Barker Realty

HOMEBUYERS GUIDE


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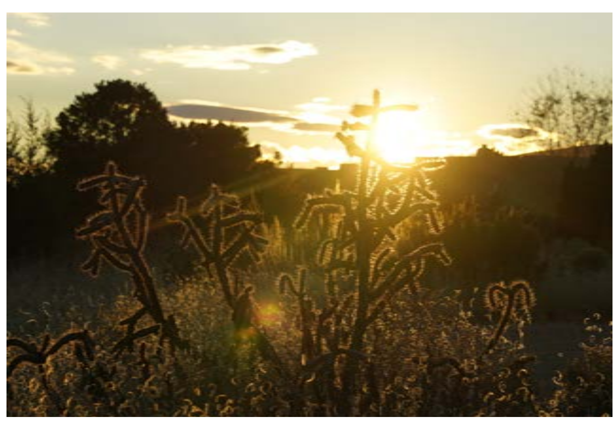


WHY WORK WITH A LOCAL EXPERT?

CONTRACTS
I will help with all disclosures and contracts necessary in today's heavily regulated environment.

EXPERIENCE
I have been educating buyers on the entire home buying process since 2019. With many successful closings and many happy clients.

NEGOTIATIONS
I represent your best interests, structuring the strongest offer at the best possible terms.

PRICING
I will help you understand today's real estate values when making an offer to purchase.

UNDERSTANDING OF CURRENT MARKET CONDITIONS
I simply and effectively explain today's real estate headlines and decipher what they mean to you.

I am your guide through the process.
Only you can decide which home and budget are right for you.
I will guide you with statistics & strategies to make that decision.

LORI MONTOYA

ASSOCIATE BROKER

I am Lori Montoya, born and raised right here in Santa Fe, NM. I love my hometown and appreciate helping people discover how special Santa Fe truly is. I enjoy helping people purchase their dream homes, investment homes, and selling their current homes to get them where they want to be. Buying and selling properties can be stressful for different reasons. It is my goal to make this process as smooth as possible with a positive attitude, professionalism, and care. I am always looking out for your best interest! My primary specialties are buyers, sellers, luxury, investment property, and first-time home buyers.

Those who hire me can expect a person who is honest, local, and personal – the way real estate should be!

505 577 8750 / **nmrealtorlori@gmail.com** / **Lic # 52752**

TESTIMONIALS

Lori helped me buy my first house, she was fantastic to work with. She was clear and timely with her communication which made the experience of buying my first house much easier. She is very knowledgeable about the Santa Fe area and understands perfectly how to navigate the housing market. If you live a busy life of your own and need help to land your perfect house, I fully recommend Lori!

—Jeffrey Klein

Hands down Lori is the best realtor in Santa Fe! I am a realtor in GA and so I knew what I needed and boy did she deliver! She is as good as they get! Thanks Lori for a truly delightful seamless experience, and dare I say you even made it fun?

—Robin Wise

Lori has been a tremendous help while buying a house in this crazy 2022 sellers market. She was readily available so I was able to view houses when they hit the market. She's incredibly knowledgeable about the market and prices and helped quite a bit with the negotiation process. She's super kind and caring as well. All in all a wonderful person and made the process of buying a house so much better.

—Amber McKinley

I can't say enough about Lori Montoya! Lori made a very stressful time so incredibly easy to get through. With all of the ups and downs of buying a home especially when you're a Senior, disabled, on zoom. She made it a very easy process. She called me back every time I called her, texted me back every time, and emailed me back every time. She was honest, open, and always professional. She went to a number of houses for me since I did this on Zoom. Buying a house out of state can be very difficult, but Lori made it easy. I highly recommend her and give her a 10 out of a 10!

—Gloria Rosenbaum

We are so grateful to have had Lori as our Realtor during our first home buying journey. She is thorough, professional and great to work with. When our ideal home in the perfect location came on the market, Lori showed us the home the same day it was listed! When there were multiple offers already on the table Lori made sure our offer was accepted! Thanks to Lori we have our home!

