

# Home Buyer's Guide



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INTERNATIONAL REALTY



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# YOUR CONTACTS

Complete the information below for easy reference

## REALTOR®

Name: \_\_\_\_\_  
Office: \_\_\_\_\_  
Cell/Direct: \_\_\_\_\_  
Office Address: \_\_\_\_\_  
Cross Streets: \_\_\_\_\_  
Email: \_\_\_\_\_

## American Title Service Agency Escrow Officer

Name: \_\_\_\_\_  
Office: \_\_\_\_\_  
Cell/Direct: \_\_\_\_\_  
Office Address: \_\_\_\_\_  
Cross Streets: \_\_\_\_\_  
Email: \_\_\_\_\_

## Mortgage Loan Officer

Name: \_\_\_\_\_  
Office: \_\_\_\_\_  
Cell/Direct: \_\_\_\_\_  
Office Address: \_\_\_\_\_  
Cross Streets: \_\_\_\_\_  
Email: \_\_\_\_\_

## Other

Name: \_\_\_\_\_  
Office: \_\_\_\_\_  
Cell/Direct: \_\_\_\_\_  
Office Address: \_\_\_\_\_  
Cross Streets: \_\_\_\_\_  
Email: \_\_\_\_\_

## Other Important Phone Numbers

Insurance Agent: \_\_\_\_\_  
Home Inspector: \_\_\_\_\_  
Termite Inspector: \_\_\_\_\_  
Home Warranty Company: \_\_\_\_\_



## Buyer's Agent

- Represents the buyer
- Directs buyer toward a reputable lender for loan pre-qualification
- Helps buyer find suitable property
- Guides buyer through the contract process, escrow and closing
- Reviews all property information from preliminary title reports, liens, title, legal description, restrictions and easements and advises buyer
- Coordinates inspections of the property
- Coordinates all information between buyer, lender, escrow, inspections and seller's agent
- Guides buyer through the contract process, loan, required insurance, escrow and closing
- Performs a final walk-through, with the buyer, prior to close of escrow
- Coordinates meeting with American Title Service Agency for loan and escrow document signing
- Delivers keys to the buyer after the property transaction is complete and recorded with the county

## Seller's Agent

- Represents the seller
- Conducts market research to determine current market value of the property
- Lists property on MLS (Multiple Listing Service)
- Strategically markets the property gaining maximum visibility to prospective buyers
- Guides seller through the contract process, escrow and closing
- Coordinates all information between buyer, lender, escrow, inspections and seller
- Oversees inspections and any other repairs agreed upon in contract
- Coordinates meeting with American Title Service Agency for escrow document signing
- Arranges delivery of keys and transfer of equipment instructions and warranties

## American Title Service Agency Escrow Officer

- Neutral third-party that coordinates a variety of tasks necessary to complete the transaction
- Orders commitment for title insurance, confirms recorded information, owners of record, current taxes, deed/lien information and CC&R'S of record based on information available
- Verifies all conditions are agreed upon by both the buyer and the seller
- Gathers all documentation regarding new and existing loans, inspection reports, repairs and title requirements
- Arranges for buyer and seller to sign all escrow and title documents, deeds and security instruments
- Records all documents required to transfer title from seller to buyer
- Disburses all funds necessary for existing loan payoff, inspections, demands of payment for repairs

## Loan Officer

- Representative of a bank, or financial institution, recommending the buyer for a loan
- Examines buyer's financial status to pre-qualify them for a loan
- Gathers and verifies all financial documentation from the buyer
- Orders appraisal on subject property
- Submits buyer's information to underwriter for approval
- Orders loan documents to be sent to escrow for buyer's signature
- Returns documents to underwriter for final inspection (correct signatures/dates)
- Orders loan funds to be sent to escrow for disbursement and closing

# WHY USE A REALTOR®

All real estate licensees are not the same. Only real estate licensees who are members of the NATIONAL ASSOCIATION OF REALTORS® are properly called REALTORS®. They proudly display the REALTOR “®” logo on their business card or other marketing and sales literature. REALTORS® subscribe to a strict code of ethics and are expected to maintain a higher level of knowledge of the process of buying and selling real estate. An independent survey reports that 84% of home buyers would use the same REALTOR® again.

Real estate transactions involve one of the largest financial investments most people experience in their lifetime. Transactions today usually exceed \$100,000. If you had a \$100,000 income tax problem, would you attempt to deal with it without the help of a CPA? If you had a \$100,000 legal question, would you deal with it without the help of an attorney? Considering the small upside cost and the large downside risk, it would be unwise to consider a purchase of real estate without the professional assistance of a REALTOR®.

## REALTORS® ARE VALUABLE

### Buying Power

If you provide a REALTOR® basic information about your savings, income and current debt, he or she can refer you to lenders most qualified to assist you in determining your buying power. Most lenders (banks and mortgage companies) offer limited loan options that your REALTOR® can help you differentiate and understand.

### Home Searching

Sometimes the property you are seeking is available, but not actively advertised in the market, and an investigation by your agent will reveal all available properties.

### Selection Process

REALTORS® can provide impartial perspective and data including local community information regarding utilities, zoning and schools. This information helps answer the following questions:

- Will the property provide the environment I want for a home or investment?
- Will the property have resale value when I am ready to sell?





