



THE BLUEPRINT  
TO BUYING YOUR

# HOME





# GUIDING PEOPLE HOME

The Coldwell Banker® brand is the North Star of the real estate industry, guiding people to the homes of their dreams for 119 years. It's a passion and pursuit I take deep pride in – creating and exceeding impeccable standards in every aspect of your real estate experience.





# YOUR SEARCH BEGINS

Buying a home is one of life's biggest investments and most exciting adventures. I am your partner in the process, guiding you along the way to make your experience smooth and successful.

**THIS HOME BUYER GUIDE INCLUDES HELPFUL INFORMATION TO GET YOU STARTED:**

- Purchasing Process
- The Power of Pre-Approval
- Your Home Search
- From Offer to Close
- Full-Service Support



# PURCHASING PROCESS



# STEP-BY-STEP

## 1. ASSESS YOUR FINANCES

- Obtain mortgage pre-approval
- Discuss your new home wants and needs.
- Set a budget and save for a down payment.

## 2. PREPARE TO BUY

- Sign Buyer's Agent Agreement
- Select properties to view

## 3. HOUSE HUNTING

- Research neighborhoods
- View properties

## 4. MAKE AN OFFER

- Write an offer to purchase
- Negotiate terms with the seller

## 5. SECURE FINANCING

- Obtain mortgage financing
- Lock in your interest rate
- Obtain homeowners insurance
- Order the appraisal

## 6. PROPERTY ASSESSMENT

- Conduct home inspections
- Resolve inspection issues with seller

## 7. PREPARE FOR CLOSING

- Obtain title insurance
- Obtain funds for closing

## 8. CLOSE THE DEAL

- Review and sign closing documents
- Pay closing costs

# NEGOTIATION STRATEGIES

To maximize your home sale purchase and avoid putting yourself at a disadvantage—you'll want an agent who knows how to negotiate.

It's my job to secure the best possible terms for you. Using data from my comparative market analysis and proven negotiation techniques, I'll build a strong case to ensure you receive a favorable outcome. If you are competing, I will help you assess the specific situation and advise accordingly.

Other factors may include improvements you request to be made, additional contingencies, the timing of the closing, requests for the seller to cover part of the closing costs, and whether you are paying cash or obtaining a mortgage. I will assist you in crafting a compelling offer to the seller.





## WHY PRE-APPROVAL MATTERS

The first step in any home search is finding out exactly how much home you can afford and securing the financing to make the purchase. While you can get a rough estimate through pre-qualification, taking the extra step to obtain pre-approval will give you some added advantages.

### **PRE-APPROVAL HELPS YOU:**

- Understand your financial condition
- Know exactly how much home you can afford before you begin your home search
- Strengthen your purchasing power when making an offer

When you find a home you love and are ready to make an offer, your mortgage pre-approval lets the seller know that you're serious and fully prepared to buy their home, putting you in a stronger position than other potential buyers.





# WHY PRE-APPROVAL PROCESS

Here are some of the documents that you will need to provide your lender to get the pre-approval process started:

## **INCOME:**

- Current pay stubs, usually for the last two months
- W-2s or 1099s, usually for last two years
- Tax returns, usually for last two years

## **ASSETS:**

- Bank statements
- Investments/brokerage firm statements
- Net worth of businesses owned (if applicable)

## **DEBTS:**

- Credit card statements
- Loan statements
- Alimony/child support payments (if applicable)





# YOUR HOME SEARCH PORTAL

The next stop on your home search? My website.

