

# Buyer's Guide

EVERYTHING YOU NEED TO KNOW  
ABOUT BUYING A HOME.



Buying a home is a memorable milestone.

Don't trust it to just anybody; get the help of The  
Kuit Team. We make the dream of property  
ownership a reality.



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REALTY



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## BUYING A HOME

# HOME BUYING 101

## HOME BUYING

A real estate professional will draft a purchase agreement for which the buyer (or seller) will select a company like Stewart Title to supply title-and-escrow services. Typically a purchase agreement is submitted with an earnest-money deposit. Once the purchase agreement is presented to the seller's real estate professional, the seller may accept, counter or reject the offer.

## OPENING ESCROW

Once the agreement is accepted and signed by all parties, escrow will open. Earnest money will then be deposited, and the escrow company will handle all funds associated with the transaction.

## ENTERING THE CONTINGENCY PERIOD

As specified in the purchase agreement, the contingency period is the time used by the buyer and seller to obtain the required items for the transaction. Some of these items are:

- Physical inspection of property
- Property pest inspection
- Property appraisal
- Seller's transfer disclosure statement
- Preliminary report from the title company
- Loan approval
- Other transaction-specific and purchase requirements



## OBTAINING HOMEOWNERS INSURANCE

When preparing to buy a home, the buyer must give escrow a homeowner's policy that is both in effect and acceptable to the lender by the close of escrow. Your REALTOR® will work with the escrow company and the homeowner's insurance agent to ensure that the policy, sufficient to the lender, is in place.

## DEPOSITING FUNDS FOR A DOWN PAYMENT AND CLOSING COSTS

Money is deposited into escrow, ideally by way of a wire transfer, so that the funds are readily available to close the transaction. The purchase agreement dictates the earnest money to be deposited into escrow. For closing costs, the escrow company provides a statement of the estimated amount of funds to be deposited.

## SIGNING LOANS

Before escrow can close, the buyer must review and sign all loan documents received from the lender. This is often done at an appointment set up with the escrow company.

## OPENING ESCROW

After all conditions of the purchase agreement have been met, the buyer will sign all the closing documents. Once the buyer has deposited the funds needed to close and the lender has approved final loan documents, the lender will deposit the loan funds. Next, the deed executed and deposited by the seller will be recorded as public record and the buyer will be the new homeowner.



# FINANCING

**GETTING PRE-QUALIFIED.** Once you have an idea of the size, type and desired location of the home you want, you should get prequalified by a lender before actually looking for a home. Getting prequalified can save you time, energy and frustration in many ways:

**Determine how much money you want to spend on a home.** Prequalification helps you avoid paying more for a home than you can afford or being disappointed if you don't qualify for as much as you had hoped.

**Learn what your total investment will be.** You'll know approximately how much money you'll need for the down payment and closing costs.

**Calculate your monthly payments.** Prequalification provides a close estimate of your monthly principal, interest, taxes and insurance (PITI).

**Identify your loan program options.** With the wide variety of loan programs available, it is important to know which types you qualify for and which will best suit your needs.

**Strengthen your offer.** Sellers are more inclined to accept realistic offers when they know that you've taken the time to be interviewed by a lender and will probably qualify for the loan.

**At this point, your lender can also present helpful options:**

- Special first-time homebuyer programs
- Co-mortgage financing
- Debt-consolidation counseling

**In order to be prequalified, the lender will need to know the following:**

- Your employment history and income
- Your monthly debts and obligations
- The amount and source of cash available for down payment and closing costs

When you're prequalified by a mortgage company, you'll receive a free prequalification certificate to give to your REALTOR,® which often can predispose a seller to accept your offer.

