

 HOME BUYING GUIDE



Keller Williams Realty New Orleans (504) 862-0100 Each office is independently owned and operated.





CONGRATULATIONS!

The decision to buy your own home is an exciting one. The experience should be enjoyable with the least amount of hassle. I am devoted to using my expertise to make your transaction successful! I employ a full-time assistant so my time can be better spent assisting your personal needs. Purchasing a home is a very important decision. I would like to help you with honest, accurate information so you can make well-informed decisions regarding the purchase of your home. This booklet will give you an idea of what to expect during each phase of your transaction. It also contains reference pages, note pages, deadline information, etc., and is useful as a reference guide even after the transaction is closed.

Please keep this booklet during all house hunting related activities: meetings, house hunting trips, etc. Use it to take notes and to keep track of deadlines. You can even staple cards to relevant pages to keep related materials together. Making this transaction as stress-free as possible for you is my job. I am happy to serve all your real estate needs!



RICKY'S BIOGRAPHY

“During my period of searching, I experienced treatment by agents that was well... less than professional. I knew I could do better.”

Ricky Lemann was born and bred in New Orleans' Garden District. In 1985, he moved to New York City where he was involved in home video and television syndication until he discovered his natural ability to cook. He then embarked on what would become a thirteen-year career in the hospitality industry. After several culinary positions in New York, Ricky moved home in 1989 to co-own, consult, or have sole proprietorship of six local restaurant and nightclub establishments, most of which have enjoyed national press.

After several years in a business that is tough to grow older in, Ricky knew it was time for a change. His own home buying experience led him to real estate. “During my period of searching, I experienced treatment by agents that was well... less than professional. I knew I could do better.” After purchasing his own home, he continued going to Sunday Open Houses.

“Many agents forget that service is part of the job.
This is a service industry. This is where I shine.”

Friends and colleagues recognized his expertise in the New Orleans market area and sought out his advice and counsel. This is when Ricky realized he was tailored for the real estate business. “I kept a pulse on the market simply because I loved it. Many of the agents out there thought I was an agent long before I was licensed. I had seen enough sunrises in the club business, and as glamorous as it was, I knew I wanted out of that life.”

Ricky's hospitality background proved to be terrific training for Real Estate. "I do not think I could have been this successful at real estate without that foundation. Many agents forget that service is part of the job. This is where I shine. I cannot rest until the client is satisfied and I know I have done everything I can for them."

Ricky has an absolute determination to find his clients the right home. On more than one occasion, Ricky has talked a buyer out of a house, a rare occurrence for some agents. Integrity is paramount with him. “A person's home is probably their biggest investment. It's where all their 'eggs' are. I must be certain it's the right one for them.” The same honesty goes into his listings. “I must determine that it's the highest offer with the best conditions. I think long term. I'm not looking for one commission, but a lifetime relationship. It's just the way I'm built.” Ricky has a myriad of interests and passions. He is a painter with two gallery shows under his belt, dabbled in film work, and produced several fashion layouts for national magazines including Esquire and Glamour.

Interior design is another one of his interests. It is this talent for design that allows Ricky to see the potential and underlying charm in properties that mainly go undetected. This adoration and respect for architecture gives him a unique perspective that serves all of his clients.



COMMUNITY SUPPORT

Ricky supports his community through his work and by contributing to his favorite charities. His knowledge, coupled with his enthusiasm, has won him a multitude of awards in a remarkably short time.

