




HOME BUYER BIBLE

"YOUR EXPERIENCE IS OUR PRIORITY!"

FREEMAN HOMES



 OwnershipForTheWin.com

 8015 Corporate Drive, Suite C, Baltimore MD 21236



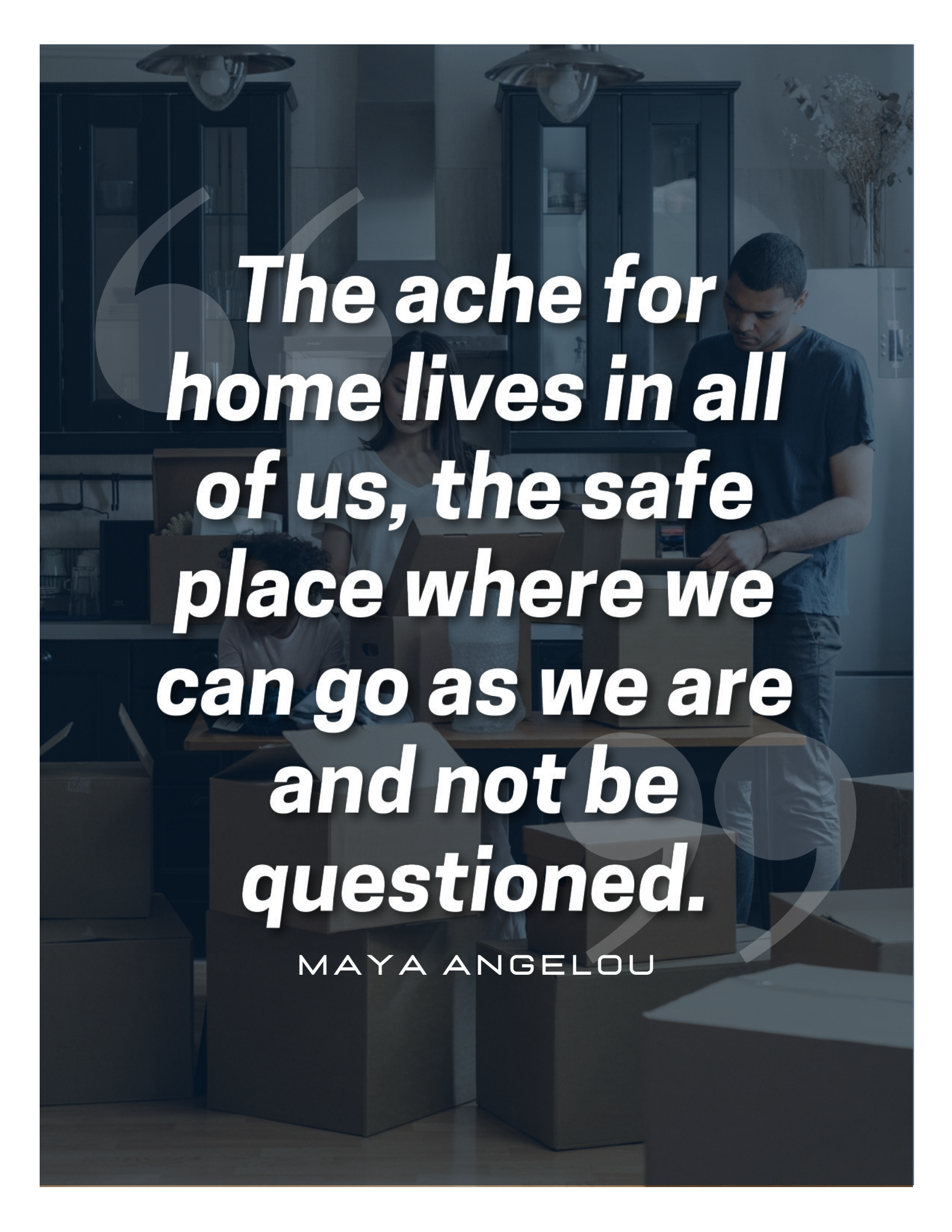


OUR 10+ CUSTOMER SERVICE COMMITMENT

As the Real Estate Consultant you have chosen to exclusively represent you in the purchase of your new home, we promise that we will:

