



HOMEBUYER'S INFORMATION GUIDE

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TABLE OF CONTENTS

<i>Advantages of a Buyer's Agent</i>	<i>Page 1</i>
<i>Finding Your New Home</i>	<i>Page 2</i>
<i>The Home Inspection</i>	<i>Page 3</i>
* <i>Purpose</i>	
* <i>Warranty</i>	
<i>The Foundation</i>	<i>Page 4</i>
<i>Texas Property Laws</i>	<i>Page 5-6</i>
* <i>Definition of Texas Homestead</i>	
* <i>Community Property</i>	
<i>Your Loan Officer</i>	<i>Page 7</i>
<i>Loan Qualifications</i>	<i>Page 8</i>
* <i>Income Qualifications</i>	
* <i>Mortgage Payments</i>	
* <i>Loan Application and Checklist</i>	
<i>Loan Programs</i>	<i>Page 9</i>
* <i>Fixed Rate Programs</i>	
* <i>Adjustable Rate Mortgages</i>	
* <i>Balloon Programs</i>	
* <i>Other Programs</i>	
<i>Private Mortgage Insurance</i>	<i>Page 10</i>
<i>Appraisal, Title and Survey</i>	<i>Page 11</i>
<i>Homeowners Insurance</i>	<i>Page 12</i>
<i>The Closing</i>	<i>Page 13</i>



Thank you for selecting Realty Solutions Texas to assist in the purchase of your new home. Our goal is to remove the stress commonly associated with a home purchase and make this the exciting process that buying a home should be. We have included information to address some of the most frequently asked questions during the home buying process. Your agent will be able to address any other concerns or questions you might have. We look forward to working with you to make this home purchase a rewarding experience.

*Thank you,
Robert Gould*

ADVANTAGES OF AN EXCLUSIVE BUYER'S AGENT

- * NO COST - All commissions are paid by sellers or builders. Representation costs the buyer nothing, and does not effect sales price.*
- * NON BIAS - Realty Solutions Texas is not affiliated with any national franchise and receives the same commission from any listing agent.*
- * SERVICE - Realty Solutions Texas works for the buyer exclusively.*
 - 1. Finding your new home*
 - 2. Negotiating the best deal possible*
 - 3. Following through with inspections, appraisals and details beyond closing*

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FINDING YOUR NEW HOME

The thought of finding the perfect home seems overwhelming when you think about it. Just take a short drive around town and you will realize that the metroplex has so much to offer. Having the help of an expert is the key to being successful at finding the perfect home. A realtor is trained to help you sort through your thoughts and discover what you really want in a new home. They have skills necessary to find the best location, neighborhood, school systems and the exact house for your family.

What are you looking for?

It is important to discuss in detail with your realtor what exactly you want in a new home. Whether you're staying in the same neighborhood, moving across town or relocating from a different city or state, your realtor can be the key to getting exactly what you and your family need in a home.

You can start by making a list of the ten most important features for your new home. Consider price, space, design, schools, near parks or shopping areas, distance from work, yard size, age, etc. Once you make a list, rank each item in order of importance and place a star by the non-negotiable items. For instance, your child's school might be the most important aspect of the location of your new home. Less important, however, might be a breakfast room overlooking the backyard. These items will help your realtor understand your personal priorities and, in turn, help you find exactly what you are looking for.

The Contract

Once you find the perfect home, your realtor will help you negotiate a fair contract on the home. A purchase contract is a legal instrument that should be considered and prepared by a professional. Because the law states that any contract for the purchase of real estate must be in writing, any verbal promises or agreement not included in the contract are not enforceable.

Furthermore, it is imperative that your realtor understands what your financial plans are. There are different strategies in contract negotiations that can benefit you depending on your intentions. For example, a seller can pay a percentage of your closing cost if you are cash conscious.

The Road to Closing

Your realtor will manage the purchase process all the way to the closing table. First, your agent will help you understand your home inspection and negotiate any required repairs or changes in the contract with the seller. The agent may recommend several different professionals depending on the inspectors' report or your plans for your new home.

Your agent will ensure the title company and mortgage lender are prepaid for your closing date.

Our goal at Realty Solutions Texas is to take the stress out of your home purchase and ensure that everything goes smoothly and that you enjoy this exciting time as we find the home that is perfect for you.

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Selling Points/Why use a Buyer Agent

No Cost Representation All Commissions paid by the seller!

