

# IDENTIFYING YOUR PRIORITIES



## PERSONAL PROFILE

Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Phone *(home):* \_\_\_\_\_ *(cell):* \_\_\_\_\_ *(work):* \_\_\_\_\_

Own  Rent Years in this home \_\_\_\_\_

Children: *(names/ages)* \_\_\_\_\_

## MOTIVATION

Reason for move: \_\_\_\_\_

When do you want to move in? \_\_\_\_\_

Is that date flexible? If not, why not? \_\_\_\_\_

How long have you been looking for a home? \_\_\_\_\_

Have you seen any homes you like?  yes  no

If yes, why didn't you buy? \_\_\_\_\_

Are you looking at homes with any other sales associate?  yes  no

Where do you work? *(location)* \_\_\_\_\_

When is the best time to look at homes? \_\_\_\_\_

When we find the right home for you, will there be anything that could keep you from buying it? Will anyone else be involved in the buying decision? \_\_\_\_\_

## HOUSING INFORMATION

What's most important to you in a home? \_\_\_\_\_

Do you have (or anticipate) any hobbies, interests or lifestyle factors that would affect your housing needs? \_\_\_\_\_

Are schools important?  yes  no If yes, what aspects? \_\_\_\_\_

Where do you want to live? \_\_\_\_\_

What style of home do you prefer?  Rambler  Two-Story  Traditional  Contemporary

How many bedrooms? \_\_\_\_\_ Baths \_\_\_\_\_ Living areas \_\_\_\_\_

Yard size \_\_\_\_\_ Garage size \_\_\_\_\_





## ALL BORROWERS:

- ❑ W-2's for the previous two years
- ❑ Paycheck stubs for the last 30 days (most current)
- ❑ Employment history for the last two years- be sure to address any gaps of employment
- ❑ Checking and saving account statements for last 2 months, all pages; all non-payroll deposits must be documented-please make a copy of the check before you deposit it
- ❑ Most recent 2 months or 1 quarterly statements for 401(k)s, stocks, and other investments, including terms and conditions for withdrawal
- ❑ Signed tax returns from the last 2 years, all pages/schedules
- ❑ Residency history over the last two years, with name, phone number, address and account number of landlord or mortgage company
- ❑ Photo identification (valid Driver's License or Passport) for applicant and co-applicant
- ❑ Credit card information for appraisal fee after delivery of LE and intent to proceed

## ❑ SELF-EMPLOYED BORROWERS ADDITIONAL DOCUMENTS:

- ❑ Copies of most recent 2 years business tax returns (with all schedules)
- ❑ YTD profit & loss statement and balance sheet
- ❑ Copy of business license
- ❑ 1099s or K1 forms

## DOCUMENTS NEEDED FOR VA LOANS:

- ❑ Veteran DD214 or Veteran Reservists DD256. Additional items may be requested during the loan underwriting phase if more information is required to guarantee your loan
- ❑ Original COE (Certificate of Eligibility) if provided by VA previously

## COMMON DOCUMENTS

### WHICH MAY BE REQUIRED IF APPLICABLE:

- ❑ For Refinances: Copy of Note, Deed of Trust or Mortgage, and Homeowner's Insurance information
- ❑ Previous Bankruptcy: Copies of Petition and Discharge, including supporting schedules A—K
- ❑ Divorce Decree and Property Settlement if applicable
- ❑ Relocation Agreement: If relocation move is financed by employer, i.e. buyout agreement plus documentation outlining company paid closing costs benefits
- ❑ Documentation supporting moneys received from social security/retirement/disability, i.e. copies of direct deposit bank statements, awards letter, evidence income will continue for at least 3 years
- ❑ Rental property: Copies of leases, plus mortgage statement, homeowner's insurance and property tax statements
- ❑ Short Sale: If within last 4 years, final HUD1 and lien holder approval letters

# HOW I HELP YOU BUY YOUR HOME



Helping you find and purchase a home is only one facet of my job.

In addition, I will:

- Explain real estate principles, contracts and documents
- Refer you to a reputable lender that can help you assess your financial situation and pre-approve you for a loan
- Help you determine the types of homes and neighborhoods that most fit your needs
- Arrange tours of homes that meet your criteria
- Provide you with detailed information about homes you're interested in
- Determine the market value of homes you're interested in
- Assist you in writing and negotiating a mutually-accepted purchase and sale agreement
- Accompany you to the inspection
- Coordinate necessary steps after inspection
- Work with the escrow company to ensure all needed documents are in order and completed in a timely manner



So by working with me, you will:

- Be more likely to find the home that meets all your criteria
- Decrease the amount of time it takes to find your home
- Understand all the terms, processes and documents involved
- Have current market information to make informed decisions
- Have a skilled negotiator on your side
- Have peace of mind that all the details are being handled



# BUYER'S TERMS



## LOAN AMOUNT

The amount of the mortgage based on the purchase price, minus the down payment.

## DOWN PAYMENT

Cash that the buyer provides the lender as their portion of the purchase price. The down payment is considered the buyer's equity (or cash investment) in their home.

