



Buyer **GUIDE**

SAY YES TO THE ADDRESS!

KW HERITAGE
KELLERWILLIAMS. REALTY

Table of CONTENTS

- ABOUT THE AGENT
- MEET THE TEAM
- HOME BUYING ROADMAP
- THE BUYING PROCESS
- THE 10 COMMANDMENTS
- MOVING CHECKLIST
- REAL ESTATE GLOSSARY
- CONTACT INFORMATION



TRACEY *Luna*

REALTOR® WITH
KELLER WILLIAMS HERITAGE



Serving San Antonio, TX
Bexar & Guadalupe County



ABOUT THE AGENT

I've been assisting buyers and sellers in Texas since 2012. After my husband served in the United States Army, we decided it was time for our family to set down roots and make San Antonio our home. My mission is to help others set down roots of their own and build financial wealth throughout our great cities and to do so with as little stress as possible.

Tracey is licensed as a **Residential Realtor®** by the National Association of Realtors (NAR) and holds a membership with the San Antonio Board of Realtors (SABOR). Going above and beyond she has hired a coach and has also earned the following designations to better serve her clients:

Seller Representative Specialist (SRS) through the Real Estate Business Institute (REBI), and **Pricing Strategy Advisor** (PSA) through NAR. Tracey is also a **Certified Negotiation Expert** (CNE) which is a designation only 3% of agents nationwide possess. These additional trainings signify a professional with a mastery of the real estate landscape, benefitting clients by securing the best deals.

BROKERAGE

Tracey is brokered by **Keller Williams Heritage**. By choosing to partner with her and the Keller Williams family, you are working with a trained and experienced agent who has the backing of the world's largest real estate company and the largest real estate office in San Antonio, TX.

That puts you within the most extensive real estate network with the furthest reach. You gain access to a suite of technology that keeps you informed and engaged with what's happening in the neighborhood.

Keller Williams was built on a simple yet revolutionary principle: people are what matter most. To help cement this understanding, we've formalized a belief system that guides how we treat each other and how we do business.



Garret

Broker of Record & Chief Legal Officer.
Garret is our in-house legal guru and providing expert guidance whenever real estate matters demand, ensuring your interests are always protected!



Kevin

Transaction Manager. Kevin oversees all of the day to day elements that go into managing the transactions, and will be guiding you along the way.



MEET THE TEAM

When it comes to selling or buying a property, having the right real estate team on your side is vital to not only a successful sale but an enjoyable experience. And when it comes to buying your largest investment on the market it is key to have a team behind you that can build a plan tailored to what is most comfortable for you.

I take pride in vetting out my working partnerships such as lenders, inspectors, contractors, and title companies. The process can be exciting and stressful all at one time. But rest assured that together we can navigate through the entire buying process one step at a time.

HOME BUYING ROADMAP

General Overview of the Steps Involved When Buying Your Home



START

Are you ready to begin the home buying journey? Follow me!



1 GET PRE-APPROVED

Work with a Mortgage Specialist or Broker to determine how much you can afford/borrow.



2 REALTOR® CONSULTATION

We will discuss your price range, ideal locations, needs, wants, current market conditions, and how to make an offer.



5 SATISFY CONDITIONS

Amazing, we have an accepted offer! Time to deposit your Earnest and Option money within 3 business days. If you have included conditions (ie. financing, home inspection, HOA doc review, etc...) in the offer, time is of the essence and it is your responsibility to satisfy and remove them. Let's also obtain a CLUE report and homeowners insurance.



4 MAKE AN OFFER

Once we have found the right home and said "YES to the Address," it's time to propose... I mean, make your first offer! After submitting your offer to purchase, the sellers can accept, reject, or counter your offer.



3 VIEW PROPERTIES

After filtering through the listings I have sent you and narrowing down which properties to see in person, it is now time to schedule showings! I advise only viewing 3-4 properties at a time.



6 APPRAISAL

An appraisal is an unbiased assessment of value and how the bank determines if the house is worth the amount of the loan. When the report comes in the value will either, meet, exceed or fall short. Don't worry we will go over how to proceed if the value comes in short of the contracted price.



7 FINAL WALK-THROUGH

Once we receive clear-to-close from the lender and prior to possession, we will do a final walk-through of the property (24-72 hours before) to confirm that the property is in the condition you asked for.