— AWARDS TO DATE —

Keller Williams Realty New Orleans Market Center <i>Rising Star Award 2002</i>	New Orleans Metropolitan Association of Realtors <i>Platinum Award 2009</i>	Keller Williams Realty New Orleans <i>Top Producer 2013</i>
New Orleans Metropolitan Association of Realtors <i>Platinum Award 2002</i>	Gambit Weekly <i>Best Male Real Estate Agent 2009</i>	Keller Williams Gulf States <i>3rd Place Top Producer 2013</i>
Keller Williams <i>Career Launch Award 2002</i>	Keller Williams Realty New Orleans <i>Top Producer 2009</i>	Keller Williams Realty New Orleans <i># 1 Top Producer 2014</i>
New Orleans Metropolitan Association of Realtors <i>Rookie of the Year Award 2002</i>	New Orleans Metropolitan Association of Realtors <i>7th Place Super Star Assisted Transactions 2009</i>	Keller Williams Realty Gulf States <i>Quadruple Gold 2014</i>
New Orleans Metropolitan Association of Realtors <i>Silver Award 2003</i>	New Orleans Metropolitan Association of Realtors <i>4th Place Super Star Assisted GCC 2009</i>	Keller Williams Realty New Orleans <i>Top Producer 2015</i>
New Orleans Metropolitan Association of Realtors <i>Platinum Award 2004</i>	Keller Williams Realty New Orleans <i>Top Producer 2010</i>	New Orleans Metropolitan Association of Realtors <i>Platinum Award 2015</i>
New Orleans Metropolitan Association of Realtors <i>Platinum Award 2005</i>	New Orleans Metropolitan Association of Realtors <i>6th Place Super Star Assisted GCC 2010</i>	
Keller Williams Realty New Orleans <i>Top Producer for 2005</i>	Keller Williams Realty New Orleans <i>Top Producer 2011</i>	— FAVORITE CHARITIES —
New Orleans Metropolitan Association of Realtors <i>Platinum Award 2006</i>	New Orleans Metropolitan Association of Realtors <i>5th Place Super Star Assisted GCC 2011</i>	NO AIDS Task Force
New Orleans Metropolitan Association of Realtors <i>Platinum Award 2007</i>	Keller Williams Realty New Orleans <i>Top Producer 2012</i>	Covenant House
New Orleans Metropolitan Association of Realtors <i>7th Place Super Star Assisted Transactions 2007</i>	New Orleans Metropolitan Association of Realtors <i>Platinum Award 2012</i>	Prevent Childhood Abuse Louisians
New Orleans Metropolitan Association of Realtors <i>Gold Award 2008</i>	Keller Williams Gulf States <i>3rd Place Top Producer 2012</i>	St. Baldrick's
		Preservation Resource Center
		Children's Hospital
		Louisiana Boxer Rescue



STATEMENT OF MULTIPLE BUYER CLIENTS

Like any successful real estate agent, I am usually working with several different buyer clients at any given time. Some of these buyers may be looking for the same type of property.

As a professional full-service Realtor, I have a system that enables me to keep my buyer clients on top of the market. This system quickly and automatically informs all of my buyer clients of any new listing that meets their criteria as soon as that listing hits the market.

This sometimes results in more than one of my buyer clients being notified about the same new listing at the same time.

If two or more of my buyer clients decide to submit offers on the same property, I am obligated to keep all information confidential between clients.

However, if you are uncomfortable with this arrangement, just let me know and I will be happy to have another highly-qualified agent from my office work with you in this type of situation.

But please remember, in today's high-tech world, it is almost impossible for any new listing to stay "secret" until after you have submitted an offer and had it accepted by the seller. If the property is desirable, you will quite possibly have other interested buyers represented by other agents submitting offers on "your" property.

By finding you the right property and providing you with the opportunity to obtain it, I look forward to fulfilling your real estate needs.



GLOSSARY OF REAL ESTATE BROKERAGE RELATIONSHIPS

In Louisiana

Real Estate brokers and their salespersons are required to disclose the type of working relationship they have with the buyers in a real estate transaction. There are several types of relationships that are available to you. You should understand these at the time a broker provides specific assistance to you in buying real estate. Buyer's Agent and Seller's Agent relationships are commonly referred to as "agency" relationships and carry with them legal duties and responsibilities for the broker as well as for the buyer and seller.

Buyer's Agent

A Buyer's Agent acts solely on behalf of the buyer and owes duties to the buyer which include the utmost good faith, loyalty, and fidelity. The agent will negotiate on behalf of, and act as an advocate for; the buyer. The buyer is legally responsible for the actions of the agent when that agent is acting within the scope

of the agency. The agent must disclose to sellers all adverse material facts concerning the buyer's financial ability to perform the terms of the transaction. A separate written buyer's agreement is required which sets forth the duties and obligations of the parties.

Seller's Agent

A Seller's Agent acts solely on behalf of the seller and owes duties to the seller which includes the utmost good faith, loyalty, and fidelity. The agent will negotiate on behalf of, and act as an advocate for; the seller. The seller is legally responsible for the actions of the agent when that agent is acting within the scope of the agency. The agent must disclose to buyers or tenants all adverse material facts about the property known by the broker. A separate written listing agreement is required which sets forth the duties and obligations of the parties.



HOME BUYING GLOSSARY

Appraisal

An expert judgment or estimate of the quality or value of real estate as of a given date.

Assessed Value

The valuation placed upon property by a public tax assessor as the basis for taxes.

Bill of Sale

An instrument which transfers title of personal property (chattels); a "Deed" transfers real property.

CC& R's

Covenants, conditions and restrictions- A document that controls the use, requirements and restrictions of a property.

Certificate of Title

A document signed by a title examiner or attorney stating that the seller has a good marketable and insurable title.

Closing Statement (Settlement)

The computation of financial adjustments between buyer and seller as of the day of closing a sale to determine the net amount of money which buyer must pay to seller to complete purchase of the real estate and seller's net proceeds. Also, "settlement sheets," HUD-1.