### **Evaluating the property**

Evaluation of the property includes, but is not limited to; inspections for termites, dry rot, asbestos, faulty structure, roof condition, septic tank and well tests. Your REALTOR® can assist you in finding qualified, responsible professionals to conduct these investigations and provide you with written reports. The preliminary title report indicates ownership of the property which can be mired in a confusing status of past owners or rights of access. The title will have some limitations; for example, easements (access rights) for utilities. Your REALTOR®, Title Company or attorney can assist in resolving title issues that might cause future problems.

### **Marketplace Trends**

When buying or selling your home, your REALTOR® can provide up-to-date information regarding the marketplace and the price, financing, terms and condition of competing properties. These are key factors in buying or selling your property at the best price, quickly and with minimum hassle.

### **Marketing**

Your REALTOR® markets your property to other real estate agents, and the public, and recommends repairs or cosmetic work to enhance the sale ability of your property. In many markets across the country, over 50% of real estate sales are cooperative sales; that is, a real estate agent other than yours, brings in the buyer. Your REALTOR® acts as the marketing coordinator; disbursing information about your property to other real estate agents through a Multiple Listing Service, or other cooperative marketing networks, and open houses for agents. The REALTOR® Code of Ethics requires REALTORS® to utilize these cooperative relationship when it benefits their client.

### **Advertising**

Your REALTOR® will know when, where and how to advertise your property. The NATIONAL ASSOCIATION OF REALTORS® studies show that 82% of real estate sales are the result of agent contacts (previous clients, referrals, friends, family and personal contacts). When a property is marketed with the help of your REALTOR®, you do not have to allow strangers into your home. Your REALTOR® will generally pre-screen and accompany qualified, prospective buyers through your property.

### **Legal Agreements**

As a third party to the purchase transaction, your REALTOR® can help you objectively evaluate every buyer's proposal without compromising your marketing position. The initial agreement is the beginning of a process of appraisals, inspections and financing. Your REALTOR® can help you write a legally binding, win-win agreement more likely to be successful through the process.

### **Negotiations**

There are a myriad of negotiating factors, including but not limited to, price, financing, terms, date of possession and the inclusion or exclusion of repairs, furnishings or equipment. The purchase agreement should provide a period of time to complete appropriate inspections and investigations of the property before you are bound to complete the purchase. Your agent can advise you as to which investigations and inspections are recommended or required.

### **Close the Sale**

Between the initial sales agreement and closing (or settlement), questions may arise. For example, a lender may require additional repairs to obtain financing or a defect in the title may be discovered. The required paperwork alone is overwhelming for most sellers. Your REALTOR® is the best person to objectively help you resolve these issues and move the transaction to closing or settlement.

*Excerpts Courtesy of Realtor.com*

# BUYER TIPS

## How do you prepare for your largest investment?

Now is the time to assess your situation, motivation and bank account to determine how you can accomplish your goal of purchasing a home. You will need to consider your employment history, income, credit history, current debt, and how much it will cost you to get into a home; and that's before you even think about your wants and needs in a home.

## Preparation

Many potential homebuyers look at homes first, then they determine how to pay for the new home. A less stressful method of buying a home is in this order:

1. Find a REALTOR®
2. List your wants and needs
3. Shop for a mortgage lender
4. Check your credit
5. Calculate your down payment and closing costs
6. Determine what you are able to afford
7. Shop for homes

## Decide Your Wants And Needs In A Home

What do you need in a home? What do you want in a home? What are you willing to compromise? A family of 5 might need 4 bedrooms, however, they may want an extra bedroom for guests or a home office. If school districts are important to you, make it a non-negotiable need. You may love to have a pool (want), but would settle for a home without a pool if it offered everything else you need. You may prefer a home on the corner (want), but it is not a deal breaker if you do not find it (as it is not on your need list). List your wants on one side and your needs (must haves) on the other side of the included "Wants and Needs List" for an easy shopping guide.

## Shop For A Mortgage Lender

Ask your REALTOR®, friends, family and co-workers for referrals to professionals they have used with positive results. Ask about loan fees as they vary greatly and affect your closing costs. Some loan companies charge higher origination fees and/or points with lower interest rates while others charge a small origination fee, no points and higher monthly payments. Know what is important to you, what you can afford and ask questions. Having slightly higher closing costs up front might be more attractive to you than paying a higher house payment each month or paying a few dollars more each month might help to lower your closing costs. When you know what you can afford to buy, shopping for a home is less stressful.

## Check Your Credit

Knowing your credit score and catching errors or misunderstandings on your report before applying for a loan, is a smart move. Look at your income versus your monthly expenses remembering to include things such as; childcare, groceries, home maintenance, phone and internet charges and automobile costs (payment/gas/insurance etc.) when calculating your debt load. Knowing how much money you can safely afford for a house payment each month, along with how much you have saved for a down payment and closing costs, is probably the easiest way to determine how much you can spend. When you contact a lender, they can assist you with this analysis.

The three major credit bureaus you can request your credit report from are:

- Trans Union 1-888-503-0048
- Equifax 1-800-685-1111
- Experian 1-888-EXPERIAN (397-3742)

## HELPFUL HINTS: What is EARNEST MONEY?

**Earnest money is a deposit that is presented with an offer as a show of the buyer's good faith. If the contract is accepted, the earnest money is deposited with a neutral third party, preferably American Title Service Agency, and credited to the buyer at closing.**

### **Down Payment**

A down payment is typically between 3% and 20% of the total cost of the home. The amount of the down payment depends on your credit history, income, the cost of the home, and the type of mortgage you choose. Most lenders want to know the source of your down payment and have restrictions regarding the amount that can come from gifts. Ask whether the loan you are applying for has a reserve requirement (a minimum amount of mortgage payments saved).

