

YOUR CASTLE
REAL ESTATE

YOUR CASTLE
REALTY

Buyer's Guide



303.962.4272 | [YOURCASTLE.COM](https://yourcastle.com)

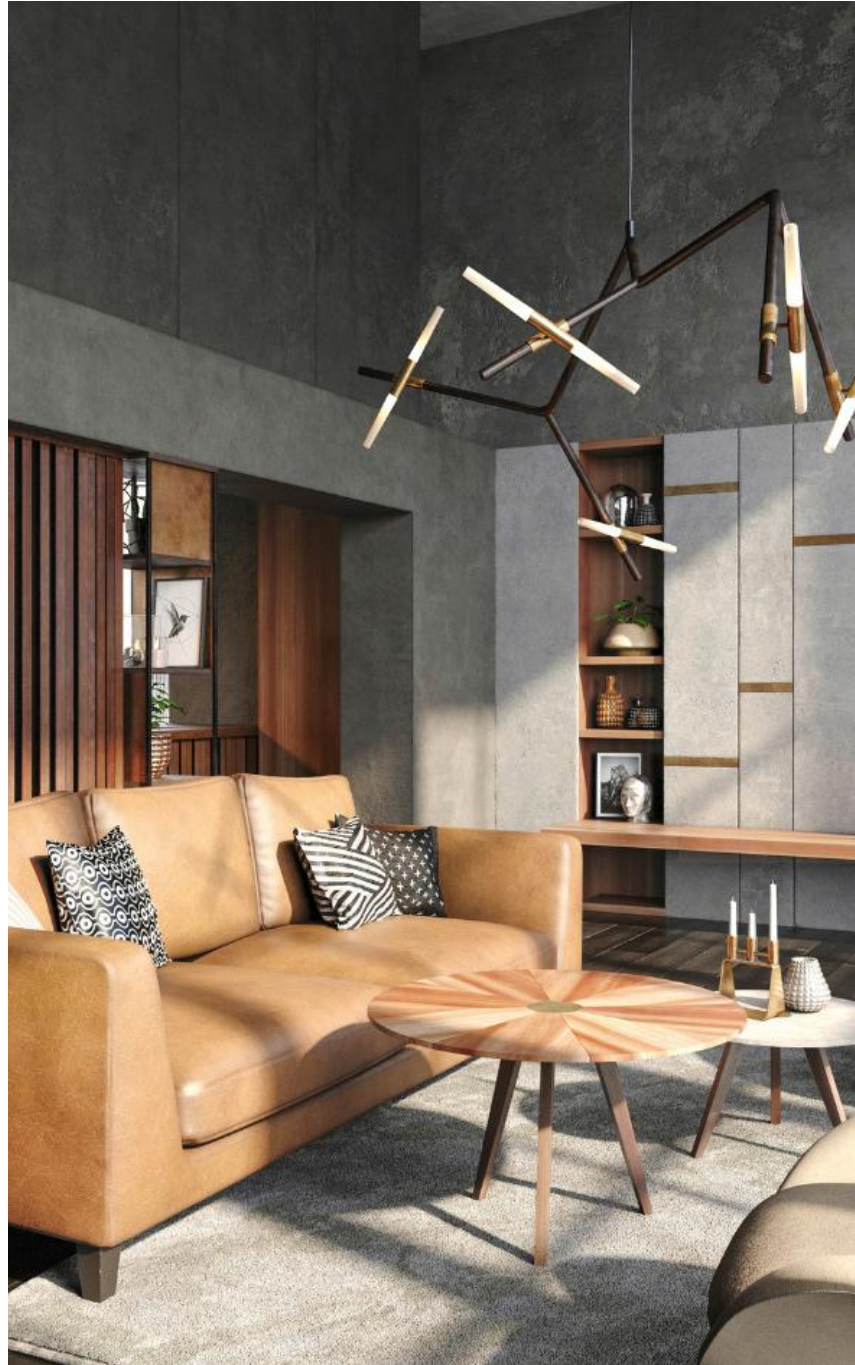
WELCOME!

Founded in 2004, Your Castle has expanded to become the largest independent real estate brokerage in Colorado, with more than 700 experienced agents.

In recent years our company has garnered recognition in several publications, both nationally and locally, including in the Denver Business Journal and Inc. 5000 as one of the Fastest Growing Private Companies.

At every step of a transaction, our Managing Brokers stand ready to offer professional guidance to our agents, ensuring a seamless home purchase from start to finish. Whether they need help with negotiations, contract questions, or state compliance issues, our Managing Brokers go above and beyond to make sure our agents can handle what comes their way.

Your Castle also conducts in-depth market research, and provides our team with continuing education and training. Buyers today need a reliable guide to help them distinguish fact from fiction, and to learn how market conditions affect their next purchase. Trust Your Castle to be that guide. We will champion your interests, and help you secure the best possible outcome from your home purchase.



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AWARDS AND RANKINGS

OUR COMPANY STANDS ABOVE THE REST

■ 2026 >>>

TOP RANKED NON-FRANCHISE FIRMS IN COLORADO : #2

TOP OFFICE (201+ AGENTS) BY PRODUCTION AND SIDES : #1

TOP 500 RANKING BY SALES VOLUME : #159

TOP 500 RANKING BY NUMBER OF DEALS : #201

LARGEST INDEPENDENT REAL ESTATE COMPANY : #46

TOP RANKED BROKERAGE FIRMS IN COLORADO BY VOLUME: #8

TOP RANKED BROKERAGE FIRMS IN COLORADO BY TRANSACTIONS : #3

■ 2025 >>>

TOP RANKED NON-FRANCHISE FIRMS IN COLORADO : #1

TOP OFFICE (201+ AGENTS) BY PRODUCTION AND SIDES : #1

TOP 500 RANKING BY SALES VOLUME : #160

TOP 500 RANKING BY NUMBER OF DEALS : #189

LARGEST INDEPENDENT REAL ESTATE COMPANY : #44

TOP RANKED BROKERAGE FIRMS IN COLORADO BY VOLUME: #7

TOP RANKED BROKERAGE FIRMS IN COLORADO BY TRANSACTIONS : #4

■ 2024 >>>

TOP RANKED NON-FRANCHISE FIRMS IN COLORADO : #1

TOP OFFICE (201+ AGENTS) BY PRODUCTION AND SIDES : #2

NATIONAL VOLUME RANKING : #150

NATIONAL SIDES RANK : #195

LARGEST INDEPENDENT REAL ESTATE COMPANY : #63

TOP RANKED BROKERAGE FIRMS IN COLORADO BY VOLUME: #7

TOP RANKED BROKERAGE FIRMS IN COLORADO BY TRANSACTIONS : #4



Should I Use An Agent?

Yes, It Is Important to Have Representation

There are several important reasons why you should use a Buyer Broker when trying to purchase a home — namely because competent, experienced Real Estate Brokers provide consumers with the best possible chance of finding their home on their own terms.

EXPERTISE: A Buyer Broker is an experienced professional who specializes in representing Buyers in real estate transactions. They have a deep understanding of the local market, current market conditions, and the latest trends in the industry. This expertise can help Buyers make informed decisions and avoid costly mistakes.

LEGAL DOCUMENTATION: Buying a home includes a number of state approved documents that get executed during the transaction. Trying to navigate these documents without professional guidance may cause an unrepresented Buyer to fall short of their obligations and possibly be costly. Thankfully, Real Estate Brokers have the knowledge to navigate all of this documentation saving a Buyer from a great deal of stress and worry.