# PRE-QUALIFICATION FOR BUYER

DATE: \_\_\_\_\_

REQUESTING AGENT: \_\_\_\_\_

BORROWERS: \_\_\_\_\_

AGENT CONTACT INFO: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

## GROSS MONTHLY INCOME

Borrower: \_\_\_\_\_

Co-borrower: \_\_\_\_\_

Additional: \_\_\_\_\_

TOTAL INCOME: \_\_\_\_\_

## MONTHLY DEBT

Car Payments: \_\_\_\_\_

Credit Cards: \_\_\_\_\_

Alimony: \_\_\_\_\_

Child Support: \_\_\_\_\_

Other: \_\_\_\_\_

TOTAL DEBT: \_\_\_\_\_

## DOWN PAYMENT

Amount: \_\_\_\_\_

Source: \_\_\_\_\_

## CREDIT

Bankruptcy: \_\_\_\_\_

Judgements: \_\_\_\_\_

## GENERAL PURCHASE INFORMATION

Purchase Price: \_\_\_\_\_

Down Payment: \_\_\_\_\_

Loan Amount: \_\_\_\_\_

Loan Program: \_\_\_\_\_

Interest Rate: \_\_\_\_\_

Loan to Value: \_\_\_\_\_

Principal and Interest: \_\_\_\_\_

Insurance: \_\_\_\_\_

PITI (Principal, Interest,  
Taxes, and Insurance): \_\_\_\_\_

Monthly Total: \_\_\_\_\_

Homeowner's Association

(HOA): \_\_\_\_\_

HOA Dues: \_\_\_\_\_

Private Mortgage Insurance: \_\_\_\_\_

NOTES: \_\_\_\_\_





# THE LOAN APPROVAL PROCESS

## THE APPLICATION

After completing the loan application and providing all pertinent documents to the lender, the buyer generally will receive a loan estimate and loan approval within 24 to 72 hours.

## LOAN SUBMISSION

The lender may request other documents:

- A credit report showing credit history
- An appraisal on the property, once in escrow
- A preliminary report

## CREDIT REPORT FEE

Typically the lender charges this one-time fee covering the cost of the credit report processed by an independent credit-reporting agency.

## PREPAID INTEREST

This is the interest due to the lender before the first scheduled payment. Prepaid interest is based upon the day your loan closes.

## FHA MORTGAGE INSURANCE PREMIUM (MIP)/PRIVATE MORTGAGE INSURANCE (PMI)

You pay this insurance premium to protect the lender. MIP/PMI is required when you make a down payment that's less than 20% of the purchase price.

WAYS TO HOLD TITLE

	TENANCY IN COMMON	JOINT TENANCY	COMMUNITY PROPERTY	COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP
PARTIES	Any number of persons (including married or registered domestic partners).	Any number of persons (including married or registered domestic partners).	Only married couples or registered domestic partners have community property rights.	Only married couples or registered domestic partners.
DIVISION	Ownership can be divided into any number of interests, equal or unequal.	Owner interests must be equal.	Ownership and managerial interests are equal.	Ownership and managerial interests are equal.
TITLE	Each co-owner has a separate legal title to his or her undivided interest.	Co-owners must acquire interest at the same time and from the same person (may be created by deed from a sole owner to self and to others).	Title is in the “community.” Each interest is separate but management is unified.	Title is in the “community.” Each interest is separate but management is unified. Title must expressly state community property with right of survivorship.
POSSESSION	Equal rights of possession.	Equal rights of possession.	Both co-owners have equal rights of possession.	Both co-owners have equal rights of possession.
CONVEYANCE	Each co-owner’s interest may be conveyed separately by its individual owner.	Conveyance by one co-owner without the others will sever (terminate) the individual’s joint tenancy.	Conveyance requires both parties’ signatures.	Conveyance requires both parties’ signatures.
DEATH	Upon co-owner’s death, his or her interest passes to that person’s devisees or heirs. No survivorship right.	Upon co-owner’s death, his or her interest ends and cannot be disposed of by will. Joint tenant survivor(s) own(s) the property. An affidavit may establish fact of death.	Upon death of spouse or registered domestic partner, 50% belongs to surviving spouse or registered domestic partner, 50% may go to surviving spouse or registered domestic partner or may be disposed of by decedent’s will.	Upon death of one spouse or registered domestic partner, his or her interest ends and cannot be disposed of by will. Survivor owns the property 100%. An affidavit may establish fact of death.
SUCCESSOR'S STATUS	Devisees or heirs become tenants in common.	Last survivor owns property 100%.	If passing by will, tenancy in common between devisees and survivor results.	Last survivor owns property 100%.
PRESUMPTION	Favored in doubtful cases except married couples or registered domestic partners case.	Must be expressly stated in the deed.	Must be expressly stated in the deed. The legal presumption is that the property that has been acquired during the course of the marriage or registered domestic partnership is community property.	Must expressly state community property with right of survivorship.