### **Determine The Home You Can Afford**

Work with your loan officer and REALTOR® to determine how much home you can afford. Based on monthly income and expense ratios, your lender will provide a mortgage amount and down payment you can comfortably afford.

### **Closing Costs**

Closing, or settlement costs, are fees you pay when the loan transaction is closed and records. These include points, taxes, title insurance, escrow fees, financing costs, and items that must be pre-paid or escrowed. You will receive an estimate of closing costs from your lender after you apply for a mortgage.





# HOUSE HUNTING

## Shop For Homes

After your REALTOR® has reviewed your Wants and Needs list, they will compile a list of homes to show you. Utilize the provided Property Evaluation Form to keep track of the features of each home. When you are ready, make a strong, competitive offer. It is possible for the home you are interested in to have multiple offers submitted on the same day. Making your offer with the least amount of contingencies, showing you are a qualified buyer and offering a substantial earnest money deposit (which can be used toward your down payment) can assist with your offer being accepted. Be prepared to write a contract on a different home if your offer is not accepted and/or be ready to look at different homes. The right home for your family is out there; however, it may take patience and perseverance to find it.

## Why Buy A Resale Home, Bank Owned Or Short Sale? (Previously Owned)

Housing styles have changed over time and you might favor more traditional layouts and features. Older houses and neighborhoods may have more character and charm. The trees are full-grown and the neighbors can tell you all about your new hometown. **Other advantages include:**

- More land than newer properties due to changes in land-use patterns
- Established, more convenient metro areas rather than outlying suburbs
- The existing home can be a base for building a unique property through modernization or expansion
- Resales tend to be less expensive than new properties as they include items such as blinds, ceiling fans and landscaping
- Resale homes may have lower property tax rates; check with your REALTOR®
- Owners are not usually required to pay for the local bonds that are associated with new development such as for schools, parks, road or transportation improvements
- More traditional layouts such as formal living and dining rooms
- Buyers can usually purchase a larger home, for the same money, with a resale rather than a new construction build

## Why Buy A New Home?

You may be considering a new home because you love the idea that you can be a home's very first owner. Everything is new and shiny, the neighbors are probably also just moving in, and you can customize the floor plan and colors. Buying a new home can be fun and exciting. Here are some other advantages:

- New homes are built with new materials and appliances, therefore, less maintenance is required
- More safety features and fewer health hazards to conform to current building codes
- Many homebuilders offer warranties, or are required by statute, to protect against issues that may develop over time
- The home's major appliances include manufacturers' warranties
- Modern architecture and layouts such as great rooms, larger closets, and additional bathrooms
- Insulated well, use energy star windows, more efficient heating and cooling equipment
- Made with materials requiring less maintenance such as; aluminum siding, vinyl windows, and pressure-treated wood decks that resist rot and insects
- Easier to customize than resale homes due to the ability to choose many details ranging from floor plans and paint colors to faucets and light fixtures
- Wired with new technologies in mind such as pre-wiring for high-speed Internet connections, extra cable or satellite outlets and surround sound speaker systems

New homes and resale homes offer significant, but very different, advantages. The selection process should be focused on finding the property that will best meet the needs of you and your family.

# SAMPLE PURCHASE CONTRACT

The AZ Association of Realtors typically use the AAR nine-page purchase contract. This form was revised by the AZ Association of Realtors in February 2016 with additional updates expected within the year. The most recent version of the purchase contract in Arizona can be read in its entirety at the following web address: [www.aaronline.com](http://www.aaronline.com). The escrow process can only be administered through a well written and thought out purchase contract executed by both the seller(s) and buyer(s).

## BUYER ATTACHMENT

Document updated:  
September 2015



*This attachment should be given to the Buyer prior to the submission of any offer and is not part of the Residential Resale Real Estate Purchase Contract's terms.*



# ATTENTION BUYER!

*You are entering into a legally binding agreement.*

- 1. **Read the entire contract *before* you sign it.**
- 2. **Review the Residential Seller's Property Disclosure Statement (See Section 4a).**
  - This information comes directly from the Seller.
  - Investigate any blank spaces, unclear answers or any other information that is important to you.
- 3. **Review the Inspection Paragraph (see Section 6a).**

If important to you, hire a qualified:

  - Mold inspector
  - Roof inspector
  - Pest inspector
  - Pool inspector
  - Heating/cooling inspector

Verify square footage (see Section 6b)  
Verify the property is on sewer or septic (see Section 6f)
- 4. **Confirm your ability to obtain insurance and insurability of the property during the inspection period with your insurance agent (see Sections 6a and 6e).**
- 5. **Apply for your home loan now, if you have not done so already, and provide your lender with all requested information (see Section 2f).**