*An Exclusive Buyers Agent looks out for the best interest of the **buyer** and guides them through the process at **no cost to the buyer**. We will never ask the buyer to pay one dime for our services which include:*

- *Personalized Attention*
- *Home buying education*
- *Needs analysis*
- *Working through the mortgage process*
- *Providing neighborhood information*
- *The home search*
- *Vendor coordination, like inspection and repairs*
- *The closing process of your new home*
- *Non-biased information*

*Doesn't it make sense to use a **Realtor** that specializes in representing buyers only, helping them achieve the "American Dream" of home ownership.*

Listing Agents represent the sellers NOT the buyers! *They are looking out for their seller's best interest trying to get the sellers the best deal possible.*

New Construction:

- *The sight sales person is trying to sell the house for as much as possible.*
- *There are often deals that our realtors know about, that the sight sales person has no incentive to tell the un-represented buyer about.*
- *They are only trying to sell you their homes. We can show you ALL new construction in the area.*

Never call the listing agent off the sign or internet, or visit a builder without having your own Realtor their looking out for your best interest!



The Home Inspection

Buying a home may well be the largest financial investment you will ever make. Naturally, you will want to know as much as possible about the property before you finalize the purchase at closing. The first thing you will notice about the house is its architectural style. If you like the way the house looks in its setting and it satisfies your needs as to location, size and price, you may decide to make your offer contingent upon the home passing an inspection.

The Inspection

At this point, it is important to turn to a knowledgeable and independent home inspector for advice on the overall condition of the home. The home inspector will examine the house and determine if the home is structurally sound and if the primary systems are in good working condition.

At the time of the inspection, you will be given a printed statement setting forth the conditions and limitations under which the inspection is performed. This statement explains that the inspection is a visual inspection of accessible areas only.

You should accompany the inspector on a tour of the house, discussing the pros and cons of the visible features. After completing the inspection, the inspector will provide you with a written report summarizing what he has found. The inspection report will detail the condition of the principle items inspected and any other items which may be of concern to you.

A professional home inspection report is a valuable thing. It can tell you if and where the house needs work. It will also tell you whether or not you should consider asking for a price concession to cover the cost of necessary repairs. A satisfactory report reaffirms the original asking price. The report may also be used in the future as a reliable statement of the house's condition when you decide to resell the house.

Value After Purchase

After you close on the home keep your inspection report with your home loan documents. You will want to refer to it as you follow up and repair the conditions that the inspector indicated needed attention. By attending to known problems and performing regular maintenance on your home, you can spread costs out over time and prevent serious problems from occurring.

Warranty

Ask your real estate agent about the availability of a home warranty insurance program. A home warranty policy protects you from the expense of major repair or replacement caused by unexpected mechanical failure of a major system or appliance. For a moderate premium, payable at closing, you can acquire a policy which protects you for one full year after closing from major repair or replacement bills.

History of Home

It is always a good idea to learn as much as you can about the history of your new home. Did the previous owners have any major remodeling or repair work done? If so, are there warranties and paperwork that should be passed on to you?

Most homes are usually professionally inspected only when they change ownership, but the average home should be inspected more often. The key to protecting your home from expensive repairs is to recognize early warning signs and eliminate the causes before they can do further damage. A periodic inspection every few years will help you keep you home in good condition.

Periodic inspections are good investments because it increases the financial value of your home. By keeping your home in good repair and properly maintaining it, you ensure not only your enjoyment of the property, but also the growth of your investment.

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THE FOUNDATION

The foundation of your home not only supports the entire structure, but also keeps water from seeping into your home and causing damage. You can take some specific measures to prevent moisture problems from developing in your home. Proper drainage and grading carry surface water away from the foundation. This is essential during periods of heavy rainfall. Surface water can come from rainfall, hoses, sprinkler systems etc.

Drainage

Keeping your gutters free of leaves and other debris prevents water from spilling out and collecting around the foundation. Proper pitching of gutters toward the downspout directs the flow. Downspouts should be sound and unclogged, especially at elbow connections. Placing a wire strainer inside the top of the downspout helps keep leaves and other debris out. Downspout outlets should be intact and unclogged.