- It's an easy way to check out available properties in your preferred area
- It provides another way for me to get to know the types of properties that you like
- After you register on the site, I will receive updates about your activity
- You can save searches for future access, and save and share specific homes that you like
- If you sign up to receive email alerts, you'll be notified when new homes that match your criteria come on the market

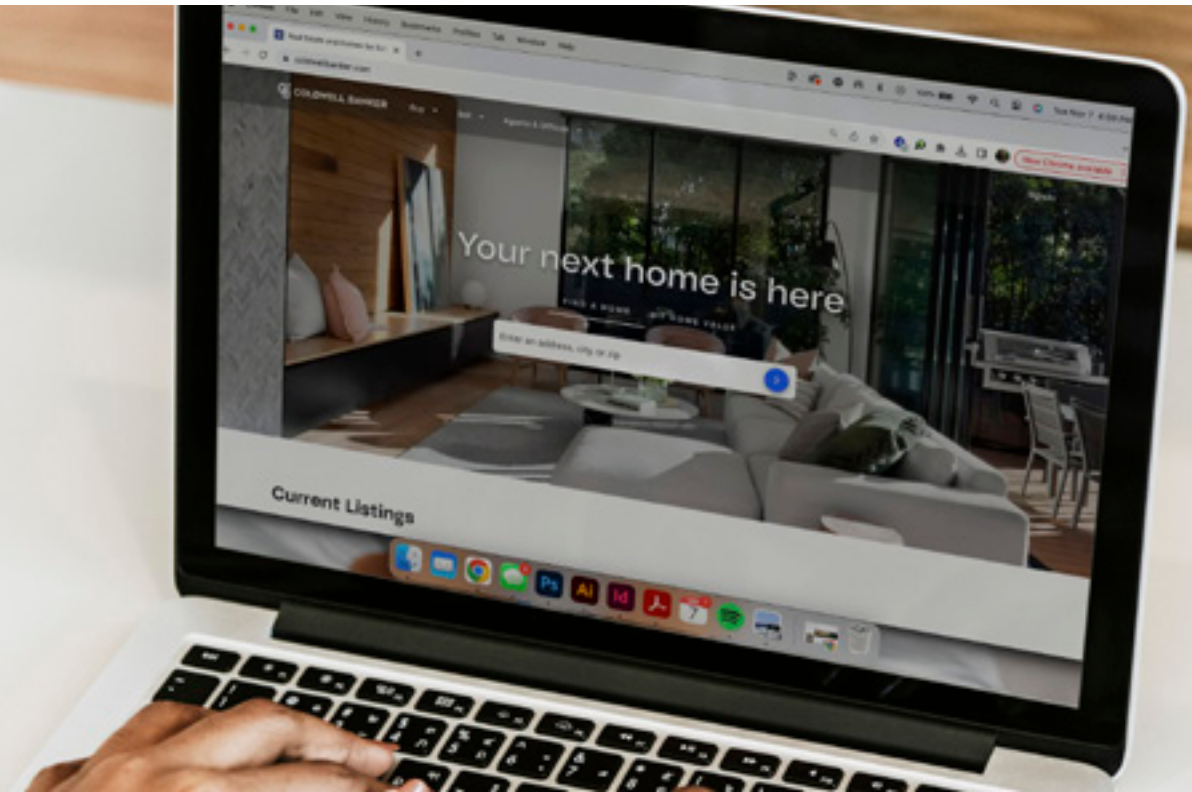
Thanks to the site's responsive design, you can do all of this from your mobile device, tablet or desktop.



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## YOUR HOME SEARCH







# MAKING AN OFFER

There are many factors that influence the market value of a home. The following can help give you insights and empower you to make a competitive offer you're comfortable with. I will work with you on a strategy to obtain the most advantageous terms and acceptable pricing for you and your budget.

Issues to consider:

- How long has the home been on the market?
- Has the property had any price changes?
- Has the property been under agreement previously?
- Are there multiple offers on the property?
- What is being included in the sale or what may be negotiated as part of the sale?
- What are the market conditions in the area or neighborhood, like "list to sale price ratio?"
- Is the seller offering an assumable loan or seller financing that may be more favorable for you?

I will help you set purchase price parameters providing you with a comparable market analysis (CMA) comparing the home, its price and its features to other similar homes in the area that are on the market or have recently sold.

Then I will present the offer to the seller through the listing agent and help you navigate the seller's response, whether it be to accept, reject or counter your offer, which starts the negotiations process.