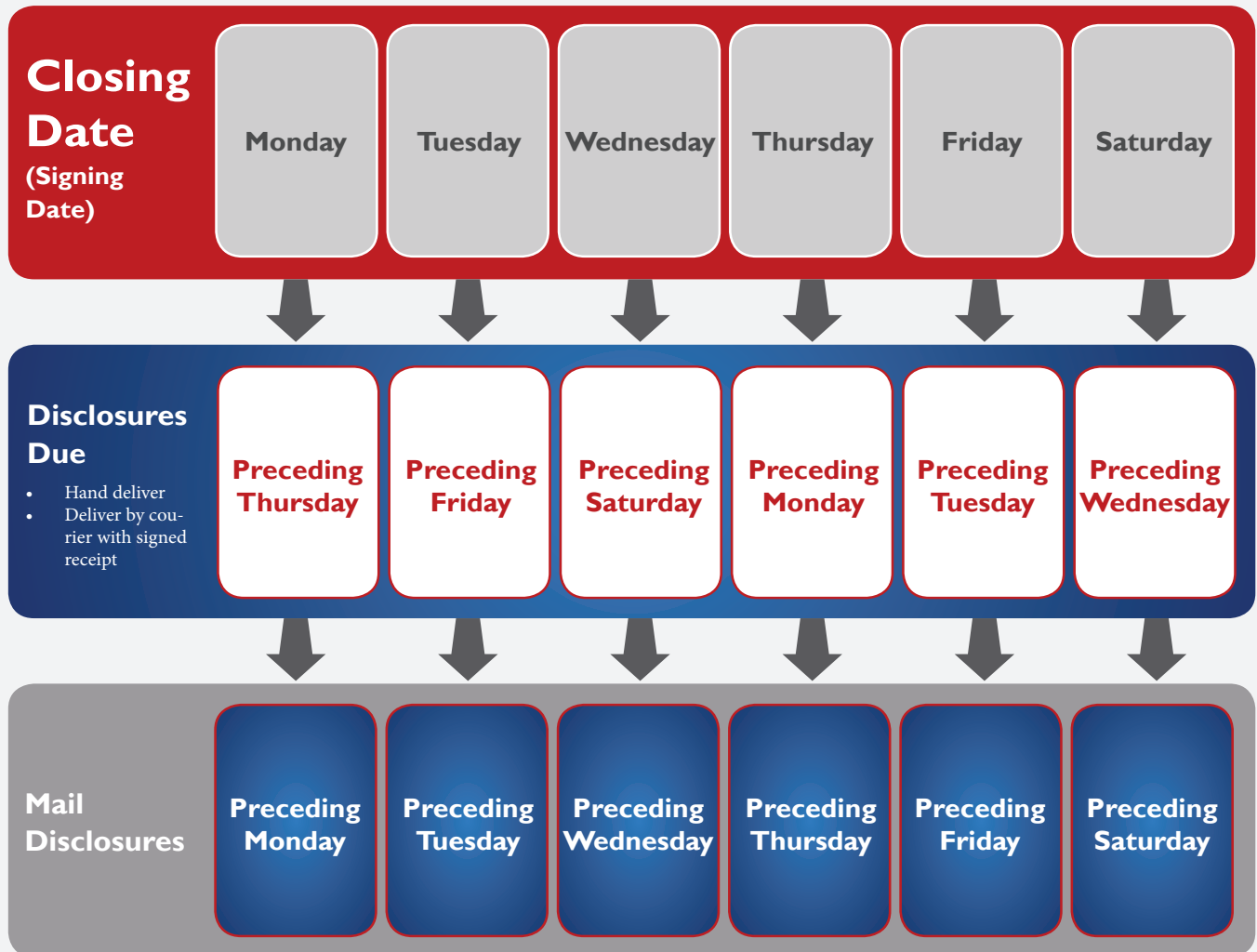
It is your responsibility to make sure that you and your lender follow the timeline requirements in Section 2, and that you and your lender deliver the necessary funds to escrow in sufficient time to allow escrow to close on the agreed upon date. Otherwise, the Seller may cancel the contract and you may be liable for damages.
- 6. **Read the title commitment within five days of receipt (see Section 3c).**
- 7. **Read the CC&R's and all other governing documents within five days of receipt (see Section 3c), especially if the home is in a homeowner's association.**
- 8. **Conduct a thorough final walkthrough (see Section 6m). If the property is unacceptable, speak up. After the closing may be too late.**

You can obtain information through the Buyer's Advisory at <http://www.aaronline.com>.

**Remember, you are urged to consult with an attorney, inspectors, and experts of your choice in any area of interest or concern in the transaction.** Be cautious about verbal representations, advertising claims, and information contained in a listing. *Verify anything important to you.*

**Buyer's Check List**

# THREE DAY CLOSING DISCLOSURE RULE



**Note:** If a federal holiday falls in the three-day period, add a day for disclosure delivery.

The three-day period is measured by days, not hours. Thus, disclosures must be delivered three days before closing, and not 72 hours prior to closing.

Disclosures may also be delivered electronically on the disclosures due date in compliance with E-Sign requirements.

# TIPS FOR A SUCCESSFUL CLOSING

## **Communicate**

In order for a closing to run smoothly, frequent communication with all parties involved (your REALTOR®, loan officer and escrow officer) is critical. It is important to communicate any significant changes in your life such as; job changes, new car purchases, changes to your sales price, and desired changes to the close of escrow date.

## **Homeowner's Insurance**

Failure to secure Homeowner's Insurance in advance of closing is a leading cause of delays in the mortgage and closing process. Insurance should be secured as soon as possible before your scheduled closing date.