—Patrick Wardlaw

Lori is an excellent agent! She worked with us as we were relocating from Austin, TX and was tireless in her efforts and attention to detail and our needs. Having grown up in Santa Fe, she is extremely knowledgeable about the area and the market. We have recommended her to many friends looking for homes in Santa Fe.

—Christina Wisdom

It was an absolute pleasure and delight to work and find my home with Lori! She is fantastic and so on top of things!

—Holger Schmidt

MAKE YOUR MOVE

Most buyers who start the process of looking for a home begin the journey filled with excitement and a bit of trepidation. When purchasing a home is one of the biggest financial decisions you will make, it's our goal to ensure the process is the most pleasant and stress-free experience possible.

REPORTER
BEST OF SANTA FE 2022
SANTA FE'S VOICE. THE LOCALS' CHOICE.
1ST PLACE WINNER!

WHY SETTLE WHEN HOME IS THE MOST IMPORTANT PLACE?

For more than 50 years, Barker Realty's commitment and dedication to our unique Santa Fe community and its people have been deep and unwavering. Due to the caliber of brokers and the marketing and technology platforms supporting them, our brokers on average produce higher sales and offer a combined 900 years of experience. We provide ongoing training for all of our brokers, including a mentoring program for our newest brokers to ensure the highest level of service for our clients.

SERVICES I WILL PROVIDE AS YOUR BROKER

1. **Arrange for you to speak with a lender** to find out how much home you can afford to buy and get your pre-qualification letter.
2. **Help you narrow your search** by identifying what is most important to you in a home or real estate investment.
3. **Set up automated searches** so that you will be notified right away when a new home meeting your criteria comes on the market.
4. **Provide a convenient website** where you can change and save as many custom searches as you like.
5. **Schedule appointments** to show homes listed or not yet listed for sale in the Multiple Listing Service (MLS)
6. **Arrange for meetings** with builders if appropriate.
7. **Research** neighborhood associations, well and septic documents, and any other questions you may have to making an offer.
8. **Inform you** of the importance of inspections to protect you and your investment.
9. **Write an offer** on the property of your choice, after I review the comparable sold properties in the area keeping in mind the visible condition of the home compared to those in the neighborhood to get the best price and terms.
10. **Recommend** quality title companies, home inspectors, and any other specialist needed to insure that the home is a good investment and to guarantee you ownership.
11. **Negotiate** the details of any repairs.
12. **Walk-through** the property shortly before closing to verify its condition.
13. **Attend closing** with you to sew up the details.
14. **Continue** to be your real estate resource long after you buy the property.