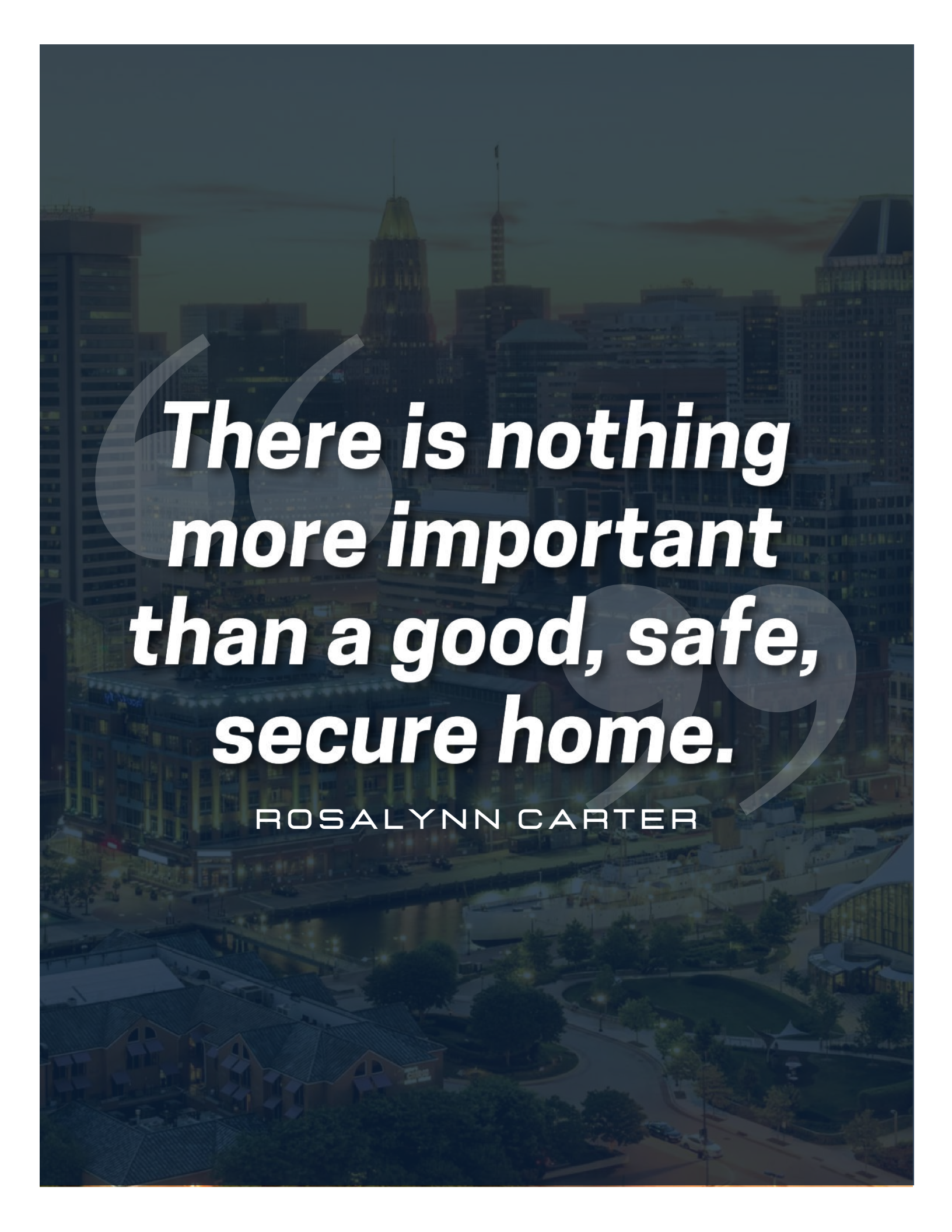
1. Provide you with 10+ customer service during the entire buying process
(communication is key).
2. Organize and schedule your home search process.
3. Discuss the benefits and drawbacks of each home in relation to your specific needs.
4. Provide you with on-going updates on available homes.
5. Help you to compare homes and make a decision.
6. Advise you on the terms and issues of the offer and fill out the purchase offer contract.
7. Present your offer and negotiate on your behalf.
8. Coordinate and supervise the preparation of all closing documents and guide you through the closing process.
9. Help you resolve any closing issues.
10. Coordinate move-in and assist with any post-closing issues.

WE LOOK FORWARD TO FINDING YOU YOUR NEXT HOME!

A photograph of a family moving into a new home. In the background, a man and a woman are standing among numerous cardboard boxes in what appears to be a kitchen. The man is on the right, looking down at a box, and the woman is on the left, also looking at a box. The room has dark wooden cabinets and a white refrigerator. The lighting is soft, and the overall tone is somewhat somber due to the blue tint. Large, faint quotation marks are visible behind the text.

***The ache for
home lives in all
of us, the safe
place where we
can go as we are
and not be
questioned.***

MAYA ANGELOU

An aerial night photograph of a city. In the background, a dense skyline of skyscrapers is visible, with some lights on. In the middle ground, a river flows through the city. In the foreground, there are residential buildings with dark roofs and some trees. The overall scene is dimly lit, with city lights providing the primary illumination.

***There is nothing
more important
than a good, safe,
secure home.***

ROSALYNN CARTER

A photograph of a man and a woman in a professional setting. The man, on the left, is wearing glasses, a white shirt, a dark tie, and a grey vest. He is holding a black pen and pointing at a document. The woman, on the right, is wearing a yellow top and has her hair pulled back. They are both looking at the document with interest. The background is a blurred office hallway.

THE TIME IS NOW!

Congratulations! You are about to embark on the exciting journey of finding your ideal home. Whether it is your first home or your tenth home, a retirement home, or an investment property, we will make your home-buying experience fun and exciting.

Purchasing a home is a very important decision and a big undertaking in your life. In fact, most people only choose a few homes in their lifetime. We are going to make sure that you are well equipped and armed with up-to-date information for your big decision. We are even prepared to guide you through every phase of the home-buying process. This packet gives you helpful information during and after your transaction. Use its reference pages, note pages and agency explanations, as an invaluable guide on your home-buying journey.

