

Our ultimate objective is in providing you with such an enjoyable experience that you will want us to manage all real estate needs for your family members, friends, co-workers and neighbors.

# Home Buying Guide

Thank you for the opportunity to let us represent you in the purchase of your new home. I think of my clients as individuals with specific needs. With this in mind, my team and I strive to give you exceptional service. In response to the more challenging market we have experienced over the years, we have become more determined and assertive with marketing and technology. This has allowed us to be very successful in securing results for our clients.

This is absolutely the very best time to be a buyer. Timing is everything and here are 4 reasons to confirm your decisions to buy.

- Interest rates are at a historic low. Expect to get a great mortgage with a rate below 5%.
- Prices are still low and you are buying into an appreciating market.
- Sellers are motivated to get their homes sold as more inventory is coming on the market.
- The first step to purchasing a home is to select the right Realtor to effectively and profitably represent your interests.

Thank you for the privilege of allowing one of my professional team members to show you the best possible listings available.

## **ENCLOSED PLEASE FIND:**

1. The Home Buying Process
2. Preparing for the Lender
3. Do's & Don'ts During the Loan Process
4. Preapproval Myths
5. What to Expect from this Market
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# The Home Buying Process

## Step 1 – Is now the right time?

- How long are you planning on living in your next home?
- Consider the benefits/drawbacks to owning a home.

## Step 2 – Get preapproved for a mortgage

- How much can you afford?
- What are the different loan programs available? (FHA, VA, Conv)
- Make sure your credit is in good shape.

## Step 3 – Find your dream home

- What kind of home do you want? (Detached, Attached, etc.)
- How many bedrooms and bathrooms?
- Are school districts important?

## Step 4 – The escrow process

- The home inspection
- Reviewing disclosures
- Ordering the appraisal
- Securing financing

## Step 5 – Closing

- The final walk through
- Schedule the move
- Changing over utilities

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# Preparing for the Lender

## Personal Information

- Full names of all purchasers as they are to appear on title.
- Social security numbers of all purchasers.
- Present residence address for all purchasers.
- Previous address for all purchasers going back two years if they have not resided in the present home for two years.
- Home, office, cell phone numbers.

## Employment Information

- Present Employer: Name, address and a contact person to send employment verification form.
- Explanation for any gap during 2 year history.
- Relocation letter for any transferees – giving date, salary, new location, and any relocation benefits.
- Previous Employer: Name, address, and a contact person, going back 2 years if not in present job 2 full years.
- Present Salary: Year to date pay stub and last 2 years' W-2s
- If any variable income, commission, part-time income, bonus, overtime, interest income, etc., is being used to qualify: 2 years' signed federal tax returns and W-2s and/or 1099s.
- If self-employed: 2 years' signed federal individual and corporate returns (if applicable). Also a profit and loss statement and balance sheet.
- Diploma or transcript if student during 2 year period.

## Other Income

- Rental Income: Copy of lease which is current and at least one year in length.
- Alimony and Child Support (*only if used for qualification*): Copy of divorce decree and property settlement (ratified) setting out terms. Proof of payment will also be requested at application.
- Income From Notes Held: A copy of the ratified note.
- Retirement, Social Security and Disability Income: Copy of award letter and latest check showing amount of present payment. Copy of end of year statement if applicable.

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# Preparing for the Lender (cont)

## Assets

- Bank Accounts: Name of bank, address, account numbers, types of accounts, and present balances. With checking, use average balances.
- Copy of two most recent statements of all accounts.
- Stocks and Bonds: Copy of certificates or copy of recent (within 30 days) broker statement listing the holdings.
- Life Insurance: Cash value, only if being used for down payment.
- Vehicles: Year, make, and value. Copy of title if under 4 years old with no outstanding lien.
- Real Estate: Address and market value. If free and clear, deed of release, deed or mortgage payoff.
- Present Home: Copy of sales contract, settlement sheet and/or lease.
- Gift Letter: Form will be provided by financial representative. Donor Capacity must be verified. Receipt of funds must be shown in account.

## Liabilities

- Credit Cards: Account numbers and outstanding balances.
- Loans (Auto, Mortgage, Personal, Student, etc.): Name of institution, address, account numbers, outstanding balances, monthly payments, months left on loan. Copy of next payment coupon. 12months' statements or canceled checks for present mortgage.
- Alimony and Child Support: Copy of Ratified Decree and property settlement setting out terms.

