

YOUR HOMEBUYER'S GUIDE

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- **Preparing to Buy A Home:** Outlines five things you need to know about getting a mortgage and how a lender looks at your application.
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ATLANTA COMMUNITIES
REAL ESTATE BROKERAGE

Dear Homebuyer:

It is my pleasure to offer this guide to you. Whether you're buying for the first time or last time, I hope you will find the enclosed information beneficial.

Buying a home is one of the largest financial transactions and emotional experiences that most people ever undertake. The process can be lengthy and confusing. I want you to know that I will be here to help you through every step.

My business philosophy is simple but effective: Ask. Listen. Deliver. Exceed.

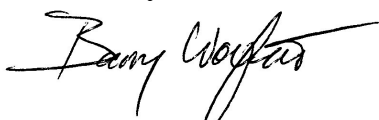
I am committed to helping every client achieve his or her goals. These usually include: finding a home that meets all of your requirements, negotiating the best terms and experiencing the least amount of inconvenience. I have built my business on delivering first class personal service and generating the results my clients expect. Here is what you can expect from me at our initial meeting:

- to listen carefully to make sure I understand your objectives and preferences;
- to thoroughly explain the home buying process;
- to discuss agency and why professional representation will benefit you;
- to create an auto-search for homes that meet your criteria;
- to provide you with a market analysis of any home you're interested in;
- to recommend inspectors, attorneys and other third party professionals;
- to negotiate on your behalf and diligently monitor the closing process;
- to communicate with you throughout the entire process.

I'd welcome an opportunity to personally meet with you and discuss my services and hands on approach. I promise you that no one else will give you the attention, knowledge and commitment that I will.

Please don't hesitate to call me directly at 770-656-7551 or email me at bwolfert@mac.com. I look forward to being of service to you.

Sincerely,



Barry Wolfert, Associate Broker
Your Personal Real Estate Consultant

WHAT EVERY HOMEBUYER NEEDS TO KNOW

There are two sides to every home sale...the listing side (home seller) and the selling side (home buyer). There are two sides to the commission payment...the listing agent (represents the home seller) and the selling agent (represents the home buyer).

Every homeowner that has a house listed in the FMLS system has already agreed to pay a commission to the buyer's agent. *The commission is already included in the asking price. For these listings, the seller always pays the commission of the buyer's agent.*

If an agent does not represent the buyer, the listing agent (representing the home owner) will receive all of the commission. The seller will not save any money.

Since the seller already has an agent and is willing to pay for the buyer to have an agent, it only makes sense that the buyer has an agent representing his interests.

Listing Agent

The listing agent works for the seller. The agent's job is to market the home and bring in prospective clients. He works on the seller's behalf and must protect the seller's interests. The agent has no obligation to a buyer beyond being honest and ethical. He does not have offer any advice, information or guidance to a customer he does not represent.

If you are looking at a house and the listing agent attempts to have you work with them, they are trying to get both sides of the commission. While it is legal to have one agent represent both sides (called Dual Agency), both parties must agree to this in writing and it must be disclosed. Unless you have a good relationship with this agent and know you can trust him, it is not a good idea to have both parties represented by one agent.

Buyer's Agent

A buyer's agent works for you, the buyer. In Georgia, *it is required by law that you sign an Exclusive Buyer's Agency Agreement.* This agreement outlines the responsibilities of both the client and the agent and allows the agent to work for you. Please note that this is an agreement and not a contract. It can be terminated at any time, for any reason and without penalty by either party. All that is required is written notice of termination.

Your agent will assist you in finding properties that meet your needs, assist you with negotiating a contract and completing all the necessary paperwork, advise you as to any potential concerns as well as recommend other professionals you may need to buy the home (i.e. home inspectors, closing attorneys, title companies, repair service providers).

Your agent is legally and ethically bound to protect your interests, not the sellers.

Open Houses

Open houses are designed to give buyers access to homes on the market. They are usually held open by the listing agent or another agent from their company. When attending an open house, it is critical that you inform the agent that you have a buyer's agent and that if you are interested in the house, your agent will contact the listing agent. Take any information available as well as the listing agent's business card and give this information to your agent. Your agent will follow up and do what is necessary to make sure your interests are protected and served.

For Sale By Owner (FSBO)

Homeowners who sell on their own usually do this to try to avoid paying a listing agent's commission. Most FSBOs will "protect" buyer's agents which simply means that they are willing to pay a buyer's agents commission. However, sometimes they do this by adding the commission to the asking price.

The challenge with FSBOs is that it is hard to negotiate a contract with someone who is emotionally attached to the house. A buyer may not like the wallpaper or other item which has sentimental value to the owner. This can often make negotiations more difficult.

If you see a FSBO that you are interested in, write down the address and phone number and give it to your agent. He will call and make sure that the house matches your needs and that the commission is included in the sales price.