## POINTS

Fees charged by the lender to offset their interest rate, if it's below the prevailing market rate. One point equals one percentage point—so one point on a \$100,000 loan would be \$1,000.

## APPRAISAL FEE

The amount paid for the lender's appraisal of the property.

## CREDIT REPORT FEE

The fee charged by the lender to obtain a credit report on the buyer.

## TITLE INSURANCE FEE

A one-time premium that a buyer pays for protection against loss or damage in the event of an incorrect search of public records or misinterpretation of title. The title insurance policy also shows what the property is subject to in terms of liens, taxes, encumbrances, deed restrictions and easements.

## ESCROW FEE

The amount a buyer pays the escrow company or closing agent for preparing papers, accounting for all funds and coordinating the information between all parties involved in the transaction.

## CLOSING COSTS

A general term for all the estimated charges associated with the transfer of ownership of the property.

## PREPAID INTEREST

The amount of interest due on the loan during the time period between the closing of escrow and the first mortgage payment, due at the time of closing.

## PITI

The estimated house payment, including principal, interest, taxes and insurance.

## PRINCIPAL AND INTEREST

The loan payment, consisting of the amount to be applied against the balance of the loan, and the interest payment, which is charged for interest on the loan.

## TOTAL CASH REQUIRED

The total amount of cash the buyer will need, including down payment and closing costs.

## PREMIUM MORTGAGE INSURANCE (PMI)

Insurance for the lender, to cover potential losses if the borrower defaults on the loan.



# ANSWERS TO FREQUENTLY ASKED QUESTIONS



## WHAT IF I NEED TO SELL MY HOME BEFORE I BUY A NEW ONE?

To put yourself in the best negotiating position before you find the new home you want, hire a qualified real estate agent to help you put your home on the market. Once you write an offer on a new home, your offer will be “contingent” upon the sale of your home. A buyer in this position may not have the same negotiating power as one whose home has already sold (or at least has an accepted offer). The seller may be hesitant to accept your offer because there are too many things that must happen before the sale can close.

## HOW DOES MY OFFER GET PRESENTED TO THE SELLER?

I will call the agent who is the listing agent for the home you have chosen. We will make arrangements with the seller to present your offer. I will be there to explain the details of your offer and negotiate on your behalf.

## WHAT HAPPENS IF I OFFER LESS THAN THE ASKING PRICE?

If you offer less money, the seller has three options. They can accept the lower offer, counter your offer or reject it completely. Remember that there could be another buyer who is also interested in the home you’ve chosen. If they happen to write an offer at the same time you do, the seller will have two offers to compare. There are usually many aspects of each offer to consider, but ultimately the seller will want to accept the best and most complete offer. In active real estate markets, homes often sell for their listed price. In hot markets, there may be many buyers vying for the same house,

which sometimes drives the final sale price above the original listing price.

As a real estate professional, I can help you plan your strategy, based on the current real estate market in our area.

## DOES IT COST ME MONEY TO MAKE AN OFFER?

When you write the offer on the home you’ve chosen, you will be expected to include an earnest money deposit. The deposit is a sign of your good faith that you are seriously interested in buying the home.

## WHERE DOES MY EARNEST MONEY GO?

Once the buyer and seller have a mutually accepted offer, the earnest money is deposited into a trust account. That deposit becomes a credit to the buyer and becomes part of the purchase expense.

## CAN I LOSE MY EARNEST MONEY?

Real estate contracts are complicated legal transactions. This is another area where having a knowledgeable and professional agent is a necessity. Rarely does the buyer lose the earnest money. Most often, if the transaction falls apart, there are circumstances beyond the buyer’s control that cause it to happen. If the buyer willfully decides, however, that they no longer want to buy the house and has no legal reason for rescinding their offer, then the seller has the right to retain the earnest money.

## IS THAT ALL THE MONEY THAT’S INVOLVED?

Some lenders require the cost of the appraisal and credit report at the time of the loan application.



# WORKSHEET FOR HOME COMPARISON



FEATURES	PROPERTY 1	PROPERTY 2	PROPERTY 3	PROPERTY 4	PROPERTY 5
Address					
Price					
Living Room					
Dining Room					
Family Room					
Kitchen					
Bedrooms					
Baths					
Floor Plan					
Yard					
Garage					
Features					
Lot					
Location					
Does it meet your needs?					

## ADDITIONAL COMMENTS

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*What buyers and sellers need to know about*

# Fair Housing



## **Our goals and objectives**

All of us at Windermere Real Estate are committed to the principles of Fair Housing practices for all. Fair Housing is a matter of dealing equally with all people as well as a matter of federal, state, and local laws. Fair Housing involves everyone, and we have to count on your being our partners in that effort as we work to find you a home, or sell your home.

We are experts in homes. It is our responsibility to provide you with the information you need to make a wise decision for yourself. Our task is to do our best to locate a home with the characteristics, location, and price you want, or to find a buyer that can satisfy your needs as a seller. It is also our task to provide you with enough information about current market conditions, including the sale prices of properties that have recently sold, to enable you to determine intelligently the price you are willing to pay or receive for a specific property.