Grading

When your house was built, the yard was graded so that the ground would gently slope away from the house in all directions. As soil settles over time, it sometimes forms low areas, which can trap surface water. The collected water can then seep through the foundation and into the home. If this happens these areas must be refilled with soil to stop erosion. Concrete walkways and patios can settle and cause water to run toward the foundation of the house. Check flower beds and perennial gardens around the house. Doors and windows should be properly sealed and caulked to prevent water entrance. If small cracks develop in exterior foundation, they can normally be filled with the proper material.

Ground Water

If surface water is being properly diverted away from your foundation and you still have wetness, ground water may be the problem. If water seeps through the floor and wall, it may be due to the presence of ground water. Ground water can be caused by seasonal high water tables or underground springs. If your home is in the flood plain of a nearby stream or creek, it may be effected during periods of heavy rainfall. If the house was built in the path of a natural drainage way or a site that is lower than the surrounding area, you could also be effected. Normally, a footing drainpipe is laid along the base of the foundation to channel the ground water away.

Foundation Movement

Soil composition and moisture levels play a major role in foundation movement. Too little moisture, especially during dry periods, can cause the soil to shrink and the foundation to settle. Some plants remove water from the foundation soil, causing a drying effect. Helping the soil maintain a consistent moisture level, by watering properly, is extremely beneficial. An automatic sprinkler system is an effective way of ensure proper moisture levels. Excessive moisture in clay soil can cause the soil to swell and heave the foundation. Proper grading and drainage can greatly minimize any soil expansion, especially if the moisture level is adequate to begin with. Plumbing leaks beneath the foundation should be repaired promptly. If you suspect a foundation problem, call a structural engineer to determine the extent and cause of the problems. A strong foundation not only supports the structure itself, but is supports your investment.

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Texas Property Laws

Definition of homestead: If used for the purpose of an urban home or as a place to exercise a calling or business in the same urban area, the homestead of a family or single, adult person, not otherwise entitled to a homestead, shall consist of not more than one acre of land that may be in one or more lots, with any improvements thereon.

If used for a rural home, the homestead shall consist of:

1. For a family, not more than 200 acres, which may be in one or more parcels, with the improvements thereon.
2. For a single, adult person not otherwise entitled to a homestead, not more than 100 acres, which may be in one or more parcels, with the improvements there on.
3. A homestead is considered rural if, at the time the designation is made, the property is not served by municipal utilities, fire and police protection (Property code section 41.002)

Section 3 of the above provision contemplates that a statutory designation of a homestead will be made according to Property Code Section 41.005. Notice that the statute does not provide that the homestead is considered to be urban if it is served by municipal utilities, fire and police protection. Sound underwriting practices dictate that on proper designation of a homestead, such homesteads may be considered rural if it is serviced by municipal utilities, fire and police protection. However, probably rural homesteads cannot be considered urban homesteads simply because they are served by any municipal utilities , fire or police protection.

Lease Back of a Homestead

Any sale of homestead property that is less than the appraised fair market value in which the buyer of the property executes a lease of the property to the seller at lease payments exceeding fair rental value of the property is considered to be a loan with all payments made from the seller to the buyer in excess of the sales price considered to interest subject to the usury statute as found in Article 5069-1 01.

Such a transaction is also considered a deceptive trade practice. An exception to this rule applies to the sale of a family homestead to a parent, stepparent, grandparent, child, stepchild, brother, half-brother, sister, half-sister, or grandchild of an adult member of the family (Property Code, Section 4 1. 006)

For title insurance purposes, title insurance is not available on any sale and leaseback of homestead property where the seller is not vacating permanently the homestead property.

Abandonment of a Homestead

If a homestead claimant is married, a homestead cannot be abandoned without the consent of the claimant's spouse, (Property Code, Section 4 1. 004). Generally, for an abandonment to occur, there must be a vacation of the homestead by the homestead claimants and an intention of the parties not to use the property for homestead purposes any longer. Where the parties purchase and move into a new homestead, it is generally clear the abandonment has occurred.

Separate Property

All property acquired by a husband and wife during a marital relationship, except that which is defined as separate property by statute, and is the community (or common) property of both spouses.

Separate Property, (Texas Constitutions Article 16, Section 15) includes all property, both real and personal, of a spouse owned or claimed before marriage, and that acquired afterward by gift, devise or descent, shall be the separate property of that spouse" and laws shall be passed more clearly defining the rights of the spouses, in relation to separate and community property

Section 5.01 (a) of the Family Code provides that a spouse's separate property consists of:

1. The property owned or claimed by that spouse before marriage
2. The property acquired by the spouse during the marriage by gift, devised or descent
3. The recovery for personal injuries sustained by the spouse during marriage, except any recover for loss of earning capacity during marriage

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Community Property

The state of Texas is one of the few states, which has the community law. Section 5.01 (b) of the Family Code provides that property possessed by either spouse during or on dissolution of marriage is presumed to be community property and belongs on-half each to the husband and wife, regardless of whose income earned it or whose property produced the income.

