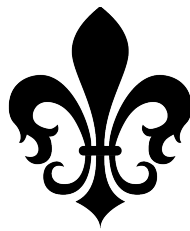


Seller's Guide



801.709.4038 801.244.8605
thetiloteam@gmail.com
tiloteam.com



TILO TEAM

Brandy Tilo
Realtor MRP, SRS, ABR, PSA

I'd like to introduce myself and take this opportunity to give you a little bit of information about what I can offer you.

Ethic

We are excited to work with you. Our number one goal is to provide outstanding customer service. If at any time you have any questions, do not understand something or are unhappy with the service we are providing, please let us know.

Expertise

Specialized training and expertise in the following areas:

MRP - Military Relocation Professional
SRS - Seller Representative Specialist
ABR - Accredited Buyer's Representative
PSA - Pricing Strategies: Mastering the CMA

Awards and Titles

RealtyPath Realtor of the Year 2015
VP Women's Council of Realtors, Salt Lake Chapter
2013 Salt Lake Board of Realtors Rookie of the Year

Range of Work

Homes, Town Homes, Moving up, Downsizing, High-End, First-Time Home Buyers, Conventional, FHA, VA, Single Family Homes, Interstate Relocation, International Relocation, Investors, Simultaneous Sales/Purchase, Land, New Construction

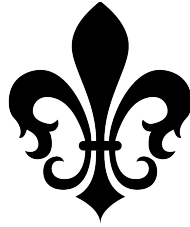
Services

Seller Representation
Buyer Representation
CMA - Current Market Analysis
Property Tax Data *
Property Searches *
Consultations *

I am happy to provide the items with (*) as a complimentary service to your client at any time.

Tilo Team
801.709.4038
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TILO TEAM

Testimonials

Brandy is an awesome agent and has made my and my partners experience of buying our first home easy and mainly stress free. She was very educated on the houses we saw and gave honest opinions in each one we saw. She took time out of her vacation to talk to us and to send us emails of houses to get a taste of what we wanted. If we said we didn't like something such as a split entry we didn't get showed one. She was quick to respond about all that we needed to do within a very reasonable time. She went above and beyond helping us search for the house we now call home. I was expecting to look at multiple houses all over the salt lake valley but brandy tuned into our wants and showed us our house the first time we went out looking! No being dragged all over wasting gas and time. She is awesome and personal with clients and I will most definitely call her again when it comes to selling and buying another place to call home. — Braxton Dutson

I was new to the area and Brandy made it her personal mission to find the perfect house for us. We, no kidding looked at 50+ houses in two months. Every step of the way Brandy was there always looking out for our best interests. If you want a true professional then there is no need to look any further. —Joe Brewer

Brandy Tilo is very impressive to work with. We searched for our home for over a year and she stood by our side helping us first time home buyers along the way. I would refer her to any one. She is quite the best!
— Chris Cannon

As first-time home buyers, my wife and I were extremely intimidated and uncertain about the prospect of finding and purchasing our first home. Brandy walked us through every step of the process with an attention to detail and thoroughness that instantly earned our trust and reassured us that we were working with a true professional. Brandy helped us find a perfect home in the area and the price range we were looking for and we can honestly say that Brandy's expertise, experience, and rapport made our first home buying experience a positive memory that we will always remember as a milestone in our family. Brandy's advice regarding home inspection, her recommendation of a title company, and her negotiating skills made all the difference in closing on a favorable contract and we would recommend her to anyone who is considering purchasing a home! —J Fitismanu

Tilo Team
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thetiloteam@gmail.com



Testimonials

Annie was amazing. I am so glad that we made the choice to have her as our realtor. She went above and beyond anything we could imagine. She was on top of everything and usually had it all figured out before we even asked and if not she got back to us immediately. She was the best realtor we have ever worked with. I would recommend her to anyone looking to buy or sell. Thanks again, Annie. - Jamie Phelps Dettling

Annie is great! Always available to answer any questions you have and has great advice when you need it. Makes the process of selling easy and worry free! - Cindy Doan Elkerbout

Annie's awesome! You will not regret having her handle your home sale. - Ken Down

Having a Realtor that cares enough to get to know you & your family so she can deliver the best options for you made working with Annie & the Tilo Group such a remarkable one! We are so excited for our next Chapter and they made it possible! - The Purser's

Tilo Team
801.244.8605
akbrewer21@gmail.com



Our Goal



We want to know you and your family and determine:

- Why you're selling
- How fast you need to sell
- How long you need to stay in your home
- Where you plan to move
- What you need to Net from the sale of your home
- If we are the Realtors® for you
- Answer all of your questions
- Ensure you understand the sales process



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What do you care about most?

