



**COLDWELL  
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# **Your Home Buying Packet**





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## **YOUR HOME-BUYING PACKET**

**A Complete Guide to the Home-Buying Process**

***Welcome!*** You are about to embark on the exciting journey of finding your ideal home. Whether it is your first home or your tenth home, a retirement home, or an investment property, I will make your home-buying experience fun and exciting. I can help you find the ideal home with the least amount of hassle; and I am devoted to using my expertise and the full resources of my Office to achieve these results!

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

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

So let's take an exciting journey together! I look forward to meeting your real estate needs every step of the way!

**Earl and Denisa Forbes- The Forbes  
Team**

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# **The History of Coldwell Banker**

**The Coldwell Banker brand is the oldest and most established residential real estate franchise system in North America. In fact, in many ways it was the original real estate “start up.” Founded by young entrepreneurs Colbert Coldwell in 1906 and later Benjamin Banker, Coldwell Banker changed the way people bought and sold homes across America, ultimately becoming one of the most trusted real estate brands in the world. More than 100 years later, the Coldwell Banker network is still continuously recognized for its innovation and leadership across 3,000 offices in 49 countries and territories.**

## **Why Coldwell Banker®?**

Through non-stop innovation and forward thinking, the Coldwell Banker brand has grown to become one of the most well-known and trusted names in real estate around the globe. Today there are more than 92,000 agents working out of 3,100 Coldwell Banker offices in 44 countries and territories.



# *About Earl Forbes*

**Mission Statement:** To provide the best possible service, find the right home for my clients in a timely manner, and create a turn key positive experience throughout the home finding process.

**Vision Statement:** To create a large network of satisfied clients that will trust to refer me to their friends and family for their real estate needs.

**Real Estate Experience:** Coldwell Banker United Realtors  
2012-2019

## **Professional Designations:**

- CNE- Certified Negotiation Expert
- Military Relocation Professional
- HAR- Houston Association of Realtors
- NAR- National Association of Realtors
- TAR- Texas Association of Realtors
- TREC- Texas Real Estate Commission



# *Why you need a Realtor....*

As a licensed real estate professional I provide much more than the service of helping you find your ideal home. Realtors® are expert negotiators with other agents, seasoned financial advisors with clients, and superb navigators around the local neighborhood. They are members of the National Association of Realtors (NAR) and must abide by a Code of Ethics and Standards of Practice enforced by the NAR. A professional Realtor® is your best resource when buying your home.

## **LET ME BE YOUR GUIDE —**

- As a knowledgeable Realtor® I can save you endless amounts of time, money, and frustration.
- As a knowledgeable Realtor® I know the housing market inside and out and can help you avoid the “wild goose chase.”
- As a knowledgeable Realtor® I can help you with *any* home, even if it is listed elsewhere or if it is being sold directly by the owner.
- As a knowledgeable Realtor® I know the best lenders in the area and can help you understand the importance of being pre-qualified for a mortgage. I can also discuss down payments, closing costs, and monthly payment options that suit you.
- As a knowledgeable Realtor®, I am an excellent source for both general and specific information about the community such as schools, churches, shopping, and transportation - - plus tips on home inspections and pricing.
- A knowledgeable Realtor® I am experienced at presenting your offer to the homeowner and can help you through the process of negotiating the best price. We bring objectivity to the buying transaction, and we can point out the advantages and the disadvantages of a particular property.

And the best thing about me as your Realtor® is that all this help normally won't cost you a cent. Generally, the seller pays the commission to the Realtor®.



# UNDERSTANDING AGENCY...

## Who Works for Whom?

### **Seller agency-** (The listing agent)

The listing agent represents the seller and the seller's fiduciary interest above all others.

**Buyer Agency-** (The buyer's agent) The Agent represents the buyer in the purchase process, keeping his buyer's interests above all other parties

**Intermediary-with appointments**- Same brokerage but with separate agents, each representing their clients. One agent represents the seller and one represents the buyer

**Intermediary without appointments**- Same brokerage- same agent represents both sides- buyer and seller. The agent must treat all parties impartially and fairly

**What about the Home builders representative?** They work for the seller- representing the builder's interests above all others, not the buyer.



# ***The advantage of a Buyers representation agreement***

## **YOUR INTERESTS ARE PROFESSIONALLY REPRESENTED —**

Enlisting the services of a professional Buyer's Agent is similar to using an accountant to help you with your taxes, a doctor to help you with your health care, or a mechanic to help you with your car. If you had the time to devote to learning everything about accounting, medicine, and automotive mechanics, you could do these services yourself. But who has the time? This is why you allow other professionals to help you in their specific areas of expertise.

We will take care of the hassles of everyday real estate transactions for you. We let you concentrate on your full-time job, while we do our job. We will guide you through the home-buying process and exclusively represent your interests as we help you find a home, present your contract offer, negotiate, and close on your home!

## **YOU GET A PERSONAL SPECIALIST WHO KNOWS YOUR NEEDS —**

Just as your accountant, doctor, and mechanic understand your specific needs, your Buyer's Agent gets to know your real estate needs and concerns. This type of relationship is built through open communication at all times. Your Buyer's Agent will save you a lot of time by providing you all the details about any home before you see it. In addition, your Buyer's Agent will listen to your feedback and concerns about each home.

## **YOU WILL QUICKLY AND CONVENIENTLY GET A GREAT HOME —**

The advantage to signing a Buyer's Agency Agreement with me is that you will have a professional agent working to find and secure the ideal home for you. It is nearly impossible to find a home that meets your needs, get a contract negotiated, and close the transaction without an experienced agent. You won't need to spend endless evenings and weekends driving around looking for homes or trying to search computer networks by yourself. When you tour homes with your professional Buyer's Agent, you will already know that the homes meet your criteria and are within your price range.

## **WHAT IS THE BUYER'S AGENCY AGREEMENT —**

Entering into a Buyer's Agency Agreement has countless advantages. When you sign the agreement, you are simply agreeing to "hire" a personal representative who, by law, must represent your best interests to the best of his/her ability. All of this personal service is available at absolutely NO COST TO YOU! The Seller's Agent is responsible for paying your Buyer's Agent fee. With me, you get a professional agent devoted to protecting your needs and to helping you make one of the most important investment decisions of your life — and you don't even have to pay the fee!



# Information About Brokerage Services

**B**efore working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

## **IF THE BROKER REPRESENTS THE OWNER:**

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

## **IF THE BROKER REPRESENTS THE BUYER:**

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

## **IF THE BROKER ACTS AS AN INTERMEDIARY:**

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party

state who will pay the broker and, in conspicuous bold or

underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

## **If you choose to have a broker represent you,**

you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.