You may wish to have available other kinds of information. Many buyers ask questions about the people who live in a neighborhood: "What kinds of people live here?" "Are there many children in the neighborhood?" "Are there any registered sex offenders nearby?" "Is there much crime here?" "Are there any especially noisy neighbors?"

Sellers may ask similar questions: "What kind of people make good prospective buyers?" "Who will fit well in this neighborhood?" "Do unmarried couples make good buyers?"

Such questions are outside the scope of our professional practice. Some of them raise Fair Housing issues, and all of them seek subjective judgments rather than objective information. Such questions are important to buyers and sellers, but you ought to be aware of the laws that restrict the rights of buyers and sellers to make decisions based on such inquiries.

## **The law**

Federal law prohibits discrimination in a real estate transaction based on race, color, religion, familial status, sex, handicap, and/or national origin. In addition to the federal prohibitions, Washington law prohibits discrimination based on creed, marital status, sensory/physical/mental disability, use of a service animal (e.g., a seeing-eye dog), sexual orientation, and honorably discharged veteran or military status. Some local laws go even further to prohibit discrimination based on age, ancestry, gender identity, political ideology, and participation in Section 8 programs (for low-income families).

For buyers, there is a way to make your own private decision about whether a neighborhood and its surroundings are right for you. Most standard purchase forms used throughout our network allow you to include a contingency for a "Neighborhood Review" period. This gives you time to conduct your own exploration of the neighborhood for answers to the questions that are important to you. Ask your broker what options exist in your area for this kind of contingency.

*(continued)*

# *What buyers and sellers need to know about* **Fair Housing**



Sellers should be aware of the laws that prohibit choosing a buyer based on legally protected class status. Generally speaking, if a seller receives a bona fide offer on a property, the seller cannot refuse to sell to, or even refuse to negotiate with, the prospective buyer based on the above-mentioned prohibited criteria. Sellers may not falsely represent that the home is no longer for sale, nor can they advertise the home with an indication of preference or limitation on what type of people may purchase it.

Real estate brokers may not engage in any such practices either. In fact, brokers are prohibited from "steering" prospective buyers to specific neighborhoods based on the above-mentioned criteria. Brokers who perform prohibited discriminatory practices on behalf of their principals subject both themselves and their principals to liability.

A victim of discrimination may pursue a civil lawsuit or an administrative claim. The victim may seek a temporary restraining order, permanent injunction, actual damages, punitive damages, and attorney's fees.

## **Further resources**

There are many resources available at the Seattle Public Library, such as census figures that provide a wide range of statistical information about the people in the neighborhood. The local

police precinct station can provide data about crime, and Seattle Public Schools can provide information as well. Much information is also available on the Internet. Some sites you might find useful are:

### **Schools, public and private:**

[reportcard.ospi.k12.wa.us/summary.aspx?year=2010-11](http://reportcard.ospi.k12.wa.us/summary.aspx?year=2010-11)

### **Seattle public schools:**

[www.seattleschools.org](http://www.seattleschools.org)

### **Police, current statistics:**

[www.seattle.gov/police/crime/default.htm](http://www.seattle.gov/police/crime/default.htm)

### **Police, annual reports:**

[www.seattle.gov/Police/Publications](http://www.seattle.gov/Police/Publications)

### **Bus service:**

<http://metro.kingcounty.gov>  
Select "Ride Metro"

### **Census data:**

[www.seattle.gov/dpd/Research/Population\\_Demographics/Overview/default.asp](http://www.seattle.gov/dpd/Research/Population_Demographics/Overview/default.asp)

### **Registered sex offenders:**

[www.kingcounty.gov/safety/sheriff/SOSearch.aspx](http://www.kingcounty.gov/safety/sheriff/SOSearch.aspx)  
Online Tools > Sex Offender Search

# Household Information



## Help Us Get To Know You

**\*\*We will not share your information with anyone. All information is for our own use\*\***

Name: \_\_\_\_\_ Nickname: \_\_\_\_\_

Birthday: \_\_\_\_\_

Spouse (or Significant other): \_\_\_\_\_ Nickname: \_\_\_\_\_

Anniversary Date: \_\_\_\_\_ Birthday: \_\_\_\_\_

Mailing Address:

Email Address:

Do you mind if we email you at this email address? (circle one) Yes No

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

How would you prefer we communicate with you? (circle one)

Email Home Phone Work Phone Cell Phone

What is the best time of day to reach you? \_\_\_\_\_

Children's Names and Birthdays:

1. \_\_\_\_\_ 2. \_\_\_\_\_

3. \_\_\_\_\_ 4. \_\_\_\_\_

Pets

Dogs? (circle one) Yes No Name(s) \_\_\_\_\_  
(circle all that apply) Friendly Does not like strangers Bites Will try to Escape

Cats? (circle one) Yes No Name(s) \_\_\_\_\_  
(circle all that apply) Indoor Only Will try to escape

Other (any special requirements) \_\_\_\_\_

Favorite Restaurant(s)? \_\_\_\_\_

Favorite Activities/Hobbies? \_\_\_\_\_

Preferred Moving Date? \_\_\_\_\_

Mortgage Info:

1st Mortgage

Company: \_\_\_\_\_ Phone: \_\_\_\_\_

Loan #: \_\_\_\_\_ FHA VA CONV OTHER

Balance: \_\_\_\_\_ Interest Rate: \_\_\_\_\_

Last payment: \_\_\_\_\_ Prepayment Penalty? \_\_\_\_\_

Mortgage Info:

2nd Mortgage

Company: \_\_\_\_\_ Phone: \_\_\_\_\_

Loan #: \_\_\_\_\_ FHA VA CONV OTHER

Balance: \_\_\_\_\_ Interest Rate: \_\_\_\_\_

Last payment: \_\_\_\_\_ Prepayment Penalty? \_\_\_\_\_

# Buyer's Worksheet

Please take a moment to fill out the following worksheet. In doing so, you will be helping us better understand what exactly you are looking for.