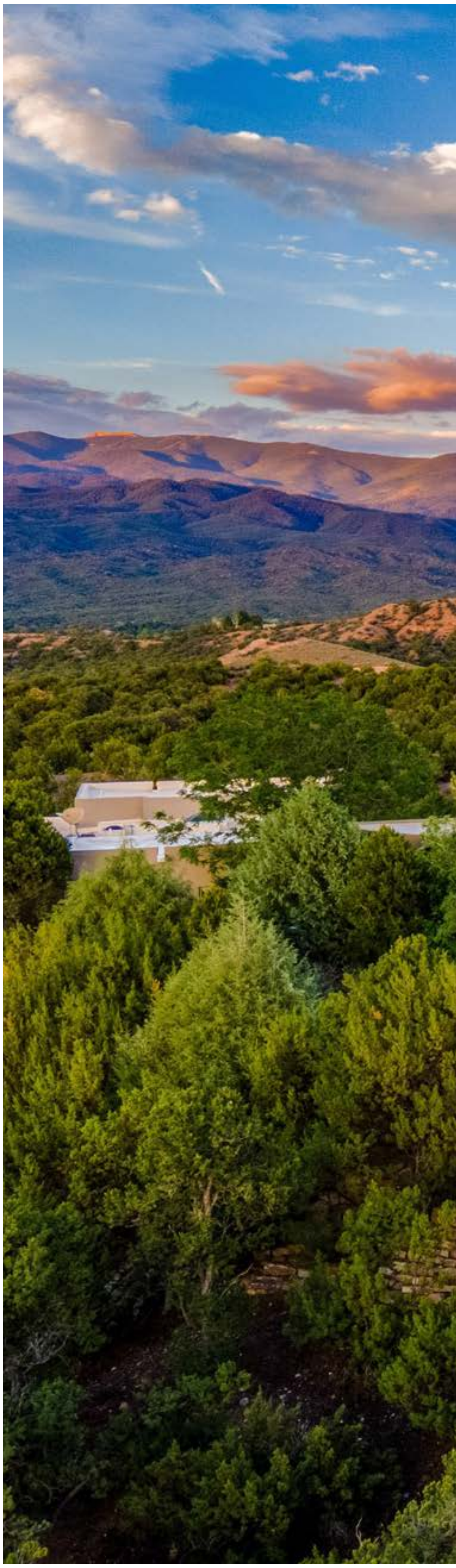

Chihuly Projects

PURCHASING A HOME FROM A BUILDER?

The advantages of having me help you purchase a new home are the same as those for purchasing a resale home. I can provide you with valuable insight into the new construction industry, help you find the right home and the right home builder, and negotiate the details based on the quality and amenities of the property and availability in the market.

The builder has a professional real estate representative who watches out for his or her best interests, and you need and deserve the same expert representation watching out for yours.

It is very important that your interest be professionally represented when you are entering into a contract for a semi-custom or a build-to-suit home. These transactions are complex, and the contract details must be exactly in order to protect you and to ensure that you get exactly the home you want.



NEW CONSTRUCTION

Make sure your builder knows your working with a real estate professional. Please call me if you would like to look at a model home, so you are given the representation you deserve. The builder will include my fees in the contract, and it will not make a difference to the purchase price.

FOR SALE BY OWNER

A homeowner trying to sell their home on their own is usually doing so in the hope of saving money on not paying a listing broker a commission.

Like any other transaction I can help you!

- Negotiate the terms of the offer
- Order the title commitment
- Obtain the HOA covenants, meeting minutes, and financials
- Arrange for inspections and negotiate repairs
- Review settlement statements
- Schedule closings

In most cases, the sellers will work with a buyer's broker if the broker brings them a buyer. If you are interested in a home that is "For Sale by Owner" please contact me and I will call the seller and schedule a showing.