NEGOTIATION SKILLS: A Buyer's Broker has strong negotiation skills and can help Buyers get the best possible deal. They can negotiate with the Seller and their Broker on behalf of the Buyer and ensure that all aspects of the transaction are fair and favorable.

SUPPORT & GUIDANCE: Buying a home can be a complex and stressful process. A Buyer Broker can provide support and guidance throughout the entire process, from searching for properties to closing the deal. This can help Buyers feel more confident and comfortable throughout the process.

PROFESSIONAL NETWORK: A Buyer Broker has a network of professionals, including home inspectors, appraisers, and lenders, who can help facilitate the home buying process. This streamlines the process and makes it more efficient.

Overall, using a Buyer Broker can provide many benefits and can help make the home buying process smoother, more efficient, and less stressful. *I look forward to helping make your buying process a smooth and successful one!*

There are three types of Agent representation relationships between the parties involved:

BUYER'S AGENT: A Buyer's Agent works solely on behalf of the Buyer to promote the interests of the Buyer with the utmost good faith, loyalty, and fidelity. The Buyer's Agent negotiates on behalf of, and acts as an advocate for, the Buyer.

SELLER'S AGENT: A Seller's Agent works solely on behalf of the Seller to promote the interests of the Seller with the utmost good faith, loyalty, and fidelity. The Seller's Agent negotiates on behalf of, and acts as an advocate for the Seller.

TRANSACTION BROKER: A Transaction Broker assists the Buyer, Seller, or Both throughout a real estate transaction, without being An Agent or Advocate for any of the parties.

71 Ways I Add Value as Your Buyer's Agent

UNDERSTANDING YOUR WANTS AND NEEDS

1. I will learn your wants and non-negotiable needs.
2. I will understand your budget, I recommend meeting with a lender beforehand.
3. I will help you understand what properties fit within your chosen budget.
4. I will provide access to quality lender resources if necessary.
5. I will discuss with you the timeline for house hunting, mortgage approval, and closing.

MARKET KNOWLEDGE

6. I will show and explain market stats so you can make informed decisions.
7. I will show statistics on what percentage of list price sellers in the area are receiving.
8. I will share with you the current average days on the market.
9. I will share the current listing months of market inventory and how it impacts the buying process.
10. I will provide available resources to learn more about prospective neighborhoods
11. I will discuss with you the dangers of using the price per square foot to figure home values.
12. I will provide resources containing neighborhood information on municipal services, schools, etc.
13. I will provide information to resources so you can check applicable zoning and building restrictions.

NEGOTIATION AND ADVOCACY

14. I will schedule showings and show you properties as soon as they are available.
15. I will collaborate with you on properties you have viewed.
16. I will research and assist with finding off-market properties.
17. I will preview properties prior to showing to you if needed.
18. I will network with other agents to source properties not yet in their local MLS broker marketplaces.
19. I will contact homeowners in focus areas to see if they are considering selling.
20. I will set up an automated email alert system that immediately notifies you of properties that fit the discussed requirements.
21. I will arrange a tour of areas, schools, and key points of interest. (if needed)
22. I will help you understand property tax information, recommending you contact the County if necessary.

SHOWING & FINDING PROPERTIES

23. I will explain brokerage relationships: Seller's Agent, Buyer's Agent, Transaction Broker, and Customer. Explain why you need representation.
24. I will discuss negotiation strategies.
25. I will educate you using a sample sales contract, so you are prepared when it comes time to make an offer, including explaining disclosures.
26. I will provide you with comparable sales in advance of making an offer.
27. I will advise you on how to have the most attractive offer in the current marketplace.
28. I will always disclose all known material defects.
29. I will fully explain the contract terms to you.
30. I will explain common contract contingencies and include approved protective clauses in the purchase offer.
31. I will educate you on how to navigate a multiple offer scenario.
32. I will explain optional contingencies and the pros and cons of using them.
33. I will negotiate your offers to arrive at terms that are acceptable to you.
34. I will advocate for you throughout the entire process.



MANAGING THE UNDER CONTRACT PROCESS

35. I will confirm you understand how to timely deliver the earnest money to the earnest money holder (typically the title company).
36. I will track contract deadlines with you, including all contingencies.
37. I will assist in coordinating communications (Title, Lender).
38. I will ensure you receive and understand all required disclosure forms.
39. I will, if needed, provide you with a list of inspectors, title companies, appraisers, mortgage lenders, and other services.
40. I will attend your home inspection with you.
41. I will review and discuss home inspection concerns and assist you in preparing an Inspection Objection if needed.
42. I will assist in negotiating repairs from the home inspection to arrive at a resolution.
43. I will confirm any surveys or ILCs have been ordered if applicable.
44. I will assist you in resolving any issues if a survey reveals an unsatisfactory condition.
45. I will confirm the appraisal has been ordered.
46. I will assist you in objecting to the appraised value if it is below the contract price.
47. I will confirm the title commitment has been ordered.
48. I will explain the purpose of title insurance to you and refer you to a qualified attorney or title representative to answer any questions.
49. I will assist you in objecting to any unfavorable items in the title commitment.
50. I will confirm all Owners Association Documents are delivered to you.
51. I will assist you in understanding your options if the Owners Association Documents reveal an unsatisfactory condition.
52. I will confirm all Due Diligence Documents are delivered to you.
53. I will assist you in resolving any unfavorable items in the Due Diligence Documents.
54. I will review all contract items and addendums for agreed terms.
55. I will educate you on contract deadlines regarding insurance.