The information concerning ownership vesting is for informational purposes only. Contact an attorney or CPA if you desire advice regarding a specific manner of holding title to property. This brochure lists ways for two or more individuals to hold title together.



# PROPERTY TAXES



## PROPERTY TAX DEFINED

Local governments, usually at the county level, administer property taxes. Tax rates vary from county to county and are based on a predetermined percentage of the assessed value of your property. Property taxes are paid in two installments each year.

## PROPERTY TAX PAYMENTS

Whether property taxes are to be paid at closing depends on when escrow closes. If escrow closes near the time at which a tax payment is due, proof of that payment from the seller will be required. The lender's instructions will advise whether buyer is to pay property taxes monthly through the loan payment and an impound account or directly when due.

## SUPPLEMENTAL TAX

Typically when there is a change of ownership, a supplemental tax assessment occurs. Most property taxes are based on the assessed value of a home at the time of purchase. The supplemental tax bill is sent to the mailing address of record. The supplemental tax payment is the responsibility of the new homeowner, who should provide proof of payment to the lender.

# THE GENERAL ESCROW PROCESS

After a purchase agreement has been signed, the escrow company steps in as a neutral third party to process and oversee the money and documents involved in transferring property ownership. The buyer and seller will sign escrow instructions, which list the contingencies from the purchase agreement and any other requirements for escrow to close.

The escrow company will require you to also complete a Statement of Identity form in order to differentiate you from others who may have the same name and, possibly, judgments, bankruptcies and liens filed against them.

## THE ESCROW COMPANY'S ROLE

While the transaction is in escrow, the escrow company will do the following:

- Order demands and other documents and information required for closing
- Contact the buyer's lender to coordinate loan funding
- Coordinate payoff of the seller's mortgage
- Forward the deed and other transaction-related documents to the county recorder for recording
- Handle final accounting and disbursement of any remaining funds to all parties
- Issue settlement statements, HUD 1s, seller's Closing Disclosures and, if applicable, lender's Closing Disclosures

## FUNDING THE TRANSACTION

Typically, buyers deposit a down payment and sellers deposit the deed and other necessary documents with the escrow company. Prior to the close of escrow, the buyer deposits the balance of funds and the lender funds the loan.

## CLOSING ESCROW

The length of the escrow period is determined by the buyer, seller and real estate agents. It can range from a few days to several months and will be specified in the purchase agreement. However, before escrow can close, several events must first occur:

- All parties must sign the escrow and closing documents.
- All contingencies in the purchase agreement must be satisfied and removed.
- All monies required for closing, including the lender's funds, must be deposited into escrow.
- Transaction documents must be recorded with the county.
- All funds must be disbursed.

With the recording of the documents, which signifies the legal transfer of title, escrow closes. The buyer then receives the keys to their new home.

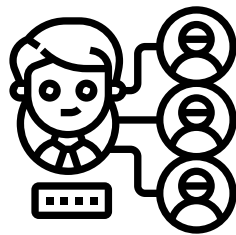
# WHO ARE INVOLVED IN THE ESCROW PROCESS?



SELLER



SELLER'S REAL ESTATE  
PROFESSIONAL



THE ESCROW COMPANY  
(NEUTRAL THRID  
PARTY)



BUYER



BUYER'S LENDER



BUYER'S REAL ESTATE  
PROFESSIONAL



## YOU ARE IN ESCROW. SO NOW WHAT?

- 1 Purchase Agreement is provided to escrow and reviewed by the escrow team.
- 2 Buyer's deposit is received, and preliminary report is requested.
- 3 Preliminary report is received, reviewed and distributed.
- 4 Escrow instructions and documents are prepared and distributed as per local practice.
- 5 Information and signatures from principal(s) are requested. This includes payoff of underlying loans and Statements of Information from sellers.
- 6 Demand(s) are requested and received.
- 7 Data entries are made for payoffs, commissions, etc.
- 8 If financing is involved, loan approval is received and loan documents arrive from the lender.
- 9 Escrow prepares estimated closing statements for buyer's and seller's review and approval, together with seller's CD, if required.
- 10 Buyer's signing appointment is scheduled, documents are prepped for signing, escrow paperwork is added, and appointment with seller is made, if required.
- 11 Funds are requested and received from buyer and seller, if required. Upon receipt of buyer's and seller's funds as may be required, loan funds are requested from lender.
- 12 Upon receipt of all funds required to close, recordable documents are forwarded to county recorder's office with authorization to record.
- 13 Recording confirmation is received.
- 14 Disbursements are made and closing packages are released.