Contingency

A condition that must be satisfied before a contract is binding. For instance, a sales agreement may be contingent upon the buyer obtaining financing.

Deed

A formal written instrument by which title to real property is transferred from one owner to another. Also, "conveyance".

Due-On-Sale Clause

An acceleration clause that requires full payment of a mortgage or deed of trust when the secured property changes ownership.

Earnest Money

The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.

Equity

The interest or value which owner has in real estate over and above the debts against it. (Sales Price - Mortgage Balance - Equity).

Escrow

A procedure in which a third party acts as a stakeholder for both the buyer and the seller,

carrying out both parties' instructions and assumes responsibility for handling all of the paperwork and distribution of funds.

Federal National Mortgage Association (FNMA)

Popularly known as Fannie Mae. A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages insured by FHA or guaranteed by the VA, as well as conventional home mortgages.

Fee Simple

An estate in which the owner has unrestricted power to dispose of the property as he wishes, including leaving by will or inheritance. It is the greatest interest a person can have in real estate.

Fixture

What was formerly personal property, which is now permanently attached to real property and goes with the property when it is sold.

Graduated Payment Mortgage

A residential mortgage with monthly payments that start at a low level and increase at a predetermined rate.



HOME BUYING GLOSSARY

Hazard Insurance

Protects against damages caused to property by fire, windstorms, and other common hazards.

Home Inspection Report

A qualified inspector's report on a property's overall condition. The report usually includes an evaluation of both the structure and mechanical systems.

Home Warranty Plan

Protection against failure of mechanical systems within the property. Usually includes plumbing, electrical, heating systems and installed appliances.

Joint Tenancy

An equal undivided ownership of property by two or more persons. Upon the death of any owner, the survivors take the decedent's interest in the property.

Lien

A legal hold or claim on property as security for a debt or charge.

Listing Contract

Between a home owner (as principal) and a licensed real estate broker (as agent) by which the broker is employed to market the real estate

within a given time for which service the owner agrees to pay a commission. Also, "listing agreement".

Loan Commitment

A written promise to make a loan for a specified amount on specified terms.

Loan-To-Value Ratio

The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraised value.

Market Value

The highest price which a buyer, ready, willing and able but not compelled to buy, would pay, and the lowest price a seller, ready, willing and able but, not compelled to sell, would accept. Basis for "listing price," or "asking price".

Mortgage

A lien or claim against real property given by the buyer to the lender as security for money borrowed.

Mortgage Life Insurance

A type of term life insurance often bought by mortgagors. The coverage decreases as the

mortgage balance declines. If the borrower dies while the policy is in force, the debt is automatically covered by insurance proceeds.

Mortgage Note

A written agreement to repay a loan. The agreement is secured by a mortgage, serves as proof of indebtedness, and states the manner in which it shall be paid. Also, "deed of trust note."

Negative Amortization

Negative amortization occurs when monthly payments fail to cover the interest cost. The interest that isn't covered is added to the unpaid principal balance, which means that even after several payments you could owe more than you did at the beginning of the loan. Negative amortization can occur when an ARM has a payment cap that results in monthly payments that aren't high enough to cover the interest.

Origination Fee

A fee or charge for work involved in evaluating, preparing, and submitting a proposed mortgage loan. The fee is limited to 1 percent of FHA and VA loans.



HOME BUYING GLOSSARY

PITI

Principal, interest, taxes and insurance.

Point

An amount equal to 1 percent of the principal amount of the investment or note. The lender assesses loan discount points at closing to increase the yield on the mortgage to a position competitive with other types of investments.

Prepayment Penalty

A fee charged to a mortgagor who pays a loan before it is due. Not allowed for FHA or VA loans.

Principal

This word has several meanings:

- a) To denote the most important.
- b) A capital sum lent on interest.
- c) One who appoints an agent to act on their behalf.
- d) Either party to a contract.

Private Mortgage Insurance (PMI)

Insurance written by a private company protecting the lender against loss if the borrower

defaults on the mortgage. Prorate - To allocate between seller and buyer their proportionate share of an obligation paid or due. For example a prorate on real property taxes, fire insurance, or condominium fee.

Purchase Agreement

A written document in which the purchaser agrees to buy certain real estate and the seller agrees to sell under stated terms and conditions. Also called a sales contract, earnest money contract, or agreement for sale.

Regulation Z

The set of rules governing consumer lending issued by the Federal Reserve Board of Governors in accordance with the Consumer Protection act.