The flashy presentation with promises of:



- Unrealistic sales time frames
- Unrealistic sales prices

Finding a Realtor® partner who will :

- Earn your trust and meet your needs
- Get your home ready for market
- Get your home on the MLS
- Plan a marketing strategy to maximize your home's exposure on the internet and social media



TILO TEAM

Pricing Your Home

What is the difference between an appraisal and a Comparative Market Analysis (CMA)?

A *comparative market analysis (CMA)* is an evaluation of a home's value based on similar, recently sold homes in the same neighborhood or area and is usually prepared by a Realtor®.

An *appraisal* is a licensed appraiser's opinion of a home's market value based on comparable recent sales of homes in the neighborhood or area. Appraisals are required by the lender as part of the loan process and are ordered on behalf of a buyer's lender to protect the interests of the lender. The lender's underwriter will compare the appraisal price to the final purchase price of the home to ensure the buyer is not borrowing more than the property is worth.

In the event the home appraises lower than the agreed sales price, the buyer may be able to renegotiate a lower price with the seller. If the seller is unwilling to lower the price, the buyer's lender may ask that the buyer put more money toward the down payment in order to make up the difference. If neither of those options work, and there is an appraisal contingency written into the contract, the buyer may choose to cancel the purchase.

Comparative Market Analysis (CMA)

VS

Zestimates, Redfin, Realtor.com & Other Similar Sites

We price your home objectively using Comparative Market Analysis (CMA). A CMA is an evaluation of a home's value by a Realtor® based on similar, recently sold homes in the same neighborhood. A comparative market analysis is not the same as an appraisal, which is performed by a licensed appraiser.

Utah is a non-disclosure state. In most states the sales price of a home is public information. Web sites like Zillow use this public data to estimate the value of other properties in the area. This works generally well but Zillow is unable to consider the surrounding community, the condition of your home, curb appeal, and dozens of other factors that go into estimating the value of your home.

Because Utah is a "non-disclosure" state, the sales price and terms are not publicly published, so, you certainly can't get an accurate estimate of value from Zillow or other sites that rely on public data. Information may still be accessible, but it may be difficult to obtain if you are not a Realtor®. The only place to find accurate and up-to-date information is the Multiple Listing Service (MLS). The MLS, is a local service that compiles available real estate for sale submitted by it's Realtor® members, along with detailed information that brokers and agents can access online. Each MLS has it's own rules and systems for providing listing information. The Wasatch Front Regional MLS is affiliated with the National Association of Realtors® (NAR). Realtors® are given permission to publish the sales information from the Seller when a home is listed and will update the sales data when the home is sold. That's why it's important to hire a Realtor® who knows how to determine the value of your home.



TILO TEAM

The Importance of Pricing Your Home Properly

Know your market:

- How are comparable homes in your area selling?
- How quickly are those homes selling?
- Were there price reductions on any of them?

If you've had 25-30 showings and no offers, it's time to consider a price reduction.

When a property is priced correctly, it can bring multiple offers and provide the seller more choices.



A home that's been on the market 4-5 weeks without an offer may need to have some sprucing up.

Overpriced homes often don't sell, because buyers often don't make offers on them.

If there's a pattern in the feedback stating the home is overpriced, it may be time to reduce the price.