Recordation of Separate Property

Section 5.03 of the Family Code provides that a subscribed and acknowledged schedule of a spouse's separate property may be recorded in the deed records of the county in which the parties, or one of them, reside in the county or counties in which that real property is located.

As to real property, a schedule of a spouse's separate property is not constructive notice to a good-faith purchaser for value or a creditor without actual notice unless the instrument is acknowledged and recorded in the records of the county in which the real property is located.

Gifts Between Spouses

Article 16, Section 15 of the Texas Constitution provides that spouses, without the intention to defraud pre-existing creditors, may by written instrument from time to time made a gift of property to the other and such gift is presumed to include all the income of property which might arise from that gift of property. Likewise, Section 5.04 of the Texas Family Code provides that if one spouse makes a gift of property to the other, the gift is presumed to include all the income and property which may arise from that gift of property.

The obvious intention of the constitutional provision and statute is that after the gift is consummated, such property will be considered the separate property of the new owner.

Title Practices

Present to the presumption of community property (section 9.03), joinder of both spouses is required on encumbrance or conveyance of all real property acquired during the marital relationship except where the title escrow officer or the attorney at the title company is conclusively satisfied that the real property is the property, is the separate property, of one of the spouses pursuant to Article 16 Section 15, of the Texas Constitution and the property is not homestead.

Where separate property is the homestead of the parties, joinder of both spouses is required on any conveyance of encumbrance. Generally, joinder of both parties is required on encumbrances or conveyances of property stated to be in the sole management and control of one of the spouses. Property owned by persons not residing in Texas is still governed by Texas law and the presumption of Texas community property laws apply.



YOUR PERSONAL LOAN OFFICER

Knowing how you are going to pay for your new home makes house hunting a lot less stressful. Most people obtain a mortgage loan. The type of loan depends on your particular needs as a borrower. A mortgage expert will not only establish that you can get a loan, but also customize a loan package to meet your individual financial needs and goals.

The Loan Consultation

Whether it's over the phone or in person, you and your loan officer will meet to evaluate your mortgage needs. Your loan officer will need some basic loan information such as income, debts, assets, job history etc.... It is important to provide as much information as possible to ensure your loan officer can make a knowledgeable determination of your loan qualifications and loan options. In your consultations, be sure to discuss your long term plans, plans such as retirement, children's college, job transfers and income fluctuations can effect the type of loan program you choose. Your loan officer may make several suggestions of loan programs depending upon your financial plans. Be sure to keep an open mind about different loan programs. In the mortgage market, there are many programs designed for today's borrower. Adjustable rate programs and Balloons are a few options that have become very popular in the last 20 years.

From Application to Closing

Your loan officer is responsible for orchestrating many aspects of the process of your new home ownership. Processing your loan application, locking the interest rate, ordering the appraisal, survey, title and final loan documents are just a few of the steps. Many of these items are formalities that do not require your involvement. Your loan officer may have an assistant or loan processor who will support him in the processing of your loan. Together, they will work as a team to ensure your loan makes a smooth transition from application to closing.

After Closing

Having a consistent relationship with a mortgage expert is essential. Home ownership in America is very different today. The average American will move every 3-5 years and will refinance their mortgage at least once in the duration of the loan. Furthermore, people are purchasing investment properties and second homes more than ever.

Refinancing: Regardless of the type of loan you choose, there may be an opportunity to refinance your loan and save yourself valuable interest dollars. Your loan officer is always up to date on the current market and can inform you on your refinancing options before the market changes. In many cases, you can do a No cost Refinance and lower your interest rate without paying closing costs. It is also important to meet with your loan officer periodically to evaluate your mortgage.

Purchase: Whether you are moving or purchasing a second home or investment property, having a loan officer that knows your financial plans and loan situation will save you valuable time and money.