Survey

A map or plat made by a licensed surveyor showing the results of measuring the land with its elevations, improvements, boundaries, and its relationship to surrounding tracts of land. A survey is often required by the lender to assure a building is actually sited on the land according to its legal description.

Tenancy in Common

A type of joint ownership of property by two or more persons with no right of survivorship.

Title Insurance

Protects lenders and homeowners against loss of their interest in property due to legal defects in title.

Title Search or Examination

A check of the title records, generally at the local courthouse, to make sure the buyer is purchasing a house from the legal owner and there are no liens, overdue special assessments, or other claims.

Transfer tax

State tax, local tax (where applicable) and tax stamps (in some areas) required by law when title passes from one owner to another.



HOW MUCH HOME CAN YOU AFFORD?

When you are ready to begin looking at various houses to find your dream home, you need to prepare all of the necessary materials to present to the lender. Your lender will tell you exactly what you can afford so that you do not spend time looking at “too much” home. There are three key factors that you will need to consider when determining how much home you can afford. These are 1.) the down payment, 2.) your ability to qualify for a mortgage, and 3.) the closing costs associated with your transaction.

Down Payment Requirements

There are some loans which 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 20-25% down payment, you may be eligible to take advantage of special fast-track programs and possibly eliminate mortgage insurance.

It is often thought that bigger is better when it comes to down payments. In many cases, this may be true. However, the arithmetic will differ from case to case. A bigger down payment means smaller monthly payments and lower interest expense for as long as you remain with a mortgage. This can be an important factor for many people. But if you can put your available funds to work for you so that they can earn more than the interest rate on your loan, you could be dollars ahead with a smaller down payment. Also, a smaller down payment may allow you to keep you extra cash liquid and available for an emergency.

Closing Costs

Don't forget to think ahead carefully. In addition to the down payment on your dream home, you will be required to pay fees for loan processing and other closing costs. These fees must be paid in full in cash at the time of the final settlement, unless you are able to include these 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 four items. These items are discussed in detail on the page entitled, “Predicting Your Monthly Payment (The PITI).” Remember, when you buy a home all interest is tax deductible, so you will qualify for a major tax advantage that will effectively increase your take-home pay. Your total monthly PITI and all debts (from installments to revolving charge accounts) should range between 33-38% of your gross monthly income.

This is a general rule of thumb, but other key factors specifically determine your ability for a home loan.

These factors are:

- **income:** History of employment, stability of income, potential for future earning, education, vocational training and background, and any secondary income such as bonuses, commissions, child support, etc.
- **credit report:** History of debt repayment, total outstanding debt and total available credit. If you have concerns about your credit report, consider contacting one of the major credit bureaus for a copy of your file: TRW (1-800-422-4879), Trans Union (1-602-933-1200), and CSC Credit (1-800-759-5979).
- **assets:** Cash on hand, other liquid assets such as savings, checking, CDs, stocks, etc.
- **property:** The home you are buying must be appraised to determine that it has adequate value and is marketable to ensure it will secure the loan.



FINANCING OPTIONS

Fixed Rate Mortgage

The interest rate stays the same throughout the term of the loan usually 15 or 30 years — so the principal interest portion of your payment remains the same. Payments are stable but initial rates tend to be higher than adjustable rate loans and often cannot be assumed by a subsequent buyer.

Balloon Mortgage

This is a loan, which must be paid off after a certain period. The advantage they offer is an interest rate that is lower than a mortgage that is made for 30 years.

Adjustable-Rate Mortgage (ARM)

The interest rate is linked to a financial index, such as a Treasury security or a cost of funds—so your monthly payments can vary up or down over the life of the loan—usually 25 to 30 years. Interest rates can change monthly, annually, or every 3 or 5 years. Some ARMs have a cap on the interest rate increase, to protect the borrower.

Other terms relating to adjustable-rate mortgages:

Adjustment period

The length of time between interest rate changes. Example: one year ARM-interest changes annually.

Cap

The limit on how much an interest rate or monthly payment can change at each adjustment or over the life of the loan.

Conversion clause

A provision in some loans that enables you to change an ARM to a fixed rate loan, usually after the first adjustment period. This may require additional fees.

Index

A measure of interest rate changes used to determine changes in the loan's interest rate over the term of the loan.

Margin

The number of percentage points a lender adds to the index rate to calculate the ARM's interest rate at each adjustment.

VA Loan

The VA does not lend money; it guarantees a portion of the loan so that lenders who originate the loan feel comfortable with their risk. Qualified veterans can obtain loans with no down payment. VA-guaranteed loans can be combined with second mortgages and are assumable upon qualifying by any future buyer.

