

# Berkshire Hathaway HomeServices Homefinding Services Commitment



I understand that buying a home is a major decision for you that can be filled with apprehension and concerns. My job is to help you find the home that meets your needs and to make the homebuying process efficient, stress-free and successful. As your Berkshire Hathaway HomeServices sales professional, my goal is to help you find the right home.

## I COMMIT TO YOU THAT I WILL:

- Communicate with you in a timely and efficient manner.
- Plan a home search based on your needs.
  - Consult with you to discover your needs, interests and concerns before developing a planned home search.
  - Discuss buyer, seller and dual agency alternatives and explain to you the benefits of an Exclusive Representation Agreement.
- Introduce you to properties and neighborhoods that meet your requirements based upon our plan.
  - Pre-select properties that match your criteria.
  - Present your property-search criteria to Berkshire Hathaway HomeServices sales professionals in my office, to gain access to properties that may not yet have reached the open market.
  - Save time by pre-scheduling showing appointments.
  - Provide sources of information on questions of interest to you, such as schools, neighborhoods and transportation.
  - Prepare a preliminary estimate of the costs associated with buying a property.
- Help you obtain the financing you may need for a home purchase.
  - Provide you with information on becoming prequalified or pre-approved for a mortgage.
  - Help you find a reliable financial institution.
- Assist in preparing a purchase offer on the property of your choice.
  - Review information on sales of comparable homes to help you decide on the price and financing terms that you want to offer.
  - Provide you with advice and information on other terms for you to consider, such as possession date and personal property.
  - Recommend that you obtain professional home, termite or other inspections. I will review the inspection reports with you.
  - Where appropriate, recommend that the purchase be contingent on a professional appraisal of value.
  - Explain to you the option of a home warranty, which can reduce your liability.
- Represent you in the transaction with the seller.
  - Present your offer to the seller, through their real estate professional.
  - Negotiate in your best interests, including the handling of counter offers, to reach an agreement that is acceptable to you.
- Work to protect your interests during the completion of the transaction.
  - Review with you the seller's written disclosure statement, preliminary title report and other documents pertaining to the condition and status of the property.
  - Work with the seller's broker, the lender and others to see that all requirements of the purchase agreement are satisfied and to help keep the transaction on schedule.
  - Keep you informed of the progress of the transaction.
  - Accompany you on a comprehensive walk-through of the property before closing (if provided for in the agreement), and assist you in managing any problems discovered during the walk-through.
  - Follow up on any remaining details after the close of sale, and provide you with information on additional services that you may need.
- Other Services: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

This is my commitment to you to ensure that I meet all of your expectations and assist you in finding and obtaining the home of your dreams.

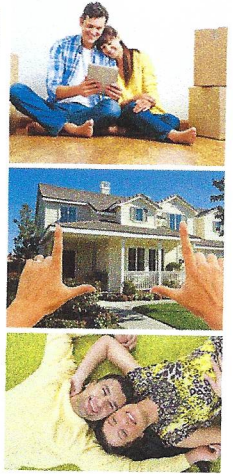
Prepared for: \_\_\_\_\_  
(Buyer Name)

Prepared by: \_\_\_\_\_  
(Sales Professional Name)

\_\_\_\_\_  
(Company Name)

Date Prepared: \_\_\_\_\_

# HOMEFINDING WORKSHEET



Evaluation of (property address) \_\_\_\_\_

Size (number of rooms or square footage) \_\_\_\_\_ H/O assoc. dues \$ \_\_\_\_\_ Asking Price \$ \_\_\_\_\_

Date visited \_\_\_\_\_ Most memorable feature \_\_\_\_\_

## INTERIOR

Overall condition \_\_\_\_\_

Floor plan \_\_\_\_\_

Bedrooms/baths \_\_\_\_\_

Living room \_\_\_\_\_

Family room/dining \_\_\_\_\_

Kitchen/laundry \_\_\_\_\_

Heating/ air \_\_\_\_\_

Other features \_\_\_\_\_

## EXTERIOR

Overall condition \_\_\_\_\_

Paint and trim \_\_\_\_\_

Roof \_\_\_\_\_

Deck/patio/pool \_\_\_\_\_

Garage \_\_\_\_\_

Landscaping/fence \_\_\_\_\_

Other features \_\_\_\_\_

## LOCATION

Appearance of neighborhood \_\_\_\_\_

House value relative to area \_\_\_\_\_

Distance to employment, \_\_\_\_\_

Schools, shopping, etc. \_\_\_\_\_

## SUMMARY

Favorite features \_\_\_\_\_

Least desirable features \_\_\_\_\_

Comments \_\_\_\_\_

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# Components of a Mortgage

**A monthly mortgage payment can contain several components:**

## **Principal**

The original balance of money loaned. As the loan is paid over time, principal is the remaining loan balance.