# FROM START TO FINISH

The Coldwell Banker® brand is your partner in all aspects of the home-buying process. Our affiliations with primary service providers ensure that you receive complete assistance from beginning to end, giving you one-stop-shop convenience.

**MORTGAGE SERVICES** — Our preferred lender provides mortgages and features incredibly low rates, fantastic customer service and a fast, simple process.

**WARRANTY SERVICES** — American Home Shield® provides an extra measure of security that makes you feel more comfortable and confident in the purchase of your home.

**INSURANCE SERVICES** — We can connect you with agencies that offer competitive rates on homeowners, condominium, renters, automobile, second home, vacant home and umbrella coverage.

**TITLE SERVICES** — Title issues will be researched and resolved before the closing to help ensure your transaction closes smoothly and on time.





# CLOSING ON YOUR HOME

Once your offer has been accepted, the closing process begins. Here are some of the typical steps involved.

**HOME INSPECTION —** Most property sales are contingent on the results of a home inspection, which is paid for by the buyer. The inspection typically occurs within 10 days of offer acceptance, and includes a review of the home's exterior elements like the roof, siding, trim and windows, as well as kitchen and bathroom fixtures and appliances, and major systems like heating and cooling, plumbing and electrical.

If defects are discovered during the inspection, you may exercise the remedy described in your offer or negotiate with the seller to determine what repairs will be made.

**TITLE SEARCH —** This is a historical review of all legal documents relating to ownership of the property to ensure that there are no claims against the title of the property. It is also recommended that you purchase title insurance in case the records contain errors or there are mistakes in the review process.

**APPRAISAL —** As a standard part of the mortgage process, your lender will order an appraisal report to ensure that the loan will be guaranteed by the home's value.

**FINAL WALK-THROUGH —** If it's requested in the contract, you'll be given the chance to look at the home to make sure it's in the same condition as when you signed the sales agreement.

**CLOSING COST —** In addition to your deposit and down payment, there are a variety of other costs involved in closing, including:

- Loan origination fees, appraisals and reports
- Surveys and inspections
- Mortgage insurance
- Hazard insurance
- Taxes
- Assessments
- Title insurance, notary and escrow fees
- Recording fees and stamps
- Legal fees, if applicable
- Buyer's Agent Compensation







FULL-SERVICE  
SUPPORT



## INVALUABLE SUPPORT

As a Coldwell Banker® affiliated buyer's agent, I offer five essentials throughout the home-buying transaction.

### **EXPERIENCED, PROFESSIONAL GUIDANCE:**

Navigating the complex terrain of real estate transactions requires guidance from an experienced real estate professional like myself. I will meet with you to discuss your needs, goals, and to plan your property search, and I can help you get pre-approved for a loan and establish your budget. Throughout your home-buying journey, I can offer insights on local market trends to help you make informed decisions with confidence. You can also benefit from my extensive sphere to connect with additional service professionals for property inspections, financing, title, home warranty and more.

### **LOCAL MARKET KNOWLEDGE:**

I am here to serve as your local market guide. I have a deep understanding of local market trends, pricing dynamics and neighborhood nuances, which enable me to provide valuable insights into property values and investment potential. Throughout your home search process, I will show you properties that meet your criteria and keep you informed as new properties hit the market





