



Buyer's Handbook

By: Isabelle V. Laub



Buyer Representation – The Process

Our goal in representing a Home Buyer is to guide you in making an informed decision in one of the most important financial transactions of your life. When you walk into a property and realize it is “The One”, we will ensure you are fully prepared to submit a winning offer. Once on-board, Isabelle and her team will provide you with their full attention and superior client service to represent you to the standard of care that you deserve. You will be positioned top-of-mind while Isabelle is previewing property, so that she is always considering your needs and desires.

- Prior to meeting with Isabelle, she or a member of her team will conduct a pre-consultant telephone interview with you to learn more about your needs, motivations and timelines.
- We will schedule a brief meeting to delve deeper into your needs in order to hone your search.
- After a review of your needs analysis, we will create a compelling tour of available homes in the current market that meet your expectations.
- To empower you in your home search, we will set-up an automated email alert system tailored to your specifications to immediately notify you of properties that become available which meet your criteria.
- Isabelle will provide you with materials to reference during our search to keep you on track. This information will give insight into inspections, contingencies, earnest money deposits, the mortgage process, escrow and title, the home warranty and will educate you in-depth on the home buying process.

When we find a home for you, Isabelle will:

- Prepare a current market value assessment of the home and help you analyze the physical and economic features of comparable properties, as well as other market variables, to enable you to structure an informed, realistic and smart offer.
- Recommend and attend a home inspection to identify any major, significant defects (structural, mechanical, safety) which may need to be negotiated with the Seller. No home is perfect.
- Ensure you receive and review 1) the seller’s transfer disclosure statement (TDS) which reveals material facts of the seller’s knowledge regarding the subject property, i.e., defects inherent in the property, remodeling projects undertaken, appliances included in the sale and their condition, etc., and 2) the natural hazard disclosure statement (NHD) pertaining to the subject property which discloses whether the property is located in a natural hazard zone (seismic, flood, fire, etc.) which can affect the value and desirability of the property.



- Negotiate on your behalf with the Sellers and their Agent, and keep you informed every step of the way to ensure you obtain the best possible outcome for your new home purchase.
- Continue to be available to you as a resource post-purchase for all things real estate related.

8 Most Frequently Asked Questions



Purchasing a home can be an overwhelming process. It involves many dynamic pieces that can leave a homebuyer feeling bewildered. Please review the following answers to our 8 most frequently asked questions. Our intent is to prepare you to submit a winning offer and knowledge is power. If your question is not answered herein, please do reach out to us for clarity. We love to talk real estate!

1. What is the difference between a Pre-Qualification letter vs. a Pre-Approval letter?

Being pre-qualified does not count for much in the Marin County/San Francisco market. This simply means your mortgage lender has done a cursory screen of your verbal financial information and has provided a rough estimate of what you might be able to afford. It will not help you to purchase your ideal home.

On the other hand, a mortgage pre-approval takes this preliminary loan process a step further. Additional financial information is gathered, including a credit report. You might be asked to provide many of the same



documents that will be required to complete the actual loan process, including tax returns, bank statements and employment verification. With a pre-approval letter from your lender, real estate agents and sellers know you are a serious buyer. This preapproval letter will be shown to sellers when bidding on a property and proves that you already have the backing and the ability to go through with the sale, making you a much more attractive buyer to the seller.

2. What is the difference between an earnest money deposit and a down payment?

Think of your earnest money deposit as a promise to the home seller and your down payment as a promise to the lender.

An earnest money deposit is roughly 3% of the purchase price (in our Bay Area market) and is submitted with your offer, or within three days of acceptance, as a show of good faith to the seller. These funds must be liquid and available (i.e., transfer funds/sell stock before making your offer). We prefer to wire transfer this within 48 hours to the title company of your choosing. Your earnest money deposit shows the Seller you are serious and committed to closing the deal. This deposit is held in an escrow account and is usually applied to your down payment or closing costs. If you are paying all-cash, you will still need to submit an earnest money deposit supported with a proof of funds letter (a bank statement or certified financial statement). Make sure you understand what happens to these funds should the deal not go through. Depending upon the circumstances, the earnest money deposit could be forfeited to the seller partially or in totality.

The down payment is the amount of money required by the lender to approve the loan on the home purchase (usually 20% in Marin and San Francisco).

3. How much of a down payment do I need?

If, like most buyers, you are getting a mortgage, you will bring 20% down payment to the table. Your chosen mortgage bank will fund the remainder 80% at close of escrow (COE). Your mortgage lender will keep you apprised of the numerous latest products and options available to you.

4. When am I required to come up with the full down payment?

The remainder of the down payment is due at close of escrow (COE), which is typically 30 days from offer acceptance; however, remitting sooner than that is a more competitive advantage.

5. How can I determine what my monthly payment will be?

Your mortgage lender will be able to give you a breakdown and provide you with details on your monthly mortgage payment. The main components that determine your monthly mortgage payment are principal,



interest, taxes and insurance (PITI). Other ongoing homeownership costs, such as homeowner's insurance, HOA fees and property taxes can also be rolled into your mortgage payment. Visit your county or city's tax assessor website to learn more about property taxes.

6. What is "escrow"?

In California, an escrow state, an escrow company acts as a neutral third-party between the buyer and the Seller holding items of value in the transaction (cash, deeds, bonds, etc.) until certain conditions are met. Your earnest money deposit, for example, does not go directly to the Seller but rather to the escrow company until conditions of the transaction are met (per the escrow instructions).

7. What are property disclosures?

By law, the seller is required to disclose everything he/she knows about a property which may affect its value (structural damage, leaking roof, etc.). We will obtain these seller disclosures from the listing agent for review once you have found a property on which you are interested in making an offer. Isabelle recommends her buyers have their own inspections done, to protect them from any unwanted surprises.

8. What is a "contingency"?

A contingency is a condition that must be met within a specified timeframe in order for the transaction to go through. The most common types of contingencies are financial and inspection. If the contingency is not met and formally removed, either party may walk away from the deal.

In a highly competitive market where most properties receive multiple offers, it is not uncommon for Buyers to waive all contingencies. These buyers are in a position to make an all-cash offer, can purchase the property even if their loan doesn't come through or can make up the difference in cash if the property does not appraise for the purchase price.

A non-contingent offer means the buyer accepts the house in its present condition, irrespective of needed repairs. It is crucial to read the seller disclosures and inspection reports when making a non-contingent offer.

Please reach out to Isabelle at the onset of your home search so she can properly prepare you for a successful outcome.



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