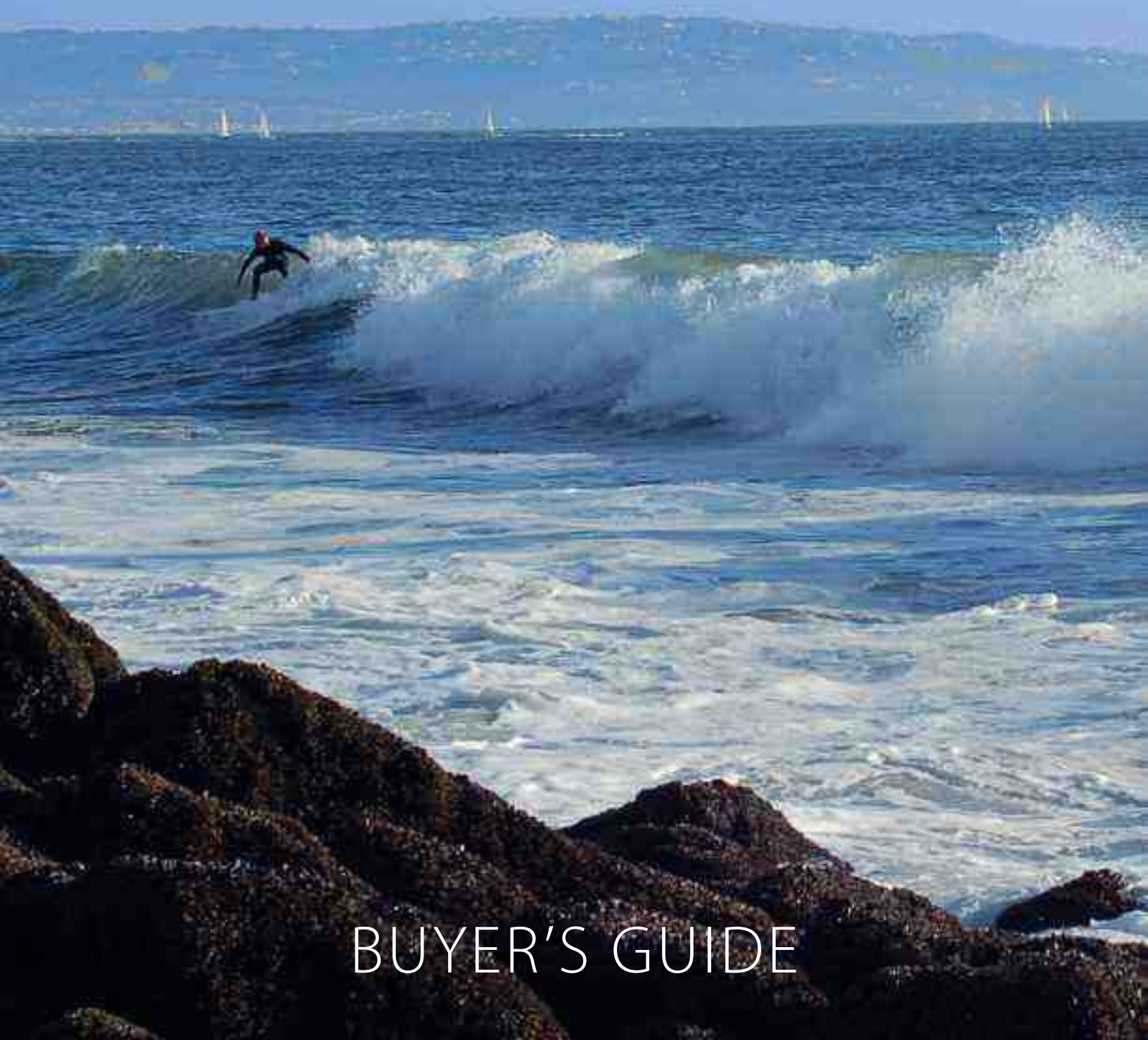




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BUYER'S GUIDE

OWNING YOUR DREAM HOME
CAN BE A REALITY ...

LET ME SHOW YOU HOW



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TIME TO MAKE YOUR MOVE

Congratulations on making your first important move toward owning your own home.

You have chosen the right time to consider home ownership. With the continuing low interest rates, home ownership is still affordable ... even though market values have been increasing.

If you are currently renting, you may be able to experience the significant tax benefits as well as tremendous pride of home ownership. Owning your own home can energize your desire for personal expression ... in decorating, gardening, lifestyle ... and provide a sense of security and belonging.

My main goal is to help people like you find the home of their dreams. I have always set high standards ... based on integrity, knowledge, and a dedication to superior customer service.

