

LOCAL BUYERS GUIDE



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# IDAHO'S #1 BROKERAGE

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## WHY CHOOSE SILVERCREEK® REALTY GROUP?

- #1 Sales in Idaho since 2014
- Top 100 ranked brokerage in the US
- 2016 Best Real Estate Brokerage in Idaho Statesman's "Best of the Treasure Valley"
- 2017 Broker of the Year by Boise Regional REALTORS®
- Knowledgeable, experienced brokers and support staff
- 1500+ REALTORS® throughout Idaho serving as your personal network
- Multilingual REALTORS®
- Family-oriented and local roots

## LEADING A LEGACY OF EXCELLENCE

Silvercreek Realty Group is family-owned and founded in the Treasure Valley. As a local brokerage, we are experts in all things Idaho and the Boise area. Our REALTORS® specialize in new construction, existing homes, farm and ranch, commercial properties, land and lots, vacation properties, short sales, REOs, and more. Our agents take pride in ensuring that your relocation to the Boise area goes smoothly; we know we can help you find your perfect home.

Silvercreek Realty Group is Idaho's largest brokerage. Our coverage stretches throughout Central, Eastern, and Southern Idaho. Most importantly, the Silvercreek culture revolves around collaboration. Our network of REALTORS® work together, share industry secrets, and support each other to better represent you. In 2019, we helped 10,382 home buyers and sellers closing over \$3.4 billion in sales.

# MEET TEAM Z

## SCOTT AND CANDI ZIERLER



### CONTACT US

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We are a husband and wife real estate team dedicated to serving the Treasure Valley. We love our community and truly enjoy living here! We returned to Boise 23 years ago to raise our two daughters. Candi is an Idaho native and grew up here enjoying the Boise area. Scott grew up in New Jersey but made his way to Idaho in 1989 to attend school at the University of Idaho, where we met.

We have a wealth of knowledge about the area as well as the home industry we'd love to share! Scott has been a REALTOR® for 18 years and has worked for a local custom home builder for 21 years doing home design, drafting, and construction management as well as property management of their residential rental properties. Prior to also becoming a licensed REALTOR®, Candi raised our daughters as well as worked in early childhood education.

We have been amazed to observe the growth the valley has experienced in recent years, but not surprised. The Boise area is a perfect place to call home for us, so we understand why others are looking to do the same.

If you are looking to relocate to the Treasure Valley area, we would love to help answer all your questions and find your new perfect place to call home. If you already live in the area, we would be delighted to help you buy or sell a home, too!

We provide the highest level of service to each of our clients to provide an efficient, enjoyable, and rewarding experience during their real estate journey. We look forward to cultivating relationships with our clients and being a trusted resource for them even after the sale.

It would be an honor to help you find a home you love here in our beautiful Treasure Valley!

# WHY YOU SHOULD WORK WITH A REALTOR®



## Not all real estate agents are REALTORS®.

The term REALTOR® is a registered trademark that identifies a real estate professional who is a member of the NATIONAL ASSOCIATION of REALTORS® and subscribes to its strict Code of Ethics. Here are nine reasons why it pays to work with a REALTOR®.

**1. YOU'LL HAVE AN EXPERT TO GUIDE YOU THROUGH THE PROCESS.** Buying or selling a home usually requires disclosure forms, inspection reports, mortgage documents, insurance policies, deeds, and multi-page settlement statements. A knowledgeable expert will help you prepare the best deal, and avoid delays or costly mistakes.

**2. GET OBJECTIVE INFORMATION AND OPINIONS.** REALTORS® can provide local community information on utilities, zoning, schools, and more. They'll also be able to provide objective information about each property. A professional will be able to help you answer these two important questions: Will the property provide the environment I want for a home or investment? Second, will the property have resale value when I am ready to sell?

**3. FIND THE BEST PROPERTY OUT THERE.** Sometimes the property you are seeking is available but not actively advertised in the market, and it will take some investigation by your REALTOR® to find all available properties.

**4. BENEFIT FROM THEIR NEGOTIATING EXPERIENCE.** There are many negotiating factors, including but not limited to price, financing, terms, date of possession, and inclusion or exclusion of repairs, furnishings, or equipment. In addition, the purchase agreement should provide a period of time for you to complete appropriate inspections and investigations of the property before you are bound to complete the purchase. Your agent can advise you as to which investigations and inspections are recommended or required.

**5. PROPERTY MARKETING POWER.** Real estate doesn't sell due to advertising alone. In fact, a large share of real estate sales comes as the result of a practitioner's contacts through previous clients, referrals, friends, and family. When a property is marketed with the help of a REALTOR®, you do not have to allow strangers into your home. Your REALTOR® will generally prescreen and accompany qualified

prospects through your property.

**6. REAL ESTATE HAS ITS OWN LANGUAGE.** If you don't know a CMA from a PUD, you can understand why it's important to work with a professional who is immersed in the industry and knows the real estate language.

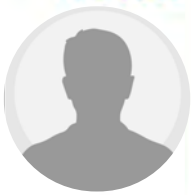
**7. REALTORS® HAVE DONE IT BEFORE.** Most people buy and sell only a few homes in a lifetime, usually with quite a few years in between each purchase. And even if you've done it before, laws and regulations change. REALTORS®, on the other hand, handle hundreds of real estate transactions over the course of their career. Having an expert on your side is critical.

**8. BUYING AND SELLING IS EMOTIONAL.** A home often symbolizes family, rest, and security — it's not just four walls and a roof. Because of this, home buying and selling can be an emotional undertaking. And for most people, a home is the biggest purchase they'll ever make. Having a concerned, but objective, third party helps you stay focused on both the emotional and financial issues most important to you.

**9. ETHICAL TREATMENT.** Every member of the NATIONAL ASSOCIATION of REALTORS® makes a commitment to adhere to a strict Code of Ethics, which is based on professionalism and protection of the public. As a customer of a REALTOR®, you can expect honest and ethical treatment in all transaction-related matters. It is mandatory for REALTORS® to take the Code of Ethics orientation and they are also required to complete a refresher course every four years.



# THE HOME BUYING PROCESS



## PREPARING FOR CLOSING

You will be finalizing your loan, reviewing documents, and discussing the findings from the inspection. Your agent will be managing this entire process for you.



## FINAL DETAILS

Perform due diligence, order the appraisal, conduct an inspection, and review terms with the lender.

## IN ESCROW

You and the Seller have agreed to the price and terms. The home is effectively held for you until closing.

## THE CONTRACT

In most cases the contract provides you with a timeline to obtain financing, as well as time to inspect the physical condition of the home. Your real estate professional will inform you of all your rights and responsibilities related to the contract.

## CLOSING

This is the transfer of funds and ownership. A title company or an attorney typically acts as an independent third party to facilitate the closing.

## MEET WITH A REAL ESTATE PROFESSIONAL

Discuss the type of home you're looking for, including style, price, and location.



## THE BUYER'S ADVANTAGE

As the home buyer, your agent's commission is paid by the seller of the home in almost all circumstances. This means your representation costs you nothing!

## GET PRE-APPROVED

You will need pay stubs, W2s, and bank statements. Knowing what you can afford is critical to a successful home shopping experience.

## SEARCH FOR HOMES

The fun part! Your agent will schedule showings and help you find the perfect home.



## ADVANCED SEARCH

Not all real estate websites are the same. Your real estate professional has tools and systems to ensure you see every available home that meets your criteria.

## MAKE AN OFFER

Your agent will prepare the offer based on the price and terms you choose.

## NEGOTIATION AND CONTRACT

It may take a few tries to get it just right, but hang in there. You're on your way!