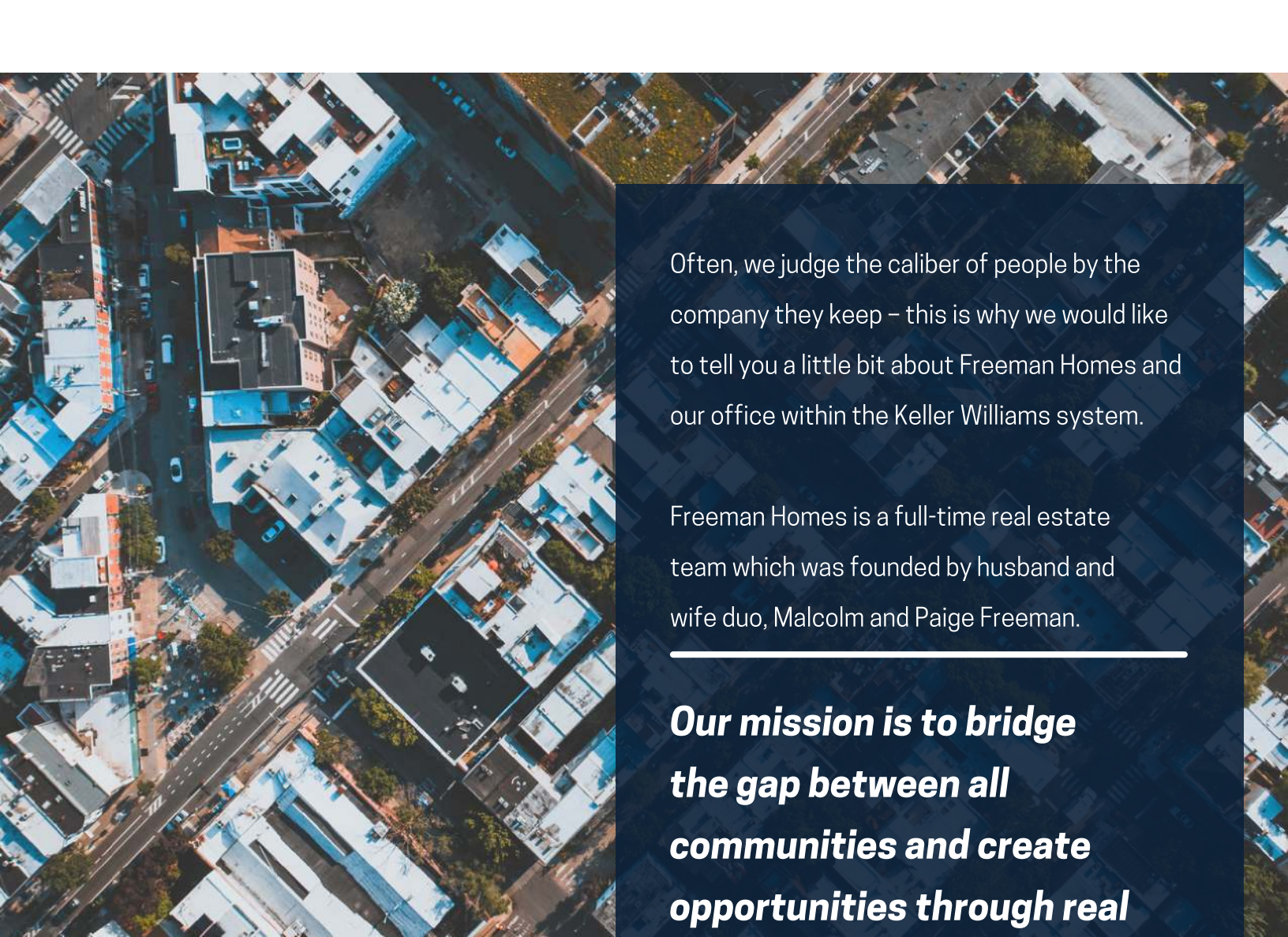
Please keep this packet with you during your home-buying process. There are pages that contain important phone numbers and dates and areas for notes to help you stay organized.

So let's take an exciting journey together! We look forward to meeting your real estate needs every step of the way! Your experience is our priority ☒☒

With Gratitude,

Freeman Homes





ABOUT FREEMAN HOMES

Often, we judge the caliber of people by the company they keep – this is why we would like to tell you a little bit about Freeman Homes and our office within the Keller Williams system.

Freeman Homes is a full-time real estate team which was founded by husband and wife duo, Malcolm and Paige Freeman.

Our mission is to bridge the gap between all communities and create opportunities through real estate and wealth building.

We find that the two main obstacles which stop us from achieving the goal of home ownership are “Lack of Knowledge” and “Fear.”

We are here to assure you that through us prioritizing your experience, financial goals and extensively educating you, you will overcome those obstacles and will be walking into a position of home ownership in no time.

THE FREEMAN HOMES CULTURE

IS BASED UPON THE FOLLOWING

BELIEF SYSTEM

Win-Win - or no deal

Integrity - do the right thing

Commitment - in all things

Communication - seek first to understand

Creativity - ideas before results

Customers - always come first

Teamwork - together everyone achieves more

Trust - begins with honesty

Success - results through people

If you're reading this, the first hurdle has been cleared. Let's keep moving forward!



PRE-QUALIFICATION



Many buyers apply for a loan and obtain approval before they find the home they want to buy. Why?

Pre-qualifying will help you in the following ways:

1. Generally, interest rates are locked in for a set period of time. You will know in advance exactly what your payments will be on offers you choose to make.
2. You won't waste time considering homes you cannot afford.



Pre-approval will help you in the following ways:

1. A seller may choose to make concessions if they know that your financing is secured. You are like a cash buyer, and this may make your offer more competitive.
2. You can select the best loan package without being under pressure.



HOW MUCH CAN YOU AFFORD?

There are three key factors to consider:

1. The down payment
2. Your ability to qualify for a mortgage
3. The closing costs associated with your transaction

DOWN PAYMENT REQUIREMENTS

Most loans today require a down payment of between **3.5% and 5.0%** depending on the type and terms of the loan. If you are able to come up with a **20% - 25%** down payment, you may be eligible to take advantage of special fast-track programs and possibly eliminate mortgage insurance.

PRE-APPROVAL



CLOSING COSTS:

You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at the final settlement, unless you are able to include them in your financing. Typically, total closing costs will range between **2 - 5% of your mortgage loan**.

QUALIFYING FOR THE MORTGAGE:

Most lenders require that your monthly payment range between **25 - 28% of your gross monthly income**. Your mortgage payment to the lender includes the following items:

- The principal on the loan (P)
- The interest on the loan (I)
- Property taxes (T),
- The homeowner's insurance (I).
- Your total monthly PITI and all debts (from installments to revolving charge accounts) should range between 33-38% of your gross monthly income. These key factors determine your ability to secure a home loan: **Credit Report, Assets, Income, and Property Value.**

10

COMMANDMENTS

WHEN APPLYING
FOR A
REAL ESTATE
LOAN

01

Thou shalt not change jobs, become self-employed or quit your job.