## VA Loans

- Certificate of Eligibility: To obtain certificate, you will need a DD-214 (Separation of Service) or if in the Service, you will need a Statement of Service signed by Commanding Officer of Personnel Officer (certificate must be updated prior to application).
- If in service, you will need Authorization to Live Off Base (DD-1717 from Housing Office) and Transfer Orders (if applicable).

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# Do's & Don'ts During the Loan Process

There are certain "Do's and Don'ts" which may affect the outcome of your loan request. These remain in effect before, during and after loan approval up until the time of settlement when your loan is funded and recorded. Many times credit, income, and assets are verified the hour before you have signed your final loan documents. Here is a list that you should comply with:

## **MAKE SURE THAT YOU DO NOT:**

Do any of the things that may alter your credit and may risk you obtaining your loan. Also, these things may put you in default of your Sales Contract, may put your ESCROW deposit at risk, and may put you at risk of being sued.

**DO NOT** quit your job or change jobs. If this is likely, consult with your loan officer and call this office should this occur.

**DO NOT** allow anyone to make an inquiry on your credit report except your lender.

**DO NOT** apply for credit anywhere else except with your lender. This causes more "hits" on your credit rating which can reduce your credit score.

**DO NOT** change bank accounts or transfer money within your existing accounts.

**DO NOT** co-sign for anyone, for any reason, for anything.

**DO NOT** purchase or attempt to purchase anything else on credit such as another car, truck, boat, furniture or other real estate.

**DO NOT** charge any abnormal amounts to your current credit cards or credit lines.

**DO NOT** send in late payments, or incur late fees for anything.

**DO NOT** wait longer than the time frame given per your contract to provide all necessary paperwork and information to your lender when requested.

## **MAKE SURE THAT YOU DO:**

**DO** keep all accounts current, including mortgages, car loans, credit cards, etc.

**DO** contact both your lender and your sales associates anytime a question may arise.

**DO** make all payments on or before due dates on all accounts, even if the account is being paid off with your new loan.

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**DO** have any lender-required money/funds to your loan officer within 72 hours after home inspection is complete. **DO** return phone calls from your agent, loan officer, settlement company, or anyone else involved in your transaction within 2 hours of a message.

# Will Mortgage Pre-Approvals Hurt My Credit Score?

This is a very common Myth buyers have regarding getting preapproved. Getting preapproved is 100% a benefit to you as the buyer because it will give you confidence to write offers and prevent any heart ache down the road. In a competitive market like ours a good agent and a smart seller will not even consider looking at a financed offer without a preapproval letter.

## **Credit Bureau Scoring**

Credit bureaus use a subtle formula that they don't publicize how they crunch your credit history down into a single credit score. One of the things that can cost you points on your credit score is to have a bunch of inquiries coming in very close to each other. So, should you worry about what mortgage pre-approvals will do to your credit reports? Probably not.

The "Ding" for One Inquiry is Very Small.

The most a single inquiry on your credit report will cost you is five points. Often, your score, which can range from 300 to 850, will suffer even less than that. Unless you are seeking a new mortgage and are right on the cusp between a good credit score and a fair credit score, five points shouldn't make any difference in your loan terms.

## **Making the Mortgage Process Easier**

All of the credit bureaus understand the complex timing of getting a mortgage. Therefore, they have instituted measures to avoid reflecting pre-approval inquiries on credit reports. For instance, if you are shopping around for the best rate, and several mortgage companies make credit inquiries about you within 45 days of each other, all of those inquiries will be bundled into a single event with a miniscule effect on your credit report. Your credit report also does not include any credit inquiries made within 30 days prior to your loan application.

It is, therefore, nearly impossible that the mortgage process of pre-approval will cause enough damage to your credit score to hurt your mortgage terms, so don't worry if your real estate agent asks to see your letter of pre-approval. Getting pre-approved for the mortgage you want won't hurt you.

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# What to Expect From This Market

Navigating this market can be very complex at times. In your search for a home you mostly come across three different types of sellers. Each one will have different escrow timeframes, negotiation styles, pricing strategies, and timeframes for accepting your offer. Without knowing the different characteristics of the different types of sellers it can be very frustrating out there as a buyer.

**Traditional Sales** – These are sellers who have equity in their homes and are usually looking to close escrow in 30 – 45 days. When writing an offer on a traditional sale you will usually negotiate directly with the seller through their agent.