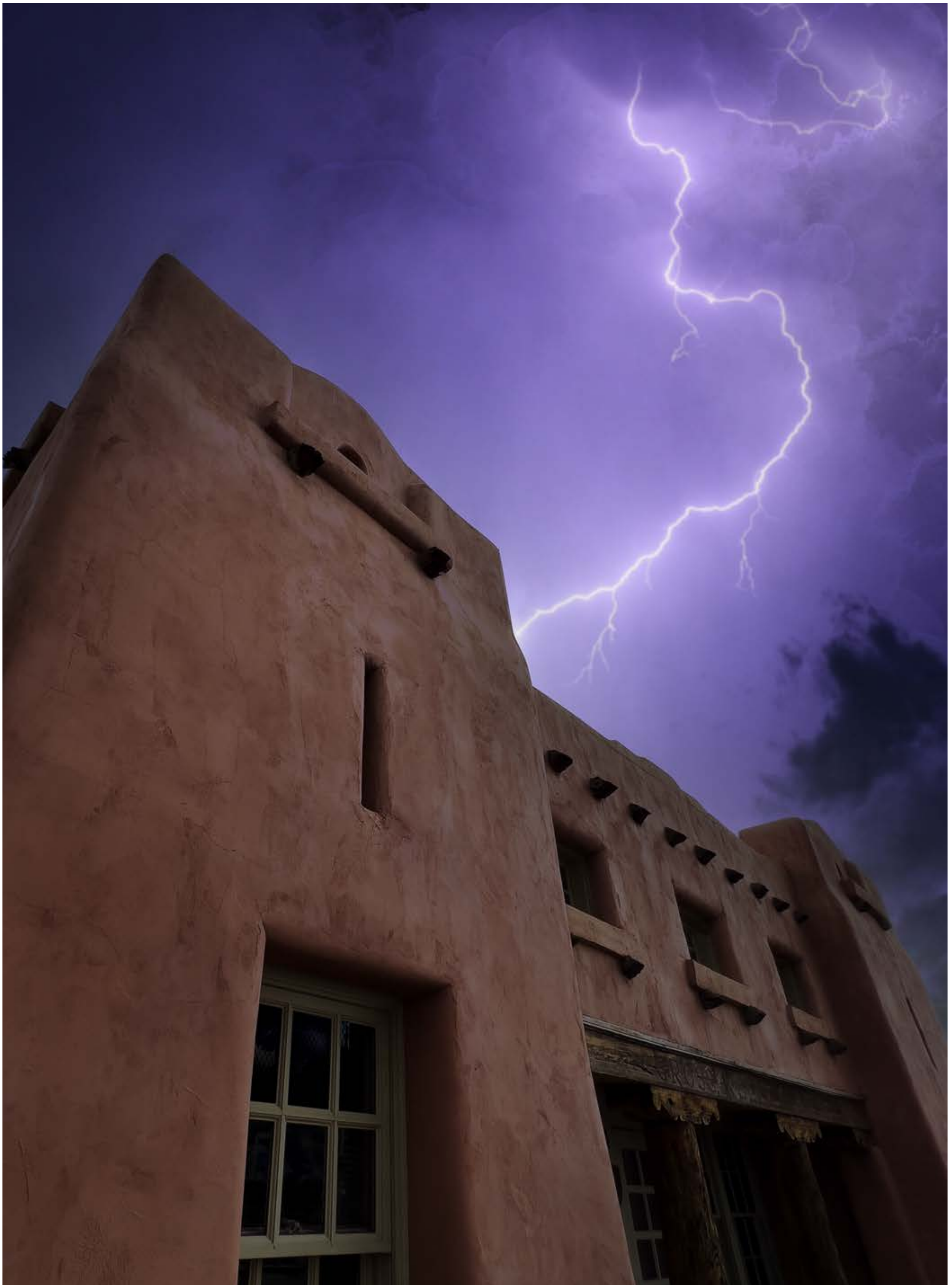
THE LAW OF SUPPLY AND DEMAND

How much is it worth? Homes are worth what someone is willing to pay for.
What's available and how many people want it is what establishes the value of things. At any given time, homes are no more valuable than buyers think they are. When there are fewer houses then buyers who want them, that forces up the prices. And the reverse is true as well. If there are a lot of homes for sale and a few buyers interested or able to buy them, the price goes down. That's what happened in the Great Recession. It's less common to have a buyer's market because real estate prices keep gradually going up.

OPEN HOUSES

Are Open Houses a Good Way to Find the Home I want?
Driving around may give you a better idea of areas that you want to live in. Being able to walk in and see open houses without setting appointments can be convenient. It is important to know that the real estate brokers holding the open houses is either working for the seller or is holding the open house in the hope of attracting clients. Tell them that we are working together and go ahead and give them your contact information. It is fair that they ask who you are. They are letting you into someone else's house.

If you like the house and want to make an offer, don't discuss the terms of your potential offer with the broker holding the open house. You can politely tell them to expect an offer from your broker. I am your negotiator. I am your poker face. Contact me and let me know and I will prepare the offer for you.



STEPS IN THE HOME BUYING PROCESS

- **Meet with a lender** and get pre-qualified
- **Meet with me** for a Buyer's Consultation
- **Identify which homes** interest you and schedule a showing
- **Select** a home
- **Write and submit** an offer
- **Negotiate** Counter Offers (if any)
- **Deliver Earnest Money** to Title Company
- **Obtain** a home inspection
- **Negotiate repairs** with the seller
- **Review** the Title Commitment and HOA Docs
- **Complete** the loan process
- **Receive full approval** from Underwriting
- **Review** the Settlement Statement
- **Final** Walk-Through
- **Closing**
- **Move In**

GETTING PRE APPROVED

It is extremely important that you connect with a qualified lender. It is vital that you work with a New Mexico mortgage lender. Each state has their own rules and guidelines for processing and closing loans. To avoid painful delays and the possibility of loosing out on a home you love, choose a local lender. Your loan officer will review your goals and finances to determine what you are qualified to buy.