Owning a home is the most significant investment most of us ever make, and one that is increasingly complicated. Trust my knowledge to help you through this important decision.

FACTORS TO CONSIDER WHEN LOOKING FOR A HOME

- Select the type of area that you prefer (e.g., suburban or rural).
- Focus on a particular city, town, or geographic location.
- Assess the affordability of purchasing a new home ... down payment, mortgage payments, property taxes, insurance, common area charges, etc.
- Decide whether or not availability and proximity to public transportation and specific community activities is important to you.
- Consider which architectural style you prefer (historic, modern, ranch, Spanish).
- Determine the number of bedrooms and baths that you require.
- Only after these considerations will you be able to determine if Venice is where you want to live.

11 STEPS TO HOME OWNERSHIP

- 1 Select a real estate professional who knows the area you would like to live in. If that area is Venice, you have chosen the right person!
- 2 First, we will meet in person or by phone to discuss your needs ... location, size, style, special features, etc.
- 3 Before looking at properties, you need to contact a knowledgeable lender who help you assess your buying power.
- 4 I will preview and select the available properties in your price range that most closely meet your needs and arrange to tour these homes with you.
- 5 When you find your perfect home, it's time to make a written offer. I will prepare the offer to your specifications and present it to the seller. The seller can accept your offer as is, submit a counter offer or decline your offer.
- 6 After the agreement is finalized, escrow will be opened and your deposit check will be deposited into the escrow trust account.
- 7 At this time, it is important to promptly apply for your home loan through a lender that offers a suitable qualifying process and favorable rates.
- 8 Additionally, you will receive escrow instructions, which must be signed by both buyer and seller.
- 9 I will guide you through your home inspection, disclosures and monitor the progress of the transaction.
- 10 Shortly before closing, your escrow officer will notify you that final documents are ready for signing and inform you of the amount of money required for your closing costs.
- 11 When all steps have been completed, it's official. You're a homeowner!

FREQUENTLY ASKED QUESTIONS

- What is the best way to find homes in my price range ?
Choose a seasoned real estate professional who is familiar with all available listings in your area. I have access to all of properties for sale and am skilled in matching client needs with just the right home.
- Can't I just look for "Open House" signs in the neighborhood I like ?
This may not be a wise choice. You may waste valuable time by only seeing a fraction of the available properties, and they may not meet your needs. I will inform you of all available properties, even if they are not open to the public. You may not realize it, but visiting "Open Houses" or "For Sale By Owner" homes without me as your agent may cause confusion about who represents you ... and you might lose your ability to work with the agent of your own choosing.
- Can my agent show me homes listed with another real estate company, or "For Sale By Owner" properties ?
Yes. Every major real estate firm participates in the multiple listing service, and therefore, mutual cooperation is welcome. Also, most FSBO owners will work with a real estate agent representing a buyer.
- Do I have to pay a commission for these services ?
No.
- How much commission does my agent receive ?
When you purchase a home, your agent will receive a portion of the commission, paid by the seller
- How do I know what I can afford ?
I will insist that you meet with a knowledgeable lender who will help you determine your purchasing power. In today's competitive marketplace, a mortgage pre-approval is a necessity when making an offer.

HOME FINANCING AND LOAN PRE-APPROVAL

In today's competitive real estate market, home buyers are obtaining a pre-approval for mortgages prior to purchasing a home.

ADVANTAGES OF LOAN PRE-APPROVAL

- Verifies the purchase price you can afford.
- Prepares you to make an offer on the property you wish to purchase.
- Expedites the buying process.
- Indicates that you are credit-worthy and financially prepared to purchase a home.

REQUIREMENTS FOR PRE-APPROVAL

The following documents are required by the mortgage representative:

- W-2 forms and federal tax returns from the past two years.
- Pay stubs for the most recent 30 days.
- Two months of financial asset statements.
- Credit report.

FINANCIAL INFORMATION REVIEWED IN THE PRE-APPROVAL PROCESS

Assets – to verify sufficient funds needed to close the loan.

Credit – to evaluate your credit standing based on the size of the loan.

Income – to certify that you can afford mortgage payments according to your income.

LOAN PRE-APPROVAL

Loan Commitment – a written guarantee from a lender to provide financing up to a specified amount. This type of pre-approval involves a credit check and verification of assets and income. However, it is subject to a review of all property related information (appraisal, title, insurance and contract) by the underwriter will be required to finalize the loan. If you have any questions regarding the pre-approval process or if you would like to obtain a pre-approved loan, I can refer you to a loan officer who can assist you.