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Transaction Details

Sales Price

Closing Date (mm/dd/yyyy)

1st Loan Payoff

1st Loan Prepayment Penalty

2nd Loan Payoff \$0.00

2nd Loan Prepayment Penalty \$0.00

Seller Concessions / Seller Paid Buyer Costs

Title Insurance

Title Insurance

Closing Fee / Costs (\$330, verify with local office for any changes to fees)

Outside Services

Home Warranty

Attorney's Fees \$0.00

Real Estate Services

Real Estate Commissions (Typically 6%)

Transaction Fees

Taxes and HOA

Property Taxes (enter only if Taxes have not been paid)

Starting Date of Tax Year 1/1/2018

HOA Dues

Property Tax Proration

Assessments

Total

Estimated Seller's Net

Showing
Your
Home

Showing Your Home

- We will work out a plan for buyers to see your home. You will let us know when your home will and won't be available for showings.
- The buyer will never be alone in your home. He/she will always be accompanied by his Realtor®.
- You should NOT be present when your home is shown. Buyers often feel as though they cannot speak freely or ask their Realtor® questions when sellers are in the home.
- When a request is made to see your home, you will be notified and asked to confirm the appointment. Once you've agreed, the Buyer's Agent will be notified and will show your home at the agreed upon date and time.
- An electronic keybox will be placed on your home that can only be accessed by a licensed Realtor®. An email will be sent to me with the name of the person who accessed the box and the date and time every time the box is opened and closed.



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Feedback



A request for feedback is sent via text and email to the Buyer's Agent after EVERY showing.

The Buyer's Agent may or may not provide feedback after the showing.

If feedback is provided, whether positive or negative, it will be shared with you.

Feedback should be taken as constructive and should be used to improve your listing. It can be difficult, but try not to take offense and become defensive.



TILO TEAM

Title

What Does My Title Company Do?

The purchase of a home is one of the most expensive and important purchases most of us will ever make. You and your mortgage lender will want to make sure the property is indeed yours and that no one else has any liens, claims or encumbrances on your property. Title insurance protects your interests and the interest of the lender, should a claim be made against your property. Make sure to find a reputable title company with a great researcher. The last thing you want to do is find out the home you're trying to purchase has liens, a bankruptcy or any other title issues.

What is title insurance?

Title insurance offers protection against claims resulting from various defects (as stated in the policy) that may exist in the title to a specific parcel of real property, effective on the issue date of the policy.

What is a "defect"?

A defect can include a prior claim of ownership from someone other than the person selling you the property, for instance an ex-spouse, a former partner or a co-inheritor. It could also include a claim for an easement, giving someone a right of access across your land. For instance, in a lakeside community, an easement along your lakefront property could provide walkway access to the lake for other residents in the area. Another claim could result from a court judgement against the former owner that resulted in a lien placed on the property. Normally, property and casualty insurance insures against possible losses in the future, such as automobile insurance that protects you against future accidents. Title insurance protects against things that happened in the past, and insurers seek to minimize that risk prior to our purchase of the home. In fact, according to the American Land Title Association, more than 1/3 of all title searches reveal a title professionals fix before Buyers go to closing.

How can title insurers protect against the risk of a claim prior to my purchase?

Before the lender finalizes a mortgage on your property, a search of all public records is conducted by a title agent or abstractor. County clerks or recorders maintain records on each property within the nearly 3,600 counties in the United States. These records include legal descriptions of the property, a list of all past owners, current mortgages held by lenders, including home equity lines of credit, liens or judgments placed against the property and tax records associated with the property. After gathering all of the data on the property, a title agent prepares a report for the lender. Prior to lending against the property, the lender must be assured all claims of mortgages, taxes

What Does My Title Company Do?

and liens against the former owner are cleared up so the lender has first claim against the property, should you default.

How can the lender assure all existing claims are paid and the property is free and clear?

At the time of your closing, the lender provides the closing or escrow agent with a detailed list of instructions, authorizing the agent to pay off all claims at the time the property changes hands.

Who pays for the title search, title report and title insurance?

A Seller will pay for the title search, title report and title insurance if the Buyer is paying for the home with cash. If the Buyer is paying for a home with a mortgage the lender requires the title search, report and insurance as a condition of making a mortgage on the property. However, the fees are still paid by the Buyer as part of the settlement costs associated with the purchase of the property.

What is the difference between the Owner's Title Policy and the Lender's Title Policy?

Title companies routinely issue two types of policies: An "Owner's" policy that insures you, the Buyer for as long as you and your heirs own the home and a "Lender's" policy that insures the priority of the Lender's security interest one the claims that other may have in the property.