02

Thou shalt not buy a car, truck or van (or you may be living in it)!

03

Thou shalt not use charge cards excessively or let your accounts fall behind.

04

Thou shalt not spend money you have set aside for closing.

05

Thou shalt not omit debts or liabilities from your loan application.

06

Thou shalt not buy furniture.

07

Thou shalt not originate any inquiries into your credit.

08

Thou shalt not make large deposits without first checking with your loan officer.

09

Thou shalt not change bank accounts.

10

Thou shalt not co-sign a loan for anyone.

WHAT IS YOUR PRIORITY?

Knowing what is most important to you throughout this process is key. We understand that Location, Price and the Condition of your home are the most important factors in choosing the right home for you and your family. Below are a few examples of how one can affect the other two:



TIPS ON CHOOSING YOUR RIGHT NEIGHBORHOOD



There are many factors to consider when selecting a neighborhood that is right for you. Below are just a few of the many factors – you may think of others that are important to you. Neighborhoods have characteristic personalities designed to best suit single people, growing families, two-career couples, or retirees.

SCOUT THE NEIGHBORHOOD!

- It is important that you scout the neighborhood in person. You live in more than your house.
- Talk to people who live there.
- Drive through the entire area at different times of the day, during the week and on weekends.
- Look carefully at how well other homes in the area are being maintained; are they painted, are the yards well cared for; are parked cars in good condition, etc.

NEIGHBORHOOD FACTORS TO CONSIDER -

- Look for things like access to major thoroughfares, highways, and shopping.
- Listen for noise created by commerce, roads, railways, public areas, schools, etc.
- Smell the air for adjacent commerce or agriculture.
- Check with local civic, police, fire, and school officials to find information about the area.
- Research things like soil and water.
- Look at traffic patterns around the area during different times of the day and drive from the area to work.
- Find out if the neighborhood is near parks, churches, recreation centers, shopping, theaters, restaurants, public transportation, schools, etc.
- Find out if the neighborhood belongs to a Homeowner's Association.

MAKING AN OFFER!



Once you have found the home you wish to purchase, you will need to determine what offer you are willing to make for the home. It is important to remember that the more competition there is for the home, the higher the offer should be – sometimes even exceeding the asking price. Remember, be realistic. Make offers you want the other party to sign!

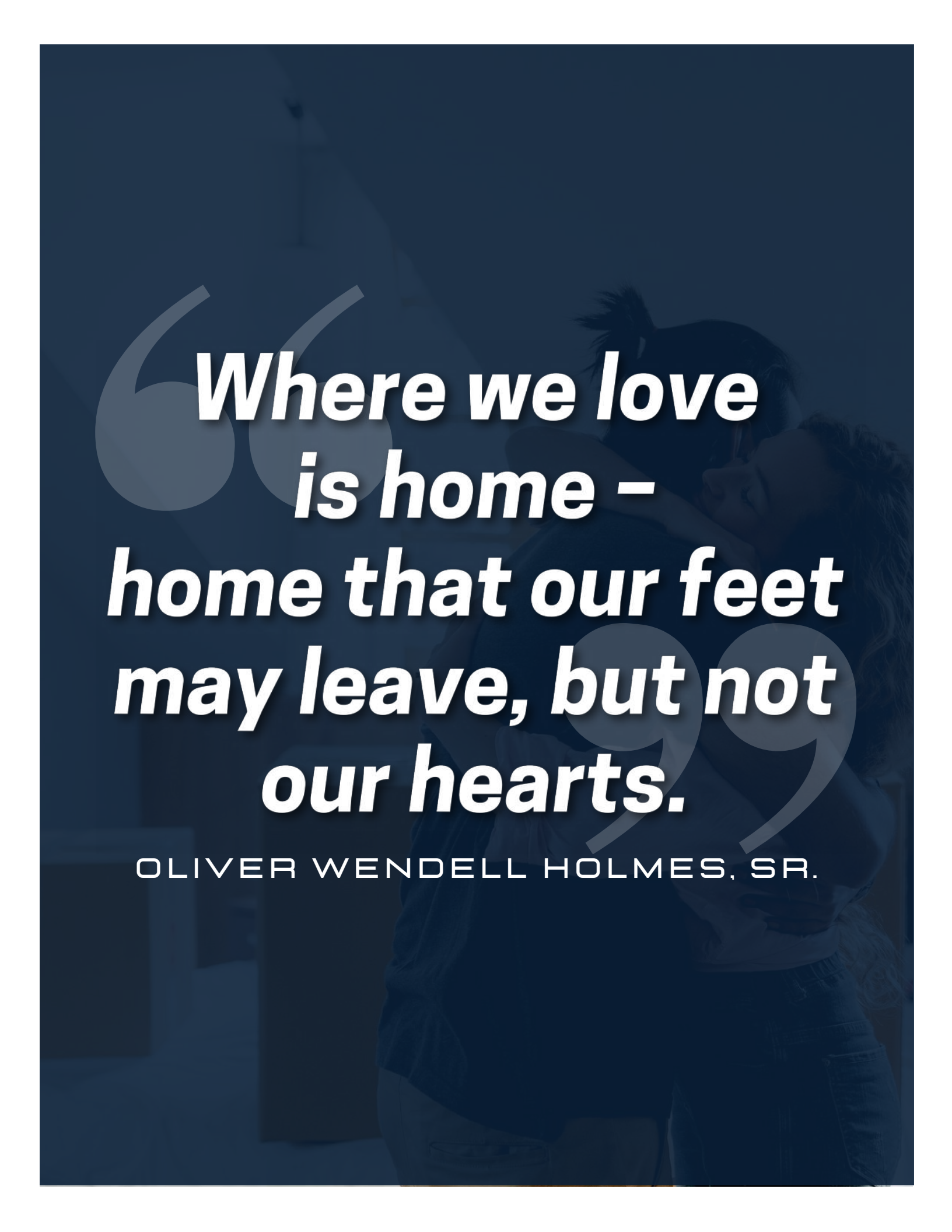
To communicate your interest in purchasing a home, we will present the listing agent with a written offer. When the seller accepts an offer it becomes a legal contract. When you write an offer you should be prepared to pay an earnest money deposit. This is to guarantee that your intention is to purchase the property.