CONGRATULATIONS!
You are officially a Homeowner!



FINISH

CLOSING DAY

Finally, the day we worked so hard for! After signing your escrow officer will disburse the funds, transfer the title of ownership in your name and call you to confirm when Funded. Once this is done, I will be able to hand you the keys to your home!

the buying PROCESS

Buying a home is undoubtedly one of the biggest financial investments an individual and/or family can make. With this in mind, it is essential to work with a Realtor® as they will physically be able to “open the door” to your dream home, mitigate any potential blind spots, assist you in writing a strong offer, guide you through negotiations, and successfully lead you in closing the deal for possession.

Buying a home is not a sprint, it is a marathon! Henceforth, if you are a first-time home buyer and buying a home is a future goal, it is recommended that you **meet with a financial adviser or mortgage specialist at your bank to help you create a financial plan.** Doing so will help you understand where you are financially and where you need to go in terms of meeting your financial goals and expectations.

PLAN AHEAD



STEP 1: GETTING PRE-APPROVED

Prior to working with a Realtor® and viewing homes, it is in your best interest to consult with either your mortgage specialist at your bank or with an independent mortgage broker to start the pre-approval process. Working with a mortgage specialist a couple of months before purchasing a home will help you understand your overall financial health and improve it if necessary. Doing so will help you successfully secure a mortgage loan if you are unable to purchase a property in all cash.



Mortgage Pre-qualification: a quick estimate of how much you can borrow.

Mortgage Pre-Approval: a formal application process that is intended to help you find a lender that will take you on as their client prior to the purchase of real estate.

MORTGAGE PRE-QUALIFICATION VS. MORTGAGE PRE-APPROVAL

	Pre-Qualification	Pre-Approval
Mortgage Application	No	Yes: Your mortgage specialist will assist you with this and send it to a potential lender on your behalf once completed.
Documentation Required	No	Yes: Supporting written documentation is required from you to verify and back up your mortgage application. (ie. pay stubs, W2s, 2 years of taxes, etc...)
Credit Check	No	Yes: You will need to give written consent to your mortgage specialist for them to pull your credit history. <i>(Understand that your credit score is your risk score. Likewise, having no credit (history) is equivalent to having bad credit and can make getting a mortgage difficult or unattainable.)</i>

Interest Rate	Estimate but not a guarantee	An interest rate hold is rendered for a specific amount of time and can be locked in for upwards of 120 days. <i>(Note that if you are ready to purchase a home and the market's interest rate changes, your lender will honor the lower rate.)</i>
Reliability	Rough estimate on mortgage amount but not a formal or documented guarantee. *Is most likely generated from an online mortgage calculator.	Based on your mortgage application & supporting documentation, your lender may render a commitment letter stating your maximum purchase price, interest rate, and term length. *If your mortgage is going to be insured, the mortgage default insurer will not look at your deal until there is a live and accepted offer. Consider this a second level of approval before your mortgage loan is granted and secured.



A low credit score equates to bad credit. Furthermore, **no credit equates to bad credit.** Henceforth, work on your credit score and make it strong. If you are obtaining a mortgage loan, having good credit demonstrates to the lender and if applicable, the mortgage default insurer that you are financially responsible and qualified.

(The following is just a generalization and can vary.) To start the pre-approval process, you will be asked by your Mortgage Specialist or Broker to provide supporting documentation like the following:

<ul style="list-style-type: none"> • ID • Proof of income <i>(Income from job(s), stocks, and investments)</i> • Bank Statements • Assets <i>(car payment or lease)</i> • Debts <i>(other loans, credit cards, and student debts)</i> • Proof of down payment <i>(savings account statement, line of credit or credit card statements showing balance, and/or gift letter if the down payment was gifted by a family member.)</i> 	<ul style="list-style-type: none"> • If Salary or Hourly: <ul style="list-style-type: none"> ◦ Letter of employment, (If you are new to a job or industry be aware of employment probation or if your position is considered casual or temporary employment.) ◦ minimum 2 recent pay stubs, ◦ and your most recent paystub. • If Self-Employed: <ul style="list-style-type: none"> ◦ 2 recent years of Tax Returns, ◦ 2 recent years of Profit and Loss statement. • If Incorporated: <ul style="list-style-type: none"> ◦ 2 recent years of company financial statements, ◦ and Certificate of Incorporation.
---	--

Overall, getting pre-approved will approximate how much you can borrow in total, lock in an interest rate for the length of your term, and determine what your monthly payment could look like. This is why serious prospective home buyers should consider getting pre-approved 2-3 months before the expected purchase of a home. Doing so will help first-time homebuyers to narrow down their search and view homes that are within budget. Also, being pre-approved ahead of time will give first-time homebuyers confidence and reassurance when making an offer on a home they really like.