How long is my title policy in effect?

The title insurance policy is in effect as long as you hold title to the property. If at any time the property changes hands from one owner to another, a new Owner's Title Insurance policy must be purchased to continue protection.

How often will I have to pay a title premium?

ONCE! The fee is due when you purchase the home, and you never pay it again.

Vocabulary

Vocabulary Words

[Adjustable Rate Mortgage \(ARM\)](#)

Also known as a variable-rate loan, an ARM is one in which the interest rate changes over time, relative to an index like the Treasury index.

[Amortization](#)

The process of reducing the principal debt through a schedule of fixed payments at regular intervals of time, with an interest rate specified in a loan document.

[Appraisal](#)

An appraisal is a licensed appraiser's opinion of a home's market value based on comparable recent sales of homes in the neighborhood or area. Appraisals are required by the lender as part of the loan process and are ordered on behalf of a buyer's lender to protect the interests of the lender. The lender's underwriter will compare the appraisal price to the final purchase price of the home to ensure the buyer is not borrowing more than the property is worth.

In the event the home appraises lower than the agreed sales price, the buyer may be able to renegotiate a lower price with the seller. If the seller is unwilling to lower the price, the buyer's lender may ask that the buyer put more money toward the down payment in order to make up the difference. If neither of those options work, and there is an appraisal contingency written into the contract, the buyer may choose to cancel the purchase.

[As-is](#)

This is important to know as a seller, given that it grants you the right to say that you will not have to make any repairs or correct any problems with your property upon sale.

[Assessed Value](#)

The value placed on a home by municipal assessors for the purposes of determining property taxes.

Vocabulary Words

[Backup Offer](#)

When a home has a status of "Backup Offer," it means the seller has accepted an offer from a buyer but is still accepting offers from other buyers. Sellers accept backup offers if they think the current offer may fail.

[Buyer's Agent](#)

A buyer's agent is a licensed real estate agent who represents the buyer in a transaction. The buyer's agent has authority to act on behalf of the buyer in negotiating a Purchase and Sale Agreement with the seller's agent.

Sometimes buyer's agents are referred to as selling agents. Do not confuse selling agent with seller's agent. In the real estate community, the buyer's agent is referred to as the "selling agent" and the seller's agent is referred to as the "listing agent."

[Buyer Broker Agreement](#)

A Buyer Broker Agreement is an agreement signed by a prospective buyer authorizing a licensed brokerage firm, and more specifically, Realtor® from that brokerage, to represent the buyer when buying a home. The Buyer Broker Agreement is a commitment between the Realtor® and the buyer to work together and to assure the Realtor® will be compensated if a sale occurs. The terms of the agreement is negotiable.

Before signing a Buyer Broker Agreement, the buyer should be sure they want to work with the Realtor®. Some Buyer Broker Agreements require the buyer to pay compensation to the buyer's agent even if that agent does not find the home purchased.

[Buyer's Market](#)

This type of market favors the buyer, often with a high supply of homes and lower prices.

Vocabulary Words

[Certificate of Occupancy \(COO\)](#)

A Certificate of Occupancy is a document issued by a local government that certifies a home is ready to be occupied and complies with local building codes. The certificate is issued following an inspection by a licensed inspector on behalf of the local government. Certificates of Occupancy are required for any newly constructed building or conversion from a commercial to a residential building. Check your local building code to find out what's required to receive a certificate of occupancy.

[Closing](#)

When the loan funds are delivered to the Escrow Company

[Closing Costs](#)

Expenses over and above the price of the property in a real estate transaction. Costs may include loan origination fees, discount points, appraisal fees, title searches, title insurance, surveys, taxes, deed-recording fees and credit report charges.

[Closing Disclosure \(CD\)](#)

A Closing Disclosure is a final statement of loan terms and closing costs that the lender must provide to the borrower no less than three business days before closing. The statement lists the loan terms, projected monthly payments, cash necessary to close the sale, and a detailed accounting of the closing costs. The three-day review period allows the borrower time to review the Closing Disclosure and compare it with the loan estimate, which the borrower should have received when he or she applied for the loan.