Neighborhood(s): \_\_\_\_\_

Bedrooms (Circle Minimum)                      1            2            3            4 or more

Bathrooms (Circle Minimum)                    1            2            3            4 or more

Lot (Check all that apply)

- |   |  |   |   |
|---|--|---|---|
| <input type="checkbox"/> 0 to .5 Acre   | <input type="checkbox"/> .5 to 1 Acre  | <input type="checkbox"/> 1 to 2 Acres   | <input type="checkbox"/> 2 to 2.5 Acres |
| <input type="checkbox"/> 2.5 to 5 Acres | <input type="checkbox"/> 5 to 10 Acres | <input type="checkbox"/> 10 to 20 Acres | <input type="checkbox"/> 20 + Acres     |
| <input type="checkbox"/> View           | <input type="checkbox"/> Waterfront    | <input type="checkbox"/> Flat           | <input type="checkbox"/> Wooded         |
| <input type="checkbox"/> Pasture        | <input type="checkbox"/> Irrigated     |   |   |

Indoor Amenities (Check all that apply)

- |  |   |   |  |
|--|---|---|--|
| <input type="checkbox"/> Fireplace       | <input type="checkbox"/> Formal Dining Room | <input type="checkbox"/> Vaulted Ceilings | <input type="checkbox"/> Walk-In Closets |
| <input type="checkbox"/> Security System | <input type="checkbox"/> Great Room         | <input type="checkbox"/> 1st Floor Master | <input type="checkbox"/> Walk-In Closets |
| <input type="checkbox"/> _____           | <input type="checkbox"/> _____              | <input type="checkbox"/> _____            | <input type="checkbox"/> _____           |

Outdoor Amenities (Check all that apply)

- |                                     |                                      |  |                                |
|-------------------------------------|--------------------------------------|--|--------------------------------|
| <input type="checkbox"/> Pool       | <input type="checkbox"/> Garden Area | <input type="checkbox"/> Spa/Jacuzzi     | <input type="checkbox"/> Pond  |
| <input type="checkbox"/> Patio/Deck | <input type="checkbox"/> Porch       | <input type="checkbox"/> Fenced Backyard | <input type="checkbox"/> _____ |

Desired Outbuildings (Check all that apply)

- |                                 |                               |                                      |                                  |
|---------------------------------|-------------------------------|--------------------------------------|----------------------------------|
| <input type="checkbox"/> Barn   | <input type="checkbox"/> Shed | <input type="checkbox"/> Guest House | <input type="checkbox"/> RV Barn |
| <input type="checkbox"/> Gazebo | <input type="checkbox"/> Shop | <input type="checkbox"/> _____       | <input type="checkbox"/> _____   |

Other Needs and Wants

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name 3 features/amenities you have enjoyed in previous residences

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

What is the one thing you can't live without in your next home?

\_\_\_\_\_  
\_\_\_\_\_

## Please Share Your Concerns

We are here to provide you with the best, most professional service while searching and purchasing a property that fits your needs. Most people have some anxiety or concern about the buying process. We can better serve you if we understand what aspects of the process are most important to you or causing you the most anxiety. Please take a few moments to fill out the form below.

Thank You.

	Not Important			Very Important		
Determining how much home you can afford	0	1	2	3	4	5
Obtaining a loan	0	1	2	3	4	5
Finding a home that meets your needs	0	1	2	3	4	5
Negotiating price	0	1	2	3	4	5
Negotiating other contract details	0	1	2	3	4	5
Understanding Paper work	0	1	2	3	4	5
Closing/Possession Date	0	1	2	3	4	5
Arranging Inspections	0	1	2	3	4	5
Getting the best deal	0	1	2	3	4	5
Closing Costs	0	1	2	3	4	5
Finding time to look at homes	0	1	2	3	4	5
Communication w/ Broker	0	1	2	3	4	5

Do you have any other concerns about the process of purchasing your home?

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Is there anything specific we can do to make the process easier for ;your?