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## **REASONS TO BUY A HOME**

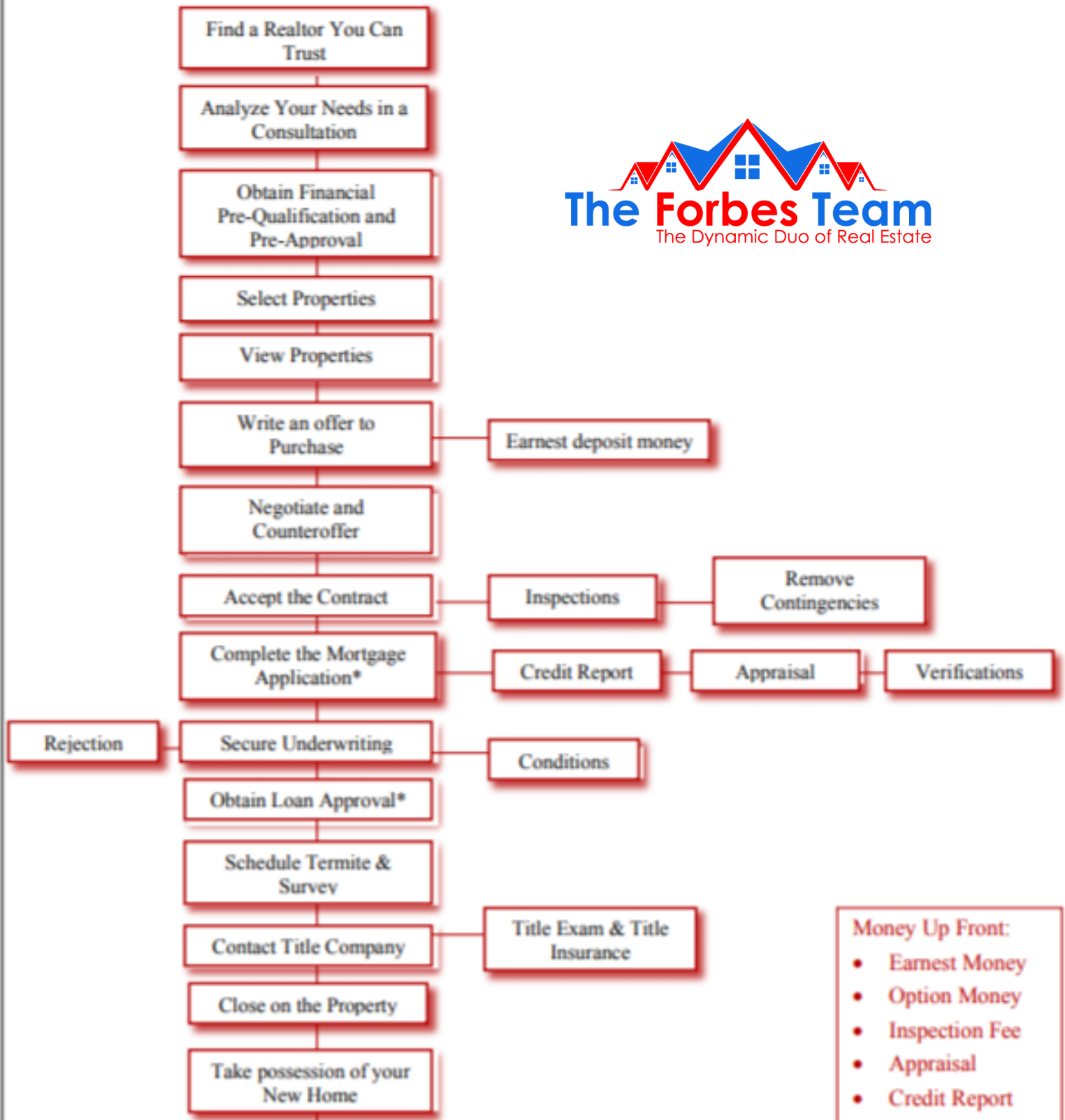
1. Quality of Life
2. Tax Deductibility of Mortgage Interest
3. Tax Deductibility of Property Taxes
4. Appreciation Potential
5. Deferred Gain and Capital Gain Treatment
6. Once in a Lifetime Exclusion
7. Principal Accumulation
8. Pride in Your Home
9. No Landlord
10. Leverage (where else can you buy this size of an investment with 5-10% down)
11. The Real Cost of Renting (At \$700 per month, with a 6% rental increase per year, you will pay \$110,719 over a 10 year period.)



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# THE HOME-BUYING PROCESS

I have designed this packet to assist you with the purchase of your new home. I assure you that it is our goal to provide you with the most professional and informative service available. I am always just a phone call away!



## Money Up Front:

- Earnest Money
- Option Money
- Inspection Fee
- Appraisal
- Credit Report

\*If not already pre-approved





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## **WHAT EVERY BUYER SHOULD KNOW BEFORE PURCHASING**

1. Property taxes and qualified interest are deductible on an individual's federal income tax return.
2. Often, a home is the largest asset an individual has and is considered one of the most valuable investments available.
3. A portion of each amortized mortgage payment goes to principal which is an investment.
4. A home is one of the few investments that you can enjoy by living in it.
5. A REALTOR® can usually show you any home whether it is listed with a company, a builder, or even a For Sale By Owner home.
6. Working through a REALTOR® to purchase a For Sale By Owner home can be very advantageous because someone is looking out for your best interest.
7. Your Real Estate professional can provide you with a list of items you'll need to complete your loan application so you'll be prepared.
8. A homeowner can exclude up to \$500,000 of capital gain tax if married and filing jointly or up to \$250,000 if single or filing separately. The home must have been the taxpayer's principal residence for the previous two years.
9. Beginning with May 07, 1997, there is no longer a requirement to purchase another home more expensive than the one sold. Homeowners are free to buy up or down with no tax consequences assuming their gain is less than the allowable amounts.
10. Ask the Real Estate professional if they are familiar with the neighborhoods where you want to live.
11. Ask the Real Estate professional whom he/she is representing in the transaction.
12. Ask the Real Estate professional what he/she will do to keep you informed.
13. Your Real Estate professional should provide you with the highest level of service and advice.



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# BEFORE WE BEGIN...

## PRE-QUALIFICATION AND PRE-APPROVAL

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

Pre-qualifying will help you in the following ways:

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

Pre-approval will help you in the following ways:

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

### HOW MUCH HOME CAN YOU AFFORD?

There are three key factors to consider:

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



### DOWN PAYMENT REQUIREMENTS:

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

### CLOSING COSTS:

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

### QUALIFYING FOR THE MORTGAGE:

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

- The principal on the loan (P)
- The interest on the loan (I)
- Property taxes (T),
- The homeowner's insurance (I).

