

BUYING A HOME?

It's probably the biggest investment you'll ever make with long-term financial ramifications. It calls for many informed decisions and for good advice from a real estate professional.

Members of the **Orlando Regional Realtor® Association (ORRA)** are real estate professionals who belong to the **NATIONAL ASSOCIATION OF REALTORS®** and subscribe to its strict Code of Ethics. Not all real estate brokers and agents are REALTORS®. To make sure you're working with one, look for the federally registered membership mark REALTOR®.

ORRA members also are required to complete six hours of specialized Legal Liability training every two years. This mandatory education enables REALTORS® to better serve you.

When buying a home, here's what you can learn from a REALTOR®'s knowledge and skill:

- A REALTOR® can help you determine how much home you can actually afford. Often, a REALTOR® can suggest additional ways to accrue the down payment and explain alternative financing methods.
- A REALTOR® can help you determine the home best suited to your family's needs — size, style, features, location, accessibility to schools, transportation, shopping, etc.
- A REALTOR® has access to thousands of listings of available homes, and can match the features of currently listed homes with your needs and within your price range, saving you time and frustration on unsuitable homes.
- A REALTOR® can offer suggestions on how, with a few simple changes, a home could be made more suitable for you and improve its utility and value.
- A REALTOR® can supply information on real estate values, taxes, utility costs, municipal services and facilities, and may be aware of proposed zoning changes that could affect your decision to buy.
- A REALTOR® has no emotional ties to the homes he or she shows, can be objective about them, and can point out advantages and disadvantages while answering your questions.
- A REALTOR® knows his or her local money mar-

ket and can tell you about financing. A REALTOR® can also tell you what personal and financial data to bring with you when applying for a loan.

- A REALTOR® can help you better understand the closing process by explaining it all before you get to the closing table.

Buyer's Estimated Costs

Price:

Purchase Price	\$	_____
Down Payment	\$	_____
Balance	\$	_____

Buyers Closing Costs:

Interest Rate	\$	_____
Principal & Interest (P & I)	\$	_____
Annual Real Estate Taxes (Estimated)	\$	_____
Monthly Real Estate Taxes		_____
Annual Insurance Premium	\$	_____
Monthly Premium	\$	_____
Other	\$	_____
Monthly Cash Outlay (Estimated)	\$	_____
Mortgages	\$	_____
Prepaid Interest	\$	_____
Taxes and Insurance	\$	_____
Private Mortgage Insurance PMI (Conventional Loan)		_____
Mortgage Premium Insurance MIP (FHA Loan)	\$	_____

Title Insurance

Loan Origination Cost	\$	_____
Loan Discount Fee	\$	_____
Document Preparation Fee	\$	_____
Underwriting Fee	\$	_____
TRETS Fees	\$	_____
Attorney's Fee	\$	_____
Home Warranty Cost	\$	_____
Doc Stamps on the Note	\$	_____
Intangible Tax on Mortgage	\$	_____
Recording Fee for New and/or Second Mortgage	\$	_____

Miscellaneous:

Credit Report	\$	_____
Appraisal	\$	_____
Termite Inspection	\$	_____
Survey	\$	_____
Transaction Fees	\$	_____
Inspections	\$	_____



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Buying a Home?



Work with A
REALTOR®

Buying a home calls for an informed decision based in part on the knowledge, judgement and guidance of not just a real estate broker or agent — but one who is a REALTOR®

WHY CHOOSE A REALTOR®?

When you're thinking about buying your property, you need to ask yourself the following questions: Do you have the time, energy, sources of information, and contacts to do the job yourself? If you are one of the 'do-it-yourself' people, would the results be as good or better than they would be if you had professional assistance? Would it go smoother? Would it give you more personal time? Would you purchase for less, if a real estate agent was involved? Read the following information and learn how a real estate agent can help you understand everything you need to know about a real estate transaction.



BUYING

The process of buying a home or investment generally starts with determining your buying power; that is, your financial reserves, plus your borrowing capacity. If you give a real estate agent some basic information about your available savings, income and current debt, they can refer you to lenders best qualified to help you. Most lenders — banks and mortgage companies — offer limited choices.

FINDING

Once you know how much you can and want to invest, the next step is to find the properties that most nearly fit your needs. This is the time to choose a real estate licensee. When picking a real estate agent look for one who is also a REALTOR®. A REALTOR® is a member of the NATIONAL ASSOCIATION OF REALTORS®, and all members agree to abide by a 17-article Code of Ethics. A REALTOR®

has many resources to assist you in that search. Sometimes the property you are seeking is available but not actively advertised in the market, and it will take some investigation by your agent to find all available properties.

SELECTING

Your job is to make the final selection of the right property for you. This is when excitement and emotion run high. Your real estate agent can assist you in the selection process by providing objective information about each property. Agents who are REALTORS® have access to a variety of informational resources.

REALTORS® can provide local community information on utilities, zoning, schools, etc. There are two things you'll want to know. First, 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?

NEGOTIATING

There are a myriad of negotiating factors, including, but not limited to price, financing, terms, date of possession, and often the inclusion or exclusion of repairs and furnishings or equipment. The purchase agreement should also 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.

DUE DILIGENCE

With a negotiated agreement in hand, it is time to complete the evaluation of the property.

Depending on the area and property, this could include inspections for termites, dry rot, asbestos,

faulty structure, roof condition, septic tank and well tests, just to name a few. Your agent can assist you in finding qualified responsible professionals to do most of these investigations and provide you with written reports. You will also want to see a preliminary report on the title of the property. Title indicates ownership of property and can be mired in confusing status of past owners or rights of access. The title to most properties will have some limitations; for example, easements (access rights) for utilities. Your agent, title company, or attorney can help you resolve issues that might cause problems at a later date.

FINANCING

As soon as you are reasonably sure the property is right for you, the process of obtaining financing begins. Your agent can help you in understanding different financing options and in identifying qualified lenders.

CLOSING OR SETTLEMENT

Finally, there is the closing, or settlement, as it is known in different parts of the country. Every area has its own unique customs. In some areas, the title or escrow company will handle this process. In other parts of the country, an attorney does it all. Again, your real estate agent can guide you through this process and make sure everything flows together smoothly.

How Do Real Estate Agents Get Paid?

Real estate agents or brokers are generally paid through the sales commission paid by the seller when a transaction closes. Agents have expenses and financial obligations just like you, so it will be to your mutual benefit if you choose a real estate agent and stick with that person. The agent will respect your loyalty and respond with a sincere commitment to you.

To find out about ORRA's strict Code of Ethics visit www.orldrealtor.com

All real estate licensees are not the same. Only real estate licensees who are members of the NATIONAL ASSOCIATION OF REALTORS® are properly called REALTORS®. They proudly display the REALTOR® "R" logo on business cards or other marketing and sales literature.

REALTORS® are committed to treat all parties to a transaction honestly. REALTORS® subscribe to a strict code of ethics and are expected to maintain a higher level of knowledge of the process of buying and selling real estate. Be sure your agent is a Realtor®.

Using a REALTOR® YOU BE THE JUDGE!

Real estate transactions involve one of the biggest financial investments most people experience in their lifetime. Transactions today usually exceed \$100,000. If you had a \$100,000 income tax problem, would you attempt to deal with it without the help of a CPA? If you had a \$100,000 legal question, would you deal with it without the help of an attorney? A REALTOR® can provide critical assistance with the home buying process to ensure everything goes well.