Conventional Mortgage: A mortgage where the loan amount does not exceed 80% of the appraised value or purchase price of the property.

High Ratio Mortgage: A mortgage loan that exceeds 80% of the appraised property value or sale price.



Costs of Purchasing a Home	Costs of Home Ownership
<ul style="list-style-type: none">• Down Payment - the portion of the home price that is not financed with a mortgage• Earnest Money - a portion of your down payment that is associated with your offer to purchase• Appraisal - may be required by your Mortgage Lender• Buyer Due Diligence:<ul style="list-style-type: none">◦ <i>Home Inspections</i>◦ <i>Condo or HOA Document Review</i> - if applicable or if purchasing a condominium unit• Closing Costs:<ul style="list-style-type: none">◦ <i>Title fees</i> - service fees related to the disbursements of funds and transfer of ownership◦ <i>Title Insurance</i> (if applicable or required by your lender)◦ <i>Lender fees</i> - service fees covering various aspects of purchasing a home (ie. appraisal, underwriting, etc.)	<ul style="list-style-type: none">• Mortgage<ul style="list-style-type: none">◦ <i>Private Mortgage Insurance</i> is required if you put less than 20% down• Property Taxes• Utilities: <i>water, gas, electricity, internet, cable, phone services.</i>• Condo Fees or Home Owner Association (HOA) Fees if applicable• Home Insurance• Funds for Home: <i>Maintenance/Renovations/Repairs</i>



Down Payment: the portion of the home price that is not financed with a mortgage.

Earnest Money: a portion of your down payment that is included with your offer to purchase to signify how serious you are about buying the property.

STEP 2: REALTOR® CONSULTATION

When you decide to work with me as your Realtor®, we will sign a written contract known as the “Exclusive Buyer Representation Agreement.” This agreement includes the details of the specific type of property you are looking to purchase, the services I will provide on behalf of my real estate brokerage as your designated agent, how I will be compensated, my responsibilities and obligations to you as my client, as well as your responsibilities throughout the duration of this agreement.



HOME SEARCH

After getting pre-approved, you should now have a budget to work with which will make criteria searching for suitable and potential properties so much easier! At this point when working with a Realtor®, you should make a list of your needs and wants and identify what your absolute must-haves and deal breakers are. Consider search criteria such as:

- Price range
- Size - total square footage
- Style of home - ranch, 2-story, duplex, or condominium
- Location (distance from work, schools, and amenities)
- Number of beds & baths
- Key features - attached garage, deck, and yard
- Inclusions - stainless steel appliances

Once you identify your wish list, I will email you properties based on your search criteria listed.

STEP 3: VIEW PROPERTIES

After filtering through the listings I have sent you and narrowing down which properties to see in person, it is now time to schedule showings. I advise seeing only between 3-4 properties within a day as seeing too many homes within one session can be very overwhelming and blur together.

HomeRun



A perfect home is one that meets all your needs and matches your current lifestyle.

Do not try to stretch yourself too thin by buying a home that is too big, even if you are pre-approved for it! A home is to be a blessing and not a curse. You want to own the home and not have the home own you.





STEP 4: MAKE AN OFFER

While at times it can be difficult to pull the trigger, beware that the good homes move quickly and I don't want you to miss out on the opportunity and end up becoming discouraged. Once we have found the right home and you said "YES to the Address," it is time to propose... I mean, make your first offer! **When writing an offer to purchase, the following terms and conditions will require your input:**

Conditions: stipulations that serve as an impediment to an enforceable contract until they are satisfied or waived.

Terms: additional specifications or details that are added to a contract.