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LOAN QUALIFICATIONS

Knowing how much of a mortgage loan you can qualify for is one of the first steps in the home buying process. Mortgage lenders evaluate several things when qualifying a borrower; credit history, income-to-debt ratio. In general, a mortgage lender will want a borrower's total debt, including the full mortgage payment, not to exceed 36% - 38% of their gross income

Example

Gross monthly income:	\$4000
36% of gross income:	\$1400
Subtract monthly obligations	\$ 320 (includes cars, loans, credit cards)
Maximum monthly house pmt.	\$1120.00 (includes principle, interest, taxes, and insurance)

Be advised that the 36%-38% ratios are guidelines only. Borrowers who have exceptional credit, a large down payment, or large cash reserves may be allowed greater flexibility. For self employed borrowers, there are special programs available that accommodate non-reportable income and higher cash reserves.

The Mortgage Payment

In qualifying, the mortgage lender uses the full monthly mortgage payment which includes principle, interest, taxes and insurance.

*Taxes – The taxes on a property are predetermined. A good rule of thumb is 2.35% of the purchase price of the home will give the yearly taxes.

* Homeowners Insurance – Contact your insurance company for a quote on insurance rates. Mortgage lenders use a calculation of .65% of the loan amount for qualifying purposes.

* Private Mortgage Insurance (PMI) – In most cases, PMI is required for loans with a down payment of less than 20%. This insurance protects the mortgage lender in case of default. The premium is paid monthly in your mortgage payment and is based on the percentage of down payment.

The Loan Application

When you meet with a loan officer, you will fill out a residential mortgage loan application and sign several disclosure forms. With your loan application, the loan officer will order a Residential Mortgage Credit Report to pre-qualify you for a loan. In addition, there is some required documentation your loan officer will require to process your loan application:

* One months paycheck stubs. Last two years W-2's

* Last three months statements on all asset accounts.

* If self-employed, the last two years tax returns and a year-to-date Profit and Loss Statement

*If 25% + owner in corporation or partnership, corporate or partnership tax returns, including K1's

*Current leases on any property owned

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LOAN PROGRAMS

In the marketplace there are many types of loan programs. Each program is designed to meet the individual financial goals of a borrower. When choosing a loan program there are several important factors you should discuss with your loan officer: the down payment percentage, the approximate length of time you plan to be in the house, any anticipated growth in income, and other financial plans you may have.

Fixed Loan Programs

Fixed loan programs are the most common known and used loan program in the marketplace. You can choose from a 30, 20, 15 and 10 year fixed loan. In most cases, the shorter the term of the loan the lower the interest rate will be. When discussing a fixed rate program with your loan officer, you should compare a shorter term mortgage and see if you could manage a slightly higher payment in return for building equity quicker.

Fixed rate loan programs are a good choice if:

- * You know you will be in the house an extended length of time
- * You want budget stability
- * The market is favorable

Adjustable Rate Mortgages (ARM)

These loan programs offer a lower starting rate and can adjust according to the market. You can choose from a 1 month, 6 month, 1 year, 3 year, 5 year, 7 year, and 10 year ARM program. The shorter the initial loan term, the more competitive the interest rate will be. In each case, there are rate caps for each adjustment and for the life of the loan. In addition, any ARM's offer an option to convert to a fixed rate program at some time during the course of the loan.

When choosing an adjustable loan program you should be aware of: what index your particular loan is based on, the interest rate caps and any conversion options.

ARM programs are a good choice if:

- * You are uncertain how long you will be in the home
- * You are confident that your future income will grow with your payment
- * You want to take advantage of lower rates
- * You want to qualify for a larger house payment
- * The market is unfavorable

Balloon Loan Programs

A balloon program is a 30 year loan that is fixed at either 5 or 7 at an interest rate lower than the current 30 year fixed rate. Depending on your balloon program, it will either come due at the end of the initial term or it will convert to current market rate for the remainder of the loan.

Balloon programs are a good choice if:

- * You know you will only be in the house 5 or 7 years
- * You are putting at least 10% down payment
- * You want to take advantage of lower rates

Other Programs

With a complete understanding of your particular situation, your loan officer can customize your loan program to ensure you get the best loan possible. The following programs are other options available that combine the loan programs already discussed:

- *Construction
- *No closing cost loans
- *80/10/10
- *Loans 100%
- *Government Loans
- *Less than perfect credit
- *No income verification
- *Purchase plus
- *Purchase plus
- *And more

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PRIVATE MORTGAGE INSURANCE

Private mortgage insurance (PMI) protects the lender in the event of foreclosure. PMI is required on any loan where the lender's exposure is 81 percent or more of the purchase price of the house. This insurance allows the lender to accept a larger risk factor by accepting a lower down payment.

