



“12 Questions To Ask Your Realtor”

Get an edge with these 12 questions that every person should ask their realtor before signing on the dotted line.

- 1 What does it mean to be prequalified?** When you are prequalified, the lender gives you an estimate of your financial lending ability, but does not formally commit to giving you a loan. Be sure to ask about your mortgage loan officer about your back-end ratio. Back end ratio is often the demise of a home loan at the very end of a real estate transaction.
- 2 What are closing costs?** Closing costs are expenses incurred by buyers and sellers in transferring ownership of a property. They can include escrow and title fees and loan fees.
- 3 What is an Escrow?** An arrangement made under contractual provisions between transacting parties, whereby an independent trusted third party receives and disburses money and/or documents for the transacting parties, with the timing of such disbursement by the third party dependent on the fulfillment of contractually-agreed conditions by the transacting parties.
- 4 How is my deposit managed?** The deposit to the offer is held by the Buyer until full acceptance by both Buyer and Seller. After acceptance by the Buyer and Seller, the deposit is taken to the chosen escrow company and deposited within 3 days or as negotiated in the contract.
- 5 What is a short sale?** Short Sales are properties that a Seller is still living in and the Seller is attempting to get his bank to take an offer for less than the loans that are on the property. These can take quite a while to get approval from the Sellers bank, especially if there are more than 2 banks involved. So a discussion between us is in order before attempting to purchase a short sale.
- 6 What is a Foreclosure Property?** The Foreclosure properties (also called REO's or Bank Owned) do not have the Seller in the property, and are a smoother transaction than the Short Sale. The Foreclosed properties often have a requirement that the Buyer apply to the foreclosed properties bank for a Pre-Qualification letter to be submitted with the offer. They will not take the offer without it. This does not mean that you have to use that lender; you may use your own loan source.
- 7 What is a title search?** A title search is the process of reviewing court records and other records to ensure that there are no liens or claims against the property you are buying.
- 8 Why should I use a real estate agent?** A real estate agent is more than just a "sales person." They act on your behalf as your agent, providing you with advice and guidance and doing a job - helping you buy or sell a home. Due to the fast changing market, the data on available listings is not 100% accurate. There are times when you need the most current information about what has sold or is for sale, and the only way to get that is with an agent.
- 9 What is a Buyer's Agent?** There are two types of agents, "Buyer's Agents" and "Seller's Agents". It used to be common for all parties involved to work for the seller, hence the term "Seller's Agent". Nowadays, you will most often find a different type of agent, the "Buyer's Agent". If you are in the market to buy, it would be advisable to use a Buyer's Agent. They can make recommendations on terms and prices to offer as well as negotiating a deal with your best interest in mind.
- 10 What is a Seller's Agent?** A Seller's Agent is a type of real estate agent that typically specializes in listing houses for sale, rather than showing buyers around town. It is not uncommon for the same real estate agent to act as a buyer's agent in one transaction, and a seller's agent in another transaction. If you happen to be working with a Seller's Agent, never disclose the top dollar you are willing to pay for any property. Keep it narrowed down only to things that you would tell the seller directly.
- 11 What is a counteroffer?** A counteroffer is an offer made by one party that makes changes to the original or latest offer of the other party.
- 12 What is an inspection?** An inspection is a close and thorough examination of a house and property. A licensed individual usually does the inspection. To find a home inspector go to www.CREAL.com.