FHA Loan

FHA does not lend money or make a loan; rather, it insures loans. The down payment can be as low as 2.25%. Either buyer or seller may pay discount points. FHA charges a 2.25% up front Mortgage Insurance Premium (or as little as 2% for a first time home buyer) that can be financed in the mortgage amount or paid in cash (no premium is required for condominiums). The borrower must also pay an annual Mortgage Insurance Premium or .5%, which is collected monthly.

Seller Assisted Second Mortgage

The seller of the house lends the buyer enough to make up the difference between the purchase price and the down payment plus first-mortgage balance (a commercial lender may also make this kind of loan). The terms including the interest rate are based on buyer/seller agreement. It is often a short-term (5 to 15 year) loan; sometimes "interest only" payments until the term date when the balance is due in full. A buyer can then refinance the home.

Assumable Mortgage

Buyer "takes over" or assumes the mortgage obligation of the seller (with concurrence of the lender). The interest rate doesn't change and is sometimes lower than current rates. Often the loan fees are less as well.



QUESTIONS FOR YOUR LENDER



- Are both fixed-rate and adjustable mortgage loans available?
- What is the interest rate?
- How long can I "lock-in" the financing at the current interest rate?
- Is a float down lock available in case rates drop after I have locked in?
- What are the other fees a lender may charge me in conjunction with my loan?
- Are funds for a second mortgage available?

On adjustable loans:

- How often will the interest rate be adjusted?
- Is there a maximum limit on each rate change?
- How often will the monthly payment be adjusted?
- Is there a ceiling on payment adjustments?
- Can the term of the loan be extended?
- What is the maximum rate that can be charged over the life of the loan?

- Is there any potential for negative amortization?
- Is there a pre-payment penalty clause? This involves extra charges for paying off the loan before maturity. About 80% of all loans in the United States are paid off early.
- What is the "grace" period? How late can a monthly payment be made before a late charge is assessed?
- What will happen if a payment is missed?
- If you sell your house, will the new buyer (if he/she qualifies) be able to assume your mortgage at the same interest rate?
- Do you have to pay "points" to get your new mortgage? Usually lenders charge points for the cost of giving you a mortgage loan. A "point" is 1% of the loan.
- Will the lender require mortgage insurance?
- Is the loan serviced locally or is the servicing sold?

*Ask for a written "good faith estimate."



LOAN APPLICATION CHECKLIST

General

- Picture ID with social security number of borrower and co-borrowers.
- Payment to cover the application fee.
- Name and complete address of all landlords for the past two years.

Income:

- Employment history for the past two years including names, addresses, phone numbers, and length of time with company.
- Copies of your most recent pay stubs and W-2 forms (past two years).
- Verification of other income (social security, child support, retirement).
- If self-employed, you need copies of the past two years signed tax returns including all schedules, and a signed profit and loss statement of the current year. Retirees need tax returns for the past two years.
- If you have rental property income, bring a copy of all lease agreements.

Assets:

- Copies of all bank and credit union statements for the past three months.
- Copies of all stock/bond certificates and/or the past three statements from all investment and retirement accounts.
- Prepare a list of household items and their values.
- Copies of title documents for all automobiles, boats, motorcycles, etc.
- Face amount, monthly premiums and cash values of all life insurance policies (Cash value may be used for closing costs or down payments. You need documentation from the carrier indicating cash value).

Creditors:

- Credit cards (account numbers, current balances, and monthly payments).
- Installment loans (car, student, etc.). Same details as for credit cards.
- Mortgage loans (property address, lender with address, account numbers, monthly payment and balance owed on all properties presently owned or sold within the last two years). Bring proof of sale of properties sold.
- Child care expense/support (name, address, phone number).

Other:

- Bankruptcy – bring discharge and schedule of creditors.
- Adverse credit – bring letters of explanation.
- Divorce – bring Divorce Decrees, property settlements, quit claim deeds, modifications, etc. for all divorces by yourself or your spouse.
- VA only – bring Form DD214 and Certificate of Eligibility.
- Retirees – bring retirement and/or Social Security Award Letter.



IMPROVING YOUR CHANCES

With inventory diminishing daily and multiple offers being extremely common, it is of great importance that you position yourself to have the "Best Chance" to get your offer accepted. You enhance your chance of getting the home of your choice by doing the following:

Get pre-approved for the purchase

This takes very little time and is of great value. At this time, identify the price range for which you qualify and which fits your lifestyle. Including a letter from your lender with your offer greatly improves your odds in a "tight race."

Submit a strong competitive offer

Submit the offer as if there will be multiple offers. Include a substantial earnest money deposit: Acceptance of an offer is sometimes determined by the amount of the deposit. While this is not necessary, a larger amount may signify a bigger commitment to the seller.

Minimize or eliminate contingencies

The fewer contingencies, the stronger the offer.