After we present your offer to the listing agent it will either be accepted, rejected, or the seller will make a **COUNTER-OFFER**. This is when we will negotiate terms of the contract if necessary.

The step-by-step contract procedure for most single-family home purchases is standard. The purchase agreement used is a standard document approved by our local real estate board.

The purchase agreement or contract constitutes your offer to buy and, once accepted by the seller, becomes a valid, legal contract. For this reason, it is important to understand what is written on the contract offer. I have included a copy in this packet.





***Where we love
is home -
home that our feet
may leave, but not
our hearts.***

OLIVER WENDELL HOLMES, SR.

WHAT HAPPENS

NEXT?

Now that you have decided to buy your home, what happens between now and the time you legally own the home? A Title Company may handle the following items. **NOTE:** In different parts of the country, attorneys, lenders, escrow companies and other persons who are independent of title companies perform some or all of these functions.

Earnest Money – An agreement to convey starts the process once it is received at the Title Company. Once you submit the loan application, it is usually subject to a credit check, an appraisal, and sometimes, a survey of the property.

Tax Check – What taxes are owed on the property? The Title Company contacts the various assessor-collectors.

Title Search – Copies of documents are gathered from various public records: deeds, deeds of trust, various assessments and matters of probate, heirship, divorce, and bankruptcy are addressed.

Examination – Verification of the legal owner and debts owed.

Document Preparation – Appropriate forms are prepared for conveyance and settlement.

Settlement – An Escrow Officer oversees the closing of the transaction: seller signs the deed, you sign a new mortgage, the old loan is paid off and the new loan is established. Seller, agents, attorneys, surveyors, Title Company, and other service providers for the parties are paid. Title insurance policies will then be issued to you and your lender.

Title Insurance – There are two types of title insurance:

- Coverage that protects the lender for the amount of the mortgage,
- Coverage that protects the equity in the property.

Both you and your lender will want the security offered by title insurance. Why?

Title agents search public records to determine who has owned any piece of property, but these records may not reflect irregularities that are almost impossible to find. Here are some examples: an unauthorized seller forges the deed to the property; an unknown, but rightful heir to the property shows up after the sale to claim ownership; conflicts arise over a will from a deceased owner; or a land survey showing the boundaries of your property is incorrect.

For a one-time charge at closing, title insurance will safeguard you against problems including those events an exhaustive search will not reveal.



HOME WARRANTIES

NEW HOME WARRANTIES:

When you purchase a newly built home, the builder usually offers some sort of full or limited warranty on things such as the quality of design, materials, and workmanship. These warranties are usually for a period of one-year from the purchase of the home.

At closing, the builder will assign to you the manufacturer's warranties that were provided to the builder for materials, appliances, fixtures, etc. For example, if your dishwasher were to become faulty within one year from the purchase of your newly built home, you would call the manufacturer of the dishwasher – not the builder.

If the homebuilder does not offer a warranty,

BE SURE TO ASK WHY!

RESALE HOME WARRANTIES:

When you purchase a resale home, you can purchase warranties that will protect you against most ordinary flaws and breakdowns for at least the first year of occupancy. The warranty may be offered by either the Seller, as part of the overall package, or by the agent. Even with a warranty, you should have the home carefully inspected before you purchase it.

A home warranty program will give you peace of mind, knowing that the major covered components in your home will be repaired if necessary. Ask me for more details about home warranty packages.



HOME INSPECTIONS

If you are purchasing a resale property, we **HIGHLY RECOMMEND** that you have a professional home inspector conduct a thorough inspection.

The inspection will include the following:

- ***Appliances***
- ***Plumbing***
- ***Electrical***
- ***Air conditioning and heating***
- ***Ventilation***
- ***Roof and Attic***
- ***Foundation***
- ***General Structure (termite, radon)***

The inspection is not designed to criticize every minor problem or defect in the home. It is intended to report on major damage or serious problems that require repair. Should serious problems be indicated, the inspector will recommend that a structural engineer or other professional inspect it as well.

Your home cannot “pass or fail” an inspection, and your inspector will not tell you whether he/she thinks the home is worth the money you are offering.

The inspector’s job is to make you aware of repairs that are recommended or necessary.

The seller may be willing to negotiate completion of repairs or a credit for completion of repairs, or you may decide that the home will take too much work and money. A professional inspection will help you make a clear-headed decision. In addition to the overall inspection, you may wish to have separate tests conducted for termites or the presence of radon gas.

In choosing a home inspector, consider one that has been certified as a qualified and experienced member by a trade association.

I RECOMMEND BEING PRESENT AT THE INSPECTION.

This is to your advantage. You will be able to clearly understand the inspection report, and know exactly which areas need attention. Plus, you can get answers to many questions, tips for maintenance, and a lot of general information that will help you once you move into your new home. Most important, you will see the home through the eyes of an objective third party!

WHAT IS A REAL ESTATE CLOSING?

A “closing” is where you and I meet with some or all of the following individuals: **the seller, the seller’s agent, a representative from the lending institution and a representative from the title company**, in order to transfer the property title to you. The purchase agreement or contract you signed describes the property, states the purchase price and terms, sets forth the method of payment, and usually names the date and place where the closing or actual transfer of the property title and keys will occur.

If financing the property, your lender will require you to sign a document, usually a promissory note, as evidence that you are personally

responsible for repaying the loan.