## **Interest**

The charge for the use (loan) of money. The interest rate remains constant in a Fixed Rate Mortgage. The rate can vary according to specified guidelines over the life of an Adjustable Rate Mortgage.

## **Property Taxes**

The county assessor charges property taxes based on the value of your home. Two tax installments are due each year.

## **Insurance**

Protection against loss resulting from certain hazards, such as theft or fire. The standard policy pays replacement costs, minus depreciation based on actual cash value. You will need to obtain homeowners insurance from your own insurance agent.

## **Private Mortgage Insurance (PMI)**

Loans with smaller down payments involve greater risk for the lender, who requires protection in case the loan goes into foreclosure. Without PMI, lenders would be reluctant to offer loans with lower down payments. Anything less than 20% down payment usually requires PMI.



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## Agency Relationships: New Jersey

When real estate professionals work with buyers and sellers, “agency” relationships are established. As you start working with a real estate professional, please ask for a clear explanation of New Jersey’s current agency laws so that you understand these important issues.

There are four kinds of agency relationships:

1. **Buyer’s agent** – represents the buyer during the homebuying process. The buyer’s agent has a fiduciary responsibility to represent the buyer’s best interests including reasonable care, loyalty, confidentiality and full disclosure. A buyer wishing to be represented by a buyer’s agent is advised by the state of New Jersey to enter into a separate written buyer agency agreement with the brokerage firm which is to work as the buyer agent.
2. **Seller’s agent** – represents the interests of the seller and has a fiduciary responsibility of reasonable care, loyalty, confidentiality and disclosure to the seller. A seller’s agent works to assist the seller in locating a buyer and in negotiating a transaction suitable to the seller’s specific needs.
3. **Disclosed dual agent** – represents the interests of BOTH THE BUYER AND THE SELLER. A dual agent has responsibilities to both buyer and seller and must act in the best interest of both parties. To work as a dual agent, the firm must first obtain the written consent of the buyer and the seller. Disclosed dual agency is most likely to occur when a licensee with a real estate firm is also working as a seller’s agent.
4. **Transaction broker** – works with a buyer or a seller or both in the sales transaction without representing anyone.



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## **Suggested Guidelines\* for the Handling of Multiple Offers** *Berkshire Hathaway HomeServices New Jersey Properties* *Can Guide You in Multiple-Offer Situations*

This is a set of guidelines\* and does not constitute a company policy. According to the State of New Jersey, the seller makes the decision on how offers are to be heard.

Real estate markets experience different trends. In a favorable economy where interest rates are low, buyer demand increases causing a shortage in the supply of homes for sale. This economic condition can result in more than one buyer bidding on the same home. Our company has developed guidelines to educate the consumer about the Multiple-Offer Process, the Escalation Clause, Contract Acceptance, Attorney Review and the significance of Back-up Offers in the State of New Jersey.

- ❑ In a competitive multiple-offer situation, the Seller may continue to receive offers until they have achieved the best possible terms. Listing Realtors cannot volunteer confidential information regarding other offers to other parties. However, upon the direction of the Seller, a Listing Realtor may convey terms to other interested bidders in order to achieve the best possible terms for the Seller.
- ❑ The auction process, by sealed bid or verbally by a certain date, can never be declared final by anyone except the Seller. If further bids come in after a deadline established by the Seller, Realtors are obligated to submit. The Seller can refuse or accept a newly-submitted bid.
- ❑ The best contract is not always based on Price alone. Other important factors are contingencies, closing date, amount of deposit, amount or type of mortgage, whether or not the Buyer must depend on the sale of a home in order to complete the transaction, etc.
- ❑ A Buyer may be in a better competitive situation if he/she is in a position to eliminate contingencies or shorten the time to complete contingencies, such as home inspections or mortgages. Pre-qualification or Pre-approval for mortgages often is important in creating the best terms the Seller will accept.
- ❑ Use of an Escalation Clause, whereby automatic increases resulting in more net proceeds to the Seller than other competing offers, with a ceiling in place, can be used in competitive situations. However, not all sellers are comfortable with the process.
- ❑ Sellers may instruct Realtors to remove key boxes and to stop showing the property when an initial contract is executed. It is recommended this agreement be in writing upon full signing of contract.
- ❑ If the Listing Agent and other Agents in the same company have offers on a property, it is recommended that negotiations be handled by the Sales Manager to avoid any specter of favoritism.