### TIME-SAVING CONVENIENCE:

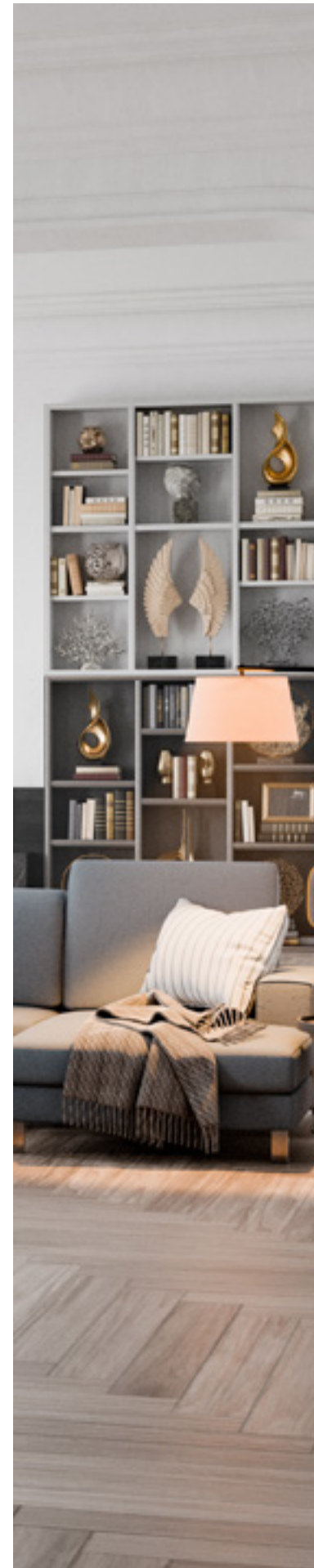
The home-buying process can be time-consuming and at times overwhelming, especially for busy individuals. I am here to streamline the process, saving you valuable time and effort. I can handle the research and coordinate offers, inspections, property viewings and more, allowing you to focus on other priorities. I also have access to unique technology and resources to expedite the search process, ensuring you find your dream home in a timely manner. Additionally, I have established relationships with other professionals involved in the transaction, such as inspectors and lenders, to keep the process moving smoothly.

### NEGOTIATION SKILLS:

Negotiating the terms of a real estate transaction requires a delicate balance of skill and strategy, and I'm here to be your advocate during these final stages of the home-buying journey. I bring shrewd negotiation experience to the table, working tirelessly to secure the best possible outcome for you. I will advocate on your behalf, using my knowledge of the market and current trends to negotiate price, contingencies and other terms of the contract. My goal is to ensure you get the most value for your investment while maintaining a positive and professional relationship with the seller.

### PEACE OF MIND:

Buying a home is a significant investment, both financially and emotionally. Perhaps the most valuable service I can provide, I'll help alleviate the stress and uncertainty of the home-buying process by offering support and guidance every step of the way. I'll address your concerns, answer your questions and help you navigate any unexpected challenges calmly and professionally. Knowing that you have a knowledgeable and experienced professional like me by your side can make all the difference in your home-buying journey.



# BUYER'S AGENT COMPENSATION

Please note that my commission is not set by law and is fully negotiable. Below are examples of how a buyer's agent can be paid.

## HOW A BUYER'S AGENT IS PAID IF **SELLER OFFERS COMPENSATION**

1. The seller of the property you are interested in has offered to pay the commission due from you to me. In this case, your commission obligation to me will be paid by the seller out of funds you pay to purchase the home.
2. The seller has offered compensation consisting of only a portion of the commission you have agreed to pay to me. This would require you to pay any portion of my commission not paid by the seller. Alternatively, you could condition your purchase offer on the seller paying all of your commission obligation to me.

## HOW A BUYER'S AGENT IS PAID IF **SELLER DOES NOT OFFER COMPENSATION**

1. The seller has not offered to pay any portion of the commission you would owe to me. In this case, you can include a requirement that the seller pay your commission obligation as part of the offer you make on the property.
2. The seller will not agree to pay a buyer's agent commission, in which case you would be responsible for my commission.





# LET'S GET STARTED

Your home-buying needs are one of a kind. Using the unmatched resources of Coldwell Banker Schmidt Family of Companies, I will develop a custom plan to:

Provide you with powerful, personal service

Assist you in finding the right home and help you negotiate the best possible price and terms for it

Close the sale in a smooth, timely manner

Finding and purchasing a home is a detailed process that demands time and dedication. I am passionate about this because it leads to the ultimate reward — handing you the keys to your dream home and developing a real relationship with you along the way.

**WHEREVER YOU DREAM OF LIVING, WE'LL HELP GUIDE YOU THERE.**



KEVIN  
SOUTHWICK

## BUY WITH CONFIDENCE IN WEST MICHIGAN

Setting out to find the perfect home should be a thrilling and rewarding experience. As an experienced Realtor® with Coldwell Banker in West Michigan, I am committed to making your home-buying process not only successful but also enjoyable. When you choose me as your real estate partner, you gain a trusted advocate dedicated to finding the perfect home that meets both your needs and lifestyle.