**CONGRATULATIONS!**

**YOU ARE A NEW HOME OWNER!**





# Real Estate Terminology

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- **Adjustable Rate Mortgage (ARM)** — The interest rate is tied to a financial index making the monthly mortgage payment go up or down over time.
- **Annual Percentage Rate (APR)** — The percent of interest that will be charged on a home loan.
- **Appraisal** — A report highlighting the estimated value of the property completed by a qualified 3rd party. This is typically done for the benefit of the buyer to ensure the property is worth what they are paying.
- **Association Fee/HOA Fee** — In addition to a mortgage, certain housing communities such as townhomes have a monthly fee associated with maintaining the commons areas and amenities.
- **Balloon Mortgage** — A long-term mortgage loan that starts small but has a large payment due at maturity.
- **Closing** — This is the final meeting where the buyer and seller sign the necessary paperwork, complete the transaction, and release/take possession of the property. Usually the representing agents and attorneys attend.
- **Closing Costs** — The buyer and seller have expenses associated with the transaction other than that of the actual cost of the home. For example, the buyer has a variety of fees due for obtaining a new loan and the seller must pay commission to both agents.
- **Closing Disclosure** — A form that provides the final details about the mortgage loan. It includes loan terms, projected monthly payments, and how much the extra fees will be.
- **Collateral** — Something of value (in this case your home) that is held to ensure repayment of a mortgage or loan.
- **Commission** — A percent of the sale price of the home that is paid to agents. The seller pays commission to both the buyer and listing agent.
- **Comparables** — Homes in the area of interest that have recently sold of which have similar features.
- **Contingencies** — Conditions which must be met in order to close. Contingencies are typically tied to a date, referred to as a deadline. If the contingency is not satisfied the contract may be canceled.



- **Counteroffer** — The response from the sellers in regards to an offer.
- **Debt to Income Ratio** — A lender will look at a borrower's debt versus income to determine the amount of loan they are eligible for and if they can repay their debt plus the home loan.
- **Down payment** — A percent of the cost of the property that is paid up front as a part of the mortgage.
- **Earnest Money** — The deposit made from the buyer to the seller when submitting an offer. This deposit is typically held in trust by a third party. Upon closing the money will generally be applied to the down payment or closing cost.
- **Escrow** — This term has multiple meanings; earnest money is typically held by a third party until closing in "escrow". It can also be referred to as the time period from when the contract is written and accepted by the seller to when the home sale actually closes.
- **Equity** — The difference in the market value of a home versus what is owed on the home.
- **FHA** — A mortgage that is financed through a private lender and insured by the Federal Housing Administration, often requiring a lower down payment and income to qualify.
- **Fixed Rate** — The interest rate will remain the same for the entire life of the mortgage.
- **Home Equity Line of Credit** — A loan or line of credit that is determined based on the equity or home's value after subtracting the loans owed.
- **Home Inspection** — The process in which a professional inspects the seller's home for issues that are not openly apparent, then creates a report for the buyer to review.
- **Home Protection Plan** — An annual service that covers the cost of repairs or replacements to items covered in the plan, usually items like stoves, washer/dryers, etc.
- **Hybrid** — A loan that starts with a fixed rate period, then converts to an adjustable rate.
- **Mortgage Insurance** — Insurance written in connection with a mortgage loan that protects the lender in the event the borrower cannot repay their loan. This is usually not required if the borrower has 20% or more for the down payment.
- **Mortgage Note** — A promise to pay a sum of money at a standard interest rate during a specific term and is secured by a mortgage.



- **Multiple Listing Service (MLS)** — The national list of real estate properties that are available for sale. These are the most reliable sources to receive up-to-date listing information.
- **Pre-Approval** — The process in which a buyer must provide a mortgage professional the appropriate information on income, debts, and assets that will be used to make the initial credit only loan decision.
- **Pre-Qualification** — Once approved for a loan, this is the process in which the maximum sale price, loan amount, and month payments are calculated for the borrow. This not a loan approval, however it useful to know prior to searching for a home.
- **Principal** — The underlining amount of the loan which is actually borrowed.
- **Property Taxes** — These are the taxes that are enforced by the city, town, county, and state government entities. These taxes are included in the total monthly mortgage payments and are held in escrow by the lender.
- **REO** — Real estate owned properties or foreclosed properties currently owned by a financial institution such as the bank that made the loan to the previous owner
- **Reverse Mortgage** — This is specifically for seniors and it allows them to convert the equity in their home to cash.
- **Short Sale** — A situation when the seller's lender is willing to accept an offer and allows the sale to be completed for an amount less than the mortgage amount owed by the seller.
- **Title** — A legal document proving current and proper ownership of the property. Also referred to as a Title Deed, this document highlights the history of property ownership and transfers.
- **Underwriting** — The process in which the potential home buyer is evaluated for their financial ability to obtain and repay a loan, normally consisting of a credit check and appraisal of the property.
- **VA Loan** — Loans that are given to Americans who have served in the armed forces. They are administered by the Department of Veteran Affairs.





# Take the Stress Out of Homebuying

Buying a home should be fun, not stressful. As we look for your dream home, keep in mind these tips for making the process as peaceful as possible.

**FIND A REAL ESTATE AGENT WHO YOU CONNECT WITH.** Home buying is not only a big financial commitment, but also an emotional one. It's critical that the REALTOR® you chose is both highly skilled and a good fit with your personality.

**REMEMBER, THERE'S NO "RIGHT" TIME TO BUY, JUST AS THERE'S NO PERFECT TIME TO SELL.** If you find a home now, don't try to second-guess interest rates or the housing market by waiting longer — you risk losing out on the home of your dreams. The housing market usually doesn't change fast enough to make that much difference in price, and a good home won't stay on the market long.

**DON'T ASK FOR TOO MANY OPINIONS.** It's natural to want reassurance for such a big decision, but too many ideas from too many people will make it much harder to make a decision. Focus on the wants and needs of your immediate family — the people who will be living in the home.

**ACCEPT THAT NO HOUSE IS EVER PERFECT.** If it's in the right location,

the yard may be a bit smaller than you had hoped. The kitchen may be perfect, but the roof needs repair. Make a list of your top priorities and focus in on things that are most important to you. Let the minor ones go.

**DON'T TRY TO BE A KILLER NEGOTIATOR.** Negotiation is definitely a part of the real estate process, but trying to "win" by getting an extra-low price or by refusing to budge on your offer may cost you the home you love. Negotiation is give and take.

**REMEMBER YOUR HOME DOESN'T EXIST IN A VACUUM.** Don't get so caught up in the physical aspects of the house itself — room size, kitchen, etc. — that you forget about important issues as noise level, location to amenities, and other aspects that also have a big impact on your quality of life.

**PLAN AHEAD.** Don't wait until you've found a home and made an offer to get approved for a mortgage, investigate home insurance, and consider a schedule for moving. Presenting an

offer contingent on a lot of unresolved issues will make your bid much less attractive to sellers.

**FACTOR IN MAINTENANCE AND REPAIR COSTS IN YOUR POST-HOME BUYING BUDGET.** Even if you buy a new home, there will be costs. Don't leave yourself short and let your home deteriorate.

**ACCEPT THAT A LITTLE BUYER'S REMORSE IS INEVITABLE AND WILL PROBABLY PASS.** Buying a home, especially for the first time, is a big financial commitment. But it also yields big benefits. Don't lose sight of why you wanted to buy a home and what made you fall in love with the property you purchased.

**CHOOSE A HOME FIRST BECAUSE YOU LOVE IT; THEN THINK ABOUT APPRECIATION.** While U.S. homes have appreciated an average of 5.4 percent annually over from 1998 to 2002, a home's most important role is to serve as a comfortable, safe place to live.

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# Common First-Time Home Buyer Mistakes

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They don't ask enough questions of their lender and end up missing out on the best deal.

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They don't act quickly enough to make a decision and someone else buys the house.

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They don't find the right agent who's willing to help them through the homebuying process.

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They don't do enough to make their offer look appealing to a seller.

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They don't think about resale before they buy. The average first-time buyer only stays in a home for four years.



## YOUR HOME SEARCH: 8 TIPS

**1. Research before you look.** Decide what features you most want to have in a home, what neighborhoods you prefer, and how much you'd be willing to spend each month for housing.