# WHO PAYS FOR WHAT?

## Escrow Charges, Title Fees and Transfer Taxes

County	Escrow Charges	Title Fees (Owner's Policy)	County Transfer Tax (Per Thousand Unless Stated Otherwise)	City Transfer Tax (Per Thousand Unless Stated Otherwise)
Alameda	Buyer pays	Buyer pays	Seller pays \$1.10 (Except in the city of Alameda – 50/50)	50/50* Alameda \$12.00 Albany \$15.00 Berkeley \$0 - \$1,500,000 and less \$15.00 \$1,500,001 and above \$25.00 Emeryville \$12.00 Hayward \$8.50 Oakland \$300,000 or less \$10.00 \$300,001 to \$2,000,000 \$15.00 \$2,000,001 to 5,000,000 \$17.50 \$5,000,001 and above \$25.00 Piedmont \$13.00 San Leandro \$11.00
Alpine (Calaveras Side)	50/50	50/50	Seller pays \$1.10	None
Alpine (El Dorado Side)	50/50	Buyer pays	Seller pays \$1.10	None
Amador	50/50	Buyer pays	50/50 \$1.10	None
Calaveras (Bear Valley)	50/50	Buyer pays	Seller pays \$1.10	None
Calaveras (San Andreas)	50/50	50/50	Seller pays \$1.10	None
Colusa	50/50	50/50	Seller pays \$1.10	None
Contra Costa	Buyer pays	Buyer pays	Seller pays \$1.10	50/50 El Cerrito \$12.00 Richmond \$100 to \$1,000,000 \$7.00 \$1,000,001 to \$3,000,000 \$12.50 \$3,000,001 to \$10,000,000 \$25.00 \$10,000,001 and above \$30.00
El Dorado	50/50	50/50	Seller pays \$1.10	None
Fresno	50/50	Seller pays	Seller pays \$1.10	None
Glenn	50/50	50/50	Seller pays \$1.10	None
Imperial	50/50	Seller pays	Seller pays \$1.10	None
Inyo	50/50	Seller pays	Seller pays \$1.10	None
Kern	50/50	Seller pays	Seller pays \$1.10	None
Kings	50/50	Seller pays	Seller pays \$1.10	None
Lake	Buyer pays	Buyer pays	Seller pays \$1.10	None
Los Angeles	50/50	Seller pays	Seller pays \$1.10	Seller pays: Culver City \$1,500,000 to \$2,999,999 \$15.00 \$3,000,000 to \$9,999,999 \$30.00 \$10,000,000 and above \$40.00 Los Angeles \$4.50 Pomona \$2.20 Redondo Beach \$2.20 Santa Monica \$3.00
Madera	50/50	Seller pays	Seller pays \$1.10	None
Marin	Buyer pays	Buyer pays	Seller pays \$1.10	Seller pays: San Rafael \$2.00
Mariposa	50/50	50/50	Seller pays \$1.10	None
Mendocino	Buyer pays	Buyer pays	Seller pays \$1.10	None
Merced	50/50	50/50	Seller pays \$1.10	None
Mono	50/50	Seller pays	Seller pays \$1.10	None
Monterey (Salinas)	50/50	Seller pays	Seller pays \$1.10	None
Monterey (Peninsula)	Seller pays	50/50	Seller pays \$1.10	None
Napa	Buyer pays	Buyer pays	Seller pays \$1.10	None
Nevada	50/50	50/50	Seller pays \$1.10	None
Orange	50/50	Seller pays Owner's Buyer pays Lender's	Seller pays \$1.10	None
Placer	50/50	Seller pays	Seller pays \$1.10	None
Riverside	50/50	Seller pays	Seller pays \$1.10	Seller pays: City of Riverside \$1.10