With a deep understanding of the West Michigan housing market, I provide valuable information and personalized service tailored to your unique preferences and budget. From identifying promising properties to guiding you through negotiations and closing, I leverage Coldwell Banker's resources and my local expertise to ensure a smooth and efficient process.

My goal is to provide you with a hassle-free experience, offering clear communication and unwavering support throughout the process. With personalized attention and a commitment to your satisfaction, you can buy with confidence, knowing you have a partner who is genuinely invested in fulfilling your home ownership aspirations.

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2168 Wealthy St SE, East Grand Rapids, MI 49506



# RECOMMENDED LENDERS & INSPECTORS

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**Mortgage 1, Inc.**  
3243 East Paris Ave SE  
Kentwood, MI 49512

**Scott DeWolf**  
Manager, Sr. Loan Officer  
NMLS# 153580  
Phone: **616.560.3397**  
[sdewolf@mortgageone.com](mailto:sdewolf@mortgageone.com)  
[www.mortgageonegr.com](http://www.mortgageonegr.com)



**Lake Michigan Credit Union**  
PO Box 2848  
Grand Rapids, MI 49501

**Dale Hamill**  
Loan Officer, Mortgage Sales  
NMLS# 161811  
Phone: **616.299.2129**  
[dale.hamill@lmcu.org](mailto:dale.hamill@lmcu.org)  
[www.lmcu.org](http://www.lmcu.org)



**Coast One Mortgage**  
50 W Big Beaver Rd Ste 615  
Troy, MI 48084

**Brad Jagacki**  
President  
NMLS# w31183  
Phone: **734-260-5796**  
[Brad@coastonemortgage.com](mailto:Brad@coastonemortgage.com)  
[www.coastonemortgage.com](http://www.coastonemortgage.com)

## HAWKEYE HOME INSPECTIONS

**Hawkeye Home Inspection Services**  
1320 Elizabeth Ave NW  
Grand Rapids, MI 49504

**Tony Zaidel**  
Phone: **616-322-9551**  
[azaidel@yahoo.com](mailto:azaidel@yahoo.com)



**J.W. Home Inspections**  
1053 Cutter Pkwy SE  
Grand Rapids Charter Township, MI 49456

**Bobbie Ives**  
West MI: **616.889.0043**  
East MI: **810.813.6566**  
[jwhomeinspection@gmail.com](mailto:jwhomeinspection@gmail.com)  
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# GLOSSARY

**Adjustable Rate Mortgage (ARM):** A mortgage with an interest rate that changes over time in line with movements in a financial index. ARMs can also be referred to as AMLs (Adjustable Mortgage Loans) or VRMs (Variable Rate Mortgages).

**Adjustment Period:** The length of time between interest rate changes on an ARM. For example, a loan with an adjustment period of one year is called a one-year ARM, meaning that the interest rate can change once a year.

**Amortization:** Repayment of a loan in installments of principal and interest, rather than interest-only payments.

**Appraisal:** An estimate of the property's value.

**Assessed Value:** The value placed on a property for purposes of taxation.

**Assumption of Mortgage:** A buyer's agreement to assume the liability under an existing note that is secured by a mortgage or deed of trust. The lender must approve the buyer in order to release the original borrower (typically the seller) from liability.

**Balloon Payment:** A lump sum principal payment due at the end of some mortgages or other long-term loans.

**Buy-Down:** A permanent buy-down is prepaid interest that brings the note rate on the loan down to a lower permanent rate. A temporary buy-down is prepaid interest that lowers the note rate temporarily on the loan, allowing the buyer to more readily qualify and increase payments as income grows.

**Cap:** The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of a mortgage.

**Cash Reserves:** The amount of the buyer's liquid cash remaining after making the down payment and paying all closing costs.