**2. Be realistic.** It's OK to be picky, but don't be unrealistic with your expectations. There's no such thing as a perfect home. Use your list of priorities as a guide to evaluate each property.

**3. Get your finances in order.** Review your credit report and be sure you have enough money to cover your down payment and closing costs. Then, talk to a lender and get prequalified for a mortgage. This will save you the heartache later of falling in love with a house you can't afford.

**4. Don't ask too many people for opinions.** It will drive you crazy. Select one or two people to turn to if you feel you need a second opinion, but be ready to make the final decision on your own.

**5. Decide your moving timeline.** When is your lease up? Are you allowed to sublet? How tight is the rental market in your area? All of these factors will help you determine when you should move.

**6. Think long term.** Are you looking for a starter house with plans to move up in a few years, or do you hope to stay in this home for a longer period? This decision may dictate what type of home you'll buy as well as the type of mortgage terms that will best suit you.

**7. Insist on a home inspection.** If possible, get a warranty from the seller to cover defects for one year.

**8. Get help from a REALTOR®.** Hire a real estate professional who specializes in buyer representation. Unlike a listing agent, whose first duty is to the seller, a buyer's representative is working only for you. Buyer's reps are usually paid out of the seller's commission payment.





## TIPS FOR BUYING IN A TIGHT MARKET

**Increase your chances of getting your dream house in a competitive housing market, and lower your chances of losing out to another buyer.**

### **GET PREQUALIFIED FOR A MORTGAGE**

You'll be able to make a firm commitment to buy and your offer will be more desirable to the seller.

### **STAY IN CLOSE CONTACT WITH YOUR REAL ESTATE AGENT TO FIND OUT ABOUT THE NEWEST LISTINGS**

Be ready to see a house as soon as it goes on the market — if it's a great home, it will go fast.

### **SCOUT OUT NEW LISTINGS YOURSELF**

Look at Web sites such as REALTOR.com, browse your local newspaper's real estate section, and drive through the neighborhood to spot For Sale signs. If you see a home you like, write down the address and the name of the listing agent. Your real estate agent will schedule a showing.

### **BE READY TO MAKE A DECISION**

Spend a lot of time in advance deciding what you must have in a home so you won't be unsure when you have the chance to make an offer.

### **BID COMPETITIVELY**

You may not want to start out offering the absolute highest price you can afford, but don't go too low to get a deal. In a tight market, you'll lose out.

Keep contingencies to a minimum. Restrictions such as needing to sell your home before you move or wanting to delay the closing until a certain date can make your offer unappealing. In a tight market, you'll probably be able to sell your house rapidly. Or talk to your lender about getting a bridge loan to cover both mortgages for a short period.

### **DON'T GET CAUGHT IN A BUYING FRENZY**

Just because there's competition doesn't mean you should just buy it. And even though you want to make your offer attractive, don't neglect inspections that help ensure that your house is sound.

# YOUR PROPERTY WISH LIST

What does your future home look like? Where is it located? As we hunt down your dream home, we'll consult this list to evaluate properties and keep your priorities top of mind.

## NEIGHBORHOODS

What neighborhoods do you prefer?

## SCHOOLS

What school systems do you want to be near?

## TRANSPORTATION

How close must the home be to these amenities:

- Public transportation
- Airport
- Freeways / Expressways
- Neighborhood shopping
- Schools
- Other

## HOME STYLE

- Architectural style preference?
- Single Family, Condo, Townhouse?
- Single Level or Multi-Level?
- Bedrooms:
- Bathrooms:

## BUDGET

- Target Price:
- Max Price:

## HOME CONDITION

- New Home or Existing home?
- Oldest Home you might consider:
- Turn-Key Home or Some Repairs Okay?
- Any special needs?

# HOME FEATURES

Please circle one of the choices: Must Have, Would Like, Flexible, Do Not Want, Unimportant

Family Room	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Formal Living Room	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Formal Dining Room	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Eat-In Kitchen	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Laundry Room	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Finished Basement	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Attic	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Fireplace	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Spa in Bath	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Air Conditioning	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Wall-to-wall Carpet	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Wood Floors	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Tile Floors	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Pool & Spa	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Den / Office	Must Have	Would Like	Flexible	Do Not Want	Unimportant
Great View	Must Have	Would Like	Flexible	Do Not Want	Unimportant



# 7 REASONS TO OWN YOUR HOME

1. **TAX BREAKS.** The U.S. Tax Code lets you deduct the interest you pay on your mortgage, your property taxes, as well as some of the costs involved in buying your home.

2. **APPRECIATION.** Real estate has long-term, stable growth in value. While year-to-year fluctuations are normal, median existing-home sale prices have increased on average 6.5 percent each year from 1972 through 2005, and increased 88.5 percent over the last 10 years, according to the NATIONAL ASSOCIATION OF REALTORS®. In addition, the number of U.S. households is expected to rise 15 percent over the next decade,

creating continued high demand for housing.

3. **EQUITY.** Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home.

4. **SAVINGS.** Building equity in your home is a ready-made savings plan. And when you sell, you can generally take up to \$250,000 (\$500,000 for a married couple) as gain without owing any federal income tax.

5. **PREDICTABILITY.** Unlike rent, your fixed-mortgage payments don't rise over the years so your housing costs

may actually decline as you own the home longer. However, keep in mind that property taxes and insurance costs will increase.

6. **FREEDOM.** The home is yours. You can decorate any way you want and benefit from your investment for as long as you own the home.

7. **STABILITY.** Remaining in one neighborhood for several years gives you a chance to participate in community activities, lets you and your family establish lasting friendships, and offers your children the benefit of educational continuity.





## 5 PROPERTY TAX QUESTIONS YOU NEED TO ASK

1. What is the assessed value of the property? Note that assessed value is generally less than market value. Ask to see a recent copy of the seller's tax bill to help you determine this information.

2. How often are properties reassessed, and when was the last reassessment done? In general, taxes jump most significantly when a property is reassessed.

3. Will the sale of the property trigger a tax increase? The assessed value of the property may increase based on the amount you pay for the property. And in some areas, such as California, taxes may be frozen until resale.

4. Is the amount of taxes paid comparable to other properties in the area? If not, it might be possible to appeal the tax assessment and lower the rate.

5. Does the current tax bill reflect any special exemptions that I might not qualify for? For example, many tax districts offer reductions to those 65 or over.



## TAX BENEFITS OF HOMEOWNERSHIP

The tax deductions you're eligible to take for mortgage interest and property taxes greatly increase the financial benefits of homeownership.

### HERE'S HOW IT WORKS. ASSUME:

\$9,877 = Mortgage interest paid (a loan of \$150,000 for 30 years, 7 percent, using year-five interest)

\$2,700 = Property taxes (at 1.5 percent on \$180,000 assessed value)

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\$12,577 = Total deduction

Then, multiply your total deduction by your tax rate. For example, at a 28 percent tax rate:  $12,577 \times 0.28 = \$3,521.56$

\$3,521.56 = Amount you have lowered your federal income tax (at 28 percent tax rate)



# HOMEOWNER'S INSURANCE: 5 THINGS TO KNOW

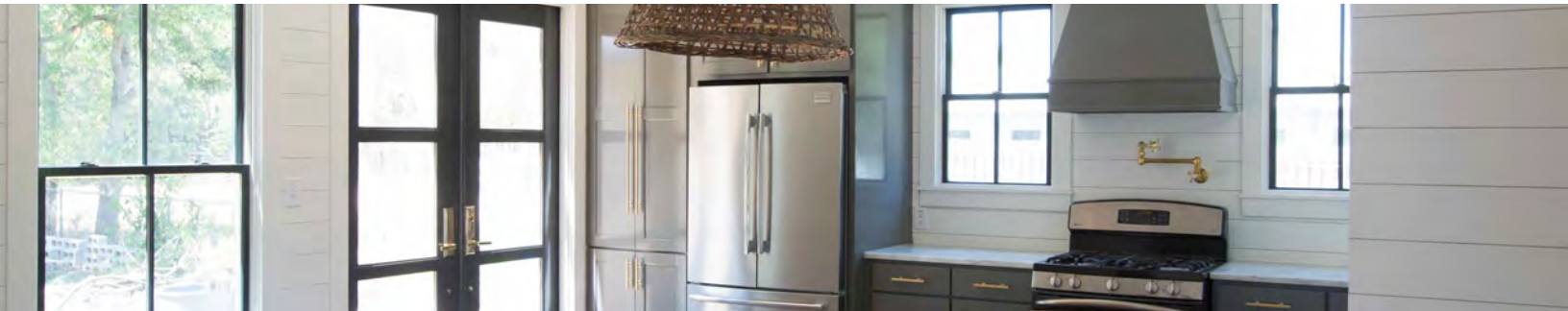
**KNOW ABOUT EXCLUSIONS TO COVERAGE.** For example, most insurance policies do not cover flood or earthquake damage as a standard item. These types of coverage must be bought separately.