County	Escrow Charges	Title Fees (Owner's Policy)	County Transfer Tax (Per Thousand Unless Stated Otherwise)	City Transfer Tax (Per Thousand Unless Stated Otherwise)
Sacramento	Seller pays	Seller pays	Seller pays \$1.10	50/50 Sacramento \$2.75
San Benito	Seller pays	Seller pays	Seller pays \$1.10	None
San Bernardino	50/50	Seller pays	Seller pays \$1.10	None
San Diego	50/50	Seller pays Owner's Buyer pays Lender's	Seller pays \$1.10	None
San Francisco	Buyer pays	Buyer pays	Seller pays \$0 - \$250,000 \$5.00 \$250,001 - \$999,999 \$6.80 \$1,000,000 - \$4,999,999 \$7.50 \$5,000,000 - \$9,999,999 \$22.50 \$10,000,000 - \$24,999,999 \$27.50 \$25,000,000 and up \$30.00	Included with County Transfer Tax
San Joaquin	50/50	50/50	Seller pays \$1.10	None
San Luis Obispo	50/50	Seller pays or split	Seller pays \$1.10	None
San Mateo	Buyer pays	Buyer pays	Seller pays \$1.10	50/50 San Mateo 0.5% property value
Santa Barbara	50/50	Seller pays	Seller pays \$1.10	None
Santa Clara	Seller pays	Seller pays	Seller pays \$1.10	50/50 Mountain View \$3.30 Palo Alto \$3.30 San Jose \$1 to \$1,999,999 \$3.30 \$2,000,000 to \$4,999,999 \$3.30 + \$7.50 \$5,000,000 to \$9,999,999 \$3.30 + \$10.00 \$10,000,000 and above \$3.30 + \$15.00
Santa Cruz	50/50	50/50	Seller pays \$1.10	None
Solano	Buyer pays	Buyer pays	Seller pays \$1.10	Seller pays: Vallejo \$3.30
Sonoma	Buyer pays	Buyer pays	Seller pays Cloverdale \$1.10 Cotati \$1.10 Healdsburg \$1.10 Petaluma \$1.10 Rohnert Park \$1.10 Santa Rosa \$1.10 Sebastopol \$1.10 Sonoma \$1.10 Windsor \$1.10 Unincorporated Area \$1.10	Seller pays  Petaluma \$2.00  Santa Rosa \$2.00  Unincorporated Area n/a
Stanislaus	50/50	50/50	Seller pays \$1.10	None
Turlock	50/50	50/50	Seller pays \$1.10	None
Modesto (City)	50/50 or as negotiated	Seller pays or as negotiated	Seller pays \$1.10	None
Patterson (City)	50/50 or as negotiated	50/50 or as negotiated	Seller pays \$1.10	None
Sutter	Seller pays	Seller pays	Seller pays \$1.10	None
Tulare	50/50	Seller pays	Seller pays \$1.10	None
Tuolumne	50/50	50/50	Seller pays \$1.10	None
Ventura	50/50	Seller pays	Seller pays \$1.10	None
Yolo (Davis)	50/50	50/50	Seller pays \$1.10	None
Yolo (Woodland)	50/50	Seller pays	Seller/Buyer negotiated \$1.10	Seller/Buyer negotiated \$1.10
Yuba	Seller pays	Seller pays	Seller pays \$1.10	None

\*50/50 = Buyer Pays 50%, Seller Pays 50%.

Please note: The information and rates supplied are customary and subject to change and must be verified with the appropriate governmental agency at the time of purchase or sale to ensure accuracy. The information supplied is accurate as of January 18, 2021. Stewart Title is not responsible for the accuracy of this information.

Source: SPL Inc.



# GLOSSARY OF REAL ESTATE TERMS

This brochure is intended solely to provide helpful information to buyers and sellers. The laws of each state may vary. Please consult with an attorney of your choice for specific information or legal advice.

## Adjustable Rate Mortgage (ARM)

A loan with an interest rate that changes periodically based on a current index, like one- year treasury bills. Typically, ARMs can’t change by more than two percentage points per year or six points above the starting rate. Check the specific rates carefully for any type of mortgage loan.

## Amortization

A payment plan, that enables the borrower to pay off the debt gradually through equal monthly payments of principal and interest.

## Appraisal

An expert judgment or estimate of the quality or value of real estate as of a given date. This appraisal is done for financial lending purposes and may not reflect the actual market value.

## Appraised Value

An estimate of the value of the property offered as security for a home loan.