Your total monthly PITI and all debts (from installments to revolving charge accounts) should range between 33-38% of your gross monthly income. These key factors determine your ability to secure a home loan: Credit Report, Assets, Income, and Property Value.



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# LOAN APPLICATION CHECKLIST



## ☒ **General:**

- ☐ Picture ID with Social Security Number
- ☐ Payment to cover application fee.
- ☐ Name and complete address of all landlords (past 2 years).

## ☒ **Income:**

- ☐ Employment history, including names, addresses, phone numbers, and length of time with that company (past 2 years).
- ☐ Copies of your most recent pay stubs and W-2 form (past 2 years).
- ☐ Verification of other income (social security, child support, retirement).
- ☐ If you are self-employed: Copies of signed tax returns including all schedules (past 2 years), and a signed profit and loss statement of the current year.
- ☐ If you are retired: Tax returns (past 2 years).
- ☐ If you have rental property income: Copies of all lease agreements.

## ☒ **Assets:**

- ☐ Copies of all bank statements from checking/savings accounts (past 3 months).
- ☐ Copies of all stock/bond certificates and/or past statements/retirement accounts.
- ☐ Prepare a list of household items and their values.
- ☐ Copies of title documents for all automobiles, boats, or motorcycles.
- ☐ 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 2 years). Bring proof of sale of properties sold.
- ☐ Childcare expense/support (name, address, phone number).

## ☒ **Other:**

- ☐ Bankruptcy – bring discharge and schedule of creditors.
- ☐ Adverse credit – bring letters of explanation.
- ☐ Divorce – bring your Divorce Decrees, property settlements, quitclaim deeds, modifications, etc.
- ☐ VA only – bring Form DD214 and Certificate of Eligibility.
- ☐ Retirees – bring retirement and/or Social Security Award Letter.



# THE TEN COMMANDMENTS

## When applying for a Real Estate Loan

1. Thou shalt not change jobs, become self-employed or quit your job.
2. Thou shalt not buy a car, truck or van (or you may be living in it)!
3. Thou shalt not use charge cards excessively or let your accounts fall behind.
4. Thou shalt not spend money you have set aside for closing.
5. Thou shalt not omit debts or liabilities from your loan application.
6. Thou shalt not buy furniture.
7. Thou shalt not originate any inquiries into your credit.
8. Thou shalt not make large deposits without first checking with your loan officer.
9. Thou shalt not change bank accounts.
10. Thou shalt not co-sign a loan for anyone.





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# THE ROAD MAP TO YOUR HOME!

## NARROWING THE SEARCH

“If you don’t know where you’re going... you’ll probably end up somewhere else.” Taken from a book title, this quote conveys a very simple message – **To achieve an objective – create a plan!**

If you plan to buy a home soon, you will need to know “where you are going”. For a most enjoyable home-buying experience, first build a road map to your new home, a list of priorities that will lead you to your objective – a new home!

The first priority is time frame. Write down the date by which you would like to move in to your new home: \_\_\_\_\_

Keep in mind that it may take 30-90 days (or more) to locate the right home, secure financing, and complete the home-buying process.

The next priority is to develop a detailed description of the home you hope to find. The following page contains a **Home Search Criteria** form to help you distinguish between “Need to Have” features and “Nice to have” features. Be Specific. Include architectural style, number of bedrooms and baths, location, lot size, and other special requirements. Number your preferences in order of greatest importance to you.

This form, along with the information you share during our initial consultation, will enable me to narrow the home search. I will take this information and enter your requirements into the Multiple Listing Service (MLS) system. I will use my personal market knowledge to come up with a list of those homes that best meet your needs and wants.

During the home search, I will...

- Discuss the benefits and drawbacks of each home in relation to your specific needs.
- Keep you informed on a regular basis.
- Check the MLS database and with other brokers regularly for new listings.
- Prepare a list of all homes that best meet your needs and wants.
- Keep you up to date on changing financial conditions that may affect the housing marketing.
- Be available to answer your questions or offer assistance regarding your home purchase.
- Discuss market trends and values relative to properties that may be of interest to you.



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# HOME SEARCH CRITERIA

## GENERAL INFORMATION

Name:			
Current Street Address:			
City/State/Zip:			
Home Phone:		Business Phone:	
Email:			

## TIME LINE INFORMATION

Deadline for Locating a Home:	
Required Move In Date:	

## NEEDS ANALYSIS

Family Size:	Adults:	Children:
Need-to-Have features:		

Nice-to-Have features:
------------------------

Area Preferred:	
Price Range: From:	To:
Approximate Square Footage:	

Prefer:	Home	Condominium	Town home	Duplex/Triplex
Other				

Approximate age of Home:		
Style:		
Bedrooms:	Bathrooms:	Garage:

Important Features:	
<input type="checkbox"/> Den	<input type="checkbox"/> Porch
<input type="checkbox"/> Family Room	<input type="checkbox"/> Patio
<input type="checkbox"/> Formal Dining Room	<input type="checkbox"/> Workshop
<input type="checkbox"/> Combination Dining Room	<input type="checkbox"/> Drapes/Blinds
<input type="checkbox"/> Wooded Lot	<input type="checkbox"/> Carpet
<input type="checkbox"/> Air Conditioning	<input type="checkbox"/> Public Transportation
<input type="checkbox"/> Swimming Pool	<input type="checkbox"/> Utility Room
<input type="checkbox"/> Fireplace	<input type="checkbox"/> Breakfast Area
Other:	

## SCHOOL REQUIREMENTS

Elementary School:	
Middle School:	
High School:	

## PRESENT HOME INFORMATION

<input type="checkbox"/> Sold	<input type="checkbox"/> Listed	<input type="checkbox"/> Not Listed
If not sold or listed, may we have a cooperating broker assist you?		
Approximate down payment available:		
Source of down payment:		





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## THE NEIGHBORHOOD

There are many factors to consider when selecting a neighborhood that is right for you. Below are just a few of the many factors -- You may think of others that are important to you. Please write them on your Home Search Criteria form so they do not get forgotten.

Neighborhoods have characteristic personalities designed to best suit single people, growing families, two-career couples, or retirees. Investigate to determine if the neighborhood matches your lifestyle and personality.

### Scout out the Neighborhood!



It is important that you scout the neighborhood in person. You live in more than your house.

- Talk to people who live there.
- Drive through the entire area at different times of the day, during the week and on weekends.
- Look carefully at how well other homes in the area are being maintained; are they painted, are the yards well cared for; are parked cars in good condition, etc.