**KNOW ABOUT DOLLAR LIMITATIONS ON CLAIMS.** Even if you are covered for a risk, there may be a limit on how much the insurer will pay. For example, many policies limit the amount paid for stolen jewelry unless items are insured separately.

**KNOW THE REPLACEMENT COST.** If your home is destroyed you'll receive money to replace it only to the maximum of your coverage, so be sure your insurance is sufficient. This means that if your home is insured for \$150,000 and it costs \$180,000 to replace it, you'll only receive \$150,000.

**KNOW THE ACTUAL CASH VALUE.** If you chose not to replace your home when it's destroyed, you'll receive replacement cost, less depreciation. This is called actual cash value.

**KNOW THE LIABILITY.** Generally your homeowner's insurance covers you for accidents that happen to other people on your property, including medical care, court costs, and awards by the court. However, there is usually an upper limit to the amount of coverage provided. Be sure that it's sufficient if you have significant assets.



## HOMEOWNER'S INSURANCE: LOWERING COSTS

**1. Review the Comprehensive Loss Underwriting Exchange (CLUE) report on the property you're interested in buying.** CLUE reports detail the property's claims history for the most recent five years, which insurers may use to deny coverage. Make the sale contingent on a home inspection to ensure that problems identified in the CLUE report have been repaired.

**2. Seek insurance coverage as soon as your offer is approved.** You must obtain insurance to buy. And you don't want to be told at closing that the insurer has denied your coverage.

**3. Maintain good credit.** Insurers often use credit-based insurance scores to determine premiums.

**4. Buy your home owners and auto policies from the same company and you'll usually qualify for savings.** But make sure the discount really yields the lowest price.

**5. Raise your deductible.** If you can afford to pay more toward a loss that occurs, your premiums will be lower. Avoid making claims under \$1,000.

**6. Ask about other discounts.** For example, retirees who tend to be home more than full-time workers may qualify for a discount on theft insurance. You also may be able to obtain discounts for having smoke detectors, a burglar alarm, or dead-bolt locks.

**7. Seek group discounts.** If you belong to any groups, such as associations or alumni organizations, they may have deals on insurance coverage.

**8. Review your policy limits and the value of your home and possessions annually.** Some items depreciate and may not need as much coverage.

**9. Investigate a government-backed insurance plan.** In some high-risk areas, federal or state government may back plans to lower rates. Ask your agent.

**10. Be sure you insure your house for the correct amount.** Remember, you're covering replacement cost, not market value.

THINGS TO KNOW ABOUT HOME FINANCING

# MORTGAGE





# GET YOUR FINANCES IN ORDER: TO-DO LIST

## DEVELOP A HOUSEHOLD BUDGET

Instead of creating a budget of what you'd like to spend, use receipts to create a budget that reflects your actual spending habits over the last several months. This approach will factor in unexpected expenses, such as car repairs, as well as predictable costs such as rent, utility bills, and groceries.

## REDUCE YOUR DEBT

Lenders generally look for a total debt load of no more than 36 percent of income. This figure includes your mortgage, which typically ranges between 25 and 28 percent of your net household income. So you need to get monthly payments on the rest of your installment debt — car loans, student loans, and revolving balances on credit cards — down to between 8 and 10 percent of your net monthly income.

## LOOK FOR WAYS TO SAVE

You probably know how much you spend on rent and utilities, but little expenses add up, too. Try writing down everything you spend for one month. You'll probably spot some great ways to save, whether it's cutting out that morning trip to Starbucks or eating dinner at home more often.

## INCREASE YOUR INCOME

Now's the time to ask for a raise! If that's not an option, you may want to consider taking on a second job to get your income at a level high enough to qualify for the home you want.

## SAVE FOR A DOWN PAYMENT

Designate a certain amount of money each month to put away in your savings account. Although it's possible to get a mortgage with only 5 percent down, or

even less, you can usually get a better rate if you put down a larger percentage of the total purchase. Aim for a 20 percent down payment.

## KEEP YOUR JOB

While you don't need to be in the same job forever to qualify for a home loan, having a job for less than two years may mean you have to pay a higher interest rate.

## GOOD CREDIT HISTORY

Get a credit card and make payments by the due date. Do the same for all your other bills, too. Pay off the entire balance promptly.



# BUDGET BASICS WORKSHEET

The first step in getting yourself in financial shape to buy a home is to know exactly how much money comes in and how much goes out. Use this worksheet to list your income and expenses below.

## INCOME

Household Income	<input type="text"/>
Child Support/Alimony	<input type="text"/>
Pension/Social Security	<input type="text"/>
Disability/Other Insurance	<input type="text"/>
Interest/Dividends	<input type="text"/>
Other	<input type="text"/>
<b>TOTAL INCOME</b>	<input type="text"/>

## EXPENSES

Rent/Mortgage	<input type="text"/>
Life Insurance	<input type="text"/>
Health/Disability Insurance	<input type="text"/>
Vehicle Insurance	<input type="text"/>
Other Insurance	<input type="text"/>
Car Payments	<input type="text"/>
Other Loan Payments	<input type="text"/>
Savings/Pension Contribution	<input type="text"/>
Utilities	<input type="text"/>
Credit Card Payments	<input type="text"/>
Car Upkeep	<input type="text"/>
Clothing	<input type="text"/>
Personal Care Products	<input type="text"/>
Groceries	<input type="text"/>
Food Outside the Home	<input type="text"/>
Medical/Dental/Prescriptions	<input type="text"/>
Household Goods	<input type="text"/>
Recreation/Entertainment	<input type="text"/>
Child Care	<input type="text"/>
Education	<input type="text"/>
Charitable Donations	<input type="text"/>
Miscellaneous	<input type="text"/>
<b>TOTAL EXPENSES</b>	<input type="text"/>

## HOW BIG OF A MORTGAGE CAN I AFFORD?

Not only does owning a home give you a haven for yourself and your family, it also makes great financial sense because of the tax benefits — which you can't take advantage of when paying rent.

The following calculation assumes a 28 percent income tax bracket. If your bracket is higher, your savings will be, too. Based on your current rent, use this calculation to figure out how much mortgage you can afford.

RENT: \$

MULTIPLIER:  $\times 1.32$

MORTGAGE PAYMENT: \$

(Subtract Total Income from Total Expenses)

**REMAINING INCOME  
AFTER EXPENSES**



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# LENDER CHECKLIST: GET A MORTGAGE

When it comes to preparing paperwork for your lending appointment there is a bit of a grey area because different banks (or alternative lending institutions) may require different things. However, there are some key items that usually required when you apply.