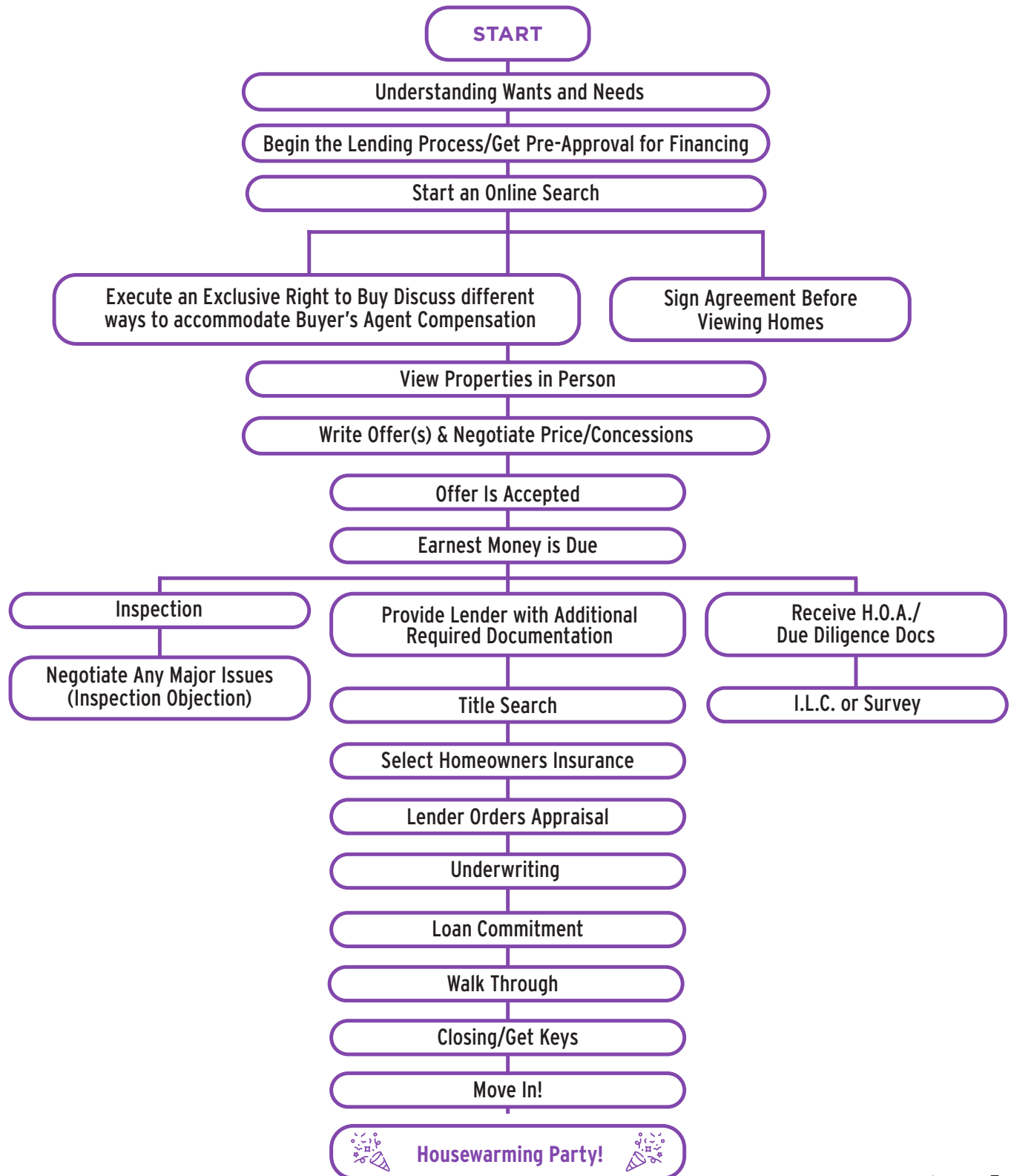
FINALIZING THE PURCHASE AND CLOSING

56. I will schedule the final walk-through.
57. I will accompany you on the final walk-through to verify that all repairs have been completed.
58. I will explain wire fraud risks and remind you to verify all wiring instructions before transferring funds.
59. I will request final closing figures from the closing agent.
60. I will gather all required forms and documents for closing.
61. I will review documents with the closing agent.
62. I will receive and carefully review closing figures to ensure accuracy.
63. I will review the settlement statement with you.
64. I will ensure all parties have the forms and information needed to close the sale.
65. I will confirm clear-to-close with the lender.
66. I will confirm the status of loan funding with the title company.
67. I will schedule your closing time and remind you of the location where the closing will be held.
68. I will confirm the closing date and time and notify you if there are changes.
69. I will verify all tax, homeowners' association dues, utility, and applicable prorations, if relevant.
70. I will remind you to transfer utilities to your new residence.
71. I will support you in any final closing activities.

Disclaimer: This is not a service guarantee. Not all the above-listed items apply to every transaction. Please discuss with me for details and more information.

The Home Buying Process

A Quick Reference Flowchart About How The Process Works



WHAT KIND OF BUYER ARE YOU?

Explore The Various Loan Options Available

Understanding each loan and its implications for you as a buyer is crucial. Many buyers have misconceptions about down payments, eligibility, and overall home-buying costs. The following information clarifies what costs to expect when purchasing a home and the qualifications needed for eligibility.

Remember, it's in your best interest to speak with multiple mortgage lenders to compare costs, including closing costs, points, fees, and interest rates, as these all affect your overall mortgage payment. Most lenders offer a free consultation to discuss your short- and long-term mortgage goals. After completing your application and determining your eligibility, the lender will provide a "Pre-Approval Letter" or a "Pre-Qualification Letter." This document is necessary to view properties in person.

MOST COMMON LOANS AND TYPES OF BUYERS

Federal Housing Assistance (FHA), Veteran Affairs (VA), Conventional & Non-Qualified Mortgage (Non-QM) Loans

Loan Types Defined

FEDERAL HOUSING ADMINISTRATION (FHA) BUYER

FHA loans are insured by the Department of Housing and Urban Development (HUD), allowing lenders to offer better deals, such as low down payments, low closing costs, and lower credit requirements. These loans are ideal for first-time home buyers. Borrowers need a minimum credit score of 580 with a 3.5% down payment or a score of 500 with a 10% down payment. Down payment assistance programs, such as the Colorado Housing and Finance Authority (CHFA), are available to help with upfront costs. Remember, lenders often have their own credit requirements for FHA loans, so it's crucial to shop around and compare terms.

VETERAN AFFAIRS (VA) BUYER

The VA loan is a government-backed loan exclusively available to active-duty service members, veterans with discharges other than "dishonorable," and National Guard and Reserve members with an "honorable" discharge. No down payment is required if the home appraises for the sales price. The VA funding fee, a percentage of the sales price, can be waived if eligible or wrapped into the loan to avoid upfront costs. While the VA has no minimum credit score, lenders usually have their own credit and income requirements. It's essential to shop around for the best terms. For more information, download our VA Buyer's Guide.

CONVENTIONAL BUYER

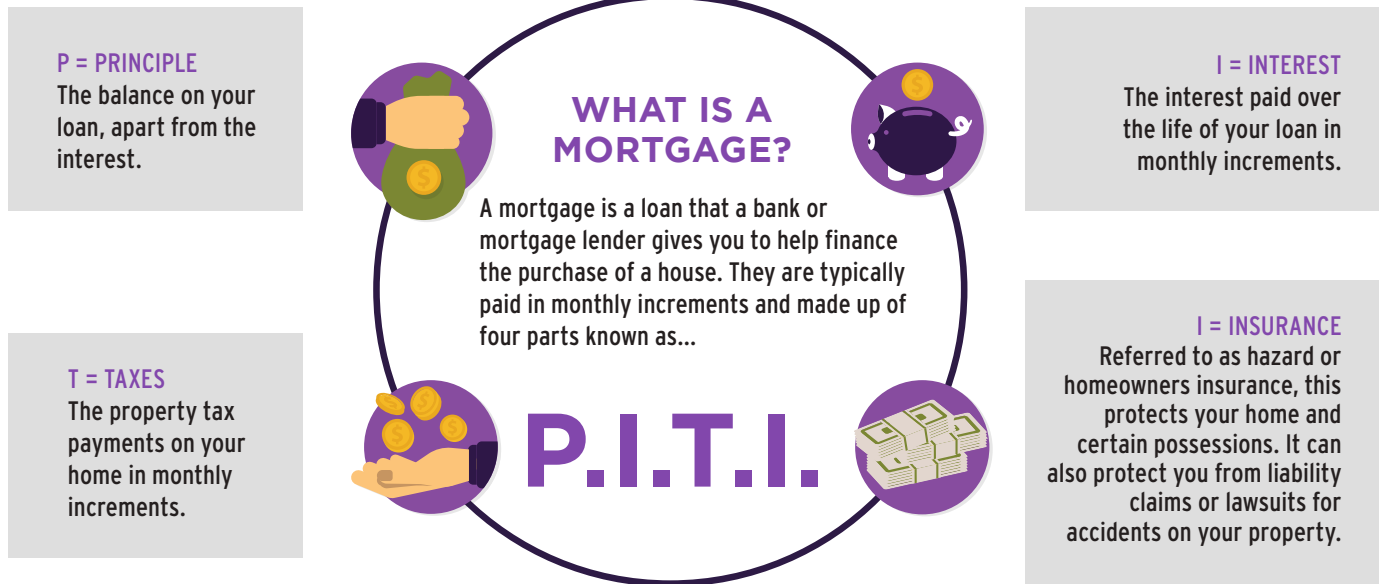
Conventional loans are guaranteed by government-sponsored enterprises (GSEs) like Fannie Mae and Freddie Mac, which reduces the lender's risk and makes the loans more affordable for borrowers. To qualify for a conventional loan, you generally need a credit score of at least 620 and a debt-to-income ratio of 50% or lower. These loans often come with the option of a 30-year fixed rate.

