

Homebuyer's Guide

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Edition



NOWAK
real estate

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HELLO *and* WELCOME

Congratulations on taking the first step in buying a new home! This Home Buyer's Guide is a complete resource for your home buying journey.

Today's real estate market is continually changing and can be a bit overwhelming to navigate through the home purchase process. My commitment is to ensure you are fully represented in all aspects of the purchase, educate you along the way, and arrive at the ultimate goal of closing on your new home to begin creating memories.

As you read through the Home Buyer's Guide, please don't hesitate to call, or text with any questions that arise.

Thank you for choosing this Home Buyer's Guide to start your home purchase journey.

Jan Nowak



GOALS:

YOUR GOALS MAY EVOLVE AS YOU START LOOKING AT DIFFERENT HOMES. IT IS A GOOD IDEA TO HAVE A LIST OF FEATURES THAT ARE IMPORTANT TO YOU:

- **Purpose:** Downsize, up-size, relocation, build equity
- **Location:** Distance to family, work, schools, shopping, activities, parks, recreation centers, restaurants, public transportation, etc.
- **Style of home:** Single level, two story, townhome, condo, acreage property, horse property
- **Size:** How many bedrooms, bathrooms, big backyard, bonus room
- **Home characters:** Gourmet kitchen, dual vanity, walk in closet
- **Condition:** Move in ready? Or are you will to do some updating? Are you open to building?
- **Community Amenities:** Pools, common space, walking paths, etc.
- Does the subdivision have an HOA?

WHY EVERY BUYER SHOULD HAVE A REAL ESTATE AGENT

- Protect your personal interest
- Navigate you through the real estate process
- Negotiate on your behalf
- Confidentiality and Privacy Duties
- Current Housing Market Knowledge
- Immediate access to important information
- A Full Network of Resources
- Continual assistance to ensure a successful closing





DIFFERENCE IN LOAN APPROVAL

The type of loan approval you obtain could make a difference when you are ready to make an offer on a new home. It is important to know the power behind each type of approval.

Pre-Qualification: A pre-qualification status is based solely on information you provide to your lender. Your income and assets have been communicated to your lender, but the information has not been validated or verified. While it is the quickest and easiest option, but you are not fully approved for financing.

Pre-Approval: A pre-approval status takes more time to process because you will need to submit all requested documents to your lender for review. A standard pre-approval can help determine how much you can afford before you start shopping for a new home. While it is more thorough process, it does not mean a mortgage underwriter has reviewed your file for final loan approval.

Final Underwriting: Final underwriting occurs when you have submitted all your financial documents for review by an actual underwriter and you are conditionally approved for financing on a new home, subject to the selection of your desired property. This will make the home buying process quick, smooth and give you peace of mind knowing your funds have been approved when you sign and close on your new home.



THE HOME SEARCH TOOLS

Agent Provided:

- Agent Website
- Agent Network
- Automated Notification
- Virtual Tours

Buyer Search:

- Website Search
- Yard Signs
- Open House
- Model Homes
- Friends
- For Sale by Owner

WRITING AN OFFER

AFTER CAREFULLY SEARCHING, YOU'VE FOUND A GREAT HOME THAT YOU LIKE AND NOW YOU ARE READY TO SUBMIT AN OFFER!



A real estate offer is a legal binding document, which must be submitted in writing, via a Purchase and Sale Agreement. This agreement includes terms that will protect your interest, as the Buyer, throughout the entire transaction process.

Your offer should convey the exact terms and expectations in purchasing the home to begin the negotiation process with the Seller. If there are specific items in the home that you want to include or exclude in the offer, any upfront repairs you feel need to be addressed, or request a home warranty. This is the time to include everything that is important to you in purchasing this home.

Purchase price should be carefully considered, knowing the home does need to appraise for the offered amount in the contract.

At this time, the Buyer will need to submit the Earnest Money funds, or include a specific time frame when the funds will be due, and state this in the Purchase and Sale Agreement.

The Earnest Money can be paid by personal check, cashier's check, or wired funds. The Earnest Money will be deposited in the trust account of the title company that is specified in the Purchase and Sale Agreement. The funds will remain in the trust account until closing, unless other terms are negotiated. These funds will be credited to your down payment at the closing of the transaction.