### Neighborhood Factors to Consider --

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



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# THE HOME TOUR

Property Address: \_\_\_\_\_

PROPERTY		COMMENTS		EXTERIOR		COMMENTS	
✓ View				✓ Foundation			
✓ Lot Size				✓ Roof			
✓ Landscaping				✓ Architectural Style			
✓ Square Footage				✓ Deck/Patio			
INTERIOR		COMMENTS		✓ Swimming Pool			
✓ Number of Bedrooms				✓ Garage			
✓ Number of Bathrooms				✓ General Exterior Condition			
✓ Living Room				LOCATION		COMMENTS	
✓ Kitchen				✓ Convenience to Work			
✓ Dining Room				✓ Convenience to Shopping			
✓ Family Room				✓ Convenience to Schools			
✓ Study				✓ Convenience to Day Care			
✓ Fireplace(s)				✓ Nearby Recreational Facilities			
✓ Openness of Home				✓ General Appearance of Houses in the Area			
✓ General Interior Condition				✓ House Value Relative to the Area			
ADDITIONAL COMMENTS							



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**WORKING WITH HOME BUILDERS**



## **Why use an agent to purchase a new home?**

**The advantages of having an agent help you purchase a new home are the same as those for purchasing a resale home.....**

- **Knowledge of the market**
- **Help in finding the perfect home quickly**
- **Expertise in real estate contracts/negotiations**
- **Provide Comparative sales reports for specific builder**
- **Closing assistance**

**The builder has a professional representative watching out for his/hers needs, and you need the same expert representation.**

**Buying a new home is a little more difficult and time consuming than buying a resale. I can professionally guide you through this process.**

**It is very important that your interests be represented when you are entering into a contract for a semi-custom or build-to-suit home. These transactions are complex, and the contract details must be exact in order to protect you and to ensure you get exactly the home you want!**

**Remember – The builder requires that your agent accompany you on your first visit to the builder's sales office, or they will NOT PAY your representative's fee!**





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# BUILDER QUESTIONS

1. How long have you been in business?
2. In what areas have you built?
3. What sets you apart from other builders?
4. What type of warranty program do you offer?
5. What are your fees for building a home (fixed price, costs plus management fee)?
6. How do you charge for extras?
7. Who supervises your construction?
8. How long have your trade people been working with you?
9. How often will we be updated on the progress of the home?
10. How often, during the week, are you at the job site? The superintendent?
11. Who will I be dealing with during construction?
12. Will that person have the authority to make final decisions?
13. Can you make changes to your floor plans? What are the costs involved?
14. How long is your typical build from dirt process?
15. What is your rating with the better business bureau?
16. Do your contractors that are constructing the home also perform the warranty work?



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## MAKING AN OFFER



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

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

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

The step-by-step contract procedure for most single-family home purchases is standard. The purchase agreement used is a standard document approved by our local Board of Realtors.

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



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)  
**ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE)**

NOTICE: Not For Use For Condominium Transactions

11-10-2020



1. **PARTIES:** The parties to this contract are \_\_\_\_\_ (Seller) and \_\_\_\_\_ (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.
2. **PROPERTY:** The land, improvements and accessories are collectively referred to as the Property (Property).
- A. **LAND:** Lot \_\_\_\_\_ Block \_\_\_\_\_, Addition, City of \_\_\_\_\_, County of \_\_\_\_\_, Texas, known as \_\_\_\_\_ (address/zip code), or as described on attached exhibit.
- B. **IMPROVEMENTS:** The house, garage and all other fixtures and improvements attached to the above-described real property, including without limitation, the following **permanently installed and built-in items**, if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas, mounts and brackets for televisions and speakers, heating and air-conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, water softener system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property attached to the above described real property.
- C. **ACCESSORIES:** The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, door keys, mailbox keys, above ground pool, swimming pool equipment and maintenance accessories, artificial fireplace logs, security systems that are not fixtures, and controls for: (i) garage doors, (ii) entry gates, and (iii) other improvements and accessories. "Controls" includes Seller's transferable rights to the (i) software and applications used to access and control improvements or accessories, and (ii) hardware used solely to control improvements or accessories.
- D. **EXCLUSIONS:** The following improvements and accessories will be retained by Seller and must be removed prior to delivery of possession: \_\_\_\_\_.
- E. **RESERVATIONS:** Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.
3. **SALES PRICE:**
- A. Cash portion of Sales Price payable by Buyer at closing ..... \$ \_\_\_\_\_
- B. Sum of all financing described in the attached: ☐ Third Party Financing Addendum, ☐ Loan Assumption Addendum, ☐ Seller Financing Addendum ..... \$ \_\_\_\_\_
- C. Sales Price (Sum of A and B) ..... \$ \_\_\_\_\_
4. **LEASES:** Except as disclosed in this contract, Seller is not aware of any leases affecting the Property. After the Effective Date, Seller may not, without Buyer's written consent, create a new lease, amend any existing lease, or convey any interest in the Property. (Check all applicable boxes)
- ☐ A. **RESIDENTIAL LEASES:** The Property is subject to one or more residential leases and the Addendum Regarding Residential Leases is attached to this contract.
- ☐ B. **FIXTURE LEASES:** Fixtures on the Property are subject to one or more fixture leases (for example, solar panels, propane tanks, water softener, security system) and the Addendum Regarding Fixture Leases is attached to this contract.
- ☐ C. **NATURAL RESOURCE LEASES:** "Natural Resource Lease" means an existing oil and gas, mineral, water, wind, or other natural resource lease affecting the Property to which Seller is a party.
- ☐ (1) Seller has delivered to Buyer a copy of all the Natural Resource Leases.
- ☐ (2) Seller has not delivered to Buyer a copy of all the Natural Resource Leases. Seller shall provide to Buyer a copy of all the Natural Resource Leases within 3 days after the Effective Date. Buyer may terminate the contract within \_\_\_\_\_ days after the date the Buyer receives all the Natural Resource Leases and the earnest money shall be refunded to Buyer.