NON-QUALIFIED MORTGAGE (NON-QM) BUYER

Non-QM loans are for borrowers with unique qualifying circumstances and do not meet the standards of a qualified mortgage. These loans use non-traditional methods of income verification and are suitable for self-employed individuals, borrowers with significant assets, real estate investors, etc. Non-QM loans have their own underwriting guidelines to assess the borrower's financial status, credit, and ability to repay the loan. Various Non-QM loan products are available, including bank statement loans, jumbo loans with 10% down, no income investment loans, asset-based loans, foreign national loans, interest-only loans, recent credit event loans, and commercial rental property loans.

Basics of Financing

Terminology Used in The Mortgage World



The components of **P.I.T.I.** make up your main housing expenses each month. You will also need to factor in the following possible monthly costs when estimating your budget.

PRIVATE MORTGAGE INSURANCE (PMI)

PMI is a form of insurance required when a home buyer takes out a conventional mortgage loan for more than 80% of the home's total value. This added insurance protects the lender against loss if the borrower defaults on the loan.

MONTHLY MORTGAGE INSURANCE

Homeowners with a Federal Housing Administration (FHA) loan, which only calls for a 3.5% minimum down payment, are required to pay monthly mortgage insurance—even if they make a larger down payment.

HOMEOWNERS ASSOCIATION (H.O.A.) FEES

An HOA is an organization that enforces covenants and rules for a community, and maintains shared property such as open spaces, parks, and community pools. If you buy a home in a community with a homeowner's association, you will become a member of that H.O.A., and will become responsible for any H.O.A. fees.

ADDITIONAL TAXES

Check to see if the home you want to buy is located in a special taxing district or metropolitan district, sometimes called a Community Facilities District (C.F.D). Property owners in these districts pay additional taxes to fund public improvement projects such as schools, parks, and road maintenance.

Sample Letter

What A Lender Pre-Qualification Might Look Like

threepoint

October 1, 2025

Re: Benjamin Rabier and Victoria Wozniak Loan Pre-Approval

Dear Ben and Victoria,

Threepoint Mortgage appreciates the opportunity to work with you on your proposed loan. Based on the information you have provided on your loan application, Threepoint Mortgage is pleased to inform you that you are pre-approved for a loan as outlined below.

*Your actual rate, payment, and costs could be higher.
Get an official Loan Estimate before choosing a loan.*


Loan Term	30 Year
Loan Type	Conventional
Qualifying Interest Rate	4.000% estimated
Maximum Loan Amount	\$500,000
Maximum Mortgage Payment	\$2,079
Maximum Sales Price	\$604,000

This letter is a preliminary opinion only, is not a guarantee in fact or a full loan approval, and is subject to interest rate movement and program availability. The information you have disclosed in your application regarding your current income, assets, liabilities, debt service, and creditworthiness will all be verified and an appraisal of the property will be performed. Based on successful verification of this information, your application will receive a full appraisal and credit underwriting to the qualifying guidelines of the loan you have chosen and a final credit decision will be rendered by a corporate underwriter.

You will be notified in separate documents from this letter whether your interest rate is locked and for what period of time, or that your interest rate is floating. If your interest rate is locked, you must close within the allotted time period. If you do not close within that time period, or if your interest rate is floating, any increase in your interest rate from the interest rate noted above may adversely impact your ability to qualify.

This pre-approval is based on your maintaining your current income, assets, liabilities, debt service, and credit-worthiness as disclosed in your application through the time of closing. Any adverse change or change in any of the above information or the information contained in your loan application will void this pre-approval letter.

Once again, thank you for choosing Threepoint Mortgage for your home purchase. A copy of this letter will be e-mailed or faxed to your real estate agent. Please feel free to contact me if you have any further questions or concerns.

Respectfully,

Michael Stone
Branch Manager & Loan Originator
NMLS #1230023 CO LMS #1000000000
Threepoint Mortgage
888.888.3004 ext
mstone@threepointmortgage.com

Threepoint Mortgage 11550 Grant St. Northglenn, CO 80233 NMLS # 2364234

HOME BUYING Guide



YOUR CASTLE
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Brainstorming for Buyers

Things to Consider When Buying a Home

WHAT IS YOUR IDEAL HOME TYPE?:



Single Story



Two-Story



Condo or Town home



Land

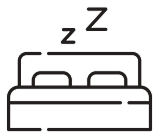


Other

WOULD YOU PREFER TO LIVE IN:

An Existing Home or New Construction?:

NUMBER OF BEDROOMS:



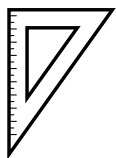
- 1 Bedroom 4 Bedrooms
 2 Bedrooms 5+ Bedrooms
 3 Bedrooms

NUMBER OF BATHROOMS:



- 1 Bathroom 2.5 Bathrooms
 1.5 Bathrooms 3/3.5 Bathrooms
 2 Bathrooms 4+ Bathrooms

SQUARE FEET:



- < 1,000 2,001 - 2,500
 1,000 - 1,500 2,501 - 3,000
 1,501 - 2,000 3,000+

PARKING SPACES:



- Off-Street 3 Spaces
 1 Space 4 Spaces
 2 Spaces 5+ Spaces

Neighborhood and community features: _____

Do you have a preferred floor plan? _____

Property condition (Move-in Ready vs. Fixer Upper): _____

What are things you like and dislike about your current home? _____

Have you bought a home before? If so, what did you like, dislike, or would change? _____