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# **New Jersey's 3-day Attorney Review Full Right of Rescission Period for Buyer and Seller \***

- ❑ **The 3-day period can be shortened or extended upon mutual agreement of attorneys.**
- ❑ **During the time period, attorney for either party can cancel/disapprove the contract for any reason or no reason at all, if the attorney has properly and timely served notice of disapproval. \***
- ❑ **A buyer or seller should consult with their attorney before taking any action within attorney review. \***
- ❑ **During attorney review, all written offers must be presented to the owners by real estate licensees pursuant to Real Estate Commission regulations.**
- ❑ **If an attorney draws a contract, there is no Attorney Review Clause.**

## **Back-up Offers**

**A Back-up Offer is defined by the NJ Real Estate Commission as a written, signed offer, received at a time when a previously-executed contract is in effect, having survived attorney review.**

- ❑ **After attorney review is completed, written offers are treated as “back-up offers” but all such written and signed offers still must be presented to the seller or authorized representative.**
- ❑ **The Seller should consult an attorney before taking any action on a Back-up offer.**

**THESE GUIDELINES HAVE BEEN REVIEWED BY BERKSHIRE HATHAWAY HOMESERVICES NEW JERSEY PROPERTIES CORPORATE ATTORNEYS AND ARE BELIEVED TO BE IN FULL ACCORD WITH THE LAWS OF AGENCY AND THE RULES AND REGULATIONS OF THE NEW JERSEY REAL ESTATE COMMISSION.**

January 2, 2018

## Home Inspections: *What to Expect*

Home Inspections are limited to heating, electrical, air conditioning, plumbing, roofing, structure, foundation, well and septic.

A “defect” is generally classified as that which renders the component incapable of doing the job it was designed to do at the time of contract.

- Time Frame – the report must be in the Seller’s attorney’s hands on or before the date specified in the contract. Buyers should make sure their home inspector can do this.
- Defective Items – the buyer should indicate those items, if any, which are considered structural “defects” as defined above and review with buyer’s attorney. These items must be given to the seller’s attorney on or before the time frame provided in the contract.
- Things Not Considered Defects:
  - Aesthetic Items – things unpleasing to the eye only.
  - Outdoor Elements – bushes, trees, grass, sidewalks, puddles, water runoff (except where affecting structure)
  - Ambiguous Items – items which the home inspector claim are working at the time of inspection, but are at the end of the useful life and MAY malfunction in the foreseeable future.
  - Naked Eye – things which are noticeable to the naked eye (broken windows, torn screens, etc.) must be brought up before entering into contract. The home inspection covers only those items which one would need an expert to assess.



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# One-Stop Shopping



## **Who is Associated Title?**

*Associated Title Agency is Berkshire Hathaway HomeServices*

*New Jersey Properties' full service agency offering title insurance services throughout the state of New Jersey.*

*Located in Morganville, Associated Title has title searchers in all 21 New Jersey counties and is committed to providing the real estate community the most reliable, efficient and professional service possible.*

## **What is title?**

Title is a collective term that makes up your legal rights to own, possess, use, control and convey property.

## **What is title insurance?**

Title insurance protects the buyer of their home against loss or damage due to title defects or encumbrances.

## **What is a title defect or encumbrance?**

A title defect is something missing from the title, like an undisclosed heir from a previous owner. An encumbrance is a claim made upon the land by someone other than the owner; for example, a power company may have an easement for a power line to serve your house.

## **When is title insurance ordered?**

Generally, the buyer's attorney orders title insurance after attorney review, although some wait until they receive a mortgage commitment.

## **Why Associated Title?**

Associated Title can offer Berkshire Hathaway HomeServices NJ Properties the following:

### **Control...**

*another step in the process that a buyer can rely on the Realtor for guidance*

### **Direct Access...**

*no more questions behind "We're waiting on title"  
Call and we'll provide status*

**Improved Communication...** *parties working toward a common goal will yield a desired result...*

*Closings done on-time*

### **Speed and Dependability...**

*while a one-to-two-week turnaround time on title work is conventional, we will be able to rush orders on BHHSNJ transactions. Remember to ask for back title, a savings in both time and money for the buyer.*



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