[Clouded Title](#)

If you find out that you have a cloud on your title, it means there may be another claim to ownership under the history of the deed that pertains to your home or property. This often happens when someone who bought the property in the past failed to record the deed properly. Title insurance is designed to ensure that the latest buyer doesn't suffer a financial loss if there is a clouded title that prevents them from being recorded as the true owner.

Vocabulary Words

Comparables

Comparables are homes of similar size, condition, age, and style that recently sold in a certain neighborhood or area. Evaluating comparable homes and their prices can help determine a fair market value for a home.

Comparables are examined by buyers, sellers, and real estate agents in a comparative market analysis (CMA) to establish a price range for a home based on current market activity. Comparables are also used by appraisers to determine the fair market value of a home during an appraisal.

A quality comparable is most similar to the home in question in terms of:

- Homes sold within 1 mile of the subject property
- Square Footage (within 20% above and below the subject property)
- Style of Home (rambler/2-story/condo)
- Homes sold within the last 180 days
- Number of bedrooms and baths
- Condition of home
- Lot size

Comparative Market Analysis (CMA)

A comparative market analysis (CMA) is an evaluation of a home's value based on similar, recently sold homes in the same neighborhood. A comparative market analysis is not the same as an appraisal, which is performed by a licensed appraiser. A CMA is prepared by a real estate agent.

Contingency

A clause in the purchase contract that describes certain conditions that must be met and agreed upon by both buyer and seller before the contract is binding.

Counter-Offer

An offer, made in response to a previous offer, that rejects all or part of it while enabling negotiations to continue towards a mutually-acceptable sales contract.

Conventional Mortgage

One that is not insured or guaranteed by the federal government.

Vocabulary Words

[Curb Appeal](#)

Essentially, how your home looks from the outside — everything from your front door to your front lawn — would be considered your “curb appeal.”

[Days on Market](#)

If your home has been on the market for 30 days, typically the listing would say “30 days on market.” Sometimes, it’s referred to as “DOM” on a listing.

[Debt-to-Income Ratio](#)

Your debt-to-income ratio (DTI) is the percentage of your gross monthly income (what you earn before taxes) that goes towards paying off debts. Debts can include car payments, credit card bills, child support payments, and student loans. When figuring out how much money you can afford to borrow, your lender will factor in the total percentage of your income that you pay toward debt every month. This number is your DTI, and it affects your credit rating.

[Down Payment](#)

A down payment is the amount of money a buyer pays at closing to fund a home purchase, usually expressed as a percentage of the total home price. The required down payment amount varies depending on the type of loan, ranging from as little as 3% for an FHA Loan to more than 20% for some Conventional Loans. Smaller down payments, less than 20%, usually requires mortgage insurance.

[Due Diligence](#)

In the world of real estate transactions, due diligence is a fancy term for “do your homework.” Before buying a property, you should fully investigate it for potential problems that could cost major money to fix after you've moved in. Due diligence in residential real estate means making sure you’re getting the asset you’re paying for.

[Down Payment](#)

The money paid by the buyer to the lender at the time of the closing. The amount is the difference between the sales price and the mortgage loan. Requirements vary by loan type. Smaller down payments, less than 20%, usually requires mortgage insurance.

Vocabulary Words

[Earnest Money Deposit](#)

A deposit given by the buyer to bind a purchase offer and which is held in escrow. If the property sale is closed, the deposit is applied to the purchase price. If the buyer does not fulfill all contract obligations, the deposit may be forfeited. When working with the Tilo Team, Earnest Money will be deposited and held with a third party title company until closing.

[Easements](#)

Legal right of access to use of a property by individuals or groups for specific purposes. Easements may affect property values and are sometimes part of the deed.

[Equity](#)

Equity is the amount of a property's value, calculated by subtracting the amount the seller owes on the property's mortgage loan from the final sale's price of the property. In other words, equity is the amount of money a seller would make after paying off the bank.