MAKING AN OFFER TO THE SELLER

Once you have found a home you wish to purchase, the next step is to present an offer to the seller. I will assist you in making the offer, which will be delivered to the seller's agent and then to the seller. Negotiations will continue until you and the seller reach an agreement on the offer.

TERMS OF AN OFFER

Purchase Price – The amount you are offering to pay for the property.

Down Payment – The amount of cash you are prepared to invest in the purchase.

Contingencies – The two primary types of contingencies are stipulations regarding the mortgage and the home inspections. The offer will include the amount of time you are requesting to satisfy the contingencies. The mortgage commitment contingency will be satisfied once you have a mortgage commitment in place. Other contingencies include the completion of satisfactory home inspections (e.g., engineering, termite), appraisal, preliminary title report, or signed contract.

Personal Property – Items that are not fixtures may not be included in the purchase.

The Closing Date – The date upon which you would like to take the title to the property.

THE ACCEPTED OFFER

An offer is not binding to either party until the contracts have been signed by both parties and delivered back to the buyer's agent. Buyers and sellers are legally bound to one another once all contingencies have been satisfied. An accepted offer does not preclude other potential buyers from making backup offers on the house. The possibility exists that another buyer will make a higher offer and/or offer better terms which will place a pressure on you to complete and release all of your contingencies in a timely manner.

THE ACCEPTABLE OFFER AND CONTRACT OF SALE

An acceptable offer is not binding to either party until the contracts have been signed by both parties and delivered back to the buyer.

Once we have achieved our goal of an acceptable offer you can expect the following to occur:

OPENING OF ESCROW – The signed purchase agreement will be sent to the agreed-upon escrow officer who will prepare a set of instructions outlining the procedure of the sale and their duties.

HOME INSPECTION – Ordinarily, the buyer will schedule an inspection as soon as possible. The selling agent is responsible for accompanying the inspector as well as the buyer. A thorough inspection includes the electrical, plumbing, and all accessible areas. The buyer may also schedule inspections for the chimney, roof, foundation, presence of mold. I recommend ONLY licensed inspectors, although buyers may use whomever they wish.

APPRAISAL – This occurs early in the mortgage process, and is required for mortgage approval. It is also possible that a buyer may request an appraisal even if they are not securing a mortgage.

WRITTEN MORTGAGE COMMITMENT – The borrower will receive a commitment letter with various conditions that must be cleared prior to scheduling a closing date.

THE CLOSING DATE – This is agreed to in the contract of sale; however, during the escrow period situations may occur that adjust the date.

THE WALK-THROUGH – Customarily performed 24-48 hours prior to closing after the premises have been vacated, ensuring that the property is in the same overall condition as at the time of purchase and that all agreed-to repairs/conditions have been completed.

THE CLOSING – When all parties have completed their required duties, the escrow officer will record the sale and disperse the funds to the seller. This process does not require an attorney or the physical presence of either the buyer or the seller.

LEGAL

GOVERNMENTAL REQUIREMENTS

The following information is presented for your reference, and applies in most jurisdictions in California.

DISCLOSURES

Real Estate Transfer Disclosure Statement – California law requires all sellers of residential property provide a written statement disclosing the conditions of the property to the buyer. The law not only applies to homeowners selling their home through a licensed real estate agent, but also those who choose to sell their home by themselves. It is designed to protect both the buyer of a home, by providing a record of any defects or other potential problems, and the seller from any future liability as a result of defects discovered after the closing of a transaction. Also included in the requirement are transactions for multiple-family dwellings with up to four units and condominiums.

Other required seller disclosures include Agency Disclosure, Lead-Based Paint Hazards Disclosure, Natural Hazard Disclosure, Residential Earthquake Hazards Report, Possible Representation of More than One Buyer or Seller, Statewide Buyer and Seller Advisory and Seller's Property Questionnaire.

GOVERNMENT COMPLIANCE

Prior to the close of a sale the following are required to be installed: smoke detectors, carbon monoxide detectors,, water heater strapping, water conserving toilets and shower heads, gas shut-off valve.

BUILDING PERMITS

A building permit is required whenever a structural change or repair is made to a building, when adding to the amount of living space, whenever a detached structural facility, such as a shed, deck or gazebo is constructed. At the satisfactory completion of the work a certificate of occupancy is issued.

Structural work performed without a building permit is a code violation which can, and often does, affect the sale of a house.

UNDERSTANDING ESCROW

Once an agreement between you and the seller has been finalized, escrow is ready to be opened. Escrow essentially allows for a disinterested third party (escrow holder) to keep all valuables/documents in trust until certain conditions are fulfilled.