THE FOUR MOST COMMON SELLER RESPONSES TO A BUYER'S OFFER

- **Seller Accepts The Buyer's Offer:**
 - Buyer and Seller are now under contract
 - Offer moves forward to the next steps outlined in the Purchase and Sale Agreement
- **Seller Submits A Counter Offer To The Buyer:**
 - Buyer accepts Seller's Counter Offer
 - Offer moves forward to the next steps outlined in the Purchase and Sale Agreement
- **Seller Submits A Counter Offer To The Buyer:**
 - Buyer rejects Seller's Counter Offer
 - Buyer and Seller can continue to negotiate until they come to a mutual agreement, or they exhaust all efforts and move on to another home
- **Seller Rejects Buyer's Offer Or Does Not Respond In The Stated Acceptance Deadline:**
 - Offer is in a rejected status. Buyer can submit a new offer or move on to another home.



TYPICAL COUNTER OFFER TERMS:

- Offer Price
- Amount of Earnest Money
- Requested Repairs
- Included and Excluded Items
- Closing Date

CONGRATULATIONS! YOUR OFFER WAS ACCEPTED!

Yay! It's almost time to celebrate!
Once you and the seller reach an agreement, you are under contract. But it's not time to relax just yet - there is still quite a bit to do!

APPLY FOR YOUR LOAN

Even though you have a pre-approval from your lender, you still need to apply for your loan. Your agent will send over a ratified contract to your lender so that they can get started processing your application. Your lender will keep in touch with you to make sure they have everything they need to get your loan approved.

INSPECTION

- As the buyer, you have the right to hire an inspector to take a look at the home. A home inspection is a visual examination of the home.. After the inspection, you will receive a written report of the findings in the home.
- You will review the report with your agent & home inspector. From there, you can choose what items you would like to ask the seller to fix or alternatively, if there are big problems found, you may choose not to purchase the home. In your contract there is a specified number of days you have to walk away from the home without penalties.



TITLE INSURANCE



What is a title? Simply stated, the title to a piece of property is the evidence that the owner is in lawful possession of that property.

What is title insurance? Title insurance offers financial protection against title problems that might not be found in the public records, are inadvertently missed in the title search process or that may arise from fraud or forgery.

The title policy required by a lender covers only the lender's interest in a property.

The homeowner's policy, purchased at closing, provides coverage for the homeowner. If your home's title is challenged, based on a situation covered in the policy, the title insurer will either perfect (establish a valid title) or pay for defending against the challenge and will either make perfect the title or cover the costs in the case of a valid claim.

A title insurance policy insures against events that occurred in the past of the real estate property and the people who owned it, for a one-time premium paid at the close of the escrow.

There are two types of Owner's title insurance policies certified by the American Land Title Association® (ALTA®) the Owner's policy and the Homeowner's policy.

The Owner's policy protects you from defects and liens in the history of your title through the date and time your deed is recorded in the public records.

The ALTA Homeowner's policy takes your protection to a higher level by providing coverage for many additional risks, including some that might occur after the deed has been recorded.

The Homeowner's policy protects against many common, frustrating problems, and the policy protects your investment for as long as you or your heirs own the property.



HOMEOWNER'S ASSOCIATION

A Homeowner's Association (HOA) is structured to help maintain a clean and cohesive atmosphere in a subdivision. At times it spares the homeowner from some responsibilities, and they can also come with some homeowner obligations. HOA membership also binds the homeowner to the association's Covenants, Conditions, and Restrictions (CC&R).

The CC&Rs are the rules of your subdivision. They describe the requirements and limitations with what you can do with your property. The goal of the CC&Rs is to protect, preserve, and enhance property values in the entire community.

Every subdivision has its own specific CC & R's, depending on its structure, and the level of services or amenities they provide to the residence of the neighborhood. Each HOA has their own budget and cost of dues they collect from the homeowner. The dues may be collected on a monthly, quarterly, or yearly basis.

It is always wise to review the CC & R's ASAP to ensure their rules coincide with your lifestyle of living in the home.