## Bridge Finance

A short-term loan, usually at a higher rate of interest than the longer-term mortgage, used by borrowers who have bought a house while waiting for theirs to be sold. May also refer to a second subordinate loan.

## Caveat Emptor

Latin for “let the buyer beware.” This puts the burden on the buyer to be satisfied with the item before purchasing the property. Many states have passed laws that require sellers to disclose any defects or problems with the property being sold.

## Chattels

Items of personal property that are movable (e.g., clothing, furniture), as distinguished from real property (e.g., land, a house).

## Closing Protection Letter (CPL)

A letter from a title insurance company generally given to a lender for one or more closings, which indemnifies the lender for loss caused by the policy issuing agent’s or approved attorney’s failure to comply with the lender’s written closing instructions or for certain kinds of misconduct committed by the issuing agent or approved attorney if the failure or misconduct affects the title or the mortgage.

## Commission

Fee payable to real estate agents for selling the property by the person authorizing the sale; usually a percentage of the sale price, although this can be negotiated and paid by the buyer or split between the parties. Often the commission is shared by the listing and buyers’ real estate agent.

## The Consumer Financial Protection Bureau® (CFPB)

An independent government agency responsible for consumer protection in the financial sector.

## Consummation

The point in time when a borrower becomes contractually obligated to the creditor on the loan under state law.

## Contingent Offer

Offer to buy or sell is subject to some condition, such as the buyers selling their current home or the home passing an inspection. If the condition is not met, then the parties may agree to waive the condition or the contract may terminate.

## Contract of Sale

Written agreement setting out the terms and conditions of a property sale.

## Covenant

A promise or agreement in a written contract or deed of real property defining specific conditions or actions concerning the property.

## Conventional Mortgage

A mortgage loan not insured by the United States Department of Housing and Urban Development or guaranteed by the Department of Veterans Affairs. It is subject to conditions established by the lending institution and state statutes. The mortgage rates may vary with different institutions and between states. (States have various interest limits.)

## Credit Report

A report detailing a loan applicant’s credit history used by a lender to determine creditworthiness.

## Deposit (or Earnest Money)

An agreed-to percentage of the purchase price of a property placed in escrow as evidence of intention to buy. May be nonrefundable based upon the terms and conditions of the contract. Usually the deposit goes toward the purchase price when the sale goes through.

## Document Preparation

A charge by an attorney for preparing legal documents for a transaction.

## Encroachment

When a structure overhangs someone else’s property and a fence or other structure is built to over the dividing line between the properties.

## Encumbrance

An easement, lien or other restriction on a property, which impedes its use or transfer.

## Equity

The difference between the market value of the property and any loans that are outstanding on the property. If the market value is less than any outstanding loans, there will be a negative equity.

## Escrow Funds

Funds paid to the escrow agent to hold until the occurrence of a specified event, such as the completion of repairs or the payment of insurance and taxes, after which the funds will be released to the designated individual. After closing, many lenders will require that the buyer make monthly payments (in addition to the principal and interest) to cover these expenses.

## Exclusions

Any item that is specifically not included in the sale (e.g., an above-ground pool or garden shed). These should be shown in the contract.

## Fixed Rate Mortgage

A loan that carries an unchangeable interest rate over its entire term – typically a period of 15 to 30 years.

## Homeowners Insurance

Protects the property and contents in case of damage or loss. Most lenders require that the insurance be for at least the loan amount or for 80% of the value of the improvements, whichever is greater.

## Inclusions

Lights, curtains, blinds, ceiling fans, air- conditioning units, fly screens, dishwasher, range hood, stove, fixed cupboards, clothes hoist or any other removable item that the seller has agreed will be included in the sale.

## Inspections

An examination to determine the condition of property, such as termite inspections. Inspections are also conducted to see if required repairs were made before funds are disbursed.

## Interest

A charge paid for borrowing money.

## Interest-Only Loan

Loan on which just the interest is paid periodically, and the principal is paid at the end of the term. Some loans may be interest-only for a certain period of time and then require that both principal and interest be paid in monthly installments.

## Inventory

List of items included with a property for sale; usually furniture, furnishings and other removable items.

## Investment

The purchase of an asset, such as real estate, with the goal of producing income, including capital gains, on the resale of the asset.