**5. EARNEST MONEY AND TERMINATION OPTION:**

- A. DELIVERY OF EARNEST MONEY AND OPTION FEE: Within 3 days after the Effective Date, Buyer must deliver to \_\_\_\_\_, as escrow agent, at \_\_\_\_\_ (address): \$ \_\_\_\_\_ as earnest money and \$ \_\_\_\_\_ as the Option Fee. The earnest money and Option Fee shall be made payable to escrow agent and may be paid separately or combined in a single payment.
- (1) Buyer shall deliver additional earnest money of \$ \_\_\_\_\_ to escrow agent within \_\_\_\_\_ days after the Effective Date of this contract.
  - (2) If the last day to deliver the earnest money, Option Fee, or the additional earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money, Option Fee, or the additional earnest money, as applicable, is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday.
  - (3) The amount(s) escrow agent receives under this paragraph shall be applied first to the Option Fee, then to the earnest money, and then to the additional earnest money.
  - (4) Buyer authorizes escrow agent to release and deliver the Option Fee to Seller at any time without further notice to or consent from Buyer, and releases escrow agent from liability for delivery of the Option Fee to Seller. The Option Fee will be credited to the Sales Price at closing.
- B. TERMINATION OPTION: For nominal consideration, the receipt of which Seller acknowledges, and Buyer's agreement to pay the Option Fee within the time required, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within \_\_\_\_\_ days after the Effective Date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If Buyer gives notice of termination within the time prescribed: (i) the Option Fee will not be refunded and escrow agent shall release any Option Fee remaining with escrow agent to Seller; and (ii) any earnest money will be refunded to Buyer.
- C. FAILURE TO TIMELY DELIVER EARNEST MONEY: If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money.
- D. FAILURE TO TIMELY DELIVER OPTION FEE: If no dollar amount is stated as the Option Fee or if Buyer fails to deliver the Option Fee within the time required, Buyer shall not have the unrestricted right to terminate this contract under this paragraph 5.
- E. TIME: **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

**6. TITLE POLICY AND SURVEY:**

- A. TITLE POLICY: Seller shall furnish to Buyer at ☐ Seller's ☐ Buyer's expense an owner policy of title insurance (Title Policy) issued by \_\_\_\_\_ (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
- (1) Restrictive covenants common to the platted subdivision in which the Property is located.
  - (2) The standard printed exception for standby fees, taxes and assessments.
  - (3) Liens created as part of the financing described in Paragraph 3.
  - (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
  - (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
  - (6) The standard printed exception as to marital rights.
  - (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
  - (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements:
    - ☐ (i) will not be amended or deleted from the title policy; or
    - ☐ (ii) will be amended to read, "shortages in area" at the expense of ☐ Buyer ☐ Seller.
  - (9) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.
- B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

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- C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)
- ☐ (1) Within \_\_\_\_\_ days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). **If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.** If the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at ☐ Seller's ☐ Buyer's expense no later than 3 days prior to Closing Date.
- ☐ (2) Within \_\_\_\_\_ days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- ☐ (3) Within \_\_\_\_\_ days after the Effective Date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.
- D. OBJECTIONS: Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; disclosed in the Commitment other than items 6A(1) through (9) above; or which prohibit the following use or activity: \_\_\_\_\_.
- Buyer must object the earlier of (i) the Closing Date or (ii) \_\_\_\_\_ days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.
- E. TITLE NOTICES:
- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property ☐ is ☐ is not subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2A in which the Property is located, you are obligated to be a member of the property owners association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, or operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**
- Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.
- If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners Association(s) should be used.**
- (3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services,



Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.

- (4) **TIDE WATERS:** If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) **ANNEXATION:** If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) **PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:** Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) **PUBLIC IMPROVEMENT DISTRICTS:** If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.
- (8) **TRANSFER FEES:** If the Property is subject to a private transfer fee obligation, §5.205, Property Code, requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.
- (9) **PROPANE GAS SYSTEM SERVICE AREA:** If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.
- (10) **NOTICE OF WATER LEVEL FLUCTUATIONS:** If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

## 7. PROPERTY CONDITION:

- A. **ACCESS, INSPECTIONS AND UTILITIES:** Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Any hydrostatic testing must be separately authorized by Seller in writing. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall keep the utilities on during the time this contract is in effect.
- B. **SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice):**  
(Check one box only)
- ☐ (1) Buyer has received the Notice.
- ☐ (2) Buyer has not received the Notice. Within \_\_\_\_\_ days after the Effective Date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing and the earnest money



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will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer.

☐ (3) The Seller is not required to furnish the notice under the Texas Property Code.

C. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS is required by Federal law for a residential dwelling constructed prior to 1978.

D. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7D(1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

(Check one box only)

☐ (1) Buyer accepts the Property As Is.

☐ (2) Buyer accepts the Property As Is provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: \_\_\_\_\_

(Do not insert general phrases, such as "subject to inspections" that do not identify specific repairs and treatments.)

E. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs, which includes treatment for wood destroying insects. If the parties do not agree to pay for the lender required repairs or treatments, this contract will terminate and the earnest money will be refunded to Buyer. If the cost of lender required repairs and treatments exceeds 5% of the Sales Price, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

F. COMPLETION OF REPAIRS AND TREATMENTS: Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days if necessary for Seller to complete the repairs and treatments.

G. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

H. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding \$ \_\_\_\_\_. Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. **The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.**

**8. BROKERS AND SALES AGENTS:**

A. BROKER OR SALES AGENT DISCLOSURE: Texas law requires a real estate broker or sales agent who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the broker or sales agent owns more than 10%, or a trust for which the broker or sales agent acts as a trustee or of which the broker or sales agent or the broker or sales agent's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: \_\_\_\_\_

B. BROKERS' FEES: All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

**9. CLOSING:**

A. The closing of the sale will be on or before \_\_\_\_\_, \_\_\_\_\_, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

(1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.

(2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.

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- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
- (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.

**10. POSSESSION:**

- A. BUYER'S POSSESSION: Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted: ☐ upon closing and funding ☐ according to a temporary residential lease form promulgated by TREC or other written lease required by the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. **Consult your insurance agent prior to change of ownership and possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.**
- B. SMART DEVICES: "Smart Device" means a device that connects to the internet to enable remote use, monitoring, and management of: (i) the Property; (ii) items identified in any Non-Reality Items Addendum; or (iii) items in a Fixture Lease assigned to Buyer. At the time Seller delivers possession of the Property to Buyer, Seller shall:
  - (1) deliver to Buyer written information containing all access codes, usernames, passwords, and applications Buyer will need to access, operate, manage, and control the Smart Devices; and
  - (2) terminate and remove all access and connections to the improvements and accessories from any of Seller's personal devices including but not limited to phones and computers.

**11. SPECIAL PROVISIONS:** (Insert only factual statements and business details applicable to the sale. TREC rules prohibit license holders from adding factual statements or business details for which a contract addendum, lease or other form has been promulgated by TREC for mandatory use.)**12. SETTLEMENT AND OTHER EXPENSES:**

- A. The following expenses must be paid at or prior to closing:
  - (1) Expenses payable by Seller (Seller's Expenses):
    - (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
    - (b) Seller shall also pay an amount not to exceed \$ \_\_\_\_\_ to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.
  - (2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.
- B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

**13. PRORATIONS:** Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.



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- 14. CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds, if permitted by Seller's insurance carrier, and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.
- 15. DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.
- 16. MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.
- 17. ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.
- 18. ESCROW:**
- A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent. Escrow agent may require any disbursement made in connection with this contract to be conditioned on escrow agent's collection of good funds acceptable to escrow agent.
  - B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by escrow agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.
  - C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.
  - D. **DAMAGES:** Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
  - E. **NOTICES:** Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.
- 19. REPRESENTATIONS:** All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.
- 20. FEDERAL TAX REQUIREMENTS:** If Seller is a "foreign person," as defined by Internal Revenue Code and its regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.