You will also sign a mortgage or deed of trust on the property as security to the lender for the loan. The mortgage or deed of trust gives the lender the right to sell the property if you fail to make the payments.

Before you exchange these papers, the property may be surveyed, appraised, or inspected, and the ownership of title will be checked in county and court records.

At closing, you will be required to pay **ALL FEES AND CLOSING COSTS** in the form of “guaranteed funds” such as a Cashier’s Check. Your agent or escrow officer will notify you of the exact amount at closing.

WHAT IS AN ESCROW ACCOUNT?

An escrow account is a neutral depository held by your lender for funds that will be used to pay expenses incurred by the property, such as taxes, assessments, property insurance, or mortgage insurance premiums which fall due in the future. You will pay one-twelfth of the annual amount of these bills each month with your regular mortgage payment. When the bills fall due, the lender pays them from the special account. At closing, it may be necessary to pay enough into the account to cover these amounts for several months so that funds will be available to pay the bills as the bills come due.



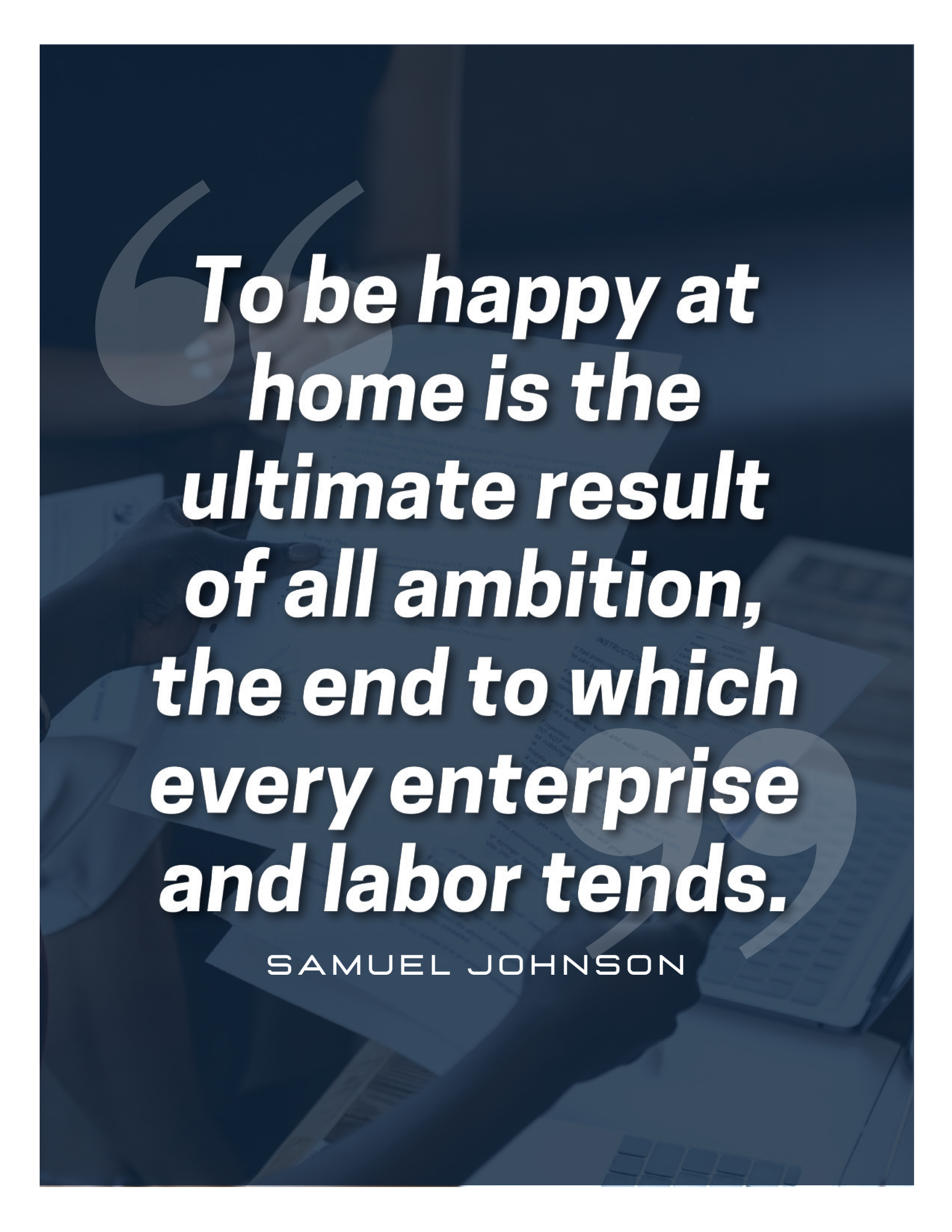
AFTER AGENCY MOVING

CONGRATULATIONS! You have closed on your new home and now you are ready to move! The next few pages contain tips and checklists so that your move is as organized and effortless as possible. Think about your move as a series of small projects that you can begin while your home is under contract. Your move will progress as your contract and closing progress. That way, when the day comes to physically move your belongings, most of the details will be taken care of.

KEEP DETAILED RECORDS! Some moving expenses are tax deductible!

Keep detailed records of all moving expenses if your move is job related. Many expenses, including house-hunting trips, are tax deductible. If your move is 35 miles or more from your home, you can deduct your family's travel expenses, including meals and lodging; the cost of transporting furniture, other household goods and personal belongings; food and hotel bills for up to 30 days in the new city if you have to wait to move into your new home; and the costs associated with selling your old home or leasing your new home.

Note: There is a ceiling on deductions which is outlined in detail in the IRS's Publication 521, "Tax Information on Moving Expenses," available free from the IRS offices.