## Joint Tenants With Right of Survivorship

Joint tenancy is the equal holding of property by two or more persons. If one owner dies, the deceased’s share passes onto the survivors.

# GLOSSARY OF REAL ESTATE TERMS

## Lien

A claim one person holds on the property of another as security for money owed. Such claims may include obligations not met, judgments, unpaid taxes, materials or labor.

## Loan Application Fee

Paid to the lender at the time of application. The amount varies by lender.

## Loan Discount (or Discount Points)

Loan discounts are a form of prepaid interest. One point equals generally 1% of the loan amount. By charging a borrower points, a lender effectively increases the yield on the loan above the amount of the stated interest rate. Borrowers can offer to pay a lender points as a method to reduce the interest rate on the loan, thus obtaining a lower monthly payment in exchange for this up-front payment. For each point purchased, the loan rate is typically reduced by 0.125%,but check with your lender for the specific reduction.

## Loan Estimate Form and Closing Disclosure Form

These forms are intended, in the words of the Consumer Financial Protection Bureau (CFPB), to help consumers make informed decisions when shopping for a mortgage and avoid costly surprises at the closing table. These forms are required in most transactions.

## Maintenance Fee

Periodic charge by the homeowners association as set out in the subdivision restrictions.

## Maturity Date

The last day of the term of the home-loan agreement. The home loan must then be paid in full, or the home-loan agreement must be renewed or refinanced.

## Mortgage (or Deed of Trust)

A legal agreement containing the lender’s terms and conditions, in which the owner pledges his/her/its title to real property to the lender as security for a loan described in a promissory note (In a promissory note, a mortgagee lends the money to a mortgagor, the borrower.) Mortgages are normally recorded in the county records.

## Mortgagee’s (or Lender’s) Title Policy

A title insurance policy that insures the validity, enforceability and priority of a lender’s lien. This policy does not provide protection for the owner.

## Multiple Listing Service (MLS)

System of offering the property through many real estate agents.

## Offer to Purchase

A formal legal agreement that offers a specified price for a specified property. The offer may be firm (no conditions attached) or conditional (certain conditions apply).

## Option to Buy

Legal agreement giving the buyer the right to purchase property at a certain time and price. An option fee, usually a percentage of the price or fixed amount, is payable and may be forfeited if the buyer does not go through with the transaction. Option may be refunded if conditions are not met.

## Origination Fee

A fee the borrower pays the lender to originate a new loan.

## Owner’s Title Policy

Insures that the buyer has the title to the property, subject to policy terms.

## PITI

Abbreviation for principal, interest, taxes, and insurance (PITI) – all of which can be lumped together in your monthly mortgage payment.

## Power of Attorney (POA)

A written authorization by a person to another person to act for him on his behalf.

## Principal

The actual amount of money that has been borrowed to buy a property.

## Private Mortgage Insurance (PMI)

Insurance against a loss by a lender (mortgagee) in the event of default by a borrower (mortgagor). PMI is often required for larger loans.

## Real Estate Professional Fee

Usually called commission, the amount paid to real estate professionals as compensation for their services.

## Recording Fees

Charged by the county clerk to record documents in the public records

## Restrictions

These limit the way in which a property can be used or modified and are written into (or referred to in) the deed for the property. They are usually enforced by the developer or builder, the neighborhood or the homeowners association. A certified copy of restrictions is usually required by the deed lender. Restrictions normally have a termination date but may be renewed.

## Settlement

Completion of sale when the balance of the contract price is paid to the seller and the buyer is legally entitled to take possession of the property.

## Survey

Confirms lot size and identifies any encroachments or restriction violations.

## Tax Proration

The seller and buyer split up property taxes based on the length each party has owned the home during the year.

## Title Insurance

Title insurance protects real estate owners and lenders against any property loss or damage they might experience because of liens, encumbrances or defects in the title to the property. Each title insurance policy is subject to specific terms, conditions and exclusions.

## Title Search

The process of examining the land title to determine the terms and conditions under which the title company will issue a title policy.

# IMPORTANT CONTACT INFORMATION

## Real Estate Agent

Name

Company

Address

City  State  ZIP

Work  Cell

Email

Notes

## Title and Escrow Company

Name

Company

Address

City  State  ZIP

Work  Cell

Email

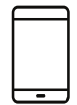
Notes



# Here's how you can get in touch with me



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