The pre-approval process will help you in the following ways:

- You will know in advance what your payments will be
- You won't waste time considering homes you cannot afford
- There are many loan options and programs to choose from in today's market. Your lender will explain the alternatives to help you select the one best suited for you.
- Almost no one will accept your offer without a pre-approval letter attached.
- You'll have an estimate of your closing costs and will explain them to you in detail
- You'll have a peace of mind.

STAY APPROVED

DO / **During the Loan Process**

DO stay current on your payments. Even if you are selling your current home, make sure you are still making your mortgage payments on time; one late notice can cost you. The same goes for car payments, credit cards, student loans, and any other debt.

DO continue to use your credit as normal. Changing your pattern may raise a red flag, causing your credit score to go down. When in doubt, ask your mortgage broker for guidance.

DO keep copies of all important financial documents: check stubs, W-2's, tax returns, band and investment account statements, rental agreements, etc. If asked to provide any of this info, you'll be ready!

DO respond promptly and provide your lender the documents they need to process your loan.

DON'T / **During the Loan Process**

DON'T close credit card accounts. Keeping accounts open after you have paid them off lowers your debt credit ratio. If you close a credit card account, it may appear that your debt ratio has gone up. Your lender can advise you on this.

DON'T apply for new credit or give your personal information to anyone else who might run your credit report. Multiple credit inquiries may hurt your score.

DON'T make career moves. Your mortgage lender must verify your employment, so it's crucial to maintain your employment status.

DON'T make large deposits in your bank account unless 100% necessary. If you must, save the documentation showing where the funds came from.

DON'T make any major purchases such as a new car, furniture, or appliances until after your loan has closed.

DON'T file for bankruptcy or divorce.

VIEWING HOMES

After our initial consultation I will have a good idea of what your wants, needs, price range, and desired locations are. I will create a custom search for you in our multiple listing service that will update you automatically via email when any home meeting your criteria comes on the market or has a price or other status change.

Next, we will schedule appointments to view the homes. Whenever possible, I will make sure that you have a copy of the MLS information, flyer or other marketing materials on the home.

Most often the homeowner will be absent during showings, but should they be present, we will proceed politely and not engage in negotiations with the homeowner. In this very competitive market, it is possible that there will be other buyers waiting to see the same home. We will wait patiently and I encourage you to keep your interest and motivation to yourself (keep your porker face).

When a home appeals to you we will have a detailed discussion and I will take notes of the things that will be relevant to writing a strong offer. I will point out any damage or repair items that may cause an issue in obtaining a mortgage.

Home sellers are required to disclose if they have recording devices in their homes during showings. But even if they don't we will assume that they do and not discuss your negotiation position in the home.

Don't be surprised if the first home you see is the perfect one for you, and don't be discouraged if none of these you visit on the first day are what you want. I am committed to finding the house that you will call home, and I will work diligently until you find it.

The limits of seeing homes are as follows:

- Seller availability
- Builder hours
- Coordinating schedules
- Hours of notice and availability
- And sometimes tenants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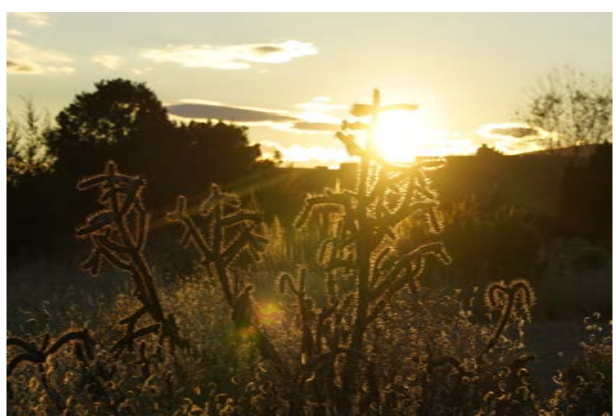

DURING THE HOME SEARCH PROCESS

I WILL...