**CC&Rs or Covenants, Conditions and Restrictions:** A recorded document that controls the use, requirements and restrictions of a property.

**Commitment Period:** The period of time during which a loan approval is valid.

**Condominium:** A form of real estate ownership in which the owner receives exclusive title to a particular unit and shares ownership in certain common areas with other unit owners. The unit itself is generally a separately owned space whose interior surface (walls, floor, and ceiling) serve as its boundaries.

**Contingency:** A condition that must be satisfied before a contract is binding. For example, a sales agreement or offer may be contingent upon the buyer obtaining financing.

**Conversion Clause:** A provision in some ARMs that enables home buyers to change an ARM to a fixed rate mortgage, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed rate mortgages. This conversion feature may involve an extra charge.



# GLOSSARY

**Cooperative:** A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.

**CRB or Certified Residential Broker:** To be certified, a broker must be a member of the National Association of REALTORS®, have five years of experience as a licensed broker and have completed required Residential Division courses.

**Debt Ratios:** The comparison of a buyer's housing costs to his or her gross or net effective income and the comparison of a buyer's total long-term debt to his or her gross or net effective income. The first ratio is the housing ratio and the second is the total debt ratio.

**Deed:** A document which, when properly executed and delivered, conveys title of real property.

**Disclosure:** To make known or public. By law, a seller of real property must disclose facts which affect the value or desirability of the property.

**Discount Points:** A negotiable fee paid to the lender to secure financing to the buyer. Discount points are interest charges paid up-front to reduce the interest rate on the loan over the life or a portion of the term.

**Due-on-Sale Clause:** A clause that requires a full payment of a mortgage or deed of trust when the secured property changes ownership.

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

**Easement:** A right to use all or part of the land owned by another for a specific purpose. For example, an easement may entitle the holder to install and maintain sewer or utility lines.

**Encumbrance:** Anything that affects or limits the ownership of real property, such as mortgages, liens, easements or restrictions of any kind.

**Equity:** The difference between what is owed and the amount for which the property could be sold.

**Escrow:** An item of value, money, or documents deposited with a third party to be delivered upon the fulfillment of a condition. For example, the deposit by a borrower with the lender of funds to pay taxes and insurance premiums when they become due, or the deposit of funds or documents with an attorney or escrow agent to be disbursed upon the closing of a sale of real estate.

**Federal Home Loan Mortgage Corporation (FHLMC):** Often referred to as "Freddie Mac," it purchases loans from savings and loan lenders within the Federal Home Loan Bank Board.

**Federal National Mortgage Association (FNMA):** Popularly known as "Fannie Mae," it purchases and sells residential mortgages insured by the FHA or guaranteed by the VA, as well as conventional home mortgages.

# GLOSSARY

**Fee Simple:** An estate in which the owner has unrestricted power to dispose of the property as he or she wishes, including leaving by will or inheritance.

**FHA Loan:** A loan insured by the Federal Housing Administration.

**Fixed Rate Mortgage:** A conventional loan with the same interest rate for the life of the loan.

**Fixtures:** Personal property that is attached to real property and is legally treated as real property while it is attached — such as light fixtures, window treatments and medicine cabinets.

**Foreclosure:** The legal process in which mortgaged property is sold to pay the loan of the defaulting borrower.

**Full Indexed Rate:** The maximum interest rate on an ARM that can be reached at the first adjustment.

**Gift Letter:** A letter from a relative stating that an amount will be gifted to the buyer and that said amount is not to be repaid.

**Government National Mortgage Association (GNMA):** Known as "Ginnie Mae," a governmental part of the secondary market that deals primarily with recycling VA and FHA mortgages, particularly those that are highly leveraged.

**Graduated Payment Mortgage:** A residential mortgage with monthly payments that start at a low level and increase at a predetermined rate.

**Home Warranty Plan:** Protection against failure of mechanical systems within the property and usually includes plumbing, electrical, heating and cooling systems and installed appliances.

**Index:** A measure of interest rate changes used to determine changes in an ARM's interest rate over the term of the loan.