- ☐ W-2 forms or business tax return forms if you're self-employed — for the last two or three years for every person signing the loan.
- ☐ Copies of at least one pay stub for each person signing the loan.
- ☐ Account numbers of all your credit cards and the amounts for any outstanding balances.
- ☐ Copies of two to four months of bank or credit union statements for both checking and savings accounts.
- ☐ Lender, loan number, and amount owed on other installment loans, such as student loans and car loans.
- ☐ Addresses where you've lived for the last five to seven years, with names of landlords if appropriate.
- ☐ Copies of brokerage account statements for two to four months, as well as a list of any other major assets of value, such as a boat, RV, or stocks or bonds not held in a brokerage account.
- ☐ Copies of your most recent 401(k) or other retirement account statement.
- ☐ Documentation to verify additional income, such as child support or a pension.
- ☐ Copies of personal tax forms for the last two to three years.

# 10 Questions to Ask Your Lender

1. What are the most popular mortgages you offer? Why are they so popular?
2. Which type of mortgage plan do you think would be best for me? 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? (NOTE: Private mortgage insurance is usually required if your down payment is less than 20 percent. However, most lenders will let you discontinue PMI when you've acquired a certain amount of equity by paying down the loan.)
5. Who will service the loan — your bank or another company?
6. What escrow requirements do you have?
7. How long will this loan be in a lock-in period (in other words, the time that the quoted interest rate will be honored)? Will I be able to obtain a lower rate if it drops during this period?
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?

## YOUR CREDIT SCORE: 5 FACTORS

Credit scores range between 200 and 800, with scores above 620 considered desirable for obtaining a mortgage. The following factors affect your score:

1. **YOUR PAYMENT HISTORY.** Did you pay your credit card obligations on time? If they were late, then how late? Bankruptcy filing, liens, and collection activity also impact your history.
2. **HOW MUCH YOU OWE.** If you owe a great deal of money on numerous accounts, it can indicate that you are overextended. However, it's a good thing if you have a good proportion of balances to total credit limits.
3. **THE LENGTH OF YOUR CREDIT HISTORY.** In general, the longer you have had accounts opened, the better. The average consumer's oldest obligation is 14 years old, indicating that he or she has been managing credit for some time, according to Fair Isaac Corp., and only one in 20 consumers have credit histories shorter than 2 years.
4. **HOW MUCH NEW CREDIT YOU HAVE.** New credit, either installment payments or new credit cards, are considered more risky, even if you pay them promptly.
5. **THE TYPES OF CREDIT YOU USE.** Generally, it's desirable to have more than one type of credit — installment loans, credit cards, and a mortgage, for example.

## IMPROVE YOUR CREDIT

**Credit scores, along with your overall income and debt, are big factors in determining whether you'll qualify for a loan and what your loan terms will be. So, keep your credit score high by doing the following:**

1. Check for and correct any errors in your credit report.
2. Pay down credit card bills. If possible, pay off the entire balance every month.
3. Don't charge your credit cards to the maximum limit.
4. Wait 12 months after credit difficulties to apply for a mortgage.
5. Don't order expensive items for your new home on credit until after the loan is approved.
6. Don't open new credit card accounts before applying for a mortgage.
7. Shop for mortgage rates all at once. Too many credit applications can lower your score, but multiple inquiries from the same type of lender are counted as one inquiry if submitted over a short period of time.
8. Avoid finance companies. Even if you pay the loan on time, the interest is high and it will probably be considered a sign of poor credit management.



# LOAN TYPES TO CONSIDER

Brush up on these mortgage basics to help you determine the loan that will best suit your needs.

**MORTGAGE TERMS.** Mortgages are generally available at 15-, 20-, or 30-year terms. In general, the longer the term, the lower the monthly payment. However, you pay more interest overall if you borrow for a longer term.

**FIXED OR ADJUSTABLE INTEREST RATES.** A fixed rate allows you to lock in a low rate as long as you hold the mortgage and, in general, is usually a good choice if interest rates are low. An adjustable-rate mortgage is designed so that your loan's interest rate will rise as market interest rates increase. ARMs usually offer a lower rate in the first years of the mortgage. ARMs also usually have a limit as to how much the

interest rate can be increased and how frequently they can be raised. These types of mortgages are a good choice when fixed interest rates are high or when you expect your income to grow significantly in the coming years.

**BALLOON MORTGAGES.** These mortgages offer very low interest rates for a short period of time — often three to seven years. Payments usually cover only the interest so the principal owed is not reduced. However, this type of loan may be a good choice if you think you will sell your home in a few years.

## **GOVERNMENT-BACKED LOANS.**

These loans are sponsored by agencies such as the Federal Housing Administration ([www.fha.gov](http://www.fha.gov)) or the Department of Veterans Affairs ([www.va.gov](http://www.va.gov)) and offer special terms, including lower down payments or reduced interest rates to qualified buyers.

Slight variations in interest rates, loan amounts, and terms can significantly affect your monthly payment. For help in determining how much your monthly payment will be for various loan amounts, use Fannie Mae's online mortgage calculators.



# SPECIALTY MORTGAGES: RISKS AND REWARDS

**In high-priced housing markets, it can be difficult to afford a home. That's why a growing number of home buyers are forgoing traditional fixed-rate mortgages and standard adjustable-rate mortgages and instead opting for a specialty mortgage that lets them "stretch" their income so they can qualify for a larger loan.**

But before you choose one of these mortgages, make sure you understand the risks and how they work.

Specialty mortgages often begin with a low introductory interest rate or payment plan — a "teaser" — but the monthly mortgage payments are likely to increase a lot in the future. Some are "low documentation" mortgages that come with easier standards for qualifying, but also higher interest rates or higher fees. Some lenders will loan you 100 percent or more of the home's value, but these mortgages can present a big financial risk if the value of the house drops.

## SPECIALTY MORTGAGES CAN:

- Pose a greater risk that you won't be able to afford the mortgage payment in the future, compared to fixed rate mortgages and traditional adjustable rate mortgages.
- Have monthly payments that increase by as much as 50 percent or more when the introductory period ends.
- Cause your loan balance (the amount you still owe) to get larger each month instead of smaller.

## COMMON TYPES OF SPECIALTY MORTGAGES:

- **Interest-Only Mortgages:** Your

monthly mortgage payment only covers the interest you owe on the loan for the first 5 to 10 years of the loan, and you pay nothing to reduce the total amount you borrowed (this is called the "principal"). After the interest-only period, you start paying higher monthly payments that cover both the interest and principal that must be repaid over the remaining term of the loan.

- **Negative Amortization Mortgages:** Your monthly payment is less than the amount of interest you owe on the loan. The unpaid interest gets added to the loan's principal amount, causing the total amount you owe to increase each month instead of getting smaller.
- **Option Payment ARM Mortgages:** You have the option to make different types of monthly payments with this mortgage. For example, you may make a minimum payment that is less than the amount needed to cover the interest and increases the total amount of your loan; an interest-only payment, or payments calculated to pay off the loan over either 30 years or 15 years.
- **40-Year Mortgages:** You pay off your loan over 40 years, instead of the usual 30 years. While this

reduces your monthly payment and helps you qualify to buy a home, you pay off the balance of your loan much more slowly and end up paying much more interest.

## QUESTIONS TO CONSIDER BEFORE CHOOSING A SPECIALTY MORTGAGE:

- How much can my monthly payments increase and how soon can these increases happen?
- Do I expect my income to increase or do I expect to move before my payments go up?
- Will I be able to afford the mortgage when the payments increase?
- Am I paying down my loan balance each month, or is it staying the same or even increasing?
- Will I have to pay a penalty if I refinance my mortgage or sell my house?
- What is my goal in buying this property? Am I considering a riskier mortgage to buy a more expensive house than I can realistically afford?

Be sure you work with a REALTOR® and lender who can discuss different options and address your questions and concerns!



## 6 CREATIVE WAYS TO AFFORD A HOME

### INVESTIGATE LOCAL, STATE, AND NATIONAL DOWN PAYMENT ASSISTANCE PROGRAMS.

These programs give qualified applicants loans or grants to cover all or part of your required down payment. National programs include the Nehemiah program, [www.getdownpayment.com](http://www.getdownpayment.com), and the American Dream Down Payment Fund from the Department of Housing and Urban Development, [www.hud.gov](http://www.hud.gov).