WHY YOU NEED AN ESCROW ... As the buyer, you want the assurance that the title to the property will not change hands until all of the instructions in the transaction have been followed. This may include completion of all inspections and any repairs that were agreed upon.

HOW ESCROW WORKS ... The escrow holder is obligated to safeguard the loan documents while they are in their possession, and to disburse funds and/or convey title only when all provisions of the escrow have been complied with.

These provisions are written in the escrow instructions, which are drafted from the provisions agreed upon in the purchase agreement by all parties involved in the transaction.

The escrow officer will process the escrow, in accordance with the escrow instructions, and when all conditions required in the escrow can be met or are achieved, the escrow will be "closed."

The escrow officer will endeavor to expedite the timely closing by keeping all parties informed; will handle the funds/documents in accordance with the instructions; will pay all bills as authorized; will respond to authorized requests from the principals; will close the escrow only when all terms and conditions have been met; will distribute the funds in accordance with instructions and provide a written closing statement of the charges and credits of your account.

Your most important role during this time is to read and understand your escrow instructions. Be sure to ask your escrow officer to explain anything you don't understand, however, any legal questions would need to be directed to your attorney.

In order to expedite the closing of escrow, don't be afraid to ask, "What can I do to expedite the closing of this escrow?" You should also respond quickly to correspondence. The escrow officer coordinates the close of escrow, processes all of the final paperwork and distributes the seller's funds along with the closing statement which should be safely kept for tax purposes.

HOME INSPECTIONS

QUESTION:

What is a home inspection?

ANSWER:

A home inspection is an overview of the physical condition of a property. It is a visual inspection; that is, the inspector does not look behind walls or under carpeting or take apart equipment. The following are some of the items that a home inspector generally inspects: roof, electrical components, plumbing components, heating and air conditioning systems, sinks, toilets, walls and windows.

QUESTION:

What should a professional home inspector provide?

ANSWER:

The home inspector should be willing to provide a written report covering its inspection. The home inspector should be a member of a professional organization for home inspectors and should carry professional liability insurance. Further, a home inspector should provide you with references and a fee schedule.

QUESTION:

What is excluded from a home inspection?

ANSWER:

While home inspectors will conduct a comprehensive inspection, home inspectors are "generalists;" that is, they have broad knowledge about many aspects of the physical condition of property but do not have specific knowledge regarding every aspect. Thus, home inspectors may recommend that a specialist conduct further inspections with respect to certain items the home inspector checks (such as the roof, plumbing or electrical components) or items that are completely excluded from the inspection (such as structural conditions, geological conditions and environmental hazards).

QUESTION:

Who arranges for the home inspection?

ANSWER:

Generally, the buyer arranges and pays for the home inspection.

QUESTION:

When does the home inspection occur?

ANSWER:

Typically all offers are made "subject to" the buyer's review of an inspectors report. The inspection is usually done within 7 to 10 days of an accepted offer. If there are problems, you may request to have problems fixed or have the right to cancel the sale. The seller is not required to perform any repairs not specifically outlined in the accepted sale agreement.

PEST CONTROL

WOOD DESTROYING PEST & ORGANISM INSPECTION

The wood destroying pest infestation inspection is now the responsibility of the buyer and is considered one of the buyer's inspections. The buyer may ask the seller to do any or all of the recommended fumigation/repair work in a request for repair. Some lenders require that any pest control work be completed prior to funding a loan.

A wood destroying pest infestation report (commonly referred to as a termite or pest control report, contains findings as to the presence or absence of evidence of wood destroying pests and organisms (ie. termite infestations, termite damage, fungus damage, etc.) in visible and accessible areas and contains recommendations for correcting any infestations or infections found. Reports are governed by the California Structural Pest Control Act.

The Structural Pest Control Act requires inspection of only those areas which are visible and accessible at the time of inspection. Some areas of a structure are not accessible to inspection, such as the interior of hollow walls, spaces between floors, areas concealed by carpeting, appliances, furniture or cabinets. Infestations or infections may be active in these areas without visible and accessible evidence. Carpets, furniture or appliances are not moved and windows are not opened during a routine inspection. The exterior surface of the roof is also not inspected. In the event damage or infestation found during the inspection is later found to extend further than anticipated, a supplemental report will be issued .

All pesticides and fungicides must be applied by a state certified applicator and in accordance with the manufacturer's label requirements.

CLOSING COSTS AND TAXES

Buyers and sellers both pay closing costs, which vary with each transaction. Below are the customary closing costs borne by the buyer. The items listed below are a partial list of costs.

LOAN ORIGINATION FEE – The amount due to the lender for processing the loan and includes the loan points. By law, the lender must give you an accurate statement of these costs at the initiation of the loan process.