## **Changing Jobs**

Your income is a crucial part of the puzzle when determining your ability to repay a loan. The underwriter looks at the stability of your job and, should you change jobs during the loan process, it could create instability in your loan profile. Contact your loan officer prior to making any career changes.

## **Debt**

Paying off debt may sound like the right thing to do, but the liquid assets you have may have been a determining factor in your loan approval. Contact your loan officer before making any significant changes to your debt structure. Also, avoid allowing payments to be delinquent between now and closing.

## **Provide Documentation When Requested**

A delay in receiving requested information may postpone the approval and closing process. Provide all requested information in a timely manner.

## **Large Purchases**

Your debts and cash reserves have already been assessed. Any changes to these could jeopardize your approval. Contact your loan officer prior to making any significant purchases.

## **Avoid Making Moving Plans Too Tight**

Allow a 5-7 day overlap between the scheduled close of escrow date and your moving date. If the closing date is moved for any reason, unbudgeted expenses could occur.

## **Financial Records**

Your mortgage company may have to verify information from previous bank account statements or pay check stubs such as large deposits or bonus checks. Keep information regarding transactions in and out of your bank account (especially irregular items such as a tax refund or 401(k) loan) in a convenient location. Do not place vital financial documents in storage or let movers take it.

## **Allow Time To Go To The Bank On Closing Day**

The cashier's check or wired funds for closing should be made out to American Title Service Agency. Assuming your loan process went exactly as planned, you will receive your final closing figures from your escrow officer prior to your closing.



# WHAT IS ESCROW

When finalizing the purchase or sale of a home, a neutral, third party (the escrow holder) is engaged to assure the transaction will properly close on time.

The escrow holder verifies all terms and conditions of the seller's and buyer's purchase contract and/or escrow agreement are met prior to the sale being finalized. This includes receiving funds and documents, obtaining release documents for any loans or liens that have been paid off within the transaction and assuring clear title to the property before the purchase price is fully paid.

The documentation the escrow holder may collect includes, but is not limited to:

- Loan documents
- Property Tax Information
- HOA Information
- Fire and other insurance policies
- Title insurance policies
- Terms of sale and any seller-assisted financing
- Payment requests for services to be paid out of escrow funds

Upon completion of all escrow instructions, closing can take place. Outstanding payments and fees are collected and paid at time of closing covering expenses such as; taxes, homeowner association transfer fees, inspection fees, real estate commissions, title insurance and escrow fees. Title to the property is then transferred from the seller to the buyer and title insurance is issued as outlined in the purchase contract and preliminary title report. The funds you are required to provide the escrow holder at close of escrow should be made via a Cashier's Check or wire transfer of funds.

## What Escrow Needs From The Buyer

- Your legal name, marital status, address, contact information and manner in which you wish to acquire title.
- Name and address of your proposed lender as well as the name and phone number of your loan representative.