### EXPLORE SELLER FINANCING.

In some cases, sellers may be willing to finance all or part of the purchase price of the home and let you repay them gradually, just as you would do with a mortgage.

### CONSIDER A SHARED

### APPRECIATION OR SHARED EQUITY ARRANGEMENT.

Under this arrangement, your family, friends, or even a third-party may buy a portion of the home and share in any appreciation when the home is sold. The owner/occupant usually pays the mortgage, property taxes, and maintenance costs, but all the investors' names are usually on the mortgage. Companies are available that can help you find such an investor, if your family can't participate.

### ASK YOUR FAMILY FOR HELP. PERHAPS A FAMILY MEMBER WILL LOAN YOU MONEY FOR THE DOWN PAYMENT OR ACT AS A CO-SIGNER FOR THE MORTGAGE.

Lenders often like to have a co-signer if you have little credit history.

### LEASE WITH THE OPTION TO BUY.

Renting the home for a year or more will give you the chance to save more toward your down payment. And in many cases, owners will apply some of the rental amount toward the purchase price. You usually have to pay a small, nonrefundable option fee to the owner.

### CONSIDER A SHORT-TERM SECOND MORTGAGE.

If you can qualify for a short-term second mortgage, this would give you money to make a larger down payment. This may be possible if you're in good financial standing, with a strong income and little other debt.



THINGS TO KNOW ABOUT HOME INSPECTIONS

# INSPECTION





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# WHAT A HOME INSPECTION SHOULD COVER

Home inspections will vary depending on the type of property you are purchasing. A large historic home, for example, will require a more specialized inspection than a small condominium. However, the following are the basic elements that a home inspector will check. You can also use this list to help you evaluate properties you might purchase.

**STRUCTURE:** A home's skeleton impacts how the property stands up to weather, gravity, and the earth. Structural components, including the foundation and the framing, should be inspected.

**EXTERIOR:** The inspector should look at sidewalks, driveways, steps, windows, and doors. A home's siding, trim, and surface drainage also are part of an exterior inspection.

- Doors and windows
- Siding
- Driveways/sidewalks
- Attached porches, decks, and balconies

**ROOFING:** A well-maintained roof protects you from rain, snow, and other forces of nature. Take note of the roof's age, conditions of flashing, roof draining systems (pooling water), buckled shingles, loose gutters and downspouts, skylight, and chimneys.

**PLUMBING:** Thoroughly examine the water supply and drainage systems, water heating equipment, and fuel storage systems. Drainage pumps

and sump pumps also fall under this category. Poor water pressure, banging pipes, rust spots, or corrosion can indicate problems.

**ELECTRICAL:** Safe electrical wiring is essential. Look for the condition of service entrance wires, service panels, breakers and fuses, and disconnects. Also take note of the number of outlets in each room.

**HEATING:** The home's heating system, vent system, flues, and chimneys should be inspected. Look for age of water heater, whether the size is adequate for the house, speed of recovery, and energy rating.

**AIR CONDITIONING:** Your inspector should describe your home cooling system, its energy source, and inspect the central and through-wall cooling equipment. Consider the age and energy rating of the system.

**INTERIORS:** An inspection of the inside of the home can reveal plumbing leaks, insect damage, rot, construction defects, and other issues. An inspector should take a close look at:

- Walls, ceilings and floors
- Steps, stairways, and railings
- Countertops and cabinets
- Garage doors and garage door systems

**VENTILATION/INSULATION:** To prevent energy loss, check for adequate insulation and ventilation in the attic and in unfinished areas such as crawlspaces. Also look for proper, secured insulation in walls. Insulation should be appropriate for the climate. Excess moisture in the home can lead to mold and water damage.

**FIREPLACES:** They're charming, but they could be dangerous if not properly installed. Inspectors should examine the system, including the vent and flue, and describe solid fuel burning appliances.

**For more information, try the virtual home inspection at [www.ASHI.org](http://www.ASHI.org), the Web site of the American Society of Home Inspectors.**

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# 10 QUESTIONS TO ASK HOME INSPECTORS

Before you make your final buying or selling decision, you should have the home inspected by a professional. An inspection can alert you to potential problems with a property and allow you to make an informed decision. Ask these questions to prospective home inspectors:

## 1. WILL YOUR INSPECTION MEET RECOGNIZED STANDARDS?

Ask whether the inspection and the inspection report will meet all state requirements and comply with a well-recognized standard of practice and code of ethics, such as the one adopted by the American Society of Home Inspectors or the National Association of Home Inspectors. Customers can view each group's standards of practice and code of ethics online at [www.ashi.org](http://www.ashi.org) or [www.nahi.org](http://www.nahi.org). ASHI's Web site also provides a database of state regulations.

## 2. DO YOU BELONG TO A PROFESSIONAL HOME INSPECTOR ASSOCIATION?

There are many state and national associations for home inspectors, including the two groups mentioned in No. 1. Unfortunately, some groups confer questionable credentials or certifications in return for nothing more than a fee. Insist on members of reputable, nonprofit trade organizations; request to see a membership ID.

## 3. HOW EXPERIENCED ARE YOU?

Ask how long inspectors have been in the profession and how many inspections they've completed. They should provide customer referrals on request. New inspectors also may be highly qualified, but they should describe their training and let you

know whether they plan to work with a more experienced partner.

## 4. HOW DO YOU KEEP YOUR EXPERTISE UP TO DATE?

Inspectors' commitment to continuing education is a good measure of their professionalism and service. Advanced knowledge is especially important in cases in which a home is older or includes unique elements requiring additional or updated training.

## 5. DO YOU FOCUS ON RESIDENTIAL INSPECTION?

Make sure the inspector has training and experience in the unique discipline of home inspection, which is very different from inspecting commercial buildings or a construction site. If your customers are buying a unique property, such as a historic home, they may want to ask whether the inspector has experience with that type of property in particular.

## 6. WILL YOU OFFER TO DO REPAIRS OR IMPROVEMENTS?

Some state laws and trade associations allow the inspector to provide repair work on problems uncovered during the inspection. However, other states and associations forbid it as a conflict of interest. Contact your local ASHI chapter to learn about the rules in your state.

## 7. HOW LONG WILL THE INSPECTION TAKE?

On average, an inspector working alone inspects a typical single-family house in two to three hours; anything significantly less may not be thorough. If your customers are purchasing an especially large property, they may want to ask whether additional inspectors will be brought in.

## 8. WHAT'S THE COST?

Costs can vary dramatically, depending on your region, the size and age of the house, and the scope of services. The national average for single-family homes is about \$320, but customers with large homes can expect to pay more. Customers should be wary of deals that seem too good to be true.

## 9. WHAT TYPE OF INSPECTION REPORT DO YOU PROVIDE?

Ask to see samples to determine whether you will understand the inspector's reporting style. Also, most inspectors provide their full report within 24 hours of the inspection.

## 10. WILL I BE ABLE TO ATTEND THE INSPECTION?

The answer should be yes. A home inspection is a valuable educational opportunity for the buyer. An inspector's refusal to let the buyer attend should raise a red flag.





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## 5 THINGS TO KNOW ABOUT TITLE INSURANCE

Title insurance protects the holder from any losses sustained from defects in the title. It's required by most mortgage lenders. Here are five other things you should know about title insurance.

1. It **protects your ownership right** to your home, both from fraudulent claims against your ownership and from mistakes made in earlier sales, such as mistake in the spelling of a person's name or an inaccurate description of the property.
2. It's a **one-time cost** usually based on the price of the property.
3. It's usually **paid for by the sellers**, although this can vary depending on your state and local customs.
4. There are both **lender title policies**, which protect the lender, and **owner title policies**, which protect you. The lender will probably require a lender policy.
5. **Discounts on premiums** are sometimes available if the home has been bought within only a few years since not as much work is required to check the title. Ask the title company if this discount is available.

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## WHAT'S A HOME WARRANTY?