1) Purchase Offer Price

2) Possession Date

This is the day that your escrow officer will forward the purchase funds to and the transfer of ownership will be made in your name.

3) Inclusions & Exclusions

Inclusions are items not physically attached to the home like appliances, bar stool chairs, shed, hot tub, etc. Likewise, exclusions are items not included with the purchase of the home and are to be removed before possession.

4) Earnest Money & Due Date

- Your earnest money is a piece of your down payment that is submitted with your offer to purchase and signifies how serious you are about purchasing a property in good faith.
- Your earnest money should be readily available since it needs to be delivered to the Title company by the 3rd business day of your executed contract.
- If you fail to submit the earnest money by its due date, by whatever method (e-transfer, wire transfer, cheque, bank draft) to the Title company, the seller can void the purchase contract by giving you written notice and keep the deposit.

5) Contingencies and their Due Dates

Contingencies are stipulations (with an expiry date) that serve as an impediment or hindrance to an enforceable contract until they are satisfied or waived. Usually, buyers will have 5-10 business days to satisfy their home inspection contingency. Once all contingencies are satisfied and removed, the sale of the home is firm and the purchase contract between you and the seller becomes legally binding. However, if you are not able to satisfy and remove your contingencies by the due date, the deal could be considered “dead” or your ability to cancel the contract and retrieve your earnest money back.

- Examples of conditions can include:
 - (Securing) Financing - finalization of mortgage
 - Satisfaction with Property Inspection
 - Sale of Buyer’s Property if applicable
 - Satisfaction with the Condominium Documents Review if you are purchasing a condominium unit.

6) Final Walk-Through Date

This is also referred to as a pre-possession inspection, where you can revisit the property with your Realtor® typically 24-72 hours before taking possession. Its purpose is to confirm whether any requested repairs by the seller have been completed as agreed upon in writing and there are no new issues.

7) Date and Time for Acceptance/Expiration of Offer

This term creates a sense of urgency for the seller to give a response to your offer and also removes the need to formally withdraw the offer. After submitting your offer to purchase, the sellers can outright accept, reject, or counter your offer. This strategy works best in a Buyers Market.



Conditional Offer: a written purchase contract with stipulations that must be met within a specified period of time in order for the real estate transaction to become firm. These conditions can include financing, a satisfactory home inspection, the sale of the buyer’s home, and/or a condominium document review.

Conditional Sale: the seller has accepted a buyer’s conditional offer.

Backup offer: when a buyer submits an offer to purchase a property that is conditionally sold. *See *Conditional Sale*.

STEP 5: SATISFY CONDITIONS

Once you have an accepted offer and both parties to the contract are satisfied with the negotiated conditions and terms, the home is considered “conditionally sold.” Henceforth, in order to have a “firm sale,” you need to satisfy and remove all conditions placed within 5–10 business days.

FINANCING

If you have included a financing condition in your offer to purchase, you need to finalize and confirm your mortgage before removing this condition. Your Mortgage Specialist or Broker will require a copy of the purchase contract and MLS® property details.

APPRAISAL

An appraisal is a formal property valuation that may be required by your Mortgage Lender. Lenders rely on the appraisal report to understand the value of their collateral. This educates them on how high their loan amount should be, so they do not exceed their loan-to-value ratio, which helps lenders make sure they are not overextending the loan amount and lending too much on what the home is actually worth. The cost of the appraisal can range from \$300-\$600. Typically, the buyer pays for the appraisal before the appraisal is ordered. Once it has been ordered the appraiser has up to 10 business days to submit the report back to your mortgage lender.

HOME INSPECTION

It is important to remember that no home, whether pre-owned or newly built, is perfect, which is why I highly recommend a professional home inspection. While homes may look beautiful on the surface, sometimes upon a more thorough assessment there can be concerns and issues that could be costly to you. Obviously, with a pre-owned home, there will always be normal wear and tear, but home inspections will allow you to identify issues that won't be identified via a walk-through. That said, if any deficiencies occur, we can then negotiate these defects with the sellers and their Realtor® to either discount the purchase price or fix the known issues. The inspection is also an excellent learning opportunity as you will learn the ins and outs of your home and have a thorough understanding of how to properly maintain it.