The background of the image is a dark blue overlay on a photograph. The photograph shows a pair of hands holding several sheets of paper, with a calculator visible in the lower right corner. The text is centered and reads:

***To be happy at
home is the
ultimate result
of all ambition,
the end to which
every enterprise
and labor tends.***

SAMUEL JOHNSON



HELPFUL PHONE NUMBERS

Make arrangements for canceling home utilities such as the following. Advise them of your desired date for final reading and give them your new address for final billing. Request deposit return if appropriate, and arrange for immediate service at your new address.

Gas & Electric Companies

Baltimore Gas & Electric: 410 – 685 – 0123

Ambit Energy: 877 – 282 – 6248

Clean Currents: 240 – 764 – 4315

Cable Companies

Comcast Cable: 800 – 266 – 2278

Verizon Fios (not in Balto. City): 855 – 406 – 7062

Direct TV: 855 – 246 – 8956

Dish Network: 877 – 534 – 9821

City / County

Baltimore City Gen Info: 410 – 396 – 3100

Water: 410 – 396 – 3500

Revenue Collection/Taxes: 410 – 396 – 3971

Anne Arundel Gen Info: 410 – 222 – 7500

Bulk Trash: 410 – 222 – 6100

Billing: 410 – 222 – 1144

Baltimore County Water: 410 – 396 – 5352

Trash: 410 – 887 – 2000

Revenue Collection/Taxes: 410 – 887 – 2404

LOCAL SCHOOL DIRECTORY



Baltimore County	www.bcps.org	410 - 887 - 4554
Baltimore City	www.bcps.k12.md.us	410 - 396 - 8700
Harford County	www.hcps.org	410 - 838 - 7300
Anne Arundel County	www.aacps.org	410 - 222 - 5000
Carroll County	www.carr.org/ccps	410 - 751 - 3000
Howard County	www.howard.k12.md.org	410 - 313 - 6682

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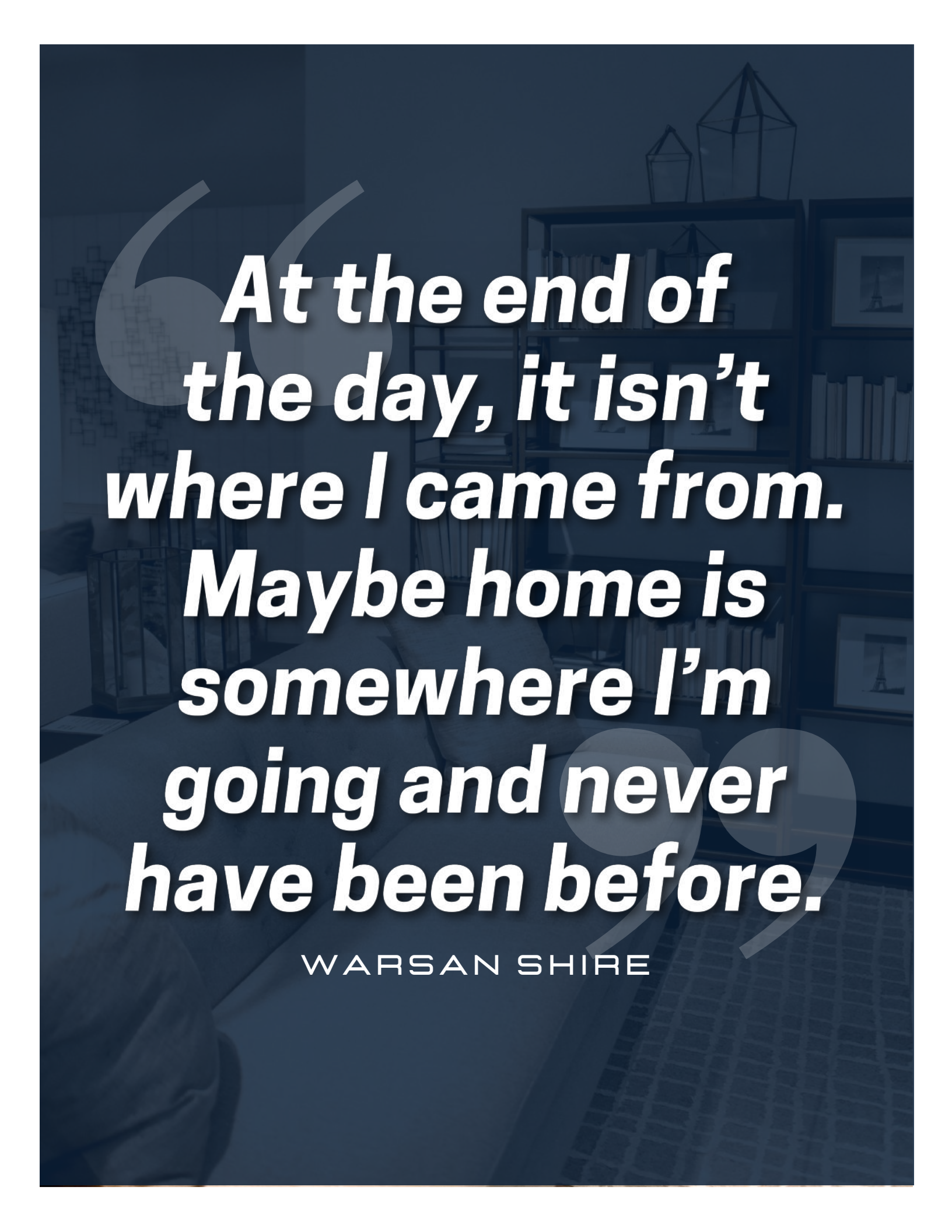
BUYER'S AGENCY AGREEMENT

WHAT IS THE BUYER'S AGENCY AGREEMENT?

Entering into a Buyer's Agency Agreement has countless advantages and no disadvantages. When you sign the agreement, you are agreeing to **"hire me"** as a personal representative who, by law, must represent your best interests, to the best of my ability.

