Home Buyer's Guide

The Step-By-Step Home Buying Process

Step 1: Be qualified by a lender

Being pre-approved by a lender before you make an offer on a home can save you thousands of dollars later. When you call me to set up our counseling session, I can recommend a top lender for you to contact before our consultation.

Step 2: Your consultation

We will quickly go over the basics of buying a home and provide you with Arizona's Real Estate Broker Services Disclosure Form. Next, I'll ask you many important questions to help us get a clear picture of what your needs, wants, and desires are. This takes about 30 to 45 minutes.

Step 3: Choose your system

At your consultation, you'll be asked to decide which system for finding a home your prefer.

The first is called *Window Shopping*. With this system, I provide you with all of the photos, addresses, and directions of those homes that match your criteria. This way you can drive by the homes before you tour them. Many people like this system because they get a feel for the home's location and condition without having me present. When a home of interest is found, I make contact with agent or owner for entrance into the house.

Step 3: Choose your system (cont.)

The second system is called *Agent Previewing*. This is a more traditional system for house hunting. I review all the homes that are available for you and will narrow the selection down to no more than seven "cream of the crop" properties, according to your criteria and my experience. On a predetermined day, we will go out together to find the home you'll buy from the ones we've selected.

At the end of our consultation, you will sign a Buyer Agency Agreement, and the search will be on!

Step 4: Find your new home

Once I know all your particulars, I utilize the latest technology to search the Northern AZ Multiple Listings Service, as well as other resources, for homes that meet your needs. When we go out to see the selected homes, bring your checkbook! Don't be surprised when you fall in love with a home your very first day...it happens all the time!

Step 5: Draft your purchase agreement

Once we have found your dream home, we'll go back to my office and complete a residential sales contract. A sample copy of this is given to you at your consultation.

Step 6: Write earnest money check

At this time, be prepared to submit an earnest-money check to go with your offer. This check is usually written for an amount equal to 1% of the sales price. You'll retain this check (or can opt to have funds wired) until we receive an accepted contract. I deliver the sales contract to the seller's agent and negotiate the sale on your behalf. If the seller accepts your offer by signing the sales contract, you will have "mutual acceptance." PLEASE NOTE: when your contract is accepted by the seller, your earnest money check *will* be cashed

Step 7: You‘re buying your new home

This point is often the hardest part of the home-buying process. Why? Because buyer’s remorse may set in. Although a majority of our buyers are very excited, some still feel a bit of buyer’s remorse. This happens because it’s time for a decision, commitment, and legal documents. So remember, the butterflies you feel are normal.

Step 8: Formalize your financing

Now that the paperwork is signed, complete a formal loan application if you haven't already done so. Expect to pay for an appraisal and an extensive credit report, which costs about $450. You'll sign a Verification of Employment form. If you have asked for an inspection to be done on your new home, you'll need to pay the inspector at the time of the inspection, usually in the range of $350 to $1,000. We will also want to have the septic tank inspected, if the home has a septic tank but this is a Seller's expense done during escrow. *(this usually costs around $600).*

Step 9: Prepare to move

Your closing and possession dates will be determined when you write the offer to purchase and are agreed upon by both the buyer and seller. I work hard to make sure that everything runs smoothly and to make it as easy and pleasant for you as possible. I'll coordinate your inspectors, appraisers, and lenders; identify problems; and find solutions.

Please feel free to call me at any time during the home-buying process. Although I work hard to make sure that you are informed, there may be information that needs further explanation. You now know more about the "real world" buying process than 90% of those who are looking to purchase a home!

Q&A

Q: I went to an open house, and the listing agent said that he could represent me better and "fairer" than any other agent, so I really didn't need a buyer agent. Is that true?

A: Of course agents try to be fair and nice to the buyer since they want to make the sale. But, because they are bound by Arizona Real Estate License Laws, the Law of Agency, and their Code of Ethics, they can only do so much without jeopardizing their license to practice. For instance, the listing agent cannot tell you if a property is overpriced or how to negotiate the best purchase price. Ask yourself...if the seller has representation, shouldn't you? As your buyer agent, I will always negotiate only in the best interest of you, the buyer.

Q: Is there a contract or some other kind of paperwork associated with a buyer agent like there is with a listing agent?

A: For years, sellers have been entering into contractual relationships to "list" their properties with real estate brokers. They are called listing agreements. You establish a contractual relationship with me by signing a buyer agency agreement, just as a listing agreement makes the listing agent legally accountable to you and not to any seller. The buyer agency agreement is also a written commitment to you of services that I will provide.

Q: Do "listing agents" prevent "buyers agents" from having full access to all the available properties through the Multiple Listing Service?

A: No! We belong to the Arizona Multiple Listing Service, so we can show you homes listed with any agent. In addition, since we represent you and not sellers, I can show homes that are For Sale By Owner and For Sale By Builder that are not listed in the MLS.

Q: Isn't the agent who shows me the home representing me?

A: If you walk into an open-house, or a new- construction-site model home and any agent tells you that they are the only one who can "write" up the paperwork... don't believe it! Agents who list properties enter into a signed contract with the seller to represent them in the sale of their property. My advice is that unless you have previously interviewed the agent and have entered into a written Agency Agreement wherein they have promised to represent only your best interest and you trust him/her, walk away. You may find yourself working with an agent who is obligated to act in the best interests of the seller.

Q: If you work for the buyer and you negotiate the price down, aren't you also lowering the amount of commission you will make? Isn't that a conflict of interest?

A: The difference is minimal. If I save you $5,000 on the purchase price of your home, I would only earn approximately $150 less in commission. Your goodwill and word-of-mouth advertising will be much more rewarding. I also have a legal obligation to represent your best interest.

Q: I'm moving to another city. Can you find me a buyer agent at my destination?

A: Yes. As soon as you find out that you are moving, call us and we will provide you with the name and phone number of an outstanding agent nearest your destination. I will screen agents for you absolutely free!

Q: If someone from your team is my buyer agent, how is he/she paid for their services?

A: There are several ways that we can earn our fee. It is always your choice. The typical fee paid to us at closing is paid by the seller and is usually divided between the listing broker (the company who has the home listed for sale) and our broker. Unless there are some unusual circumstances, our portion of the commission comes from the seller's proceeds of the transaction.

Q: If I sign an Agency Agreement with You, does it really matter? Does it really make a difference?

A: Absolutely! Yes! Let's put it this way: If you had to go to court, would you use the other person's attorney?

Real estate agents who act as seller agents must negotiate in the best interest of their clients *(the sellers)*. They must present their properties only in a favorable manner.

Buyer agents negotiate in the best interests of the buyer, do not disclose confidential information about the buyer, and reveal all facts that affect the value of properties to the buyer.

Q: Do you offer any kind of a GUARANTEE when we purchase a home through you?

A: Yes! If you buy a from me, move in, and find you do not absolutely love your new home… I will re-sell it for only 1% (vs 3%) as the listing brokerage fee for up to one year after the close of escrow.

You will not find anyone else that will offer you this kind of a GUARANTEE when you buy a home. I help take the fear out of buying your new home.

LOVE IT OR LEAVE IT!

When You're ready to Put My Professional Services to Work for You Simply Call me at 928-853-6315 to discuss in more depth or email me at Melinda@MelindaMorfin.com.

I am Ready, Willing and Very Able to Find You the Right Home for Lowest Price Possible with *Guaranteed Quality Representation.*

Melinda T. Bishop-Morfin, REALTOR®

ABR, BPOR, CDPE, CLHMS, GRI, MCNE, PSA, rCRMS, SFR, SRS

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