**Initial Interest Rate:** The introductory interest rate on a loan, which signals that there may be rate adjustments later in the loan.

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

**Jumbo Loans:** Mortgage loans that exceed the loan amounts acceptable for sale in the secondary market. Jumbos are packaged and sold differently to investors and have separate underwriting guidelines.

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

**List-to-Sale Ratio:** The ratio between the price at which a property is listed and the amount for which it is actually sold.

**Loan Commitment:** A written promise to make a loan for a specified amount on specified terms.



# GLOSSARY

**Loan-to-Value Ratio:** The relationship between the amount of the mortgage and the appraised value of the property, typically expressed as a percentage of the appraised value.

**Lock-In:** The fixing of an interest rate or points at a certain level, usually during the loan application process. It is typically fixed for a specified amount of time, such as 20 to 30 days or some other period of time determined by the lender.

**Margin:** The number of percentage points the lender adds to the index rate to calculate the ARM interest rate at each adjustment.

**Mortgage (Deed of Trust):** A legal document that provides security for repayment of a promissory note.

**Mortgage Insurance Premium:** The mortgage insurance required on FHA loans for the life of said loan. The MIP is either paid in cash at the time of closing or financed over the course of the loan.

**Multiple Listing Service (MLS):** The pooling in a central bureau of all properties for sale.

**Negative Amortization:** Occurs when monthly payments fail to cover the cost of the interest on a loan. The interest that is not covered is added to the unpaid principal balance, meaning that even after making several payments the borrower could owe more than at the beginning of the loan. Negative amortization may occur when an ARM has a payment cap that results in monthly payments that are not high enough to cover the interest.

**Origination Fee:** A fee or charge for work involved in evaluating, preparing and submitting a proposed mortgage loan. The fee is limited to 1% for FHA and VA loans.

**PITI:** The term for a mortgage payment that includes principal (P), interest (I), taxes (T), and insurance (I).

**Planned Unit Development (PUD):** A zoning designation for property developed at the same or slightly greater overall density than conventional development, often with improvements clustered between open or common areas. Use may be residential, commercial or industrial.

**Point:** An amount equal to 1% of the principal amount of the investment or note.

**Pre-Approval:** When a borrower has completed a loan application and provided debt, income and savings documentation which an underwriter has reviewed and approved. A pre-approval is usually done at a certain loan amount and makes assumptions about what the interest rate will actually be at the time the loan is made, as well as estimates for the amount that will be paid for property taxes, insurance, etc.

**Prepayment Penalty or Clause:** A fee charged to a borrower who pays a loan in full before the stated due date.

# GLOSSARY

**Private Mortgage Insurance (PMI):** Insurance written by private companies to protect the lender against loss if the borrower defaults on the mortgage. PMI is often required on mortgage loans in which less than 20% has been put forth for the down payment. Depending on the conditions of the mortgage, the borrower may request cancellation of PMI when equity in the property reaches 20%.

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

**Rate Gap:** The difference between the current rate and the rate to which it could adjust on an ARM.

**REALTOR®:** A real estate agent who is a member of the National Association of REALTORS® and subscribes to and adheres to its strict Code of Ethics.

**Recording Fee:** Charged by the County Clerk to record documents in the public records.

**Refinance:** A new loan with new terms, interest rates and monthly payments that completely replaces your current mortgage.

**Regulation Z:** The set of rules governing consumer lending issued by the Federal Reserve Board of Governors in accordance with the Consumer Protection Act.

**Short Sale:** The sale of a home for less than the balance remaining on the homeowner's mortgage.

**Tenancy in Common:** A type of joint ownership of property by two or more persons with no right of survivorship.

**Title:** The rights of ownership recognized and protected by law. It is a combination of all elements that constitute the highest legal right to own, possess, use, control, enjoy, transfer, and dispose of real estate.

**Unsecured Loan:** A loan that is not backed by collateral.

**Walk-Through:** A common clause in a sales contract that allows the buyer to examine the property being purchased at a specified time immediately before the closing, for example, within the 24 hours before closing.



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