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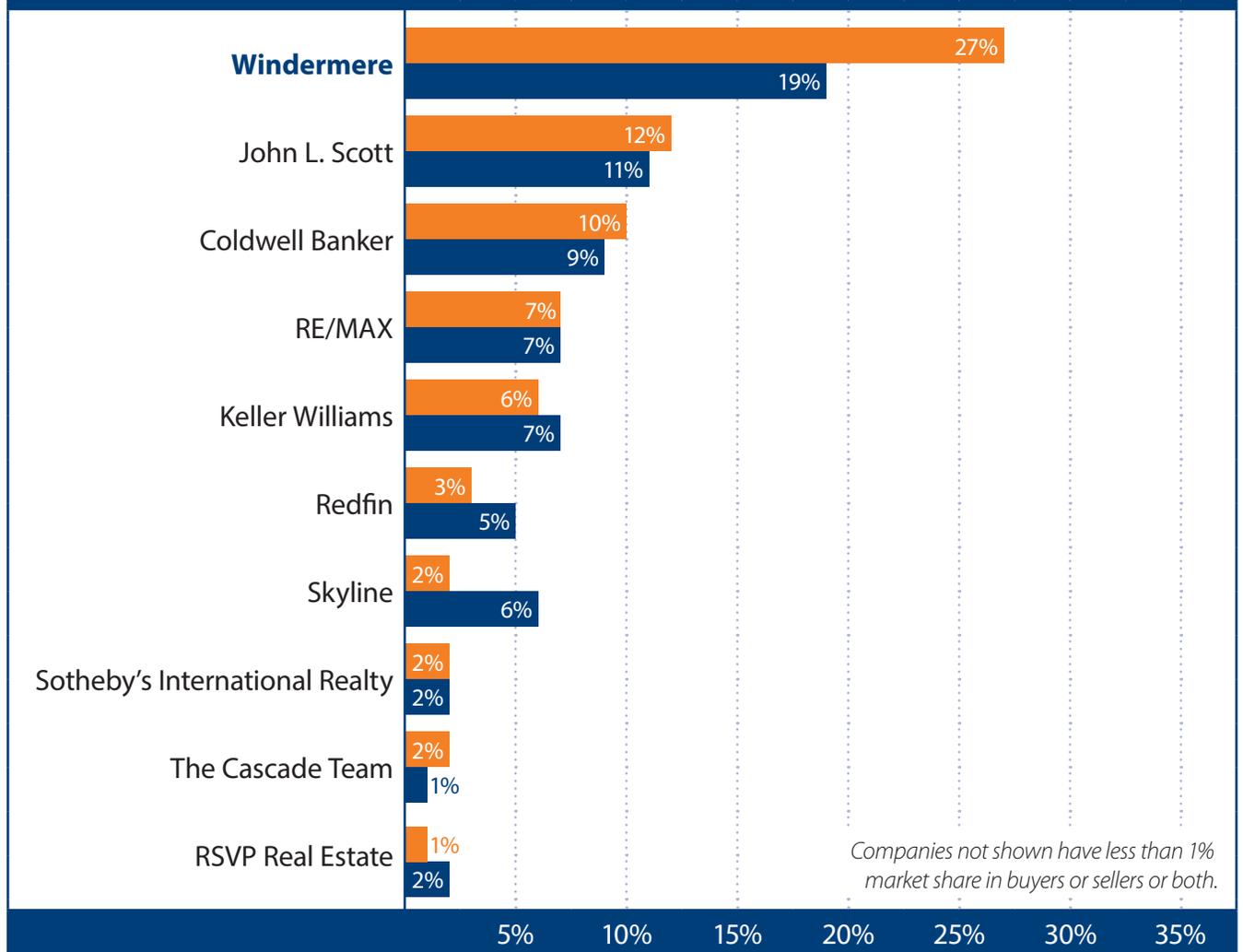
2016

Areas 500-600

# Market Share by Company

## By Number of Transactions

Bellevue, Bothell, Duvall, Issaquah, Kenmore, Kirkland, Mercer Island, Newcastle, North Bend, Redmond, Sammamish, Snoqualmie, Woodinville, and surrounding neighborhoods.



■ Representing Sellers ■ Representing Buyers

Graphs were created by Windermere using NWMLS data, but information was not verified or published by NWMLS. Data reflects all new and resale single-family residences and condominiums sold from 1/1/2016-12/31/2016 in areas 500, 510, 520, 530, 540, 550, 560, 600.

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## 2016 Market Share Graphs by Company, Area 500 - 600 Residential and Condominium

Representing Sellers		2016	2016
		# of Sales	% of Market Share
1	Windermere	3,066	26.93%
2	John L Scott	1,368	12.02%
3	Coldwell Banker	1,110	9.75%
4	RE/MAX	777	6.82%
5	Keller Williams	687	6.03%
6	Redfin Corp	356	3.13%
7	The Cascade Team	278	2.44%
8	Sothebys International Realty	261	2.29%
9	Skyline	202	1.77%
10	RSVP Real Estate	122	1.07%
11	Thomas L Macy Real Estate	104	0.91%
12	The Force Realty	98	0.86%
13	Berkshire Hathaway	95	0.83%
14	Cascadian King Company LLC	89	0.78%
15T	Avenue Properties	83	0.73%
15T	Realty One Group	83	0.73%
17	Centex Homes	82	0.72%
18T	Century 21	78	0.69%
18T	NWG Real Estate	78	0.69%
20	Quadrant Real Estate LLC	74	0.65%
21	Home Team Real Estate	66	0.58%
22	Sterling, Johnston & Assoc	58	0.51%
All Others		2,170	19.06%
TOTALS		11,385	100%