APPRAISAL

After the inspection negotiations are complete, and you are ready to move forward with the purchase, the lender is then notified to order the appraisal.

The appraiser has 10 business day to complete the appraisal and submit it to the lender. The lender will only loan on the appraised value, so the value must come back to substantiate your offer price. If it comes back higher - great - instant equity.

If the appraised value comes in lower than the offer price, there are four ways to remedy the situation:

- Seller agrees to reduce the offer price to the appraised value

Buyer and seller agree to split the difference between the offer price and the appraised value. Since the lender can only lend on the appraised value, the buyer will need to bring this difference in price in cash to the closing.

- Seller will not negotiate or lower the offer price to the appraised value. The buyer now has two options:
 - Pay the entire difference between the offer price and the appraised value in cash at closing.
 - Terminate the transaction and move on to a new property. The Earnest Money will be fully refunded to you by the Title Company.



FINAL UNDERWRITING

Once appraisal is back and the appraised value is at or higher than the offer price, the loan documents are then sent to the lenders underwriter to complete their final loan approval review.

At this time, the underwriter may ask you to provide additional information or documentation. It is important to respond in a timely manner as we cannot close until they provide their final stamp of approval to move to closing.

CLOSING DISCLOSURE (OR CD)

The Closing Disclosure (or CD) is a five-page form that a lender must provide to a home buyer at least 3 business days before their loan closes.

The documents outline the final terms and costs of the mortgage.

It's one of the most important pieces of paperwork you'll receive, so check it over carefully.





UTILITIES

Three to five days prior to closing, you will need to call the utility companies to transfer the accounts into your name, effective the date of closing. I will provide you a list ahead of time so you will have all the information needed.



FINAL WALKTHROUGH

Final walkthrough typically takes place within 48 hours prior to closing. This is to verify that home is in substantially the same condition as it was when the offer was presented.

CLOSING DAY!

ITEMS TO BRING:

Valid Photo I.D.
Funds to Close



CONGRATULATIONS!

About a week prior to the closing date, I will arrange a date and time for the signing of all the closing documents. This signing date may occur on the day before our scheduled Closing Date or the morning of the Closing Date.

The signing takes place at the office of the title company that is specified in the contract, and typically takes about an hour to sign all the closing documents.

Items to be sure to bring to bring to the Closing are:

- Current photo identification (Driver's License or Passport)
- Cashier's Check in the amount of your funds needed to close the transaction.

Once all the closing documents are signed, we do not immediately obtain the keys to the home or have the ability to start moving into the property. We must wait for the lender to fund the loan and the county to record the deed.

Once the loan funds and the deed is recorded with the county, the title company will give me a call stating these tasks have been complete, and then you will be given the keys to your new home!

Jan Nowak



Hey there! I'm Jan Nowak.

I am a full service residential and commercial real estate professional who is dedicated to buyers, sellers, and investors in meeting their real estate goals and locating their ideal property.

With having over twenty years of global real estate experience (14 states and 13 countries) I can navigate you through the intricacies and complexities of the entire real estate transaction process, one step at a time.

Having relocated from California to Boise over thirty years ago, I understand the feeling of starting over in a new environment, and can deliver comfort and ease to assist you in finding the perfect location to start creating new life-long memories.

While personally witnessing all the new growth and development to Boise and the surrounding communities, I am able to give an additional layer of knowledge of the past to the present to provide a perspective on how Boise has transformed to date.

When I am not helping people buy, sell, or invest in real estate, I can be found experiencing the great Idaho outdoors, running/walking with my dog Hudson, and spending time with family and friends.

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Thank you for your interest in my Winter 2022/2023 Edition of the Home Buyer Guide to jump-start your home buying journey.

If you have any questions regarding the home purchase process, or need any further details, don't hesitate to reach out to me. Send a text, or call: 208-939-0705.

I look forward to meeting you soon.

Enjoy the day!

Jan Nowak

Thank You!



