a property for a specified time.

Fair Credit Reporting Act- A consumer protection law regulating the disclosure of consumer reports by credit reporting agencies and establishing procedures for correcting mistakes on one's credit record.

Home Inspection- A thorough inspection of the property that evaluates the structural and mechanical condition of a property.

Kick-out Clause-A special clause in a contract permitting a seller to continue to offer a property for sale after accepting a contract from a buyer that is contingent on the sale of the buyer's home. If the seller receives an offer from another buyer before the first buyer's home has sold, the seller gives the current buyer 72 hours to either drop contingencies and move forward or cancel the contract. Escrow will be returned to buyer in the event contract is cancelled.

Lien- The legal claim against a property that must be satisfied before the property may be sold.



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Glossary Of Terms

Lock-in Rate- A written agreement in which the lender guarantees a specified interest rate if a mortgage goes to closing within a set period of time. Typical rate lock is 60 days.

Mortgage- A legal document pledging a property to the lender as security for a payment of a debt.

Mortgage Banker/Lender- A person or firm, not otherwise in banking and finance, that provides its own funds for mortgage financing.

Mortgage Broker- A person or firm that acts as an intermediary between the borrower and the lender, who may sell the loan or continue to service the loan.

Mortgage Insurance- A Contract that insures the lender against loss caused by a mortgagor's default on a government mortgage or conventional mortgage.

Net Worth- The value of all of the person's assets, including cash, minus all liabilities.

Note- A document which serves as evidence of the debt which is signed by the borrower of a loan and states the loan amount, the interest rate, the time and method of repayment and the obligation to repay; may also be called a Mortgage Note.

PITI- Acronym for Principal, Interest, Taxes and Insurance, commonly found in an all-inclusive mortgage package.

Point- Generic term for a percentage of the principal conventional loan amount; a lender may charge a borrower service-charge points for making the loan.

Prime rate- The interest that banks charge to their preferred customers.

Principal- Amount borrowed or remaining unpaid.

Principal Broker- The licensed broker directly in charge of and responsible for the real estate operations conducted by a real estate brokerage company.

Ratified Contract- Confirmed and written approval of a pending contract by both the seller and the purchaser.

Real Estate Agent- A person licensed to negotiate and transact the sale of real estate on behalf of the property owner.

REALTOR®- A registered collective membership mark which identifies real estate professionals who are members of the National Association of Realtors® and adhere to its strict Code of Ethics.

Title Company/Closing- A meeting where the sale of the property is finalized by the buyer signing the mortgage documents and paying closing costs.

Closing Attorney/Agent- An attorney or professional settlement expert who facilitates the closing.

Survey- A drawing or map showing the precise legal boundaries of a property, the location of improvements, easements, encroachments, rights of way and any other physical features.

Title Insurance- A comprehensive document under which a title insurance company warrants to make good any arising defects in title to real estate or any liens or encumbrances thereon. This type of insurance protects the lender

and the new owner against loss from past occurrences, such as a forged deed somewhere in the chain of title.

Title Search- A check of the title records to ensure that the seller is the legal owner of the property and that there are no liens or other claims outstanding.

Truth in Lending- A federal law that requires lenders to fully disclose, in writing, the terms and conditions of a mortgage, including the annual percentage rate and other charges.

Underwriting- The process of evaluating a loan application to determine the risk involved for the lender.

Walk-Through Inspection- A final inspection of the property just before closing which assures the buyer that the property has been vacated, that no damage has occurred and that the seller has not taken or substituted any property contrary to the terms of the sales agreement. If damage has occurred or items have been taken, the buyer has the right to request credit or repair prior to final closing, or monies placed in escrow until said repairs or requests are completed.



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Questions & Answers

Throwing a housewarming party is the perfect way to meet neighbors and introduce your new digs to friends and family. Here are some tips to pull it off with style

When Do I Throw It?

You do not need to wait until every room is painted and every decoration is hung to invite your family, friends and new neighbors over! Since most homeowners will tell you that decorating is a never-ending part of home-ownership, your friends and family are there to celebrate your new house, not your decorating skills and paint color choices. So throw your HOUSEWARMING PARTY whenever you're ready! There is no time limit to throwing it. The good news is that despite all the busyness of your move, a housewarming can be an informal and simple event.

What time do I host my party?

A weekday happy hour from 5pm - 7pm or an early Saturday or Sunday afternoon is usually a great time to host a housewarming party. Hold your event as an "open house" so guests can come and go as they please. There is no need to draw it out all day, so offer a time frame of about 2 hours.

What Should I Serve?

Housewarming parties are typically just casual cocktail hours or snacks with your basic drink and hors d'oeuvres, but the party should suit your tastes and your new abode. If your place has a great backyard, an outdoor barbeque might be best. Or, if you want to show off the kitchen, try a morning brunch. Since your guests will want to tour your house and stand around and mingle, it is best to serve simple, non-messy finger foods.

Who Do I Invite?

In addition to inviting old friends and family, be sure

to invite your neighbors if you think you might enjoy getting to know them. This will be a great way for you to meet your new neighbors and for them to catch up with the other longer-time residents. You are a new member of their community and inviting them to your housewarming party is an extremely gracious and welcoming act.

How Do I Invite People?

Sending an evite is totally acceptable. If you don't know your new neighbors' emails yet (or even their full names) you can slip casual invite under their front doors. When preparing the invitations, send them out at least 2 to 3 weeks in advance so that your guests can fit the party into their schedules and RSVP. Include a map to the property and detailed instructions.

Do I Give a House Tour?

ABSOLUTELY ... it's the main attraction! Your guests won't show up at the same time, so plan on giving a couple of tours. Just keep it brief (5 to 10 minutes tops). If there are rooms full of boxes that you don't want to show off, just shut those doors!

Do I send out Thank You Notes?

Your family, friends, and neighbors were the first to share in your excitement at having a new home. Send them a "thank you" for attending your party and making your new purchase special.

A new home means a fresh start and is a great occasion to open your doors (literally and figuratively) to the old friends in your life and the new one who now live nearby. Let your housewarming party signal the warmth and good times you hope to make a regular part of life in your new space!



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