- ✓ All of my services are available with the seller paying our compensation.
- ✓ There is only a one-time admin fee of \$495 payable only upon closing. **If you don't close you don't owe us anything.**
- ✓ You have a professional working full time to find and secure the perfect home for you exactly when you need it.
- ✓ We have vast computer networks available to make sure you only tour homes that meet your specific needs.
- ✓ When you tour homes with me as your Professional Agent, you will already know that the homes meet your criteria for bedrooms, bathrooms, square footage, neighborhood, price, etc.
- ✓ This type of relationship is built by **open communication** at all times; feedback about each of the homes we visit will provide me the information to shorten the time needed to find you the perfect home.
- ✓ There is nothing to gain from trying to find and tour homes on your own, and everything to gain from "hiring me" as your Professional Buyer's Agent, so let's get started.





***At the end of
the day, it isn't
where I came from.
Maybe home is
somewhere I'm
going and never
have been before.***

WARSAN SHIRE

A modern living room with a grey wall, white and wood shelving, and a light-colored sofa. Three geometric pendant lights hang from the ceiling. A wooden coffee table holds a bouquet of flowers and books. A patterned rug is on the floor.

REAL ESTATE GLOSSARY

noun | glos·sa·ry | \ 'glä-sə-rē

: a collection of textual glosses or of specialized terms with their meanings



Acceptance: the date when both parties, seller and buyer, have agreed to and completed signing and/or initialing the contract.

Adjustable Rate Mortgage: a mortgage that permits the lender to adjust the mortgage's interest rate periodically on the basis of changes in a specified index. Interest rates may move up or down, as market conditions change.

Amortized Loan: a loan that is paid in equal installments during its term.

Appraisal: an estimate of real estate value, usually issued to standards of FHA, VA and FHMA. Recent comparable sales in the neighborhood is the most important factor in determining value.

Appreciation: an increase in the value of a property due to changes in market conditions or other causes. The opposite of depreciation.

Assumable Mortgage: purchaser takes

ownership to real estate encumbered by an existing mortgage and assumes responsibility as the guarantor for the unpaid balance of the mortgage.

Bill of Sale: document used to transfer title (ownership) of PERSONAL property.

Cloud on Title: any condition that affects the clear title to real property.

Consideration: anything of value to induce another to enter into a contract, i.e., money, services, a promise.

Deed: a written instrument, which when properly executed and delivered, conveys title to real property.

Discount Points: a loan fee charged by a lender of FHA, VA or conventional loans to increase the yield on the investment. One point = 1% of the loan amount.

Easement: the right to use the land of another.



Encumbrance: anything that burdens (limits) the title to property, such as a lien, easement, or restriction of any kind.

Equity: the value of real estate over and above the liens against it. It is obtained by subtracting the total liens from the value.

Escrow Payment: that portion of a mortgagor's monthly payment held in trust by the lender to pay for taxes, hazard insurance and other items as they become due.

Fannie Mae: nickname for Federal National Mortgage Corporation (FNMA), a tax-paying corporation created by congress to support the secondary mortgages insured by FHA or guaranteed by VA, as well as support the secondary mortgages insured by FHA or guaranteed by VA, as well as conventional loans.

Federal Housing Administration (FHA): an agency of the U.S. Department of Housing

and Urban Development (HUD). Its main activity is the insuring of residential mortgage loans made by private lenders. The FHA sets standards for construction and underwriting but does not lend money or plan or construct housing.

FHA Insured Mortgage: a mortgage under which the Federal Housing Administration insures loans made, according to its regulations.

Fixed Rate Mortgage: a loan that fixes the interest rate at a prescribed rate for the duration of the loan.

Foreclosure: procedure whereby property pledged as security for a debt is sold to pay the debt in the event of default.

Freddie Mac: nickname for Federal Home Loan Mortgage Corporation (FHLMC), a federally controlled and operated corporation to support the secondary mortgage market. It purchases and sells residential conventional home mortgages.

Graduated Payment Mortgage: any loan where the borrower pays a portion of the interest due each month during the first few years of the loan. The payment increases gradually during the first few years to the amount necessary to fully amortize the loan during its life.

Lease Purchase Agreement: buyer makes a deposit for future purchases of a property with the right to lease property in the interim.

Lease with Option: a contract, which gives one the right to lease property at a certain sum with the option to purchase at a future date.

Loan to Value Ratio (LTV): the ratio of the mortgage loan principal (amount borrowed) to the property's appraised value (selling price). Example – on a \$100,000 home, with a mortgage loan principal of \$80,000 the loan to value ratio is 80%.

Mortgage: a legal document that pledges a property to the lender as security for payment of a debt.

Mortgage Insurance Premium (MIP): the amount paid by a mortgagor for mortgage insurance. This insurance protects the investor from possible loss in the event of a borrower's default on a loan.

Note: a written promise to pay a certain amount of money.

Origination Fee: a fee paid to a lender for services provided when granting a loan, usually a percentage of the face amount of the loan.

Private Mortgage Insurance (PMI): see Mortgage Insurance Premium.

Second Mortgage / Second Deed of Trust /

Junior Mortgage / Junior Lien: an additional loan imposed on a property with a first mortgage. Generally, a higher interest rate and shorter term than a "first" mortgage.

Settlement Statement (HUD-1): a financial statement rendered to the buyer and seller at the time of transfer of ownership, giving an account of all funds received or expended.

Severalty Ownership: ownership by one person only. Sole ownership.

Tenancy In Common: ownership by two or more persons who hold an undivided interest without right of survivorship. (In event of the death of one owner, his/her share will pass to his/her heirs).

Title Insurance: an insurance policy that protects the insured (buyer or lender) against loss arising from defects in the title.



Thank you for giving us an opportunity to earn your business and

WELCOME TO THE FAMILY!