Location Brainstorming

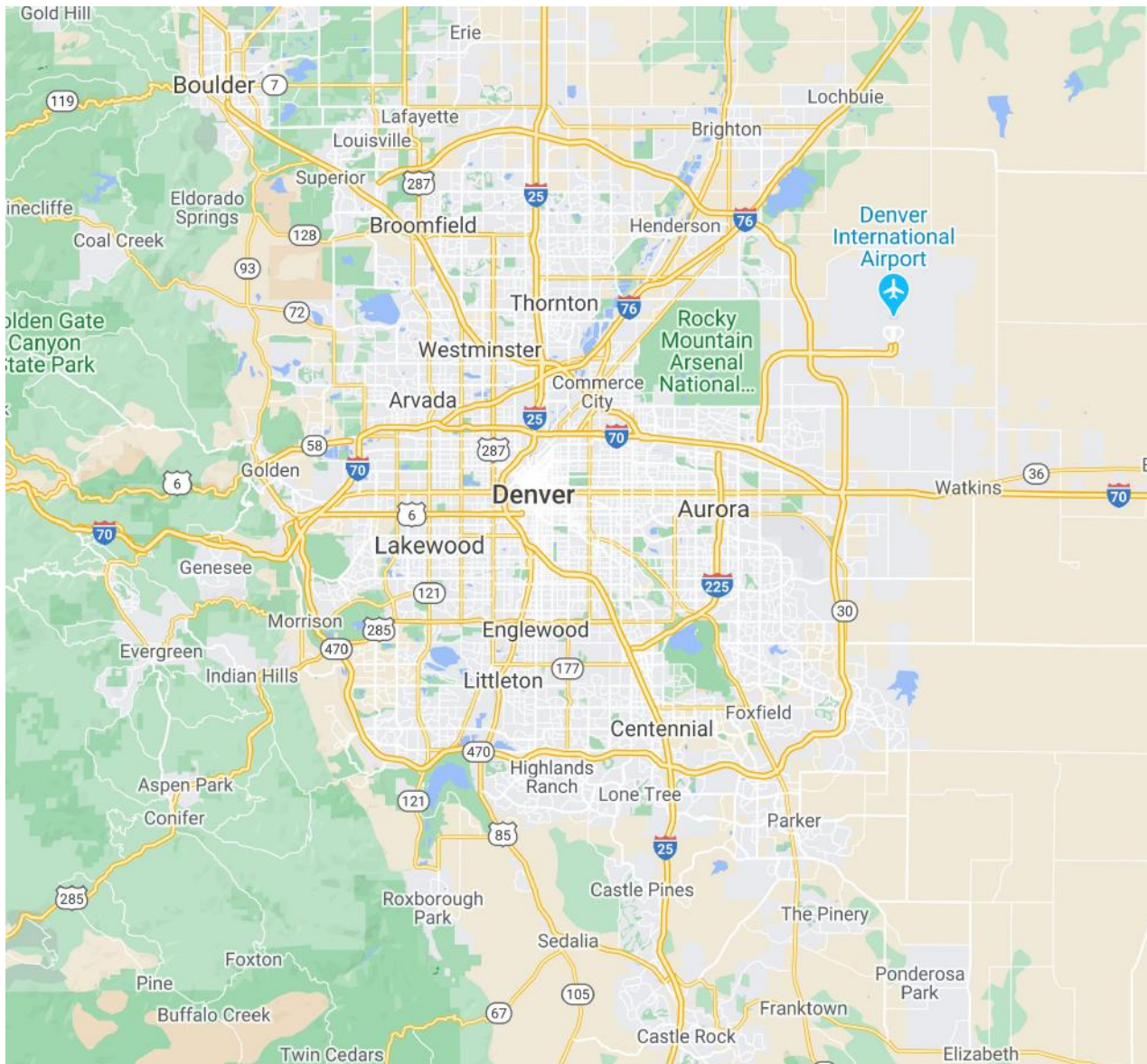
These Key Locations Will Help You Decide Where to Start Looking!

PRIMARY CONCERNS:

- Add an **“H”** where you live now
- Add a **“W”** where you work
- Add **“X”**s where you want to live!

SECONDARY CONCERNS:

- Add **“F”**s where your friends live
- Add **“P”**s where you hang out/play
- Add an **“!**” at other important locations



House Hunting

Strategies for discovering your perfect home.

EXPLORE THE AREA

Explore neighborhoods of interest to gauge the environment, home upkeep, traffic patterns, and more.

SEEK RECOMMENDATIONS

Reach out to family, friends, and colleagues for potential leads on homes for sale, including off-market opportunities.

STAY FLEXIBLE

Finding your ideal home can be challenging. Maintain a list of priorities but remain open-minded during home viewings.

TAKE NOTES AND PHOTOS

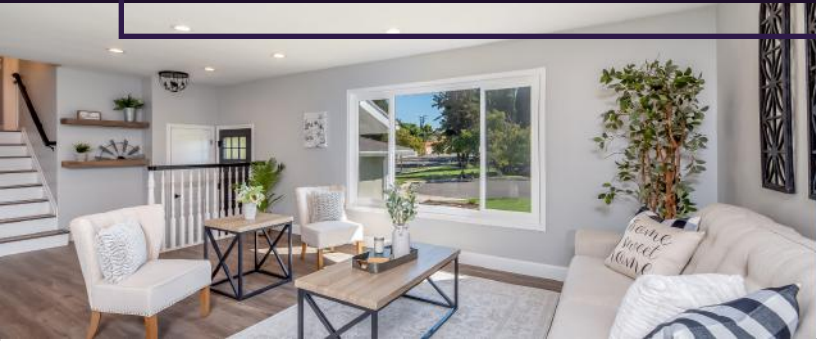
Capture details during home visits with photos and notes to aid in comparing properties later on.

PREPARE TO MAKE AN OFFER

Be prepared to swiftly submit a competitive offer when you find a home of interest, as other buyers may also be interested.



The Offers



Price is just one consideration among many when making an offer. Other factors include the current market conditions—whether it’s a buyer’s or seller’s market—affecting how competitive your offer needs to be.

Contingencies: In a seller’s market, fewer contingencies and shorter timelines strengthen your offer.

All Cash Buyer: Cash offers are often preferred as they bypass loan approval processes.

Pre-Approval: Demonstrates to sellers that you can secure financing for the home.

Loan Type: Conventional, Federal Housing Administration (FHA), and Veterans Administration (VA) loans.

Closing Timeline: Aligning with the seller’s preferred closing date can be crucial.

Closing Costs: Negotiating these costs, especially in a buyer’s market, is common.

Repair Requests: Addressing needed repairs either through seller fixes or negotiated credits.

Offer Price: Ultimately, the price should reflect the home’s market value based on a Comparative Market Analysis.

Offer Accepted! - Now What...

Once the seller has accepted your offer, both parties sign a sales agreement and you’re officially under contract.

Deposit in Escrow: Your earnest money deposit goes into a neutral escrow account managed by a title company or bank. It’s held until closing, where it’s applied to your down payment.

Schedule Home Inspection: Recommended to ensure the home’s condition matches expectations. Typically done within 10-14 days of signing the sales agreement.

Negotiate Post Inspection: Address any significant issues found during inspection by renegotiating terms—repair requests, price adjustments, or withdrawing from the deal.

Complete Mortgage Application: Finalize your loan application and secure your interest rate. Additional documentation may be required by your lender.

Order Appraisal: Your lender requires an appraisal to verify the home’s value relative to the loan amount, considering factors like location, size, and condition.

Obtain Property Insurance: Secure home insurance to satisfy lender requirements prior to closing.

Dates, Deadlines, & Earnest Money

Dates, Deadlines & earnest money

EARNEST MONEY

The earnest money deposit is placed in an escrow account managed by a neutral third party (typically a title company or bank) who holds it during the escrow period. They oversee all funds and documents required for closing. The earnest money demonstrates the buyer's good faith and commitment to purchasing your home.

How to Determine Earnest Money

Earnest money is negotiable for buyers, but we can request any amount listed on the MLS. Typically, it is 1% of the sales price. In a seller's market, you might expect higher earnest money, whereas in a buyer's market, it could be less. Regardless of the amount, earnest money demonstrates the buyer's serious intent to purchase.