- Discuss the benefits and drawbacks of each home in relation to your specific needs and the value in the market.
- Keep you informed as the market changes.
- Communicate with your lender.
- Check with fellow brokers and in the MLS database for new listings that meet your criteria.
- Keep you up-to-date on the financial conditions that may affect the housing market.
- Be available to answer your questions.
- Change your MLS Search if your criteria changes.
- Discuss market trends and values of your target property.

WHEN IT'S TIME TO WRITE THE OFFER, I WILL:

- Contact the listing agent to see if there are any other offers or circumstances to be aware of.
- Research comparable sales.
- Negotiate price and terms.
- Handle any contingencies.

YOU WILL:

- Get an updated pre-qualification letter
- Have funds available to send the earnest money deposit
- Commit to a no regrets offer. A offer that is not too low or too high for your budget.

YOU MAY WANT TO:

- Drive the neighborhood.
- Check out local amenities.

NEGOTIATING STRATEGY

- When is it appropriate to pay full price for a house?
- How can you win in a competitive market?
- How aggressive the offer should be depends on the supply and demand in the market.
- Remember that in 2022 the average sales price was 99% of the asking price.
- We will discuss the best offer for the property you find:
    - ◊ Price.
    - ◊ Closing date.
    - ◊ Contingencies.
    - ◊ Timing of Possession.

I am your poker face- I will represent you to the sellers' broker. Do not contact the seller or listing broker directly.

EMOTIONS IN THE PROCESS

- Finding the home can be exciting, joyful and sometimes a stressful experience. It is important to focus on what you want and not get caught up in assumptions about the other parties in the transaction. This is a large financial transaction. Keep clear about the terms and you'll stay on track to closing.

NO REGRETS OFFER

If you find a property that you want that has competing offers, you will have to decide how much you're willing to offer.

It is difficult to know what the fair price is for a property when multiple people want it. That is the law of supply and demand. If you have a lot of homes to choose from, you can be picky. If multiple buyers want one house, you have to write the strongest offer you're comfortable with.

In this situation, I will advise you to make an offer that is neither lower, nor higher than you would regret.

There are other details that affect the quality of your offer:

- If you use a local lender
- How soon you want to close
- Whether you have a house to sell before you can buy
- If you need loan closing costs paid by the seller
- If you can offer the seller time in the property after closing
- If you are willing to make up the difference should the property appraise for less than the offer price
- Whether you use an escalation clause to get ahead of the competition

I will help you evaluate your options if this situation arises.

OFFER ACCEPTED! NOW DEADLINES!

Upon writing and offer, there are deadlines for things that all parties must do and opportunities for you to object to something you find objectionable and get your earnest money back.

The deadlines are not flexible. Once agreed upon, they can only be changed by mutual agreement. We will discuss what dates make sense for your life and for getting your offer accepted by the seller.

These are major deadlines in the contract for you to keep in mind. My fantastic Transaction Coordinator will write up a closing calendar for us to keep track of the dates. I will also walk you through these dates and remind you of the deadlines as they come up.

Below are a few items that will be part of the deadlines to follow:

- Delivering earnest money to the title company
- Property disclosures
- Receipt of the Title Commitment
- Objections to the Title Commitment
- Resolutions to the Title Commitment
- Property Insurance Contingency
- Home Inspections
- Objections to Home Inspections
- Resolutions to Home Inspections
- Appraisal Deadline
- Appraisal Objections
- Appraisal Resolutions
- Pre Closing Walk-Through
- Closing Date

HOME INSPECTIONS AND WHY YOU SHOULD OBTAIN ONE

Home inspections are a routine part of a residential purchase, whether a resale or a new construction home.

It's important to make sure you know exactly what you're buying. A thorough home inspection greatly reduces the possibility of unpleasant surprises later. Having the property inspected is the buyer's right and responsibility. The cost varies depending on the size and features of the property.

I will supply you with a list of inspectors I have used and recommend. You can also use Google to find one you would like to work with.

A common question the inspector will ask is if you would like to test for mold, radon, and or complete a sewer scope. These tests are an additional fee. I always recommend that you conduct any test necessary to ensure that the home is safe.