**21. NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by fax or electronic transmission as follows:

<b>To Buyer at:</b> _____	<b>To Seller at:</b> _____
_____	_____
Phone: _____	Phone: _____
E-mail/Fax: _____	E-mail/Fax: _____
E-mail/Fax: _____	E-mail/Fax: _____

**22. AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (Check all applicable boxes):

- |   |  |
|---|--|
| <input type="checkbox"/> Third Party Financing Addendum   | <input type="checkbox"/> Seller's Temporary Residential Lease  |
| <input type="checkbox"/> Seller Financing Addendum  | <input type="checkbox"/> Short Sale Addendum   |
| <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners Association | <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway   |
| <input type="checkbox"/> Buyer's Temporary Residential Lease  | <input type="checkbox"/> Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required by Federal Law |
| <input type="checkbox"/> Loan Assumption Addendum   | <input type="checkbox"/> Addendum for Property in a Propane Gas System Service Area  |
| <input type="checkbox"/> Addendum for Sale of Other Property by Buyer   | <input type="checkbox"/> Addendum Regarding Residential Leases   |
| <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals                                | <input type="checkbox"/> Addendum Regarding Fixture Leases   |
| <input type="checkbox"/> Addendum for "Back-Up" Contract  | <input type="checkbox"/> Other (list): _____   |
| <input type="checkbox"/> Addendum for Coastal Area Property   | _____  |
| <input type="checkbox"/> Addendum for Authorizing Hydrostatic Testing   | _____  |
| <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender's Appraisal                       | _____  |
| <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum       | _____  |

**23. CONSULT AN ATTORNEY BEFORE SIGNING:** TREC rules prohibit real estate license holders from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: _____	Seller's Attorney is: _____
_____	_____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
E-mail: _____	E-mail: _____

EXECUTED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (Effective Date).  
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Buyer \_\_\_\_\_

Seller \_\_\_\_\_

Buyer \_\_\_\_\_

Seller \_\_\_\_\_



The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (<http://www.trec.texas.gov>) TREC NO. 20-15. This form replaces TREC NO. 20-14.

**BROKER INFORMATION**  
(Print name(s) only. Do not sign)

**Coldwell Banker United** **0420132**  
Other Broker Firm License No. Listing Broker Firm License No.

represents ☐ Buyer only as Buyer's agent represents ☐ Seller and Buyer as an intermediary  
☐ Seller as Listing Broker's subagent ☐ Seller only as Seller's agent

**Earl Forbes** **622163**  
Associate's Name License No. Listing Associate's Name License No.

Team Name Team Name

Associate's Email Address Phone Listing Associate's Email Address Phone

**Michelle Posey** **540463**  
Licensed Supervisor of Associate License No. Licensed Supervisor of Listing Associate License No.

**2109 Highway 6 south STE D**

Other Broker's Address Phone Listing Broker's Office Address Phone

**Sugar Land** **TX 77478**  
City State Zip City State Zip

Selling Associate's Name License No.

Team Name

Selling Associate's Email Address Phone

Licensed Supervisor of Selling Associate License No.

Selling Associate's Office Address

City State Zip

Disclosure: Pursuant to a previous, separate agreement (such as a MLS offer of compensation or other agreement between brokers), Listing Broker has agreed to pay Other Broker a fee (\_\_\_\_\_). This disclosure is for informational purposes and does not change the previous agreement between brokers to pay or share a commission.



**OPTION FEE RECEIPT**

Receipt of \$ \_\_\_\_\_ (Option Fee) in the form of \_\_\_\_\_  
is acknowledged.

Escrow Agent \_\_\_\_\_ Date \_\_\_\_\_

**EARNEST MONEY RECEIPT**

Receipt of \$ \_\_\_\_\_ Earnest Money in the form of \_\_\_\_\_  
is acknowledged.

Escrow Agent \_\_\_\_\_ Received by \_\_\_\_\_ Email Address \_\_\_\_\_ Date/Time \_\_\_\_\_

Address \_\_\_\_\_ Phone \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Fax \_\_\_\_\_

**CONTRACT RECEIPT**

Receipt of the Contract is acknowledged.

Escrow Agent \_\_\_\_\_ Received by \_\_\_\_\_ Email Address \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ Phone \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Fax \_\_\_\_\_

**ADDITIONAL EARNEST MONEY RECEIPT**

Receipt of \$ \_\_\_\_\_ additional Earnest Money in the form of \_\_\_\_\_  
is acknowledged.

Escrow Agent \_\_\_\_\_ Received by \_\_\_\_\_ Email Address \_\_\_\_\_ Date/Time \_\_\_\_\_

Address \_\_\_\_\_ Phone \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Fax \_\_\_\_\_



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## BEHIND THE SCENES

### WHAT HAPPENS NEXT?

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

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

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

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

Examination – Verification of the legal owner and debts owed.

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

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

Title Insurance - There are two types of title insurance:

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

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

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

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



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# TRANSACTION CHECKLIST



<input type="checkbox"/>	Order Termite Inspection
<input type="checkbox"/>	Order Mechanical Inspection
<input type="checkbox"/>	Notify Landlord
<input type="checkbox"/>	Order Insurance Policy
<input type="checkbox"/>	Transfer Utilities
<input type="checkbox"/>	Order Telephone Service
<input type="checkbox"/>	Make final walk through
<input type="checkbox"/>	Schedule appointment with movers
<input type="checkbox"/>	Make extra keys/change locks
<input type="checkbox"/>	Order cable TV service
<input type="checkbox"/>	Order new key for Postal box at Post office after closing
<input type="checkbox"/>	Change driver's license/credit cards





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## SERVICE PROVIDERS

Following is a list of recommended Service Providers. These are vendors we have worked with in the past and that have been recommended to us by satisfied customers. These are only recommendations. These recommendations are made on an informational basis only and are offered as a convenience to you. We accept no responsibility.

### INSPECTORS:

- Roy Martin- 832-573-8378
- Robert Guilbeau- 713-443-1891
- Austin Messina- 832-857-3791
- John Onofrey-281-782-3330

### HOME WARRANTY PROTECTION COMPANIES:

- American Home Shield
- Home Warranty of America

### INSURANCE COMPANIES:

- Allstate-Jeff Rezac-281-980-6200
- Parkway Insurance Group- 281-558-1991

### MORTGAGE COMPANIES:

- Legend Lending-David Krichmare 832-689-6012
- 1st Alliance Mortgage-Kathryn Hardeman 281-460-0777



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# 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!