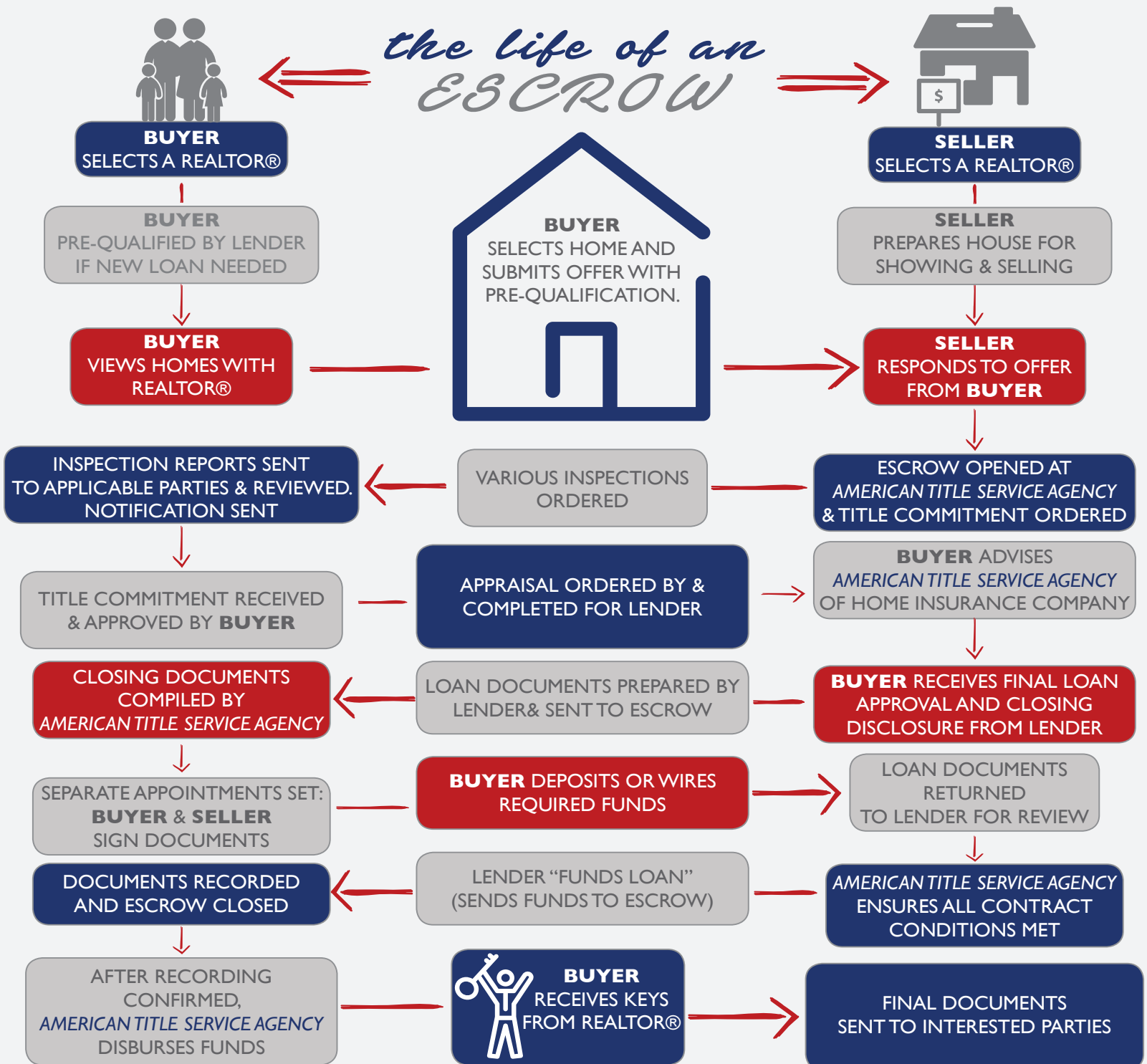


# AMERICAN TITLE SERVICE AGENCY

*Above All Else...Service!*

## ESCROW AND CLOSING PROCESS

This graphic explains, with some detail, what is involved in the closing process. Your escrow officer is a neutral third party. Their job is to gather the documents and information from all involved parties to prepare for the transfer of property. The buyer should be aware of and willing to help with the closing process.



# WHAT IS CFPB (Consumer Financial Protection Bureau)

The Consumer Financial Protection Bureau (CFPB) is the federal agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

The CFPB designed disclosures that are easier for consumers and industry to understand and use. The first new form (the “Loan Estimate”) is designed to provide disclosures that will be helpful to consumers in understanding the key features, costs, and risks of the mortgage loan for which they are applying. The Loan Estimate must be provided to consumers no later than three business days after they submit a loan application. The second form (the “Closing Disclosure”) is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction. The Closing Disclosure must be provided to consumers three business days before they close on the loan.

The new Loan Estimate and Closing Disclosure have been designed to avoid surprises at closing by providing:

- Documents designed to simplify the comparing of estimated loan and closing costs to the final terms.
- Provide time to consider choices by imposing mandatory waiting periods.
- Placing limits on certain closing cost increases.

The forms use clear language and are designed to make it easier for consumers to locate key information, such as interest rate, monthly payments, and costs to close the loan. The forms also provide more information to help consumers decide whether they can afford the loan and to compare the cost of different loan officers, including the cost of the loans over time. The new Loan Estimate combines information from the early Truth-in-Lending (“TIL”) and the Good Faith Estimate (“GFE”) forms. The new Closing Disclosure form consolidates information from the HUD and the final “TIL.” The new forms were implemented on October 3, 2015.

The Loan Estimate is designed to provide disclosures that will be helpful to consumers in understanding the key features, costs, and risks of the mortgage loan for which they are applying.

- **Issuance and Delivery:** The consumer must be provided a Loan Estimate, either by delivering by hand or placing in the mail, no later than three business days after receiving a loan application and no later than seven business days before consummation of the loan transaction. An application is considered received when the consumer provides the following information:
  - Consumer’s name,
  - Consumer’s income,
  - Consumer’s Social Security number to obtain a credit report,
  - Address of the property,
  - Estimate of the value of the property, and
  - The mortgage loan amount sought.

# UNDERSTANDING TITLE INSURANCE

**In Arizona, it is common for a title company to issue two title insurance policies:**

- 1) Homeowner's (Buyer's, Owner's) Policy
- 2) Lender's Policy

The "ALTA" (American Land Title Association) Homeowner's Title Insurance Policy is an extended title insurance policy that protects the homeowner from any undetected clouds or defects of title that did not show up in the title search and up to 34 other potential issues. Generally, the AAR Residential Purchase Contract requires the seller to pay the premium of this policy. The premium is calculated based on the sales price of the home.

The second type of policy, issued by American Title Service Agency as an agent for its underwriters, is to protect the lender from any clouds or defects should they have to foreclose upon the homeowner. Often referred to as an "ALTA" loan policy, this policy protects lenders making loans of their depositors', investors' or employees' funds and they must obtain the security of real property to protect the investment. To obtain title insurance for its investment, a lender needs a valid, enforceable Deed of Trust that has priority (also known as a first mortgage) over any known or unknown interests or claims to the property that is used as security for the note.

Title insurance provides the indemnification the lender needs by insuring the homeowner actually has title to the property and no other entity or person has an interest that will affect the lender's security. This title insurance policy is based upon the buyer's loan amount.

These types of policies can provide, depending on policy type, indemnity against loss or damage for undisclosed interests, ownerships, defects, liens or encumbrances on or affecting the property, or because of a lack of access to or from the property or for an alleged or actual un-marketability of title to the property. In addition to insurance of the title, the ALTA loan policy insures the validity, enforceability and priority of the Deed of the Trust against the home.