Home Search Requirements

Home Search Requirements

<i>How soon do you want to be in your new home?</i>	<input type="text"/>
<i>Do you have a home to sell?</i>	<input type="text"/>
<i>Are you in a lease, if so, when does it expire?</i>	<input type="text"/>
<i>Do you need a specific School District</i>	<input type="text"/>
<i>How many square feet do you want in the home?</i>	<input type="text"/>
<i>How many bedrooms?</i>	<input type="text"/>
<i>How many bathrooms?</i>	<input type="text"/>
<i>Do you prefer a single story or two story?</i>	<input type="text"/>
<i>If two story, do you want the primary bedroom on the main level?</i>	<input type="text"/>
<i>Do you need a designated office space?</i>	<input type="text"/>
<i>Are you interested in new construction or mature neighborhood?</i>	<input type="text"/>
<i>Are you looking for a two or three car garage?</i>	<input type="text"/>
<i>Will you need RV Parking?</i>	<input type="text"/>
<i>Any special community features you like?</i>	<input type="text"/>
<i>What is your budget range?</i>	<input type="text"/>
<i>When is the best time to tour properties?</i>	<input type="text"/>
<i>Any "Must Haves" not mentioned above?</i>	<input type="text"/>



Home Inspection Contract Terms

HOME INSPECTION - PRIMARY

An inspection contingency clause is written in the terms of the contract, unless in the negotiating process, different terms were presented and accepted between you and the Seller.

When performing a home inspection, you have the opportunity to inspect the home yourself, hire a professional inspector, or any trade/craftsman required to evaluate the condition of the home you are looking to purchase.

The goal of the inspection is to give you an objective, independent and comprehensive analysis of the physical condition of your potential new home and check for any safety issues that might otherwise be unknown.

It is highly suggested to thoroughly check the credentials of the company you would like to contract with for this service.

As part of the selection process, be sure to ask the home inspector for a list of items they inspect, so there is no confusion of the scope of their services. This is also the time to ask if they can also perform specific tests/inspections before they start the inspection process, and the associated fees. Some of the most common additional tests/inspections completed are:

- Radon Testing
- Sprinkler Systems (please note, this is season specific testing)
- Lead Based Paint - typically in homes built prior to 1978

Because we enjoy four seasons here in Idaho, there are times of the year when the colder temperatures do not permit the inspection or functionality of certain systems in the home. It is best practice to discuss these items with your selected home inspector so there is no confusion at the conclusion of their time inspecting the home. In colder temperatures, these items cannot be tested or inspected:

- Air Conditioning Units
- Attic Fans
- Sprinkler Systems
- Roof (if it is covered with snow)

Once you have received the written results of your home inspection, read the report thoroughly and carefully to understand the entire scope of the condition of the home. Next prioritize any items you would like to either request the Seller to repair or replace as noted in the inspection report.

Once you have formulated your list, we can then discuss how to proceed with your requests, and then present them in writing to the Seller.

HOME INSPECTION - SECONDARY

The Secondary Home Inspection terms detail the inspection of homes that have well water for consumption, on a septic tank, or have acreage where the property boundary lines need to be defined by a survey. Due to the nature of the turnaround times in obtaining results for these items, this is a second time frame outside of the Primary Inspection tasks as noted above.

Domestic Well:

- Well productivity
- Well potability
- Well pump and and/condition

Septic:

- Inspection and/or camera scope
- Pumping required (there are times of the year when cold weather prohibits pumping)

Survey:

- Whether the house is within the property boundaries
- Whether there are any encroachments on the property by the neighbors
- The extent to which any easements on the property may affect legal title, and/or any improvements you want and/or construct on the property.

HOME INSPECTION - BUYER DUE DILIGENCE

As a buyer, there are many factors that you should personally investigate about and around the property so it is acceptable to you and your requirements:

- Neighborhood at different times of the day
- Property Conditions
- Zoning and Uses Allowed
- Applicable School Districts
- Visit with neighbors in the subdivision/area

Homeowner's Insurance – it is recommended you start rate shopping during Inspection time frame to ensure you can obtain an affordable rate of insurance for your new home.

Your current car insurance company is a good place to start, as there is a good chance you can obtain a discount when you bundle coverages together.

As part of your loan closing process, your lender will need your homeowner company insurance information, as the home loan cannot close without a homeowner's policy in place. The lender will contact your insurance agent and obtain all the required information needed to include in your loan closing costs.