**Short Sales** – These are sellers who owe more than what they can sell their home for and therefore have to negotiate with their bank to receive a lesser amount. Typically the negotiation process with the bank can take 4-6 months to get an offer approved and the price is subject to change during this time. There is also a chance that the bank will reject the seller's request for a short sale and instead foreclose on it.

**Foreclosures** – These are the homes which have been foreclosed on and taken back by the bank also known as REO's (Real Estate Owned) or "bank owned". Like the traditional sale the bank will want to close escrow within 30 days upon accepting your offer. The banks are motivated to sell these homes quickly and will typically price them slightly below market value to get multiple offers and create a bidding war to drive the price up. Even though you may pay over the asking prices these can still be great values.

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# What to Expect When Writing an Offer

Here are some things to consider to ensure your offer gets accepted:

- What type of Sale is it?
  - Foreclosure, Short Sale, Traditional Sale
- Is it priced right for the market?
  - What is the buyer activity?
  - Are there offers on the home?
  - What other homes are for sale in the neighborhood?
  - What has sold recently in the area?
  - How long has it been on the market?
- What is the seller's motivation?
  - Are they price driven or are there other terms that are important to them such as a lease after sale?
  - How long of an escrow are they looking for?
- Do you need concessions for closings costs?
  - Closing costs such as title, escrow, and lender fees usually cost between 1-3% of the sales price.
- Are there multiple offers on the property?
  - This is not uncommon for homes priced right for the market and in great condition.
  - Often times the seller will ask for your "highest & best" offer. In other words, what is the highest price you will offer that if another buyer offered more you would not have any regrets because you gave it your best shot?

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# Questions to Ask Your Realtor

1. Will I receive daily updates on Real Estate activity in my area, including price changes, new listings on the market, and houses that have come back on the market?
2. Will I be able to adjust my search criteria on my own through your website?
3. Are you a full-time realtor or part-time?
4. Are you a single agent or do you work with a team?
5. Do you specialize in working with buyers or sellers?
6. How many homes have you sold this year?
7. How many homes have you sold over the last 5/10/15 years?
8. Do you have a full-time staff watching over my file during escrow?
9. What is your availability to show me homes?
10. Do you have experience working with short sales and foreclosures?
11. Do you have a list of vendors that can help me with repairs?
12. Can you provide me with the names and phone numbers of 3 past clients?
13. Will you keep in touch with me after the sale or will I have to search for another Realtor when it comes time to sell my home

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# Our Resume

## SUMMARY

“Our aim is to partner with you to find the place where memories are made. Compassion, caring and concern aren’t typically synonymous with real estate but they are the core of the Talbot Smith Group. We recognize that buying or selling a home is a major life event, that’s why we are dedicated to helping you navigate the journey with commitment and integrity”

To date, Brian and the Talbot Smith Group have sold **more than 1,500** homes! When hiring an agent to represent one of your biggest financial moves doesn’t it make sense to hire an expert?

He attributes his success in today’s fiercely competitive marketplace to effective marketing and collaborative approach to home selling. Unlike a traditional real estate agency, he has assembled a diverse group of support specialists and experts who deliver more services to his clients.

## Experience:

- Real Estate Sales License, State of Minnesota, 2003
- Licensed MN Broker 2006
- Licensed WI Broker 2008
- **Graduate Realtor Institute (GRI), 2008**
- Entrusted by some of the Nation’s largest financial institutions with the disposition of their REO inventory. Freddie Mac , Wells Fargo (PAS) and HUD
- Certified Community Stabilization Expert. (Homestep.com)
- Dave Ramsey ELP – Endorsed Local Provider

## Professional Associations:

- St Paul Area Association of Realtor
- Minneapolis Association of Realtors
- National Association of Realtors



Connect on Facebook!

Search the Talbot-Smith-Group



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## Why Choose Us?

In this market it takes a proactive and aggressive approach to find you the best home at the best price. Every buyer has access to the homes for sale in the Multiple Listing Service through various free websites such as Zillow or Trulia. **The reason why more buyers choose to work with us than any other agent is what we do above and beyond the multiple listing service to find our clients the best deals.**

**Past Performance** - We had **100+ CLOSED TRANSACTIONS IN 2016**. The Talbot Smith Group is on track for **200+ CLOSED TRANSACTIONS IN 2017**. Proof that we get the job done.

**Trust** – We are trusted by some of the largest Financial Institutions in the country to sell their surplus inventory of homes.