FINAL WAIVERS

If all conditions are met and satisfied (on or before the condition's expiry date), we will then submit a written notice for satisfaction of conditions to the seller's Realtor®. When this happens, the sale of the home becomes firm and you are legally obligated to proceed with the real estate transaction. However, if conditions are not met and satisfied, we will then submit a written notice for termination of the contract, and the purchase contract is considered a "dead deal," meaning you are allowed to back out of the real estate transaction and your deposit will be returned.



On the contrary, if you satisfy and remove your conditions, and end up not proceeding with the purchase, you could lose your deposit you made with the initial purchase contract and may be subject to legal action by the seller.



STEP 6: CONVEYANCE OF DEAL

Once all conditions are satisfied and removed, the purchase contract, waivers, and written amendments (if any) are conveyed to the escrow officer.

Before possession, all paperwork will be finalized. On closing day you will need to bring a valid photo ID, and certified funds for your closing costs if you do not plan to wire the funds in advance. Between your escrow officer and Mortgage Lender will discuss and go over all the legal documents with you regarding:

- any possible restrictions or caveats registered against the property,
- discuss closing costs,
- disbursements & property tax adjustments,
- your mortgage contract documents (if obtaining a mortgage),
- and have you sign the documents to transfer the property's title to you after your escrow officer advances the purchase funds to the seller.



STEP 7: POSSESSION

FINAL WALK- THROUGH

As mentioned in Step 4, we will do a final walk-through 24-72 hours prior to possession. During the walk-through, you will want to ensure that the property is in the condition it was when you submitted the offer to purchase and confirm your findings with your escrow officer. Any additional inclusions that have been agreed to in the purchase contract should be in place. If any inclusion is missing or if a term in the contract has not been fulfilled, we will need to contact your lender and the seller's Realtor® immediately to rectify the situation.

CLOSING & POSSESSION OF PROPERTY

On the day of possession, your escrow officer will disburse the purchase funds to the seller and transfer the title of ownership in your name. In addition, after everyone has signed, I will also receive a call from the Title company confirming that funds have been received by the sellers and that the keys are indeed releasable. In the event of any unforeseen delays, it is strongly advised to not book moving trucks on the same day of closing. With that said, the final step is to meet up and hand you the keys to your home.

Congratulations

YOU ARE OFFICIALLY A

H O M E O W N E R



Home Buying Sins

THE 10 COMMANDMENTS

What not to do when waiting to close on a real estate transaction...

The excitement of finding a home you love and being able to purchase it can be a dream come true. While this is an extraordinary achievement, you are not necessarily out of the woods until you have legal possession of the property.

If you are in the process of obtaining a mortgage loan, you do not want to commit any of these home buying "sins" because it will sabotage your financial credit. In the eyes of your lender, performing any of these actions can critically affect your financial assessment and responsibility.

In the worst-case scenario, you could lose your mortgage agreement and the entire real estate deal could collapse.

Do not change jobs or quit your job.



Do not buy or lease a new vehicle.



Do not change banks.



Do not cosign a loan for anyone.



Do not rack up credit card debt or fall behind on any payments.



Do not open a new line of credit.



Do not spend the money you have set aside for closing costs.



Do not close any credit accounts.



Do not buy furniture yet.



Do not move money around by making large deposits, withdrawals or transfers.



Moving Checklist

A SMART MOVE STARTS HERE

✓ 3-6 Weeks Prior to MOVE

- Make an inventory of everything that needs to be repaired, moved, left behind, donated or thrown away
- Find, get quotes, & reserve moving companies and professional cleaners if you are using them
- Prepare a list of who needs to be notified of your upcoming move and change of address: *Utilities, Drivers License, Post Office, Banks/Investments, Doctors, Insurance, family, friends, business firms, personal accounts and subscriptions.*
- Purchase moving supplies/boxes or ask your family, friends, or local businesses for boxes
- If possible, start to empty out and disassemble large furniture units
- Start packing infrequently used items
- Begin cleaning out the garage, shed, attic, and storage rooms



Moving Tips for the MOVE

- Be sure to budget for moving trucks, cleaners, moving supplies, and meals as these expenses can quickly add up!
- Pack according to room and label boxes
- Vacuum pack your clothes! You can even do this with ordinary trash bags.
- If you have clothes on hangers, consider bundling 10 items together and use a trash bag to protect your clothing from dust and dirt when moving.
- Pack light items in big boxes and heavy items in small boxes
- If possible cut handles into boxes so they are easier to carry