BUYER'S INSPECTION

The buyer has the right to inspect your home to ensure it meets their standards and is in safe, satisfactory condition. Inspections usually occur within seven days of the agreement. It's advisable to leave the home during this process. Inspections can be general, covering the whole house, or specialized, such as for radon, termites, wells, septic systems, and sewer systems. If the home does not meet the buyer's standards, they can terminate the contract.

Inspection Objection/Resolution

An Inspection Objection occurs when buyers request certain repairs before proceeding with the purchase. This leads to negotiations about these items. Our goal is to identify the most important repairs to the buyers to avoid contract termination. If you can't afford the repairs, a contractor can often do them and be paid at closing, or you can reduce the purchase price. Once resolved, an Inspection Resolution is drafted. Agreed repairs should be completed no later than two days before closing, with receipts provided to the buyer.

APPRAISAL

The buyer's lender will require an appraisal to confirm the home's value. This appraisal is for the buyer and lender only, and the results are not shared with the seller. The lender might request repairs based on the appraisal. If these repairs are not made, the buyer may not secure their loan. Sometimes, buyers may agree to make repairs themselves. A re-trip fee may be charged by the lender to verify the completion of repairs, payable by either the buyer or seller.

Preparing for Appraisal

The general appearance of your home can impact the appraiser's evaluation. Ensure your home is tidy inside and out. Mow the lawn, trim bushes, and clear debris. Fix peeling paint, cracked bricks, damaged gutters, and siding. Repair or replace torn screens, broken door knobs, worn-out carpet, and faulty plumbing and light fixtures. Ensure all appliances are in working order.

Get A Home Inspection

It is your responsibility to be an informed buyer. Be sure that the home you buy is satisfactory in every respect. You have the right to carefully examine the property with a qualified home inspector.



A home inspector is a "generalist" and is knowledgeable across multiple fields. If you're concerned about a specific issue, you may want to hire a "specialist" to look at areas like the sewer, roof, HVAC, plumbing, foundation, radon, etc.

WHY A BUYER NEEDS A HOME INSPECTION

A home inspection gives buyers detailed information about the overall condition of a home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- Evaluate the physical condition - structure, construction, sewer line, and mechanical systems
- Identify items that need to be repaired or replaced
- Estimate the remaining useful life of major systems, equipment, structure, and finishes

RADON GAS TESTING

The U.S. Environmental Protection Agency, the Surgeon General, and the Colorado Dept. of Public Health & Environment strongly recommend that all home buyers have an indoor radon test performed before purchasing residential real property, and recommend having the radon levels mitigated if elevated radon is found. Sellers are required to provide buyers with any known information on radon test results of the property. For more information, call the toll-free National Radon Information Line at 1-800-767-7236 .

FHA DOES NOT GUARANTEE THE VALUE/CONDITION OF YOUR NEW HOME

If you find problems with your new home after closing, FHA cannot give or lend you money for repairs and they can't buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Information Source: US Department of Housing and Urban Development (H.U.D.)

APPRAISALS ARE DIFFERENT FROM HOME INSPECTIONS

An appraisal is different from a home inspection. Appraisals are for lenders. Home inspections are for buyers. An appraisal is required to:

- Estimate the market value of a house
- Make sure that the house meets property standards/requirements for your loan type
- Make sure that the property is marketable

LEAD-BASED PAINT DISCLOSURE

If the home you are considering was built before 1978, it is much more likely to contain lead-based paint. Lead is a highly toxic metal that may cause a range of health problems, especially in young children. When it is absorbed into the body, it can cause damage to the brain, kidneys, nerves, and blood. There are numerous other negative affects of lead-based paint. You may want to consider a test for lead-based paint. For more health information, search Hud.gov

Home Buying Fees

Fees You Can Expect During the Buying Process

INITIAL OUT-OF-POCKET FEES



Earnest Money

Varies, 1.5% of Purchase Price
Credited to You at Closing

General Inspection Costs

Varies, \$350-\$850



FEES PAID AT CLOSING



Appraisal

Varies, \$500-\$800
Ordered After Inspection

Transaction Fee

Varies, \$269-\$499
Ask Me About This

Brokerage Compensation

Ask Me About This

Down Payment

Varies, Talk to
Your Mortgage Broker

Loan Closing Costs

Varies, 2%-4%

Cash Purchases

Varies, Title Fees

Final Steps

Before You Can Officially Call the Home Yours

INSURANCE REQUIREMENTS

Most lenders require both homeowners insurance and title insurance. Homeowners insurance protects your home and possessions against damage and theft, while title insurance protects the lender and/or homeowner from financial loss due to claims against the property's legal ownership. Policies can vary, so it's advisable to get quotes from multiple companies to compare prices, coverage, and limits.

CLOSING DISCLOSURE

At least three days before closing, lenders must provide a Closing Disclosure outlining your final loan terms and closing costs. Buyer's closing costs typically range from 2-5% of the purchase price and can include lender fees, lender's title insurance, and HOA dues if applicable.



Final Walk-through



Verify the seller has vacated the home.



Verify condition.



Confirm all debris is removed from inside and outside the home.



Check that all inclusions stated in the contract are present on the property.



Verify any inspection resolution repairs are complete.



HERE'S WHAT YOU NEED TO BRING TO CLOSING:

Updated Forwarding Address
Social Security Card
Photo Id (State ID Preferred)
Keys To The Home

Access Codes To The Home
(e.g., Security Codes)
Garage Door Opener
Mailbox Number

MAKE SURE TO ALSO HAVE:

Cashier's check or pre-arranged wire transfer to cover the remaining down payment and closing costs.

Closing on Your Home

What to Expect

TRANSFER OF FUNDS

- Payoffs to the seller's mortgage company and any lien holders
- Payments to local government for any due property taxes
- Payments to third-party service providers

COSTS TYPICALLY PAID BY THE SELLER

- Mortgage balance and penalties, if applicable
- Any claims against the property
- Unpaid assessments on the property
- Title insurance policy

TRANSFER OF DOCUMENTS

- Deed to the house
- Certificate of Title, Bill of Sale, and other real estate documents
- Signed closing instructions and/or settlement statement (HUD-1)
- Receipts for completed repairs as per the sales contract

WHAT TO BRING

- The buyer will need to bring to closing:
- A government-issued picture ID
- A cashier's check or prearranged wire transfer

TRANSFER OF PROPERTY

- Recording of the signed deed at the county courthouse by a third-party
- Post-closing agreement if the seller needs to rent back the home for a specified time frame
- Exchange of keys, garage door opener, security codes/devices, appliance manuals, etc.

Homeownership legally transfers to the new owner when the signed deed is recorded at the seller's local county courthouse.

AFTER CLOSING

Keep copies of the following for taxes:

- All closing documents
- Receipts for all home improvements

Change of Address: Your Ultimate Checklist

GOVERNMENT AGENCIES

- Change your address with the United States Postal Service at moversguide.usps.com.
- Update your address with your state's Department of Motor Vehicles and state licensing agency.
- Notify the Internal Revenue Service using Form 8822.
- Update your address with the Social Security Administration if you receive Social Security or Medicare benefits at ssa.gov/myaccount.
- Change your voter registration address at mymove.com.

FINANCIAL SERVICES

- Notify your banks and investment services.
- Inform your loan issuers.
- Update your credit card companies and retail credit accounts.
- Notify your accountant and tax advisors.

UTILITIES

- Notify your gas and electricity providers.
- Inform your water utility.
- Update your Internet, cable, and phone companies.