A home warranty is a service contract, normally for one year, which helps protect home owners against the cost of unexpected covered repairs or replacement on their major systems and appliances that break down due to normal wear and tear. Coverage is for systems and appliances in good working order at the start of the contract.

Check your home warranty policy to see which of the following items are covered. Also find out if the policy covers the full replacement cost of an item.

- Plumbing
- Electrical systems
- Furnace
- Water heater
- Heating ducts
- Water pump
- Dishwasher
- Garbage disposal
- Stove/cooktop/ovens
- Microwave
- Refrigerator
- Washer/dryer
- Swimming pool (may be optional)





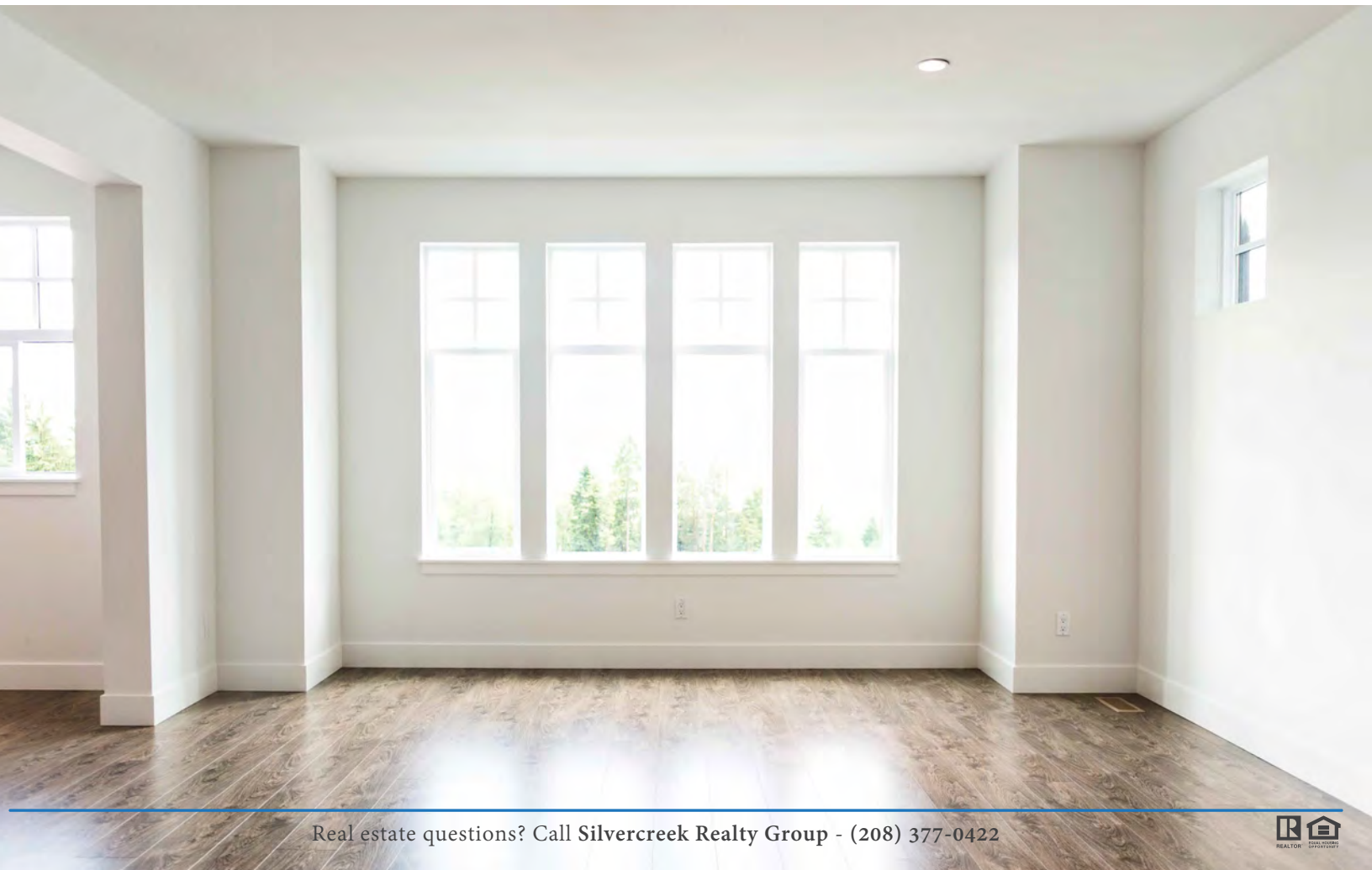


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# WHAT NOT TO OVERLOOK ON A FINAL WALK-THROUGH

It's guaranteed to be hectic right before closing, but you should always make time for a final walk-through. Your goal is to make sure that your home is in the same condition you expected it would be. Ideally, the sellers already have moved out. This is your last chance to check that appliances are in working condition and that agreed-upon repairs have been made. Here's a detailed list of what not to overlook for on your final walk-through.

- Repairs you've requested have been made. Obtain copies of paid bills and warranties.
- There are no major changes to the property since you last viewed it.
- All items that were included in the sale price — draperies, lighting fixtures, etc. — are still there.
- Screens and storm windows are in place or stored.
- All appliances are operating, such as the dishwasher, washer and dryer, oven, etc.
- Intercom, doorbell, and alarm are operational.
- Hot water heater is working.
- No plants or shrubs have been removed from the yard.
- Heating and air conditioning system is working
- Garage door opener and other remotes are available.
- Instruction books and warranties on appliances and fixtures are available.
- All personal items of the sellers and all debris have been removed. Check the basement, attic, and every room, closet, and crawlspace.





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# COMMON CLOSING COSTS **FOR BUYERS**

You'll likely be responsible for a variety of fees and expenses that you and the seller will have to pay at the time of closing. Your lender must provide a good-faith estimate of all settlement costs. The title company or other entity conducting the closing will tell you the required amount for:

- Down payment
- Loan origination
- Points, or loan discount fees, which you pay to receive a lower interest rate
- Home inspection
- Appraisal
- Credit report
- Private mortgage insurance premium
- Insurance escrow for homeowner's insurance, if being paid as part of the mortgage
- Property tax escrow, if being paid as part of the mortgage. Lenders keep funds for taxes and insurance in escrow accounts as they are paid with the mortgage, then pay the insurance or taxes for you.
- Deed recording
- Title insurance policy premiums
- Land survey
- Notary fees
- Prorations for your share of costs, such as utility bills and property taxes

**A NOTE ABOUT PRORATIONS:** Because such costs are usually paid on either a monthly or yearly basis, you might have to pay a bill for services used by the sellers before they moved. Proration is a way for the sellers to pay you back or for you to pay them for bills they may have paid in advance. For example, the gas company usually sends a bill each month for the gas used during the previous month. But assume you buy the home on the 6th of the month. You would owe the gas company for only the days from the 6th to the end for the month. The seller would owe for the first five days. The bill would be prorated for the number of days in the month, and then each person would be responsible for the days of his or her ownership.

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## CLOSING DOCUMENTS **YOU SHOULD KEEP**

On closing day, expect to sign a lot of documents and walk away with a big stack of papers. Here's a list of the most important documents you should file away for future reference.

### **SETTLEMENT STATEMENT**

Itemizes all the costs — commissions, loan fees, points, and hazard insurance — associated with the closing. You'll need it for income tax purposes if you paid points.

### **TRUTH IN LENDING STATEMENT**

Summarizes the terms of your mortgage loan, including the annual percentage rate and recision period.

### **MORTGAGE AND NOTE**

Spell out the legal terms of your mortgage obligation and the agreed-upon repayment terms.

### **DEED**

Transfers ownership to you.

### **AFFIDAVITS**

Binding statements by either party. For example, the sellers will often sign an affidavit stating that they haven't

incurred any liens.

### **RIDERS**

Amendments to the sales contract that affect your rights. Example: The sellers won't move out until two weeks after closing but will pay rent to the buyers during that period.