## RESALE HOME WARRANTIES —

When you purchase a resale home, you can purchase warranties that will protect you against most ordinary flaws and breakdowns for at least the first year of occupancy. The warranty may be offered by either the Seller, as part of the overall package, or by the Realtor. 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 warrant packages.

I can provide you with a complete list of home warranty companies that service the Houston area.



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# HOME INSPECTION

If you are purchasing a resale property, we highly recommend that you have a professional home inspector conduct a thorough inspection. The inspection will include the following:

- Appliances
- Plumbing
- Electrical
- Air conditioning and heating
- Ventilation
- Roof and Attic
- Foundation
- General Structure

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

Your home cannot “pass or fail” an inspection, and your inspector will not tell you whether he/she thinks the home is worth the money you are offering. The inspector’s job is to make you aware of repairs that are recommended or necessary.

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

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

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





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# WHAT IS A REAL ESTATE CLOSING

## WHAT IS A REAL ESTATE “CLOSING”?



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

If financing the property, your lender will require you to sign a document, usually a promissory note, as evidence that you are personally responsible for repaying the loan. You will also sign a mortgage or deed of trust on the property as security to the lender for the loan. The mortgage or deed of trust gives the lender the right to sell the property if you fail to make the payments. Before you exchange these papers, the property may be surveyed, appraised, or inspected, and the ownership of title will be checked in county and court records.

At closing, you will be required to pay all fees and closing costs in the form of “guaranteed funds” such as a Cashier’s Check. Your agent or escrow officer will notify you of the exact amount at closing.

## WHAT IS AN ESCROW ACCOUNT?

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





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# MOVING



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

## **Keep detailed records – some moving expenses are tax deductible!**

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

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



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# MOVING CHECKLIST

## WHAT TO DO BEFORE YOU MOVE

### ☒ Two months before moving

- ☐ Sort through your belongings to reduce the number of things to move.
- ☐ Have a garage sale or donate items you no longer need.
- ☐ Decide whether to move yourself or hire professionals. Make reservations with a moving company or truck rental company. Tip: Call three companies for estimates to compare.
- ☐ Gather packing supplies: boxes, packing material, tape, felt markers, and scissors.
- ☐ If you're moving a long distance, make travel arrangements with the airline, hotel, and rental car agency. If you're driving to your new home, get maps and plan your travel route.
- ☐ Save all moving receipts. Some moving expenses are tax deductible. Check the current tax code for requirements.
- ☐ Place your legal, medical, financial, and insurance records in a safe and accessible place.
- ☐ Purchase insurance coverage for valuables to be moved.
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_

### ☒ One month before moving

- ☐ Start packing items that aren't regularly used such as off-season clothes and decorations and items in storage areas (garage, attic, and closets).
- ☐ Make travel arrangements for your pets.
- ☐ If you're driving, get your car tuned up.
- ☐ Get medical records from your doctors, dentist, optometrist, and veterinarian.
- ☐ Send items (rugs, drapes, clothing, quilts, bedding) to the cleaners.
- ☐ Back up important computer files to floppy disk.
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_





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# MOVING CHECKLIST

## WHAT TO DO BEFORE YOU MOVE

### ☒ Two weeks before moving

- ☐ Contact your utility companies and notify them of your move.
- ☐ Sign up for services at your new address.
- ☐ Contact your long distance phone company and notify them of your move.
- ☐ Call friends and family and recruit help for the moving day.
- ☐ Confirm your travel reservations.
- ☐ Arrange to close or transfer your bank account, if appropriate. Pick up items you're your safety deposit box.
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_

### ☒ One week before moving

- ☐ Pick up items from the cleaners, repair shops, or friends.
- ☐ Pack a survival kit of clothes, medicines, special foods, etc. to carry you through the day while you unpack.
- ☐ Finish packing all boxes minus what you'll need in the final week.
- ☐ Inform the post office of your upcoming move.

*Send change-of-address cards with your new address and phone number to:*

- ☐ Friends and family
- ☐ Banks, insurance companies, credit card companies, and other financial institutions
- ☐ Magazines and newspapers
- ☐ Doctors, lawyers, accountants, realtors, and other service providers
- ☐ State and federal tax authorities and any other government agencies as needed
- ☐ Workplace, schools, and alma maters

### ☒ The day before

- ☐ Set aside moving materials, such as tape measure, pocketknife, and rope.
- ☐ Pad corners and stairways of house.
- ☐ Lay down old sheets in the entry and hallways to protect floor coverings.
- ☐ Remove hanging fixtures.
- ☐ If you are moving yourself, pick up the rental truck and a dolly to move heavy boxes.
- ☐ If you are driving, check oil, tire pressure, and gas in your car.
- ☐ If you are flying, make sure you have tickets, charge cards and other essentials.
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_



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# MOVING CHECKLIST

## WHAT TO DO BEFORE YOU MOVE

### ☒ **Moving Day**

*Carry with you:*

- ☐ The keys to your new home.
- ☐ A map of your new town and directions to your home.
- ☐ The telephone number of the moving company.
- ☐ Cash or traveler's checks.
- ☐ Documentation related to the sale of your home.
- ☐ Your insurance policies and agent's phone number.
- ☐ Your current address book or personal planner.
- ☐ Prescription and non-prescription medicines.
- ☐ Enough clothing to get by if the movers are late.
- ☐ The telephone number of the moving company.
- ☐ Cash or traveler's checks.
- ☐ Any items of great personal value to you that are virtually irreplaceable.
- ☐ Back-up copies of important computer files.
- ☐ Sheets, towels and personal hygiene items for the first night in your new home.
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_

### ☒ **Arrival Day**

- ☐ Show movers where to place furniture and boxes.
- ☐ Check inventory to ensure that everything was delivered before signing delivery papers.  
Note any damages on the inventory sheet.
- ☐ Unpack any valuable items, such as silver, art, and jewelry, upon arrival.
- ☐ Inform the post office of your upcoming move.
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_