INSURANCE

- Notify your health, dental, and life insurance companies.
- Update your car insurance company.
- Inform your homeowners or renters insurance company.

ONLINE SERVICES

- Update your address with retail websites like Amazon Prime.
- Notify streaming services like Netflix.
- Update payment services.

PEOPLE AND ANIMAL CARE

- Inform your employer.
- Notify your doctors, dentists, and lawyers.
- Update your veterinarian.

MEMBERSHIP SERVICES

- Notify retail clubs like Sam's Club and Costco.
- Update magazine subscriptions and subscription boxes.
- Notify religious institutions.



Preparing Your Move

THE CHECKLIST

TWO MONTHS BEFORE YOUR MOVE

- Budget Planning:** Create a rough budget for your move to determine if you need financial assistance. Keep accurate records of all expenses, as many are tax-deductible.
- Hire Movers:** Call movers for estimates. Once chosen, discuss costs, packing, timing, and insurance. Make a list of your belongings. Sell, donate, or give away items you don't need.

ONE MONTH BEFORE YOUR MOVE

- Banking:** Visit your bank to inform them of your move and get recommendations for setting up accounts at your new location.
- School Arrangements:** Determine your children's new school and arrange for record transfers.
- Notify Authorities:** Inform the Department of Motor Vehicles and update your driver's license.
- Insurance & Address Change:** Notify insurance companies and send a change of address to the post office.
- Utilities:** Contact utility companies for disconnection and inquire about refunds for electricity, gas, water, sewer, trash, telephone, TV, and Internet.

TWO WEEKS BEFORE YOUR MOVE

- Safety Deposit Box:** Empty your safety deposit box.
- Personal Packing:** Pack items you will move yourself.
- Food & Refrigerator:** Clean out the refrigerator and cabinets; use up perishable food.
- Car Maintenance:** Service your car(s) for the trip.
- Furniture Layout:** Plan a layout for the movers in your new home.
- Home Maintenance:** If your home is unsold, arrange maintenance and security with your real estate agent.
- Cleaning:** Plan a thorough cleaning, including carpets & draperies.
- Tax Records:** Check with local tax assessors to ensure your records are in order.
- Vacant Home:** Arrange for snow removal/lawn care and notify police if the home will be vacant.

FINAL DAYS BEFORE YOUR MOVE

- Survival Package:** Prepare a survival package with essentials like paper plates, plastic utensils, towels, soap, toilet paper, bedding, snacks, new house keys, and items for children.
- Box Labels:** Label boxes you'll need immediately.
- Checks:** Get a cashier's check for movers and traveler's checks for expenses until new accounts are set up.

MOVING DAY

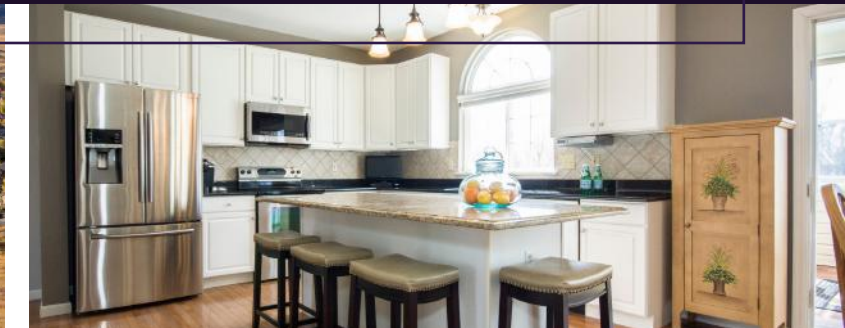
- Final Inspection:** Inspect your old home, ensuring all doors and windows are locked and lights are off. Take valuables with you.
- Closing Date:** Cancel utilities and trash service right after closing. Cancel your homeowner's insurance.

ARRIVAL AT YOUR NEW HOME

- Moving Van:** Have someone present when the moving van arrives to direct movers.
- Appliance Check:** Ensure all appliances are functioning and utilities are operating.
- Inspect & Sign:** Inspect everything before signing the moving receipt and note the deadline for submitting damage claims.



Buying & Selling at the Same Time?



Buying and selling a house simultaneously is challenging and can be quite stressful due to the coordination needed for two closings. Synchronizing both closings on the same day or within a day or two is particularly difficult. If your home goes under contract, you might feel pressured to buy another house quickly, potentially leading to a purchase you're not entirely happy with. To reduce stress and ensure you find the right home, consider moving into temporary housing. Here are some key points to consider:

BUY FIRST, THEN SELL

- **Less Pressure:** You can search for a new home without any time constraints.
- **Single Move:** Avoid the need for interim housing and moving twice.
- **Financial Risk:** You may face double mortgage payments if your home doesn't sell quickly, so have a backup plan like renting it out.
- **Cash Reserves Needed:** You'll need cash reserves as the equity from your current home won't be available until it sells.
- **Convenient Repairs:** You can make repairs to the home after moving out, which simplifies tasks like flooring and painting.

SELL FIRST, THEN BUY

- **Immediate Equity:** The equity from your home sale is available immediately for your new purchase.
- **No Double Payments:** You won't face the risk of double mortgage payments.
- **Buying Pressure:** You might feel rushed to buy something quickly, leading to potentially hasty decisions.
- **Temporary Housing:** You may need to find interim housing and store some belongings.
- **Repairs While Living In:** Minor repairs may need to be done while you still live in the home.

IF YOU CAN BUY & SELL ON THE SAME DAY

- **Pack Everything:** Have all household items packed in a moving truck.
- **Move In Immediately:** Once you close on the new home, you can move in.
- **Stay Flexible:** Be prepared to stay in a hotel for a night or two if there are closing issues with either transaction.
- **Expect Delays:** Closing delays can happen, so be prepared for the worst-case scenario.

Important Terms & Definitions

MORTGAGE PAYOFF

You must pay off all mortgages on your home, including any second mortgage or home equity line of credit. Note that the principal balance on your monthly statement isn't the total amount owed. Mortgage interest is paid in arrears, so the payoff amount includes interest up to the closing date. Any negative escrow balance and additional fees, such as mortgage release or late fees, will also be included, making the payoff amount higher than the principal balance.

REAL ESTATE COMPENSATION

Listing Agents have a negotiable fee that they charge to represent your through that Sale of your home. This fee is negotiated directly between the Seller and the Broker Associate. The Seller may consider the following costs when discussing their fee: Paying Buyers Agent compensation, marketing, photography, brokerage expenses, and other costs.

TITLE INSURANCE FEES

Title Insurance is insurance against potential future claims against the title/ownership of the property. It also ensures that the title is transferred from Seller to Buyer, free and clear of any liens, judgments, or other monetary encumbrances minus any listed exceptions.

ESCROW FEES

The title or escrow company handling your closing acts as the intermediary between you and the buyer. They ensure the transaction is managed properly, including receiving funds and disbursing them to pay off your lenders and creditors. You may be able to negotiate these fees with the buyer.

PROPERTY TAXES

In many states, property taxes are paid in arrears. You'll need to pay prorated taxes for each day you own the property up to the sale date. If the current year's taxes are not fully paid, you'll owe both the due taxes for the preceding year and the prorated taxes up to the sale date.

MISCELLANEOUS FEES

Miscellaneous fees can include recording fees, notary fees, and possibly a Termite Letter if required by your state or the buyer's lender.