Be prepared to preview a new property quickly

Even in a slow market, homes that are priced well sell sometimes in hours. Be prepared to make decisions quickly and be accessible to change the terms instantly.

Buyer and agent to have instant communication access: Let us maintain instant access to each other via office phone, voice mail, fax, pager or cellular phone. If you are going to be out of town or unavailable, please let me know.



HOME WARRANTY PROTECTION

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!

Warranty Information

Company Name: _____

Contact: _____

Address: _____

Phone: _____

Fax: _____

Policy Number: _____

Policy Value: _____

Coverage: _____

Duration: _____

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 the Seller as part of his overall package or procured through Realtors who have access to programs that will insure the buyer against specified defects in the home. 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.



HOW TO CHOOSE A GOOD INSPECTION COMPANY

Is an inspection necessary?

You have the right to request an inspection of any property you are thinking of purchasing by a professional inspector of your choice. You should always exercise your option to have the physical condition of the property and its inclusions inspected. Many of the more severe and expensive problems such as mechanical, electrical, structural, and plumbing are not noticeable to the untrained eye. If repairs are needed, negotiate these in your contract offer. A professionally conducted home inspection followed by a written evaluation is becoming standard procedure in home buying because of increased buyer awareness and savvy.

Are inspectors licensed?

Since an increasing number of buyers are requesting property inspections, there has been a rapid increase in the number of people entering the inspection field, Home Inspection Service Companies should be certified by ASHI (American Society of Home Inspectors) and licensed by the state.

What does an inspection entail?

A qualified inspector will follow Standards of Practice in conducting their inspection. The inspection consists of a physical inspection of the home with the purchaser present, followed by a written report detailing their findings. They report on the general condition of the home's electrical, heating, and air systems, interior plumbing, roof, visible insulation, walls, ceilings, floors, windows, doors, foundation, and visible structure. The inspection is not designed to criticize every minor problem or defect in the home. No home is perfect. It is intended to report on major damage or serious problems that require repair for the well being of the home and that might require significant expense. In Louisiana, a special concern is termite infestation. Most lenders require a termite report.



MORE INSPECTION INFORMATION

Buyer education is necessary

The primary purpose of the inspection is to educate the buyer to make an informed purchasing decision. The inspector should allow and even encourage the buyer to attend the home inspection. A good home inspector knows how the home's many systems and components work together and how to minimize the damaging effects of sun and water. The buyer's attendance of the inspection provides them with an over all idea of possible future repair costs and maintenance routines. This is valuable information, which could increase the life span, and perhaps the future selling price of the home.

Continuing education is important for inspectors

A competent home inspector is familiar with the latest construction materials, home building techniques, and professional equipment. Consumers should research whether prospective home inspectors actively monitor the changes in construction and real estate in order to keep their business practices current and professional.

Time and fee guidelines for the inspection

The time necessary to properly inspect a home, as well as the fee charged by an inspector, varies according to the size and age of the home, as well as the individual inspection company. However, you can expect that it will take an average of two to three hours to competently inspect a typical one-family, three-bedroom home, with an average cost of \$275–\$500.

Beware of false claims

Consumers must be cautious in evaluating some of the claims made by people hoping to fill the growing demand for home inspection services. Many new companies request only an application fee. Some claim to offer certification but do not require exams or proven credentials. Still others boast engineering licenses as assurance of competence, even though the engineering license has nothing to do with home inspecting.

Inspection extras

Some inspectors may be qualified to provide other types of services with their inspection that go beyond the scope of the ASHI standards.



UTILITIES AND SERVICES

FOR JEFFERSON PARISH

It is recommended that utility companies be contacted at least two weeks in advance. Normally, the seller schedules to have the utilities disconnected on the Act of Sale date, and the buyer schedules to have them connected on the same date. In this case, service is usually transferred from the seller to the purchaser, with no interruption in service. If services are not transferred on the same day, it may be necessary for someone to be at the property on the day that the utilities are activated.

Electric Service:

Entergy
4809 JeffersonHwy
Jefferson
Mon-Fri 8-5
1-800-368-3749
Deposit may be required

Gas Service:

Atmos Energy
3200 Cleary Ave,
Metairie
Mon-Fri 8:30-4:30
(504) 849-4300
\$60 Deposit/\$25 connect fee

Telephone Service:

Bell South
500 Baronne St.
NOLA
Mon-Fri 8:30-4:30
1-888-757-6500 (toll free)
Deposit may be required

–or–

Cox Communications
2326 Willimas Blvd,
Kenner
(504) 304-8444
www.cox.com

Internet

Cox Communications
(504) 304-8444 / cox.com

–or–

Bell South
1-888-757-6500 / bellsouth.com

Television

Cox Communications
2326 Willimas Blvd,
Kenner
(504) 304-8444

Water:

Jefferson Dept. Of Public Utilities
Joe Yenni building
Mon-Fri 8:30-4:30
(504)736-6050
(East Bank)
(504) 349-5050
(West Bank)
Deposit may be required



UTILITIES AND SERVICES

FOR ORLEANS PARISH

It is recommended that utility companies be contacted at least two weeks in advance. Normally, the seller schedules to have the utilities disconnected on the Act of Sale date, and the buyer schedules to have them connected on the same date. In this case, service is usually transferred from the seller to the purchaser, with no interruption in service. If services are not transferred on the same day, it may be necessary for someone to be at the property on the day that the utilities are activated.

Electric & Gas Service:

Entergy
2330 Canal Street
NOLA
Mon-Fri 8:30-5:00
1-800-368-3749
Deposit may be required

Telephone Service:

Bell South
500 Baronne St.
NOLA
Mon-Fri 8:30-4:30
1-888-757-6500 (toll free)
Deposit may be required
bellsouth.com

Internet

Cox Communications
(504) 304-8444 / cox.com

–or–

Bell South
1-888-757-6500 / bellsouth.com

Water:

Sewerage & Water Board
625 St. Joseph, Nola
Mon-Fri 8-5
(504) 529-2837
Deposit may be required

Waste Management

(504) 254-5353

–or–

Cox Communications
(504) 304-8444
cox.com

Television

Cox Communications
2326 Willimas Blvd,
Kenner
(504) 304-8444



NOW WE CLOSE YOUR TRANSACTION



What is a Real Estate “Closing?”

A “closing” is the meeting the Buyer, Seller, and their agents (optional), and representative from the lending institution and title company wherein the actual transfer of title to the property occurs. The purchase agreement or contract you have 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. This meeting is also referred to as the settlement or act of sale.

The title company transferring ownership of the property to you will prepare a new title. 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 on the property as security to the lender for the loan. The mortgage gives the lender the right to foreclose on 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 parish and court records.

What Should I do to Prepare for the Closing?

As previously mentioned, you should have already conducted any inspections, etc. you wish to have done on the property.

There are two kinds of title insurance. A lender or mortgagee’s title insurance policy protects only the lending institution. Lenders require this type of

insurance and require the borrower to pay for it. That does not mean that the borrower will receive its protection. An owner’s policy is necessary to protect the owner against loss.

You will also be required to pay all fees and closing costs in the form of “certified funds” such as a Cashier’s Check. You will be notified of the exact amount by your agent, loan officer or closing notary at closing.

What is an Escrow Account?

An escrow account is a neutral depository 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, they are paid by the lender 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 they fall due. You may also be required to refund items prepaid by the Seller. For example, if the Seller has paid the special assessments or taxes for that year, you may be required to prorate the remaining months of the year and refund that amount to the seller when you take possession of the property.



WE'RE MOVING!

Now that you have a new address, send out all your change of address notices.

Complete your Change of Address notices and mail them to the following. Keep in mind that the post office will forward your mail for 30 days but they do expect that you are sending notices to everyone who sends you mail.

- Post Office
- Friends and relatives
- Magazine and mail order subscriptions
- Professional organizations of which you are a member
- Clubs, social or civic organizations with mailings
- Charge accounts, insurance carriers, and creditors
- Driver's bureau to receive tag notices
- Voter Registration officials

Don't forget the needs of your furry friends!

Do not transport your pets much farther than they have safely traveled in the past without consulting your veterinarian. To transport animals by air, you need an airline-approved animal carrier. A moving company can inform you of any state regulations for pet entry, vaccination or quarantine procedures. Ask about regulations, licenses, tags, etc. for pets. Also, do not forget to obtain a copy of your pet's medical records.

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.

When you close on your new home, you should complete the following:

- Ask your bank about electronically transferring your funds to a bank in your new area. Discuss branch options and arrange for check cashing in your new location.
- Close out your safety deposit box.
- Obtain travelers checks for traveling funds and for funds while you are settling into your new location.
- Ask your insurance agent to transfer coverage to your new home. Make sure all coverage (life, health, automobile, personal belongings, etc.) is in force while you are en route.
- Schedule a moving company to assist you or begin notifying people who are helping you of your planned move date.
- Begin depleting your store of canned and frozen foods. Defrost your freezer and use charcoal to dispel odors.

Now that you have a new address, you can begin transferring or canceling home services:

Electric, Gas and Water
Cable Television
Trash

Make arrangements for canceling home deliveries and services such as the following. Arrange for service at your new address.