New Homes

New homes are constantly being built in the Atlanta area. Most new developments will have a sales center where agents are on duty. They will often ask you to register when you get there. It is critical that you inform them at that moment that you have an agent and want to register his name. If you do not do this, often they will not pay a commission to your agent. In fact, do not sign anything if you can avoid it without your agent. Ask for a brochure and price list and come back with your agent.

New home construction can be a wonderful experience but it is also a very complicated one. Many times you will be quoted a base price for a house only to find that after you have selected your options and upgrades, the house is much more expensive. And, almost all builders use their own contracts instead of the standard GAR (Georgia Association of Realtors) forms. These contracts are written in their favor and need to be carefully reviewed before signing. And remember, the on-site agent is working for the builder and not the buyer.

TYPES OF LOANS

There are many loan programs available to buyers today. The type of program you select should be based on your goals and objectives, length of time you will own the house and what is available to you based on your credit scores, financial status and debt.

Good credit does not mean you will get the best loan or even be able to get one at all if your debt/income ratio is too high. Also, bad credit or even a bankruptcy does not preclude you from being able to get a good loan.

In general, the better your credit score, the lower the interest rate and the more options you will have. A lower amount of debt will allow you to borrow more. Combine a good credit score with low debt and you will have more than enough options. Keep in mind that every loan program has its own unique benefits and risks. You need to understand the implications of the program you select.

Fixed Rate Mortgage

This is the most common type of loan especially when interest rates are low. The loan is repaid over a fixed period of time (term) with a fixed payment of principal and interest (P&I) that never changes. The term can be 10, 15, 20 or 30 years. Your interest rate is constant over the life of the loan. Typically, you will pay more interest in the earlier years with the principal amount increasing over time.

Advantages: Constant payment every month. You can budget and plan for this for the entire term of the loan.

Disadvantages: You need to refinance to lower your interest rate.

Adjustable Rate Mortgage (ARM)

The interest rate is the adjustable part of this type of loan. The rate is tied to an index such as the one-year Treasury Note or LIBOR. The initial rate is usually lower than a fixed rate loan at the beginning but can then increase although it is usually capped. This means that they can only rise a certain amount per year (usually 1-2 percentage points) and only a certain amount over the life of the loan (usually 5-6 percentage points).

Advantages: Lower initial rate may allow buyer to be able to afford a higher priced home.

Disadvantages: Rates are tied to an index and can go up or down.

Interest Only Mortgage

This is a form of adjustable rate loan where you are only paying interest and not principal. These loans have a margin, adjustment interval and caps just like regular ARMs and are usually tied to an index as well. Sometimes you can get the interest rate locked-in for a period of years after which the rate adjusts at a set interval.

Advantages: Much lower monthly payment than other loan types as no principal is being paid.

Disadvantages: Payments can fluctuate and full loan amount will be due at sale or refinance of home (if no additional principal payments have been made).

PREPARING TO BUY A HOME

Here are five steps you need to take to prepare yourself to purchase a home.

1. Meet with a mortgage company and review your credit score and financial information. Be prepared to bring two years tax returns, two months bank statements, last two paychecks and a list of assets (401ks, stocks/bonds, IRAs, checking and savings accounts, etc.) and liabilities (car loans, equity loans, credit card debt, etc.). Be prepared to discuss these items as well as work history and visa status (if you are not a US citizen).
2. Do not open any new credit accounts while you are applying for a mortgage. Do not make any major new purchases such as a car, vacation, expensive electronics, etc without discussing with your loan officer first.
3. If you are in collections on any past due accounts, pay them off immediately. If you are disputing any collections, talk with your loan officer about how to proceed.
4. If you are currently renting, check with your leasing office about early termination penalties.
5. Keep paying all of your bills on time. One late payment can drop your credit score enough to make getting a loan much more difficult.

Here are the four major factors a lender will review to determine what type of loan you qualify for.

Job & Income

- Gross monthly income
- Percentage of salary versus bonus and/or commission of total pay
- Track record of earning commissions
- W2 or 1099 employment status
- Self-employment details

Debts

- Total monthly debt
- Accounts with past due balances; some explanation may be required
- Any account in collections
- Bankruptcy or liens

Credit Score

- Credit scores from all three credit bureaus are reviewed
- The middle score is used
- If applying jointly, the score of the person with the higher earnings is used

Liquid Assets

- Conforming loans require a 5% minimum down payment from borrower
- 100% loans require between 2-6 months monthly payment in reserves
- Gifting funds and down payment assistance programs are also available
- You **can't** borrow money from someone to get approved for a loan

Mortgage Application Checklist

Here is a list of information and documents you will need when you apply for a home loan:

- Copy of the Purchase and Sale Agreement
- Your present mortgage information (or 12 months rental history)
- Two years history of employment and verification of all income sources
- If self-employed, copies of past two years income tax return and year to date profit and loss
- Two months checking, savings and investment account information verifying your liquid assets
- Name, account number and outstanding balance of each of your debts
- Information regarding any other income to be used
- Information regarding any other assets that will be used as funds to close
- If you're applying for a VA loan, you need a Certificate of Eligibility or DD-214 form
- If you are a relocating employee, include relocation information and copy of offer, promissory note and copy of check on bridge loan
- Two pieces of ID, such as your driver's license or passport and social security card

THE CLOSING PROCESS

Once you have found the home you want to buy, there are several additional steps you need to take to close the sale after the purchase and sale agreement has been signed.