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# PACKING CHECKLIST

## TIPS TO MAKE YOUR MOVE A LITTLE EASIER

### ☒ **Packing Tips**

- ☐ Gather boxes in all sizes from friends, neighbors, and stores
- ☐ Collect cushioning material such as bubble wrap, Styrofoam pellets, furniture pads, old blankets, plastic bags, tissue paper, newspapers, and small towels to use as padding inside boxes.
- ☐ Create a “portable packing kit” with marking pens, a tape measure, packing tape, twine, and scissors. Carry it with you as you pack up items around your home.
- ☐ Reinforce the bottom of boxes with extra tape for added strength.
- ☐ Label each box with the name of the room in your home where it should be placed.
- ☐ Number the boxes and keep a list of which boxes goes in which room in your new home.
- ☐ Label boxes containing fragile items with large red lettering.
- ☐ Place china in plastic bags and stack plates upright on their sides, not flat.
- ☐ Pack your TV, stereo, and computer in their original boxes whenever possible.
- ☐ Keep boxes to 50 pounds or less.
- ☐ Pack heavy items into their own smaller boxes and place lighter items together into larger boxes. (Don’t pack all your books into one box!)
- ☐ Don’t move flammable, combustible, corrosive, or explosive items such as paint, gasoline, and ammunition.
- ☐ Pack a bag of personal items you’ll need during the move (change of clothes, toiletries, medicine, maps, food, and drinks). Keep it in an easy-to-find place when you pack.
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_



# HELPING CHILDREN COPE WITH THE MOVE

1. Show the children the new home and their new room prior to moving. If this is not possible, pictures or videos will help them visualize where they are going.
2. Assure children that you won't forget their friends.
3. Make a scrapbook of the old home and neighborhood.
4. Throw a good-bye party. At the party have their friends sign a t-shirt.
5. Have your children write good-bye letters and enclose their new address. You may wish to call the other children's parents so that they will encourage return letters.
6. When packing, give your children their own box and let them decorate it.
7. Start a scrapbook for your new home.
8. Visit your children's new school, park, church, etc... Take a camera.
9. Help your children invite new friends over to your new home.
10. Let your children choose a new favorite restaurant. This will help them feel in control of their New World.
11. Encourage them to send letters about their new home to their friends.
12. Involve your children in groups, sports, and activities like the ones they used to participate in.
13. Remember, even if you only lived in a home for a few years, to a young child it is nearly their entire lifetime.



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## **GLOSSARY**

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

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

**AMORTIZED LOAN:** A loan, which is paid in equal installments during its term.

**A.P.R. (ANNUAL PERCENTAGE RATE):** A term used in the Truth in Lending Act. It represents the relationship of the total finance charge (interest, discount points, origination fees, loan broker, commission, etc.) to the amount of the loan.

**APPRAISAL:** An estimate of real estate value, usually issued to standards of FHA, VA, and FHMA. Recent comparable sales in the neighborhood is the most important factor in determining value. This should be contrasted against the home inspection.

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

**ASSUMABLE MORTGAGE:** Purchaser takes ownership to real estate encumbered by an existing mortgage and assumes responsibility as the guarantor for the unpaid balance of the mortgage.

**BILL OF SALE:** Document used to transfer title (ownership) of PERSONAL Property.

**CLOSING STATEMENT (HUD1):** A financial statement rendered to the buyer and seller at the time of transfer of ownership, giving an account of all funds received or expended.

**CLOUD ON TITLE:** Any condition that affects the clear title to real property.

**COMPARABLE SALES:** Sales that have similar characteristics as the subject property and are used for analysis in the appraisal process.

**CONTRACT:** An agreement to do or not to do a certain thing.

**CONSIDERATION:** Anything of value to induce another to enter into a contract, i.e., money, services, a promise.

**DEED:** Written instrument, which when properly executed and delivered, conveys title to real property.

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

**EASEMENT:** The right to use the land of another.

**ENCUMBRANCE:** Anything that burdens (limits) the fee title to property, such as a lien, easement, or restriction of any kind.

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

**ESCROW PAYMENT:** That portion of a mortgagor's monthly payment held in trust by the lender to pay for taxes, hazard insurance, mortgage insurance, lease payments and other items as they become due.

**FANNIE MAE:** Nickname for Federal National Mortgage Corporation (FNMA), a tax-paying corporation created by congress to support the secondary mortgages insured by FHA or guaranteed by VA, as well as conventional home mortgages.

**FEDERAL HOUSING ADMINISTRATION (FHA):** An agency of the U.S. Department of Housing and Urban Development (HUD). Its main activity is the insuring of residential mortgage loans made by private lenders. The FHA sets standards for construction and underwriting but does not lend money or plan or construct housing.

**FHA INSURED MORTGAGE:** A mortgage under which the Federal Housing Administration insures loans made, according to its regulations

**FIXED RATE MORTGAGE:** A loan that fixes the interest rate at a prescribed rate for the duration of the loan.

**FORECLOSURE:** Procedure whereby property pledges as security for a debt is sold to pay the debt in the event of default.

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

**GRADUATED PAYMENT MORTGAGE:** Any loan where the borrower pays a portion of the interest due each month during the first few years of the loan. The payment increases gradually during the first few years to the amount necessary to fully amortize the loan during its life.

**INVESTOR:** The holder of a mortgage or the permanent lender for whom the mortgage banker services the loan. Any person or institution that invests in mortgages.

**LEASE PURCHASE AGREEMENT:** Buyer makes a deposit for future purchases of a property with the right to lease the property for the interim.

**LOAN TO VALUE RATION (LTV):** The ratio of the mortgage loan principal (amount borrowed) to the property's appraised value (selling price). Example – on a \$100,000 home, with a mortgage loan principal of \$80,000 the loan to value ratio is 80%.

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

**MORTGAGE INSURANCE PREMIUM (MIP):** The amount paid by a mortgagor for mortgage insurance. This insurance protects the investor from possible loss in the event of a borrower's default on a loan.

**MORTGAGOR:** The borrower of money or the giver of the mortgage document.

**NOTE:** A written promise to pay a certain amount of money.

**ORIGINATION FEE:** A fee paid to the mortgagee for paying the mortgage before it becomes due. Also known as prepayment fee or reinvestment fee.



# Your 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.



## COLDWELL BANKER UNITED, REALTORS

**Agent: Earl Forbes**  
**(832)788-0948 cell**  
**(281)242-6200 office**  
**Eforbes@cbunited.com**

- ★ **Mortgage Company:** \_\_\_\_\_
- ★ **Loan Officer:** \_\_\_\_\_
- ★ **Phone:** \_\_\_\_\_
- ★ **Email:** \_\_\_\_\_
- ★ **Address:** \_\_\_\_\_  
\_\_\_\_\_
  
- ★ **Insurance Company:** \_\_\_\_\_
- ★ **Agent:** \_\_\_\_\_
- ★ **Phone:** \_\_\_\_\_
- ★ **Address:** \_\_\_\_\_  
\_\_\_\_\_
  
- ★ **Title Company:** \_\_\_\_\_
- ★ **Escrow Agent:** \_\_\_\_\_
- ★ **Phone:** \_\_\_\_\_
- ★ **Address:** \_\_\_\_\_  
\_\_\_\_\_
  
- ★ **Moving Company:** \_\_\_\_\_
- ★ **Contact:** \_\_\_\_\_
- ★ **Phone:** \_\_\_\_\_