Representing Buyers		2016	2016
		# of Sales	% of Market Share
1	Windermere	2,200	19.32%
2	John L Scott	1,270	11.16%
3	Coldwell Banker	1,038	9.12%
4	RE/MAX	846	7.43%
5	Keller Williams	818	7.18%
6	Skyline	717	6.30%
7	Redfin Corp	549	4.82%
8	The Force Realty	327	2.87%
9	Sothebys International Realty	233	2.05%
10	RSVP Real Estate	210	1.84%
11	Berkshire Hathaway	183	1.61%
12	The Cascade Team	116	1.02%
13	eLink Realty	102	0.90%
14	Allison James Estates & Homes	97	0.85%
15	Horizon Explorer RE LLC	85	0.75%
16	Kelly Right RE of Seattle, LLC	77	0.68%
17	MLP Real Estate, LLC	71	0.62%
18	Thomas L Macy Real Estate	70	0.61%
19	Realty One Group	67	0.59%
20	Better Properties	65	0.57%
21	Century 21	63	0.55%
22	Homes & Equity Real Estate Group	60	0.53%
All Others		2,121	18.63%
TOTALS		11,385	100%





## **FRAUD ALERT**

**Only wire money after verifying wire instructions with a known phone number.  
Be extremely cautious of emailed wire instructions.**

Criminals are hacking into the email accounts of real estate brokers, escrow agents, mortgage brokers, title companies and others involved in real estate transactions and duping buyers and sellers into sending funds directly to the criminals via wire transfer. The criminal schemes vary but the hackers often send an email that appears to be from an individual legitimately involved in the transaction such as the buyer's own broker, informing the recipient that there has been a last minute change to the wire instructions and providing new wire instructions. The recipient then wires funds in accordance with the hacker provided wire instructions and the funds are unwittingly sent directly to the hacker's own account, which is cleared out in a matter of minutes.

This scam and others like it are being perpetrated all over the country on an all too regular basis. Buyers and sellers need to be on alert whenever they are asked to send money to avoid becoming a victim of fraud. Following are some tips to minimize the risk:

- Immediately prior to wiring any money, call the intended recipient (usually an escrow agent or title company) to verify the wire instructions. Only use a verified telephone number to make this call.
- Deliver funds to the escrow agent or title company via cashier's check rather than wire transfer.
- Do not trust contact information in unverified emails, even emails that appear to be legitimate. The hackers will recreate legitimate looking signature blocks with their own telephone number and contact information. In addition, the hackers often include links to fake websites to further convince the victims of their legitimacy.
- Never click on any links in an unverified email. These links can lead to fake websites and sometimes contain viruses that make your computer – and your transaction – vulnerable to attack.
- Avoid sending documents containing private financial information over unsecured wifi and email.
- If you receive a suspicious email, call or text the sender at a verified number to confirm they sent the email. In the alternative, do not reply directly to the email but rather send a separate email to the sender to a verified email address confirming that they sent you an email.
- Never trust revised or changed wire instructions. It is very rare for a title company or escrow agent to change wire instructions.



### Affiliated Business Arrangement Disclosure Statement

To: The Buyer(s) and/or Seller(s) of the Subject Property

From: Windermere Real Estate/Bellevue Commons, Inc("Windermere")

Subject Property: \_\_\_\_\_

This is to give you notice that Windermere has a business relationship with CW Title. Windermere owns less than 25% of the parent company of CW Title. Because of this relationship, a referral to these entities may provide Windermere a financial or other benefit. The benefit that Windermere may receive is limited to a return on its ownership interest, and neither Windermere nor your broker will be paid a referral fee.

Set forth below are the estimated charges or range of charges for the settlement services listed. You are NOT required to use the listed provider as a condition to your purchase or sale of the Subject Property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

CW Title: Title insurance charges range from \$310 to \$2,400 depending upon the purchase price.

CW Title: Escrow charges range from \$475 to \$2300 depending upon the purchase price.

#### ACKNOWLEDGEMENT

I/we have read this disclosure form, and understand that Windermere is referring me/us to purchase the above-described settlement service(s) and may receive a financial or other benefit as a result of this referral. I understand that my broker will not receive any financial or other benefit as a result of this referral.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
DATE



## **IMPORTANT INFORMATION CONCERNING YOUR DISCLOSURE RIGHTS AND OBLIGATIONS**

Seller disclosure is one of the most important parts of a real estate transaction. Sellers need to know what information they are obligated to disclose, and Buyers need to understand their own duty of diligence and investigation. This Memo is provided by Windermere's attorneys as general legal information and not advice. Real estate brokers are not attorneys, and you should consult an attorney if you have any specific disclosure questions.

### **Information for Buyers**

Most buyers expect far more disclosure from the seller than the law requires. Sellers have no duty to inspect their property or look for defects and may not even consider a condition a defect after living with it for years. Instead, Sellers have a limited duty to disclose material defects that substantially affect the physical condition of or title to the property and information that substantially adversely affects the value of the property.