- Step 1 Contingency removal: The most common contingencies are inspection, financing and appraisal. These conditions must be removed or waived in writing before the sale can close.
- Step 2 Appraisal and title report: Your lender requires a formal appraisal to confirm the value of the home you're buying, to use as collateral to secure the loan. The title report ensures that the seller has clear title to the property and has the right to transfer ownership to you.
- Step 3 Prepare closing documents: Real estate attorneys prepare documents that confirm the transaction, prorate funds, and show the net dollar amount you will need to bring to the closing.
- Step 4 Documents go to the lender for final review.
- Step 5 Signing of closing documents: Both parties sign closing documents.
- Step 6 Funds disbursed and buyer receives keys and the seller receives the proceeds.

There are many opportunities for surprises or delays in a transaction. Part of my expertise is in troubleshooting problems that arise in the closing process, including anticipating and preparing for potential problems *before* they arise.

CLIENT TESTIMONIALS

It was such a pleasure working with Barry. As first time homebuyers, Barry made sure all of our needs were met and he always had our best interests in mind. Barry is very professional, courteous and works hard to find the perfect house for his clients. Thanks for everything.

-Beth Cork

I just moved from California where I had no dreams of home ownership and as a result my credit was less than stellar. Without hesitation, Barry worked with me to secure an FHA loan which enabled me to acquire a property in Buckhead. Without his guidance and perseverance I would not have realized the American dream of owning a home. Thanks Barry for believing in me.

-Ed Moseley

Barry was very helpful in the buying of my first home. His knowledge and dedication to service made my experience much easier than it could have been. I would recommend Barry to others looking for an agent.

-Ken Mervich

This was our first experience buying a house and we were new to the USA. Barry guided us through the entire process step by step. He took the time to make sure we understood what was happening and is completely trust-worthy and dependable. Barry listened to what we had to say, stuck to our budget and found us the ideal home. Thank you!

-Joy and Marc Goode

RESUME OF BARRY WOLFERT, REALTOR®



Atlanta Communities (formerly Re/Max Communities) - 2007 to present
Jenny Pruitt & Associates – 2003 – 2007

Affiliations

Member Cobb Association of Realtors
Member Georgia Association of Realtors
Member National Association of Realtors

Awards

Re/Max – 100% Club
Communities Magazine – 100 Best Realtors in Atlanta
Outstanding New Sales Associate – Jenny Pruitt & Associates, Cobb Office
Rising Star Award – Jenny Pruitt & Associates, Cobb Office

Accomplishments

Earned Broker's License - 2006
Cobb Association of Realtors Lifetime Member Million Dollar Club

Previous Work Experience

15 years sales and marketing experience in the hospitality industry working for
The Ritz-Carlton Hotel Company, Hilton Hotels and Deloitte & Touche.

Personal

Moved to Atlanta in 1992
Moved to Cobb County in 1994
Past President, Cornell Hotel Society, Georgia Chapter
Past President, Meeting Professionals International, Georgia Chapter
Past Board Member, East Cobb Civic Association
Bachelor of Science, Cornell University

MISSION STATEMENT

As your personal real estate consultant, my goal is to build a lifelong relationship with my clients by focusing on each one's individual needs and goals.

SERVICE PHILOSOPHY

My approach is simple, but effective: Ask. Listen. Deliver. Exceed. These four actions will ensure that I understand your needs, my efforts are focused on your desired results and that the delivered result exceeds your expectations.

With the majority of my business coming from referrals, I am committed to earning your trust and endorsement and the right to be your personal real estate consultant for life and reach my goal of a 100% referral based business.

The SERVICE You Deserve.

I believe that every one of my clients deserve to feel that they are the sole focus of my attention. To create this experience, I work with a limited number of clients at a given time. This allows me to not only be extremely responsive but even anticipate your needs. *You deserve nothing less.*

The KNOWLEDGE You Expect.

My extensive knowledge of the Atlanta market comes from living, working, and playing here since 1992. I believe that it is my duty to be an expert on the latest buying and selling market trends. I do this by devoting time to research and networking with my extensive group of local contacts. *You should expect nothing less.*

A REPUTATION You Can Count On.

I believe that a person's reputation is his most valuable asset. It is created not on what someone is going to do but on what they have done and can only be as strong as the character it is built upon. *You should ask for nothing less.*