UNDERSTANDING TITLE INSURANCE

WHAT IS TITLE INSURANCE?

A Title Insurance Policy is a guarantee by a title company that a thorough investigation of the title to the property has been conducted and that you have been notified of any outstanding claims to the property. The title insurance company reports any defects in the title in the form of a Title Commitment so that these matters can be corrected. It is important that you know of all claims on the property and have them resolved and declared removed prior to you taking title to the property.

The Title Commitment will carefully detail what items of encumbrance are not covered by the policy. You can either get these items resolved or bow out of the transaction. Title insurance covers matters that occurred before the policy's effective date but were discovered later. Your policy will detail what is covered, what is not covered, and the effective date.

Title insurance is issued by the title company when they are certain the property is free from all liens, encumbrances, interests, etc., and the insurance guarantees such. This is so the title can be legally transferred to the buyer to be used as security for the lender's funds. This is why title insurance is required by the lender. Your lender has an interest in knowing that you and the lender are the only parties with claims to the property.

The title insurance company thoroughly searches the public records to uncover any unpaid taxes, mortgages, judgments against previous owners, easements, and other court actions or recorded documents that can affect the title to the real estate. The insurance also provides protection against any defect in the public record such as forgery, similar names, errors in the records, etc., and protest against, any undiscovered or unrecorded claims that may arise in the future.

When title insurance is issued, the title-insurance company accepts the responsibility for any and all claims on the property prior to your purchase if they do not find the claim or call it to your attention prior to your purchase of the property. That responsibility includes defending your title in court, if necessary (at their expense), or bearing the cost of settling the claim (if it proves valid) in order to perfect your title and keep you in possession of your property.

Unlike other forms of insurance, the original premium is your only cost as long as you or your heirs own the property. There are no annual payments required to keep your Owner's Title Policy in force.

Title insurance protects you twice—it notifies you of claims against the property and insures you against any future claims on hidden items.

WHY TITLE INSURANCE IS SO IMPORTANT

To understand why a title search is so important, you must understand the nature of real estate. Real estate has always been considered a person's most valuable possession. It is so basic a form of wealth that many special laws have been enacted to protect ownership of land and the buildings that stand on the land. The owner who is selling the property has extremely strong rights, as do his/her family and heirs. Also, there may be others who have "rights" to the property you are going to buy. These may be governmental bodies, contractors, or any other individuals who have perfectly proper unpaid claims against the property. Unscrupulous owners may have taken out a second mortgage on the home prior to closing.

Anyone who has such a claim in the property you are buying is, in a sense, a part-owner. The property may be sold to you without the knowledge of other parties who have claims against the property. Without a title check conducted by the title insurance company, you know nothing about such claims at the time you buy. All such claims remain attached to the real estate you are purchasing and **not** to the previous owners. The title company will notify you of all liens, encumbrances, and interests in the property so that these can be resolved by the current owners prior to the sale. Proof of a "good" title—a title free of any liens, encumbrances, or interests—is important because otherwise, you are liable for the claims.

Title-insurance policies are standard. Owner's policies usually do not cover one or more of the following matters (often referred to as "Standard Exceptions"), unless an additional premium is paid and/or extra investigative work or a survey is done and the necessary evidence is furnished to the title company. When the evidence is furnished and the insurance coverage is given, this is frequently referred to as "Extended Coverage." The Standard Exceptions are:

- Claims of people who turn out to be living in the house (such as prior owner's tenants or someone living without your knowledge on your property) if their presence there isn't a matter of public record.
- Boundary-line disputes.
- Easements or claims of easements not shown by public records.
- Unrecorded mechanic's liens (claims against the property by unpaid home-improvement contractors.)
- Taxes or special assessments left off the public record.

Other important exclusions from coverage include zoning, environmental protection laws, matters arising after the effective date of the policy, and matters created, suffered, or assumed by the insured.

IN CLOSING

Thank you for taking the time to review. Purchasing a home is a process. Knowing the steps and being prepared will help make the process a smooth one.

If you have any questions, please do not hesitate to reach out to me. I am here for you!

Thank you!