Sellers typically have no duty to disclose neighborhood conditions or past events at the property. For instance, sellers usually have no legal duty to disclose the following conditions either at the property or in the neighborhood:

- Murders, suicides, rapes or other crimes;
- Ongoing criminal or gang activity in the neighborhood;
- Registered sex offenders in the neighborhood;
- Future development in the area; or
- Political or religious activities in the area.

If these or similar matters are of concern to a buyer, then the buyer should include an inspection and "Neighborhood Review" contingency in any agreement and follow through with the inspection.

Washington law imposes a duty of diligence on the buyer to fully investigate the property and any information provided by the seller. A buyer is charged with the knowledge that the buyer would have obtained with a diligent investigation. For example, a buyer who receives an inspection report identifying a possible defect has a duty to investigate further and may be barred from seeking compensation from the seller if the defect could have been discovered through further inspection. A diligent investigation is the best way for buyers to avoid problems after closing and for sellers to reduce their risk of claims. A diligent investigation often involves more than a standard home inspection.

### **Information for Sellers**

Although the law provides sellers with many protections, it does not prevent unhappy buyers from starting a lawsuit, and most buyer lawsuits are not covered by insurance. Sellers should consider disclosure to be a form of insurance. By disclosing a condition, the seller shifts the burden of investigation to the buyer. By remaining silent, a seller risks the appearance of concealment and a lawsuit.

To prove fraudulent concealment, a buyer only has to prove that the seller had actual knowledge of a hidden defect and failed to disclose it. The buyer does not have to prove a seller's intent to deceive or hide the defect. At the same time, once the seller does disclose an actual or possible defect, the duty shifts to the buyer to exercise diligence and investigate. Instead of minimizing disclosures, a prudent seller will try to consider the property from the perspective of a buyer and then disclose what a buyer would want to know. Many of the conditions that lead to lawsuits would have been acceptable to the buyer if they had been disclosed in advance. Other conditions simply are not important enough to the buyer to fully investigate before purchasing a property. To maximize the benefit of disclosure law, sellers may want to make full disclosure of the property and neighborhood even if they have no legal duty to do so. It is usually better to be over-insured than not insured at all.



## *Truth-in-Lending Revisions May Delay Closings*

By the Demco Law Firm, P.S.

*Updated 09/2012*

The Truth-in-Lending Act (“TILA”) has always required lenders to disclose certain information about the loan, including annual percentage rate (APR), prior to the transaction closing and no later than three business days after the borrower submitted a loan application. In 2009, TILA and associated regulations were amended to include the following requirements:

- TILA disclosures must be given before the borrower pays any fee other than a bona fide credit report fee.
- TILA disclosures are now required for second homes such as vacation homes, not just the borrower’s principal residence; and for refinances.
- TILA disclosures must be given at least seven business days (every day except Sunday and Federal holidays) prior to the closing of a transaction.
- If any disclosed information becomes inaccurate before closing, the borrower must receive a revised TILA disclosure at least three business days (every day except Sunday and Federal holidays) prior to closing. This requirement is invoked if the APR increases or **decreases** more than .125% on a fixed rate mortgage or more than .250% on an adjustable rate mortgage (ARM).

This last change is the one most likely to delay closings. Although the borrower can waive the seven and three day waiting periods for a bona fide “personal financial emergency”, lenders almost invariably resist funding a loan without providing the necessary waiting period since the lender could be found to be in violation of TILA in the event the situation was not deemed a bona fide “financial emergency”.

The 2009 revisions do not provide a borrower with a right to rescind or cancel an existing contract with a seller in the event a revised TILA is provided to a borrower. In essence, the requirement for a revised TILA is nothing more than a waiting period to ensure a borrower has sufficient time to review a revised TILA disclosure.

NWMLS Form 22A, the Financing Addendum, includes an automatic extension of closing of up to four days in the event the APR changes enough to invoke the requirement for a revised TILA disclosure that requires an extended closing.

### INSPECTOR REFERRAL DISCLOSURE

**INSPECTOR REFERRAL DISCLOSURE.** Washington State law requires that a real estate broker, who refers a home inspector to a buyer or seller with whom the broker has a current or past relationship including, but not limited to, a business or familial relationship, fully disclose in writing to the buyer or seller the nature of the relationship.

The undersigned real estate broker ("Broker") makes the following disclosure regarding the below Inspector(s) referred by Broker to Buyer/Seller:

A. \_\_\_\_\_ 6  
Name of Inspector

\_\_\_\_\_ 7  
Nature of Relationship with Broker

B. \_\_\_\_\_ 8  
Name of Inspector

\_\_\_\_\_ 9  
Nature of Relationship with Broker

C. \_\_\_\_\_ 10  
Name of Inspector

\_\_\_\_\_ 11  
Nature of Relationship with Broker

\_\_\_\_\_ 12  
Firm (Company)

\_\_\_\_\_ 13  
By: (Broker) Date

Buyer/Seller hereby acknowledges receipt of a copy of this Inspector Referral Disclosure. 14