LIENS & JUDGMENTS

Liens or judgments from unpaid HOA fees, contractor bills, or other collections must be settled before or at closing. These amounts are paid from the sales proceeds.

ASSUMPTIONS

Assumptions allow buyers to take over the seller's existing mortgage, typically applicable for VA or FHA loans and common when interest rates are high.

ESCROW ACCOUNT

An escrow account managed by your mortgage servicer covers property taxes and homeowners insurance. A portion of your mortgage payment funds this account.

APPRAISAL

An appraisal estimates a property's value. Lenders require this to ensure the home justifies the loan amount the buyer seeks.

APPRAISAL CONTINGENCY

This clause allows buyers to cancel a purchase if the appraisal is lower than the sale price, protecting lenders from overpaying.

AS IS

An "as is" property indicates the seller won't make repairs and is often priced lower than market value.

BACKUP OFFER

A backup offer positions a buyer to purchase if the current deal falls through. Only one backup offer can be accepted legally.

SIGHT UNSEEN OFFER

A sight unseen or blind offer is made without the buyer viewing the property, often used in competitive markets to secure a deal quickly.

BUYER'S AGENT

A buyer's agent helps buyers find properties, represents their interests, and negotiates the best terms and price.

MLS (MULTIPLE LISTING SERVICE)

An MLS is a database where agents list properties for sale. Buyer's agents use it to find and compare available homes.

DOM (DAYS ON MARKET)

DOM refers to the number of days a property is listed for sale on the MLS until the seller signs a contract with a buyer.

DUE DILIGENCE

Due diligence documents are any documents pertaining to the home including but not limited to any information regarding repairs, improvements, warranties, permits, past inspections, utilities, solar, any major systems information. The Buyers may ask for this documentation in their offer. They are able to review these documents, object to any issue, and terminate.

COUNTER OFFER

When buyers make an offer on a home, it can be for the full list price or a fair market value determined with their agent.

EQUITY

Equity is a homeowner's investment in their property. Calculate it by subtracting any mortgages or liens from the home's market value.

EARNEST MONEY DEPOSIT

An earnest money deposit (EMD) is initial funds a buyer puts down once the seller accepts their offer, showing the buyer's seriousness about the purchase.

HARD MONEY LOANS

These loans, based on the property's value rather than credit score, are financed by hard money lenders and typically require a large down payment.

HOA (HOMEOWNER'S ASSOCIATION)

An HOA manages a planned community or condominium. Buyers must follow HOA rules and pay dues, with the risk of liens or foreclosure for non-compliance.

HOME SALE CONTINGENCY

This condition in a purchase agreement indicates that the buyer's purchase relies on the successful sale of their current property.

IBUYER

An iBuyer uses technology to make quick offers on homes, offering the benefit of an all-cash offer and control over the moving timeline.

INSPECTION CONTINGENCY

The time in which the buyer is able to have the home fully and professionally inspected. Object to items they feel are deficient and negotiate a resolution moving forward or terminate.

LOAN CONTINGENCY

Deadline provided to buyers that allows them to fully navigate the loan process. The loan availability deadline is after the last date a buyer could terminate if all loan conditions can't be met and their is not approval.

Buyer Agent Compensation

Exclusive Right to Buy and Colorado Contract

Your Buyer's Agent works diligently to help you not only procure the property but also navigate the entire process. Part of the conversation and potential negotiation is how the Buyer Broker Compensation is paid. Compensation will be established with the execution of your Exclusive Right To Buy through selecting one of the following:

7.3.1. SELLER'S BROKERAGE FIRM OR SELLER MAY PAY

Buyer IS Obligated to Pay. Broker is authorized and instructed to request payment of Brokerage Firm's Success Fee from one or both of the following: (1) the seller's brokerage firm; (2) seller. Buyer is obligated to pay any portion of the Success Fee which is not paid by the seller's brokerage firm or seller, but only if Broker discloses to Buyer the amount Buyer must pay, in writing and prior to Buyer entering into a contract with the seller.

7.3.2. BUYER WILL PAY

Buyer is obligated to pay Brokerage Firm's Success Fee. Brokerage Firm is NOT entitled to receive additional compensation, bonuses or incentives from listing brokerage firm, seller or any other source unless agreed to by Buyer in writing.

Compensation is negotiable between the Buyer and Buyer's Agent and will be established through the Exclusive Right to Buy for full transparency. It is also encouraged to discuss with your Buyer's Agent if you would like them to try to seek compensation from the Listing Brokerage Firm or Seller. Your Buyer's Agent actively work towards a path that best meets the needs of the Buyer.

Your Agent will partner with you to discuss the most effective way to have this cost covered based on each Buyer's individual situation. This will also be addressed as you make the offer on a potential property.

___ % of the Purchase Price or \$ _____ by Seller. Buyer's brokerage firm is an intended third-party beneficiary under this provision only. The amount paid by Seller under this provision is in addition to any other amounts Seller is paying on behalf of Buyer elsewhere in this Contract.

___ % of the Purchase Price or \$ _____ by Buyer pursuant to a separate agreement between Buyer and Buyer's brokerage firm. This amount may be modified between Buyer and Buyer's brokerage firm outside of this Contract.

___ % of the Purchase Price or \$ _____ by a separate agreement between Buyer's brokerage firm and Seller's brokerage firm.

Easy Guide:

Why Buyers Must Sign Agreements Before Touring Homes

INTRODUCTION:

Due to a recent practice change in the real estate industry as part of a settlement involving the National Association of Realtors (NAR), buyers are now asked to sign agreements before touring homes. This guide explains why this step is important and how it benefits you as a buyer.

1. TRANSPARENCY AND TRUST:

- **Clear Expectations:** Signing a buyer agreement ensures that you and your broker are on the same page. You'll know exactly what services the broker will provide and what you can expect throughout the process. You will also know what your broker's fee is, how it is structured, and who will be responsible for paying it. The length of the agreement, as well as the area or home type can also be clearly explained.
- **No Surprises:** The agreement eliminates any confusion about the broker's role, their duties, and how they will assist you in finding the perfect home. By addressing this in advance, buyers are fully informed about the entire buying process.

2. UNDERSTANDING YOUR RIGHTS:

- ****Buyer Representation:** By signing the agreement, you're officially represented by your broker. This means they are obligated to work in your best interest, negotiate on your behalf, and guide you through every step of the buying process.
- **Protection:** The agreement provides you with certain protections, ensuring that your broker focuses on your needs and helps you make informed decisions.

3. COMPLIANCE:

- **Industry Standard:** The emphasis on signing agreements is part of a broader effort to increase transparency and accountability in the real estate industry. It's not just a formality-it's a step towards ensuring that all transactions are conducted fairly and ethically.
- **Settlement Compliance:** For any real estate licensee who is an MLS participant covered under the NAR settlement, this practice is now standard across the industry, ensuring consistency and protecting the interests of consumers. It's important to note that the terms of the settlement agreement are not changes to the law; they are practice changes in the way brokers conduct business.

CONCLUSION:

Signing a buyer agreement before touring homes is a simple step that ensures you receive the best possible service, have clear expectations, and are fully protected throughout your home-buying journey.

It's a win-win for you and your broker, paving the way for a smooth and successful transaction. If you have any questions about the agreement or the process, feel free to ask. We're here to help!

***Note: Only brokers hired as "agents" provide these services.*

Compensation charged by brokerage firms is not set by law and is fully negotiable.



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