### **INSURANCE POLICIES**

Provide a record and proof of your coverage.



## PACK LIKE A PRO: 17 TIPS

Moving to a new home can be stressful, to say the least. Make it easy on yourself by planning far in advance and making sure you've covered all the bases.

1. **PLAN AHEAD BY ORGANIZING AND BUDGETING.** Develop a master "to do" list so you won't forget something critical on moving day, and create an estimate of moving costs.

2. **SORT AND GET RID OF THINGS YOU NO LONGER WANT OR NEED.** Have a garage sale, donate to a charity, or recycle.

3. **BUT DON'T THROW OUT EVERYTHING.** If your inclination is to just toss it, you're probably right. However, it's possible to go overboard in the heat of the moment. Ask yourself how frequently you use an item and how you'd feel if you no longer had it. That will eliminate regrets after the move.

4. **PACK SIMILAR ITEMS TOGETHER.** Put toys with toys, kitchen utensils with kitchen utensils. It will make your life easier when it's time to unpack.

5. **DECIDE WHAT, IF ANYTHING, YOU PLAN TO MOVE ON YOUR**

**OWN.** Precious items such as family photos, valuable breakables, or must-haves during the move should probably stay with you. Don't forget to keep a "necessities" bag with tissues, snacks, and other items you'll need that day.

6. **REMEMBER, MOST MOVERS WON'T TAKE PLANTS.** If you don't want to leave them behind, you should plan on moving them yourself.

7. **USE THE RIGHT BOX FOR THE ITEM.** Loose items are prone to breakage.

8. **PUT HEAVY ITEMS IN SMALL BOXES SO THEY'RE EASIER TO LIFT.** Keep the weight of each box under 50 pounds, if possible.

9. **DON'T OVER-PACK BOXES.** It increases the likelihood that items inside the box will break.

10. **WRAP EVERY FRAGILE ITEM SEPARATELY AND PAD BOTTOM AND SIDES OF BOXES.** If necessary, purchase bubble-wrap or other packing materials from moving stores.

11. **LABEL EVERY BOX ON ALL SIDES.** You never know how they'll be stacked and you don't want to have to move other boxes aside to find out what's there.

12. **USE COLOR-CODED LABELS TO**

**INDICATE WHICH ROOM EACH ITEM SHOULD GO IN.** Color-code a floor plan for your new house to help movers.

13. **KEEP YOUR MOVING DOCUMENTS TOGETHER IN A FILE.** Include important phone numbers, driver's name, and moving van number. Also keep your address book handy.

14. **PRINT OUT A MAP AND DIRECTIONS FOR MOVERS.** Make several copies, and highlight the route. Include your cell phone number on the map. You don't want movers to get lost! Also make copies for friends or family who are lending a hand on moving day.

15. **BACK UP YOUR COMPUTER FILES BEFORE MOVING YOUR COMPUTER.** Keep the backup in a safe place, preferably at an off-site location.

16. **INSPECT EACH BOX AND ALL FURNITURE FOR DAMAGE AS SOON AS IT ARRIVES.**

17. **MAKE ARRANGEMENTS FOR SMALL CHILDREN AND PETS.** Moving can be stressful and emotional. Kids can help organize their things and pack boxes ahead of time, but, if possible, it might be best to spare them from the moving-day madness.



# MOVING CHECKLIST

## TWO MONTHS BEFORE

- ☐ **SORT AND PURGE**  
Go through every room of your house and decide what you'd like to keep and what you can get rid of. Think about whether any items will require special packing or extra insurance coverage.
- ☐ **RESEARCH**  
Start investigating moving company options. Do not rely on a quote over the phone; request an on-site estimate. Get an estimate in writing from each company, and make sure it has a USDOT (U.S. Department of Transportation) number on it. Also, check moving companies' websites to see if they are members of organizations like the American Moving and Storage Association (AMSA) and the Better Business Bureau (BBB). When companies are members of these organizations, it is often an indicator they are committed to providing good customer service.
- ☐ **CREATE A MOVING BINDER**  
Use this binder to keep track of everything—all your estimates, your receipts, and an inventory of all the items you're moving.
- ☐ **ORGANIZE SCHOOL RECORDS**  
Go to your children's school and arrange for their records to be transferred to their new school district.

## ONE MONTH BEFORE

- ☐ **CHOOSE YOUR MOVER AND CONFIRM THE ARRANGEMENTS**  
Select a company and get written confirmation of your moving date, costs, and other details.
- ☐ **BEGIN PACKING**  
Start packing the things that you use most infrequently, such as the waffle iron and croquet set. While packing, note items of special value that might require additional insurance from your moving company. Make sure to declare, in writing, any items valued over \$100 per pound, such as a computer.

## ONE MONTH BEFORE CONTINUED

- ☐ **LABEL**  
Clearly label and number each box with its contents and the room it's destined for. This will help you to keep an inventory of your belongings. Pack and label "essentials" boxes of items you'll need right away.
- ☐ **SEPARATE VALUABLES**  
Add items such as jewelry and important files to a safe box that you'll personally transport to your new home. Make sure to put the mover's estimate in this box. You'll need it for reference on moving day.
- ☐ **DO A CHANGE OF ADDRESS**  
Go to your local post office and fill out a change-of-address form, or do it online at [usps.gov](https://usps.gov). But in case there are stragglers, it's always wise to ask a close neighbor to look out for mail after you've moved. Check in with him or her two weeks after the move, and again two weeks after that.
- ☐ **NOTIFY IMPORTANT PARTIES**  
Alert the following of your move: banks, brokerage firms, your employer's human resources department, magazine and newspapers you subscribe to, and credit card, insurance, and utility companies.
- ☐ **FORWARD MEDICAL RECORDS**  
Arrange for medical records to be sent to any new health-care providers or obtain copies of them yourself. Ask for referrals.

## TWO WEEKS BEFORE

- ☐ **ARRANGE TO BE OFF FROM WORK ON MOVING DAY**  
Notify your office that you plan to supervise the move and therefore need the day off.
- ☐ **ARRANGE UTILITIES**  
Contacting your old & new utility companies (power, gas, trash, internet, & cell) to cancel service and arrange new service at your new address.
- ☐ **CLEAN OUT YOUR SAFE-DEPOSIT BOX**  
If you'll be changing banks, remove the contents of your safe-deposit box and put them in the safe box that you'll take with you on moving day.

## TWO-WEEKS BEFORE CONTINUED

- ☐ **CONTACT THE MOVING COMPANY**  
Verify arrangements and moving schedule.

## ONE WEEK BEFORE

- ☐ **REFILL PRESCRIPTIONS**  
Stock up on prescriptions you'll need during the next couple of weeks.
- ☐ **PACK YOUR SUITCASES**  
Aim to finish your general packing a few days before your moving date. Then pack suitcases for everyone in the family with enough clothes to wear for a few days.

## A FEW DAYS BEFORE

- ☐ **DEFROST THE FREEZER**  
If your refrigerator is moving with you, make sure to empty, clean, and defrost it at least 24 hours before moving day.
- ☐ **DOUBLE-CHECK THE DETAILS**  
Reconfirm the moving company's arrival time and other specifics and make sure you have prepared exact, written directions to your new home for the staff. Include contact information, such as your cell phone number.
- ☐ **PLAN FOR THE PAYMENT**  
If you haven't already arranged to pay your mover with a credit card, get a money order, cashier's check, or cash for payment and tip. If the staff has done a good job, 10 to 15 percent of the total fee is a good tip. If your move was especially difficult, you might tip each mover up to \$100. Don't forget that refreshments are always appreciated.

## MOVING DAY

- ☐ **VERIFY**  
Make sure that the moving truck that shows up is from the company you hired: The USDOT number painted on its side should match the number on the estimate you were given. Scams are not unheard-of.
- ☐ **TAKE INVENTORY**  
Before the movers leave, sign the bill of lading/inventory list and keep a copy.