- Newspaper
- Cleaning Service
- Lawn Service
- Laundry / Diaper Service
- Other Service_____
- Other Service_____
- Other Service_____



ADHERE TO "THE PLAN" TO SECURE YOUR HOME!

A successful real estate transaction hinges on numerous details involving deadlines that must be met so that you can move into your dream home as soon as possible.

To do	Date Completed
Loan Application: (application fee due at this time)	_____
Wood-Destroying Insect Report:	_____
Set inspection date and time:	_____
Written notice due – all items from the inspection that you wish to be repaired:	_____
Negotiation of inspection repair items complete:	_____
Title Commitment due:	_____
Insurance: (You are required to arrange for insurance coverage and to inform your mortgage company of your agent's name and phone number). Loan approval:	_____
Closing date:	_____

Please note: During the loan and home-buying process, you will be asked to supply documentation, respond to phone calls requesting information, schedule dates into your calendar, etc....

Please respond quickly to these requests so that your transaction does not encounter problems.



REALTY TEAM ROSTER

The following is a roster of the members of YOUR real estate team. Please keep this book with you throughout the home-buying process. It is also very helpful if you keep it for future reference.

Loan Application: _____
Mortgage Company: _____
Loan Officer: _____
Phone: _____
Pager: _____
Address: _____
Insurance Company: _____
Agent: _____
Phone: _____
Address: _____
Title Company: _____
Escrow Agent: _____
Phone: _____
Address: _____
Moving Company: _____
Contact: _____
Phone: _____



TAKE NOTES ON HOMES YOU TOUR

Home 1

Address: _____ Subdivision: _____

Home is near: _____

Garage: _____ Lot: _____

Style of Home: _____ Fireplace: _____ Additional Rooms: _____

Bedrooms: _____ Kitchen: _____ Additional Features: _____

Bathrooms: _____ Dining Areas: _____

Living Room: _____ Laundry Areas: _____ Square Footage: _____

Home 2

Address: _____ Subdivision: _____

Home is near: _____

Garage: _____ Lot: _____

Style of Home: _____ Fireplace: _____ Additional Rooms: _____

Bedrooms: _____ Kitchen: _____ Additional Features: _____

Bathrooms: _____ Dining Areas: _____

Living Room: _____ Laundry Areas: _____ Square Footage: _____



TAKE NOTES ON HOMES YOU TOUR

Home 3

Address: _____ Subdivision: _____

Home is near: _____

Garage: _____ Lot: _____

Style of Home: _____ Fireplace: _____ Additional Rooms: _____

Bedrooms: _____ Kitchen: _____ Additional Features: _____

Bathrooms: _____ Dining Areas: _____

Living Room: _____ Laundry Areas: _____ Square Footage: _____

Home 4

Address: _____ Subdivision: _____

Home is near: _____

Garage: _____ Lot: _____

Style of Home: _____ Fireplace: _____ Additional Rooms: _____

Bedrooms: _____ Kitchen: _____ Additional Features: _____

Bathrooms: _____ Dining Areas: _____

Living Room: _____ Laundry Areas: _____ Square Footage: _____



TAKE NOTES ON HOMES YOU TOUR

Home 5

Address: _____ Subdivision: _____

Home is near: _____

Garage: _____ Lot: _____

Style of Home: _____ Fireplace: _____ Additional Rooms: _____

Bedrooms: _____ Kitchen: _____ Additional Features: _____

Bathrooms: _____ Dining Areas: _____

Living Room: _____ Laundry Areas: _____ Square Footage: _____

Home 6

Address: _____ Subdivision: _____

Home is near: _____

Garage: _____ Lot: _____

Style of Home: _____ Fireplace: _____ Additional Rooms: _____

Bedrooms: _____ Kitchen: _____ Additional Features: _____

Bathrooms: _____ Dining Areas: _____

Living Room: _____ Laundry Areas: _____ Square Footage: _____



TAKE NOTES ON HOMES YOU TOUR

Home 7

Address: _____ Subdivision: _____

Home is near: _____

Garage: _____ Lot: _____

Style of Home: _____ Fireplace: _____ Additional Rooms: _____

Bedrooms: _____ Kitchen: _____ Additional Features: _____

Bathrooms: _____ Dining Areas: _____

Living Room: _____ Laundry Areas: _____ Square Footage: _____

Home 8

Address: _____ Subdivision: _____

Home is near: _____

Garage: _____ Lot: _____

Style of Home: _____ Fireplace: _____ Additional Rooms: _____

Bedrooms: _____ Kitchen: _____ Additional Features: _____

Bathrooms: _____ Dining Areas: _____

Living Room: _____ Laundry Areas: _____ Square Footage: _____