The Cost

The premium is normally paid monthly as part of your mortgage payment, It is determined on a graduating schedule depending on the percentage of your down payment:

	PMI REQUIREMENTS		
	30 YEAR LOAN	20YR./LESS	ADJUSTABLE
97% - 96.9%	.90% per year	N/A	N/A
95% - 91.9%	.78% per year	.67% per year	.92% per year
90% - 84.9%	.65% per year	.28% per year	.65% per year
85% - 81.9%	.37% per year	.24% per year	.37% per year

It is important to take the PMI payment into consideration when choosing a loan program. Even if you have an excellent credit record and show the capability to meet mortgage payments, you are still obligated to pay mortgage insurance.

The Term

Technically, PMI is renewed annually at the option of the lender until maturity of the mortgage. However, in many cases the lender will allow the cancellation of mortgage insurance with the loan is paid down to 80% of the original property or the current market value.

The decision to terminate a mortgage insurance policy is reserved jointly for the lender and any investor who may have purchased an interest in the mortgage. If you believe you are at an 80% equity level, contact your lender and ask for their specific guidelines for terminating PMI coverage on you loan. In many cases, the lender will require a new market appraisal on you property to support you equity position. In typical cases they will terminate the insurance once the documentation has been reviewed.

Eliminating PMI

Because PMI has no direct benefit to the borrower, many people want to avoid paying it if at all possible. The most obvious way to avoid mortgage insurance is a down payment of 20 percent. However, when this is not possible, there are several programs designed to eliminate the necessity of mortgage insurance without a 20% down payment.

80/10/10 This program uses a second mortgage of 10% along with a down payment of 10% to keep the lenders coverage to 80%, therefore avoiding the PMI.

80/15/5 Much like the 80/10/10, this program uses a second loan of 15% along with a down payment of 5% to keep the lenders coverage to 80%, therefore, again eliminating the need for mortgage insurance.

95% no PMI This program is basically a self insuring program where the borrower pays a higher interest rate for a loan with 5% down payment and no PME. The idea is that the interest is tax deductible and PMI is not, so by paying for your insurance with interest your after tax cost is less.

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APPRAISAL, TITLE & SURVEY

The process of purchasing a home is legal transaction that carries several requirements that must be met prior to your closing on the home. Each requirement is designed to legally protect you, the mortgage company and the seller from potential problems.

The Appraisal

An appraisal is a written document that determines the “market value” of your house. Your loan officer will contact a licensed appraiser to perform the required inspection of the property. The appraiser determines the market value of your house by comparing it to other similar homes in the neighborhood that have sold in the last six months. He/she takes the sale prices of the three to four similar houses and adjusts that price according to the features and square footage of your property. The average of the adjusted amounts is the appraised value of your house.

It is important to understand that the appraisal does not take the place of the home inspection. The appraiser is primarily determining the value of the house, not the condition of the house. Only conditions that effect market value of the house, not the condition of the house. Only conditions that effect market value of the house will e examined by the appraiser. In addition, the appraisal is a subjective figure and can vary depending on the appraiser and the current market actively in the neighborhood.

The Title

A title company will research the title to your property to ensure the property is free and clear of any liens, encumbrances, or taxes. Most title hazards will show up in this title search. The search reviews all public records over a sixty year span. However, even the most thorough search may not discover every title discrepancy. Therefore, title insurance provides protection for your claim to the property.

Generally, there are two forms of title insurance. A lender’s title insurance policy, required by most lending institutions, is normally written at the amount of the mortgage and protects the lending institutions from losses resulting from title defects. Because lenders’ insurance expires when the mortgage is repaid, you benefit from the second form of insurance known as an owner’s title policy. It is usually written for the amount of the purchase price of the house. This protection starts the day of the closing and lasts as long as you or your heirs retain an interest in the property. Unlike other insurance premiums, your title insurance premium is paid only once, at them time of closing. By purchasing owner’s and lender’s protection simultaneously, substantial savings in title insurance premiums can be realized.