ADDITIONAL LOAN COSTS – There may be other loan fees such as appraisal, credit check.

INTERIM INTEREST – Interest accrued on the mortgage for the number of days remaining in the month of the closing will be charged.

HOMEOWNER'S INSURANCE – You will be required to purchase an insurance policy listing the lender as the loss payee. Typically you will be charged an amount to cover the first year's premium.

MORTGAGE TITLE INSURANCE – A one-time charge to the buyer for insurance that guarantees compensation if, for any reason, the title should prove to be defective (e.g., if the previous owner had a tax lien on the property). The cost of this policy is approximately \$1.00 per \$1000. of the loan amount.

ESCROW FEES – The escrow officer charges a base fee of approximately \$2.00 per \$1000. There will be additional escrow charges depending on the needs of the escrow.

PROPERTY TAXES – Property taxes on the property are prorated through the closing date. Depending on the point through which taxes are paid, buyer may owe or be reimbursed for some taxes.

PROPERTY TAXES IMPOUND – Depending on the situation, the bank may require the buyer to place up to a year's amount of property taxes in an impound account to assure payment.

YOUR MOVING CHECKLIST

Whether your move will be across town or across the country, making the move hassle-free is what it is all about. Besides the traditional garage sale and packing boxes, there are a few details you won't want to forget before you begin loading the truck.

PLAN AHEAD

Experts recommend scheduling moves at least one month in advance, especially during the peak moving season between May and September. Some estimates indicate 80 percent of all moving and storage business is done when schools are out. That's when employees are most likely to be transferred. Take the time to get as much information as possible from moving companies before selecting one. Check on truck size and availability. Ask about moving supplies, such as boxes, dollies and furniture pads. Find out about protection plans for your possessions. Ask about lost or damaged property claim procedures. Determine price differences in packing the truck yourself or having it professionally packed. Get estimates.

SAVE YOUR RECEIPTS

Many of your moving expenses are tax deductible, so hang onto your receipts. Consult with your tax advisor to find out what is deductible, or call the Internal Revenue Service and request Publication 521: "Tax Information On Moving Expenses" to find out which moving expenses you can deduct.

CHANGE YOUR ADDRESS

Stop by your local post office and pick up a free change-of-address kit. The packet includes change-of-address cards to notify magazine publishers, charge accounts, clubs, organizations, insurance and investment companies about your move. The kit also has an address forwarding card for the post office.

COLLECT DOCUMENTS

If you're moving out of the area, you'll need to gather your family's personal records. Remember to get your medical and dental records, school transcripts, legal documents, titles, bank records, tax returns, stocks and bonds certificates, birth certificates, passports and insurance documents. Be sure to empty your safe deposit box.

CANCEL UTILITIES

When you cancel your telephone, gas, electric, garbage, water and other utilities, call and order service for your new home. You'll be able to make telephone calls, plug in the vacuum and do a load of laundry the minute you step into your new home.

MY PROMISE TO YOU

- I am a real estate professional with a reputation for excellence and a sincere desire that all of my clients find the best possible home to fit their needs and lifestyle.
- I know the Venice housing market inside out, and can help you avoid many wrong turns during your home search. I know all of the homes available in Venice and often even know of homes that may be coming on the market in the immediate future. Because I personally visit each home I am able to determine which homes best fit your needs and budget, saving you valuable time.
- I can also help simplify the complexities of home financing. I can put you in touch with a lender that will work with you to qualify for the home you choose.
- I can provide knowledgeable information about a neighborhood's surrounding community, schools, churches, shopping, recreation, dining spots, traffic patterns, and proposed redevelopment issues that could affect the home's future value.
- I will assess your needs and guide you to the houses that most fit your personality and desires.
- I arrange for you to see the homes that best fit your needs, and accompany you so that you are aware of each home's features as well as any faults.
- I will stay in touch with you to keep you advised of what new listings are available, if any prices or terms have changed on homes you've seen, or even to tell you which homes will be open on the weekend for your viewing.
- I will give you the facts you will need to make a decision, including comparable information on other homes that have recently sold.
- I will represent you during the negotiations to make sure your interests are protected.
- The service that I provide to you is without cost to you. This is because I generally receive payment by a commission that the seller pays. However, that doesn't affect the dedication or the spirit of teamwork that I will put into helping you find and buy the home you're dreaming of. After all, my success depends on your success.

WELCOME TO VENICE!



AL SALVAYIDAS
TRABAJANDO
EMERGENCY TELEPHONE
TELEFONO EMERGENCIA 911
KEEP OFF

2

THE POWER OF KNOWLEDGE

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