\_\_\_\_\_ 15  
Buyer/Seller Date

**BUYER AGENCY AGREEMENT**

**Date:** \_\_\_\_\_ **Expiration Date:** \_\_\_\_\_

**Buyer(s):** \_\_\_\_\_

**Broker:** \_\_\_\_\_ **Firm:** Windermere Real Estate/\_\_\_\_\_

**Excluded properties or geographic limitations:** \_\_\_\_\_

1. **Agency Agreement.** Buyer retains the above-named Firm and Broker, on Firm’s behalf, to act as Buyer's agent in the purchase of real property. Broker agrees to represent Buyer in accordance with the duties of a buyer's agent as set forth in "The Law of Real Estate Agency" pamphlet, which Buyer has received. Any additional duties must be agreed to in writing.
2. **Compensation & Scope of Agency.** Buyer retains Broker solely with respect to properties listed by a multiple listing service of which Firm is a member ("Listed Properties"). Broker is only obligated to search for Listed Properties. Buyer agrees to use Broker's services if Buyer purchases a property for which Broker provided real estate brokerage services. In the event Buyer purchases a Listed Property, Broker’s brokerage fee will be the selling office commission paid by Seller or Listing Broker. If Buyer purchases an unlisted property, Buyer agrees to pay a brokerage fee of \_\_\_\_\_ % of the purchase price (3% if not filled in) at closing, less any commission paid by the seller. If the commission paid by the Seller is equal to or more than the brokerage fee due under this paragraph, then Buyer shall owe no brokerage fee. Buyer consents to Broker and Firm being compensated by both Buyer and Seller (except when law requires otherwise, such as in transactions involving VA financing in which case the seller must pay the full brokerage fee).
3. **Termination.** Buyer, Broker or Firm may terminate this Agreement at any time by giving written notice. If Firm or Broker terminates this Agreement, Buyer shall be released from any further obligations. If Buyer terminates this Agreement or it expires, then Buyer shall be released from all obligations, **except** that if Buyer purchases a property within 120 days after termination or expiration, and Buyer’s attention was brought to that property through the efforts of Broker during the term of this Agreement or Broker provided real estate brokerage services for that property during the term of this Agreement, then Buyer agrees either: (1) to use Broker's services in connection with that purchase in accordance with the provisions of paragraph 2; or (2) to pay Firm the brokerage fee that would have been payable or received in connection with the transaction, even if a commission is also paid to another Firm. Buyer agrees not to terminate this Agreement to prevent Firm from receiving a brokerage fee.
4. **Distressed Homes.** Broker and Firm will not represent or assist Buyer in a transaction that is a “Distressed Home Conveyance” as defined by Chapter 61.34 RCW unless otherwise agreed in writing. A “Distressed Home Conveyance” is a transaction in which Buyer purchases property from a “Distressed Homeowner” as defined by Chapter 61.34 RCW, allows the “Distressed Homeowner” to continue to occupy the property, and promises to convey the property back to the “Distressed Homeowner” or allow the “Distressed Homeowner” to share a portion of the proceeds from a resale of the property.
5. **Short Sales.** In a short sale transaction, the seller must ask one or more lienholders to accept less than they are owed in order to clear title to the property. Short sales are legally complex transactions that may take longer than an ordinary sale. Buyer agrees to carefully consider benefits and risks of a short sale transaction and to consult legal counsel for legal advice.
6. **Bank-Owned Properties.** After a property goes through foreclosure, frequently it is the bank (prior owner’s lender) that ends up owning the property. Banks which then seek to sell the property on the market will often utilize a bank addendum in the purchase and sale agreement which may contain lopsided provisions in favor of the bank. There are benefits and risks in buying bank-owned properties, and Buyer agrees to carefully consider the circumstances and to consult legal counsel for legal advice.
7. **Agency Disclosure, Dual Agency, and Competing Buyers.** If Buyer is interested in a property listed by Broker, Buyer authorizes Broker to act as a dual Broker in accordance with the Law of Real Estate Agency. If Buyer purchases a property listed with another real estate licensee associated with Firm, Buyer agrees that the listing Broker will represent the seller, Buyer's Broker will represent Buyer, and that Firm will be a dual Broker in accordance with the Law of Real Estate Agency. If Broker is a dual Broker, Buyer agrees that Broker may write and present additional offers to purchase the property as the Seller's Broker. Buyer acknowledges and agrees that Broker may represent other buyers interested in the same properties. After any buyer represented by Broker signs an offer to purchase a particular property, Broker may inform other buyers about that property, but will not represent any competing buyer with respect to that property during the term of that transaction. If any buyer represented by Broker expresses an interest in such a property, that buyer may be referred to another licensee (including licensees affiliated with Firm) for assistance on that property only. Buyer agrees that Broker may receive compensation for the referral and agrees that such compensation would not be adverse or detrimental to Buyer's interest in the transaction or create a conflict of interest.
8. **Attorney Fees.** In the event of a fee dispute, the prevailing party shall be entitled to recover a reasonable attorney fee, court costs, and expenses in connection with the fee dispute.

**BROKER:** \_\_\_\_\_ **DATE**

**BUYER ADDRESS:** \_\_\_\_\_

**BUYER:** \_\_\_\_\_ **DATE**

**PHONE:** ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_

**BUYER:** \_\_\_\_\_ **DATE**

**EMAIL:** \_\_\_\_\_