The Survey

A land survey is a document that shows the boundaries of your property as well as the building line, easement or encroachments. Your loan officer or the title company will contact a licensed surveyor to do a survey. All mortgage lenders and title companies require a current survey prior to closing. The title company examiner or attorney will review the survey prior to issuing title insurance to ensure there are no problems. You will receive an official copy of your survey at closing. It is important to keep this survey in case you decide to make additions to your property.

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HOMEOOWNER'S INSURANCE

All homeowners are concerned about protecting their home and personal belongings, and reducing personal liabilities. Homeowner's insurance protects you and your house against losses from fire, theft, liability, vandalism, water damage, wind damage, tornadoes and loss of use. Earthquake and flood insurance must be purchased separately. As with all insurance policies, it is important to understand the options and choose the policy that meets your personal needs.

Ten Steps to Choosing

1. **SHOP AROUND**
 - It'll take a few phone calls, but the extra effort may save you a good sum of money as well as problems down the road. A few sources for companies would be friends, yellow pages, consumer guides, and your state's insurance department. This will give you an idea of price ranges. But don't just consider price alone! The insurer you select should offer both a fair price and excellent service. Quality service may cost a bit more, but it provides added conveniences. Checking current client recommendations and the financial ratings of the companies you are considering will give you an idea of the quality of their service.
2. **RAISE YOUR DEDUCTIBLE**
 - Deductibles are the amount of money you have to pay toward a loss before your insurance company starts to pay. Deductibles on homeowner's policies typically start at \$250. By increasing your deductible to \$500, you could save up to 12%; \$1,000, up to 24%; \$2,500, up to 30%; and \$5,000 up to 37%, depending of course, on your company
3. **CONSOLIDATE YOUR POLICIES**
 - Some companies will take an additional 5 to 15 percent off your premium if you have two or more policies with them.
4. **CONSIDER YOUR HOME**
 - Because a new home's electrical, heating and plumbing systems and overall structure are likely to be in better shape than those of an older house, insurers may offer you a discount of 8 to 15% if your house is new. When purchasing a house, avoid areas prone to floods, this can save you \$400 or over a year of flood insurance. Also take note of the access to fire stations and fire hydrants because this can effect your premium as well.
5. **INSURE YOUR HOME. NOT LAND**
 - The land under your house is not at risk from theft, windstorm, first and other perils covered in your homeowner's policy. So don't include its value in deciding how much homeowner's insurance to buy. Your appraisal will show you the value of the house and of the land separately.
6. **HOME SECURITY**
 - You can get discounts of at least 5% for a smoke detector, burglar alarm, or dead-bolt locks. Some companies offer to cut your premium by as much as 15 – 20% if you install a sophisticated sprinkler system and a fire and burglar alarm that rings at the police station or other monitoring facility. Because these systems are not cheap and not every system qualifies of the discount, it is a good idea to check with your insurance company before you invest.
7. **STOP SMOKING**
 - Smoking accounts for more than 23,000 residential fires each year. That's why some insurers offer discounts if all the residents in the house don't smoke.
8. **ONCE YOU RETIRE**
 - If you're at least 55 years old and retired, you may qualify for a discount of up to 10 percent at some companies.
9. **GROUP COVERAGE**
 - Alumni and business associations often have an insurance package with an insurance company that offers discounts for its members.
10. **REEVALUATE EACH YEAR**
 - You want your policy to cover any major purchases or additions to your home. Also be sure to depreciate the value of items as they age. You may want to consider an addition to your policy for expensive personal property. For your own protection, keep a complete inventory of everything you own. Support the inventory with photographs and receipts as much as possible. Keep this information in a safe deposit box in case of fire.

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Closing

Closing is simply the finalization of all paperwork, documents and funding required to transfer the title of a property. This takes place at the Title Company.

Buyers are required to bring the following items to the closing:

- *Driver's License or a form of identification
- *Cleared Funds (cashier's check or wired transfer instructions) for Down Payment

Prior to closing, you will receive a **settlement statement**, also called HUD-1. This is a synopsis of all debits and credits, as well as charges associated with the transaction. This is the **most important document** and any questions or discrepancies should be addressed prior to closing, with the lender or the agent. Most of the other pages you will be signing are standard per the state of Texas or required by the lender.

Remember this is your closing, so anything you do not understand, please ask.

Funding is when the lender's funds have been received and cleared. Typically, possession to the new owners is then granted. The funding process generally takes up to an hour after closing.

*If executing a wire transfer, please coordinate a closing time early in the day so funding will not delay possession of the property.

Enjoy your new home!