✓ 2 Weeks Prior to MOVE

- Plan meals to use up refrigerated food

- Gather and clean outdoor furniture
- Change address with post office and get mail forwarding
- Cancel memberships if you are moving far away (ie. gym)
- Arrange Cut-off/Activation dates for utility companies/services:
 - Telephone/Cable/Internet
 - Gas/Electricity/Water/Garbage
 - Security
 - Insurance (Life/Home/Car)

✓ 1 Week Prior to MOVE

- Defrost your freezer & empty ice maker
- Clean fridge, microwave, stove top/oven
- Confirm travel/moving arrangements
- Pack a suitcase for each family member with clothes and toiletries to get through the first few days.
- Prepare an Essentials Box:
 - Toilet paper, paper towel or kitchen cloths
 - Soap, disinfectant spray or wipes
 - Snacks, coffee, tea
 - Kettle, utensils, plates, cups, pot/pan
 - Garbage bags
 - Pet food and dish
 - Flashlight, portable tool kit, first aid kit
 - Shower curtain if necessary
 - Bed sheets and blankets
 - Phone Charger
 - Important Records/Documents

✓ Day of MOVE

- Leave a note of your new address so future residents can forward any remaining mail
- Water, Heat, A/C shut off
- Lights turned off
- Windows shut and locked
- Check for items left behind
- Surrender house & mail key

REAL ESTATE GLOSSARY

- **Amortization:** the total number of years it takes to repay the entire amount of a mortgage loan.
- **Amendment:** a separate document that changes, adds or removes a previous agreed-to term in a contract.
- **Appraisal:** a formally conducted property assessment that determines an impartial estimate or opinion of value.
- **Appreciation:** the increase in value of a property over time.
- **Assessment:** the value of a property set by the local municipality for the purposes of calculating property tax.
- **Backup offer:** when a buyer submits an offer to purchase a property that is conditionally sold. *See *conditional offer*.
- **Brokerage:** the company or office licensed by the Real Estate Council of Alberta as an entity authorized to trade in real estate.
- **Buyer's Market:** property supply is strong and buyer demand is weak.
- **Chattels:** unattached goods; moveable items that are not securely fixed to the land or buildings (ie. appliances)
- **Caveat:** written legal notice registered against the title of a property warning that a claim or an interest has been made against the property by a third party.
- **Certificate of Compliance:** confirmation from the municipality that the location of the building(s), structures and development on a property comply with all regulations of the Land Use Bylaw.
- **Client:** the party in a real estate transaction that is represented by a real estate professional and has therefore employed the services of a Realtor® through a written service agreement.
- **Closing Costs:** Costs in addition to the purchase or sale of the home, such as legal fees, title insurance, disbursements and commission that are payable on closing day.
- **Comparative Market Analysis (CMA):** A method of property valuation used by real estate professionals for estimating the value of residential properties. *Is NOT an appraisal!
- **Comparable Property:** a property that has recently sold and is similar to the subject property.
- **Conditions:** stipulations (with an expiry date) that serve as an impediment to an enforceable contract until they are satisfied or waived.
- **Conditional Offer:** a written purchase contract with stipulations that must be met within a specified period of time in order for the real estate transaction to become firm. These conditions can include financing, a satisfactory home inspection, the sale of the buyer's home, and/or a condominium document review.
- **Conditional Sale:** the seller has accepted a buyer's conditional offer.
- **Condominium:** a form of property ownership that includes individual ownership of a unit and the shared ownership of common property.
- **Conflict of Interest:** a situation or circumstance that undermines the impartiality of a person.
- **Counteroffer:** One party's written response to the other party's offer during the negotiation of a real estate purchase between the buyer and seller.
- **Conventional Mortgage:** A mortgage where the loan amount does not exceed 80% of the appraised value or purchase price of the property.
- **Conveyancing:** the formal process of transferring the legal title of land and recording interests in the land from one person to another through written documentation.
- **Customer:** the party to a real estate transaction that is not being represented by a real estate professional. *See *client*.
- **Deposit:** a portion of your down payment that is included with your offer to purchase to signify how serious you are about buying the property.
- **Down Payment:** the portion of the home price that is not financed with a mortgage.
- **Easement:** a legal right to use or cross (right-of-way) another person's land for a limited purpose. (I.e. a Utility Company's right to run or lay pipe across a property.)
- **Encroachment:** An intrusion onto an adjoining property. (ie. neighbors fence, storage shed, or overhanging roofline.)
- **Equity:** a homeowner's financial interest in a property. The difference between the value of the property and the amount owing (if any) on the mortgage.