**Referrals** - **65%** of our business comes from past clients and sphere of influence referrals. Clients want to rehire us because of our professionalism and superior customer service. They refer their family, friends and co-workers to us for all of their real estate needs. Proof of a job well done.

**Team** - We have **5** fulltime sales agents. We have a dedicated Client Service Manger to handle the transactional details so we have more time and resources to devote to you. **Internet** - We have the most up-to-date office and technology systems in place in order to provide superior internet marketing. We are currently on over **2000+** different websites giving your home maximum exposure to potential buyers.

**Track Record** - Brian has been a licensed agent for **14** years. Cumulatively, the team has over **35+** years of real estate experience. We have experienced several real estate cycles adjusting our business practices accordingly. In the last **14** years, agents in the Talbot Smith Group have helped over **1,500** individuals/families to buy and sell real estate.

**Communication** – It's simple, we want you to know each step of the way what is happening and what to expect. We call you with weekly updates and are always informing you to what is happening with the sales process.

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# Meet Our Team

## ***Brian Stites / Team Lead***

Brian has been in the real estate industry for 13 years as a recognized leader in the Twin Cities market. Brian's primary focus is meeting with our sellers to ensure expectations are exceeded and to subsequently work with and oversee all the transactional details.

## ***Michael Smith / Team Lead***

My absolute TOP priority in serving you is to exceed your expectations in the sale or purchase of your home. Evidence of this is found in the fact that 82% of my business is from past clients referring me to those they know who needs a GREAT Realtor. Exceeding your expectations does not stop with the closing of your transaction as I am committed to serving you on an ongoing basis with practical real estate information and genuine acts of thanks and appreciation. You, my client, are at the core of my business and everything my team and I do is built around serving YOU and making you feel appreciated and professionally represented!

## ***Rachel Blinsman / Buyer Specialist***

Rachel is our lead buyer's agent and specializes in actively and aggressively finding the perfect home for our clients. Rachel understands the stress and anxiety that many buyers go thru and takes pride in leading her clients with care and compassion.

## ***Pahoa Vang / First American Title***

Provides professional closing services, with strong company support and convenient locations as well as mobile closing options.

## ***Preferred Lenders***

Phil Olson – AMEC Home Mortgage 1058 Hastings Ave St. Paul Park, MN 55071 651-238-6748 <a href="mailto:phil@callphilolson.com">phil@callphilolson.com</a>	AJ Kozlak – CMG Financial 539 Bielenberg Drive #110 Woodbury, MN 55125 651-558-7760 <a href="mailto:akozlak@cmgfi.com">akozlak@cmgfi.com</a>	Brady Mergenthal – Loan Simple 6629 Falmouth Curve Shakopee, MN 55379 651-324-5431 <a href="mailto:bmergenthal@loansmiple.com">bmergenthal@loansmiple.com</a>
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## Client Testimonials

Brian was very professional, friendly, prompt and caring through the whole process. I knew him through my best friend and was very impressed by his service. He always responded to e-mails, phone calls/voice mails. It was really nice working with him. He drove me to my closing and stayed for over 3 hours due to delays at the title company. His customer service is excellent and I will refer him to anyone I know who is looking to sell/buy a home in the future

~ Melissa

Very knowledgeable and diligent -- goes the extra mile. Brian helped us sell out first house in one day after listing and our second house sold in a very down market within the timeframe that we gave him.

~ Jennifer Wilson

Brian was extremely diligent in helping us find our first home. He brought many homes to us to review - and never ones outside of our search criteria! Anytime that I am looking for a house in the Twin Cities - especially Cottage Grove, Woodbury, Oakdale, Stillwater, Lake Elmo areas - Brian Is My Realtor

~ Bob and Michelle McManus

Brian was great. He did a great job assisting me with the purchase of my first place. Communication was never an issue; he was always very helpful in answering my questions and did a great job negotiating on my behalf. I will be taking to him again when I need to purchase any real estate.

~ Dan Lauder

Brian is a professional through and through. He is very approachable and friendly. He has a vast knowledge of all the housing areas in the Twin Cities and the market value of homes. He stays in touch whether you are buying or selling. If I ever have to buy or sell property I will ask Brian to assist me. I will also recommend him to any of my friends and family.

~ Diana Wothe

From start to finish Brian did everything and more than expected. His attention to detail and knowledge of my area make the whole home selling experience very smooth.

~ Christopher Wiege