## **Why Do I Need Title Insurance?**

Purchasing a home is probably the single, largest investment you will ever make. Before closing on the property, you need to verify no other individual or entity has a right, lien or claim to the property.

Delivering a clear title from a seller to a buyer is achieved through the issuance of an owner's and a lender's title insurance policy. Title insurance provides coverage for owners of real property (real estate) and lenders who use real property as security for their loan.



# TITLE INSURANCE FOR PEACE OF MIND

Researching a property's title history generally uncovers obscure claims against it. However, there could be hidden risks (i.e. forgery, incompetency or incapacity of the parties, fraudulent impersonation) that could threaten the homeowner's claim to ownership of the property.

For a modest, one-time title insurance premium, you will receive continuous title insurance protection in an amount equal to the purchase price of the property or its current market value. There are separate premiums for your owner's policy as well as your lender's policy. When issued simultaneously, the lender's policy premium is provided at a discounted rate.

One of the marked advantages of title insurance is that prior to a policy being issued, American Title Service Agency completes extensive research into relevant public records, maps and documents to trace ownership of the property and determine if anyone other than you has an interest in the property. Through its research, American Title Service Agency can usually identify title problems that may arise and resolve the issues prior to closing escrow.

Your title insurance owner's policy will describe the property and outline any recorded limitations on your ownership. It will also set forth the underwriter's responsibilities should any claim covered by the policy terms arise. Typically, title insurance protects you from loss as follows:

- If someone contests your title in a civil action, the title insurance company will defend the title at no expense to you, subject to policy limitations and deductibles.
- Your title policy will protect you from financial loss, based on policy limitations and deductibles, up to the amount of the policy.

Your title insurance owner's policy will describe the property and outline any recorded limitations on your ownership. It will also set forth the underwriters responsibilities should any claim covered by the policy terms arise. Typically your title insurance will protect you from loss:

- If someone contests your title in a civil action the title insurance company will defend the title at no expense to you subject to policy limitations and deductibles.
- If there is a title defect that cannot be eliminated your title policy will protect you from financial loss based on policy limitations and deductibles up to the amount of the policy.



# WAYS TO TAKE TITLE IN ARIZONA

<b>Joint Tenancy with the Right of Survivorship</b>	<b>Community Property with the Right of Survivorship</b>	<b>Tenancy in Common</b>	<b>Sole and Separate</b>
Parties need not be married: may be more than two joint tenants.	Requires a valid marriage between two persons.	Parties need not be married: may be more than two tenants in common.	See note at bottom of page.
Each joint tenant holds an equal and undivided interest in the estate, unity of interest.	Each spouse holds an undivided one half interest in the estate.	Each tenant in common holds an undivided fractional interest in the estate. Can be disproportionate. (ie: 20%-80% or 60%-40%)	See note at bottom of page.
One joint tenant can partition the property by selling his or her joint interest.	One spouse cannot partition the property by selling his or her interest.	Each tenant's share can be conveyed, mortgaged or devised to a third party.	See note at bottom of page.
Requires signatures of all joint tenants to convey or encumber the whole.	Requires signatures of both spouses to convey or encumber.	Requires signatures of all tenants to convey or encumber the whole.	See note at bottom of page.
Estate passes to surviving joint tenants outside of probate.	Estate passes to surviving spouse outside of probate.	Upon death the tenant's proportionate share passes to his or her heirs by will or intestacy.	See note at bottom of page.
No court action required to "clear" title upon the death of joint tenant(s).	No court action required to "clear" title upon the first death.	Upon death the estate of the decedent must be "cleared" through probate, affidavit or adjudication.	See note at bottom of page.
Deceased tenant's share is entitled to a "stepped up" tax basis as of the date of death.	Both halves of the community property are entitled to a "stepped up" tax basis as of the date of death.	Each share has its own tax basis.	See note at bottom of page.

NOTE: Arizona is a community property state. Property acquired by a husband and wife is presumed to be community property unless legally specified otherwise. If a married person acquires title as "Sole and Separate", his or her spouse must execute a disclaimer deed to avoid the presumption of community property. Parties may choose to hold title in the name of an entity, e.g. a corporation, a limited liability company, a partnership (general or limited), or trust. Each method of taking title has certain significant legal and tax consequences. Therefore, you are encouraged to obtain advice from an attorney or other qualified professional.

# MISCELLANEOUS INFORMATION

## Home Inspections

A standard pre-purchase inspection covers a home's major mechanical systems, electrical, plumbing, heating, cooling and its construction from roof to foundation, exterior to interior. Inspections generally do not cover soil, pools, wells, septic systems, building code violations or environmental hazards, such as lead, unless specifically requested.

## Repairs Or Remedies Are Negotiable - They Also Can Derail A Deal

## Appraisals

An appraisal is a written estimate of a property's market value completed by an appraiser. The value is based upon a market analysis of the prices of recent sales of similar properties in the area and the property's physical condition as observed during an interior and exterior property inspection.

## Why is an Appraisal Necessary?

Lenders use appraisals to determine the buyer's loan amount. The appraisal will be completed shortly after the buyer requests a mortgage.