REAL ESTATE GLOSSARY

- **Estoppel Certificate:** a signed written statement from the Condominium Corporation that confirms a unit's current financial and legal status.
- **Fee Simple:** the highest estate form of land or property ownership with the most rights and with the fewest limitations (ie. restrictions imposed by the government).
- **Fiduciary Duty:** a legal duty requiring a real estate professional to act at all times in the client's best interest.
- **Foreclosure:** a legal process where the lender takes possession and ownership of a property when the borrower does not meet their mortgage obligations (ie. Defaults on payments).
- **High Ratio Mortgage:** A mortgage loan that exceeds 80% of the appraised property value or sale price. **See mortgage default insurance.*
- **Holdbacks:** a written condition that the buyer holds back some of the purchase price until the seller completes/ repairs certain items or tasks.
- **Lien:** a legal claim registered against a property to ensure payment of a debt.
- **Material Latent Defect:** a physical deficiency or construction fault in a property that is not visible or discoverable through a normal home inspection. This defect can render the property potentially dangerous or inhabitable.
- **MLS®:** stands for multiple listing service. It is a database established by cooperating real estate professionals to provide data about properties for sale in a specific location or market.
- **Mortgage:** a legal agreement specifying the pledging of real property to a lender as a security for a debt.
- **Mortgage Default Insurance:** is required for down payments of less than 20% of the purchase price which protects a lender in the event that the borrower defaults on their mortgage payments.
- **Mortgage Term:** the amount of time you commit to your mortgage rate, conditions, and details with a lender. When a term ends, you can either pay the balance or renegotiate for another term.
- **Mortgage Pre-Approval:** an agreement rendered from a formal application process for a mortgage that specifies the mortgage term, interest rate and maximum amount of the loan prior to the purchase of real estate.
- **Mortgage Pre-qualification:** a quick estimate of how much you can borrow. **See pre-approval.*
- **Multiple Offer Situation:** a situation when multiple buyers submit an offer to purchase on the same property, at the same time.
- **Patent Defect:** a physical deficiency in a property that is visible to the naked eye.
- **Principal:** the mortgage amount initially borrowed, or the portion still owing on the mortgage. Interest is calculated on the principal amount.
- **Property Inspection:** a non-intrusive examination conducted by a licensed property inspector, whose purpose is to evaluate the interior and exterior properties of a home in order to provide an opinion on the overall (working) condition of a property.
- **Rate (Interest):** the money you pay to your lender for using the funds you borrow to purchase a property.
- **Real Property:** Refers to the land, any permanent improvements to the land (ie. home), and the property rights that go with the ownership of the land.
- **RPR (Real Property Report):** a legal document an Alberta Land Surveyor prepares that clearly illustrates the boundaries of a property and the location of improvements, such as buildings, decks, garages, sheds, and fences, relative to the property boundaries.
- **Seller's Market:** buyer demand is strong and property supply is weak.
- **Terms:** additional specifications or details that are added to a contract.
- **Title:** A document that records the information about the land, such as the legal land description, municipal jurisdiction, ownership and other registered interests.
- **Title Insurance:** a form of indemnity insurance that protects and covers the loss of an interest in a property due to discovered legal defects—some issues being title-related and some being non-title-related.
- **Unconditional Offer:** a written purchase contract with no conditions attached. When an unconditional offer is accepted, the home is effectively considered sold and the real estate transaction is firm.

Ready to Sell Your Home?



KW HERITAGE
KELLERWILLIAMS REALTY

 210-960-8630

 tluna@kw.com

 www.forsalebyluna.com

 @forsalebyluna

 @for_sale_by_tracey_luna

 @traceyluna



TL TRACEY
Luna