## Appraisals and Sales Prices

- If the appraised value is higher than the sales price, there is no impact. The sales price cannot be raised.
- When the property appraises for a lower value than the sales price, the lower appraised value is used to determine the loan amount. To complete the sale, the buyer may have to increase the down payment to make up the difference between the appraised value and the purchase price or a new sales price may need to be negotiated.

## Home Warranties

Home warranties offer advantages to both the buyer and seller. Offering a home warranty gives the buyer a sense of security, knowing that they are protected after buying the property by paying only a deductible for certain repairs or replacement of major mechanical systems in the home such as heating, air conditioning and major appliances. There are a variety of plans available and American Title can provide you with information on the options, costs and providers in your specific area.

## Benefits Of Home Warranty To The Buyer

- Warranty coverage for your major systems and built-in appliances
- Protects your cash flow
- Puts a complete network of qualified service technicians at your service
- Low deductible



# WANTS AND NEEDS LIST

While house-hunting, it is easy to get distracted if you choose to look at properties that do not meet your criteria. Stay focused on what's most important to you.

What we <b>WANT</b> in a home	What we <b>NEED</b> in a home
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	



# HOUSE HUNTING EVALUATION

It is difficult to remember which house had the great kitchen, pool or master bath. We have provided this evaluation form for you to keep track of the homes you have seen.

You can use this form to pick your “Top 5” and eliminate the rest. In today’s market, it is reasonable to assume that the seller may have another offer when you submit your offer. Keeping track of the homes that come close to your “dream home” will enable you to change directions quickly if necessary.

## YOUR TOP FIVE PICKS

Use this Evaluation Form to rate the home according to the benefits and features that are important to you.

FEATURES	HOME #1	HOME #2	HOME #3	HOME #4	HOME #5
Property Address					
Architectural Style					
Living Room					
Dining Room					
Upgraded Kitchen					
# of Bedrooms					
# of Bathrooms					
Additional Rooms					
Floor Plan					
Additional Features					
Garage or Car Port					
Lot / Landscaping					
Utility Information					
Suitable Location					
Does Home Meet Needs?					

# MOVING CHECKLIST

## OLD RESIDENCE

### PREPARING FOR THE MOVE

- Leave existing keys & garage openers
- Travel funds (cash & checks)
- Defrost refrigerator
- Pet transportation

### ADDRESS CHANGE

- Bank accounts
- Subscriptions/magazines
- Forward address to post office
- Credit cards

### UTILITIES

- Telephone (check for refund)
- Gas (check for refund)
- Electric (check for refund)
- Water (check for refund)
- Cable (check for refund)
- Garbage pickup
- Bottled water, propane, etc.
- Satellite/Cable Provider

### DOCUMENTS TO OBTAIN

- Medical records
- Dental records
- School transcripts
- Veterinary records

## NEW RESIDENCE

### ADDRESS CHANGE

- Ask postman to hold mail for your arrival

### UTILITIES

- Telephone
- Electric
- Gas
- Water
- Garbage pickup
- Cable
- Bottled water, propane, etc.
- Satellite/Cable Provider

### SCHOOLS, LICENSES, SERVICES

- Register children for school
- Register to vote
- Register car
- Driver's License (apply for new address)

### MEDICAL SERVICES

- New doctor
- New dentist
- New veterinarian



## Our Office Locations:

### **83rd & Bell Branch**

Office: 602-942-2929

Fax: 602-942-5353

16150 N. Arrowhead Fountain Ctr.,  
Ste. 160, Peoria, AZ 85382

### **Arrowhead Branch**

Office: 623-334-3400

Fax: 623-334-3403

20329 N. 59th Ave., Ste. A6A  
Glendale, AZ 85308

### **Camelback Branch**

Office: 602-777-6800

Fax: 602-424-7391

2929 E. Camelback Rd., Ste. 218  
Phoenix, AZ 85016

### **Central Branch**

Office: 602-424-7300

Fax: 602-424-7301

2929 E. Camelback Rd., Ste. 218  
Phoenix, AZ 85016

### **Corporate**

Office: 602-424-7200

Fax: 602-424-7210

2929 E. Camelback Rd., Ste. 218  
Phoenix, AZ 85016

### **East Mesa Branch**

Office: 480-559-6400

Fax: 480-559-6401

4360 E. Brown Rd., Ste. 116  
Mesa, AZ 85205

### **Kierland Branch**

Office: 480-365-7222

Fax: 480-365-7223

7033 E. Greenway Pkwy., Ste. 150  
Scottsdale, AZ 85254

### **Kyrene Branch**

Office: 480-289-3800

Fax: 480-289-3805

106 S. Kyrene Rd., Ste. 1  
Chandler, AZ 85226

### **Mid-Town Branch**

Office: 602-424-7222

Fax: 602-424-7223

2929 E. Camelback Rd., Ste. 218  
Phoenix, AZ 85016

### **Norterra Branch**

Office: 623-277-4700

Fax: 623-277-4701

2225 W. Whispering Wind Dr., Ste. 101  
Phoenix, AZ 85085

### **North Scottsdale Branch**

Office: 480-738-5500

Fax: 480-738-5501

7033 E. Greenway Pkwy., Ste. 150  
Scottsdale, AZ 85254

### **Stapley Branch**

Office: 480-831-3000

Fax: 480-831-3993

1640 S. Stapley Dr., Ste. 105  
Mesa, AZ 85204



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