If you purchase a \$750,000 home for \$600,000 and get a mortgage for that amount, you will have \$150,000 equity when you move into the home. Assuming the market maintains steady upward growth, you will continue to gain equity. Let's assume you live in the home 5 years and the market continues to grow and your home is now worth \$1.1 million. You now have equity of \$500,000. On the contrary, if the market goes south, your equity will decrease. In other words, if the market tanks, your home could be worth \$500,000 and now you have negative equity of \$100,000.

[Escrow](#)

Funds held by a neutral third party (the escrow agent) until certain conditions of a contract are met and the funds can be paid out. Escrow accounts are also used by loan services to pay property taxes and homeowner's insurance.

[Fair Market Value](#)

This is an estimate of how much a specific home will sell for in today's market, taking into account what similar properties in the area have sold for recently.

Vocabulary Words

Fiduciary

When a real estate agent or broker is **acting** in an agency capacity for a buyer or seller client in a transaction, they are required to be loyal, trustworthy and have certain legally mandated duties that are called fiduciary duties. The position of the agent or broker is a fiduciary capacity, **acting** in the best interests of the client.

Fixed-Rate Mortgage

A type of mortgage loan in which the interest rate does not change during the entire term of the loan.

For Sale By Owner (FSBO)

For Sale By Owner or (FSBO) is a home sold by a home owner without the services of a Realtor®. When selling the FSBO route, sellers avoid paying the listing agent commission, and may refuse to pay buyers agents as well. While sellers may save a commission, they may have difficulty getting their home in front of buyers as there is no incentive for buyer's agents to show the property. In addition, FSBO's don't have access to the MLS, brokerage websites and other sites fed by the MLS and as a result will miss out on thousands of buyers and Realtors® who would see it otherwise.

Funding

When the loan funds are transferred to the Seller.

Home Inspection

An inspection is a thorough investigation of a home by a licensed inspector. While appraisals are mandatory, the home inspection is not. And, although inspections are highly recommended, the decision whether or not to have one done is completely that of the buyer.

Ask any Realtor® she'll tell you a thorough inspection is necessary to discover any material defects or necessary repairs before buying the home. The inspector may also recommend an additional inspection of the sewage system, pool, water well, radon, meth testing, lead based paint or other part of the house by a specialist.

Vocabulary Words

It is the buyer's responsibility to ask questions during the walk-through with the inspector, read the inspection report thoroughly, paying close attention to the results, and discuss any issues they have with the inspector and their Realtor® so as to make necessary repair's request, negotiate the sales price or back out of the sale before their deadline.

Typical Home Inspections Cover:

- Plumbing
- Electrical
- Foundation (walls, doors, windows, ceilings, floors)
- HVAC, Water heater
- Appliances (refrigerator, dishwasher, disposal, etc.)
- Roof
- Fireplace
- Garage Doors

[Home Owner's Association Fees](#)

An HOA Fees is a monthly or annual fee paid by owners of certain types of residential properties in order to assist with maintaining and improving properties in the association. HOA fees are almost always levied on condominiums and town homes, but they may also apply in some neighborhoods of single-family homes.

For condominium owners, HOA fees typically cover the costs of maintaining the building's common areas, such as lobbies, patios, landscaping, swimming pools and elevators. The association may also levy special assessments from time to time if its reserve funds are not sufficient to cover a major repair, such as a new elevator or new roof. HOA fees can also apply to single family houses in certain neighborhoods, particularly if there are common amenities such as tennis courts, a community pool or clubhouse or neighborhood parks to maintain. Some HOA fees may cover other items like insurance, maintenance, internet, water, trash, etc. Check the CC&Rs for an exact list of coverage.

Vocabulary Words

[Home Owner's Insurance](#)

Homeowners insurance is a combination of property insurance, which protects homeowners from future damages to a home, and liability insurance, which protects homeowners from claims by third parties for accidents that happen in the home. The form of the policy will vary depending on the type of property being insured (i.e. condominium, mobile home, single-family residence, etc.) and the amount of coverage the owner desires. Lenders require that buyers obtain homeowners insurance so insurance premiums will automatically be included in monthly mortgage payments and the transaction closing costs.

[Home Warranty](#)

A home warranty is an annual service contract that covers the repair or replacement of important appliances and systems components that break down over time.

[Inclusions](#)

These are usually items used to "sweeten" the deal. Common inclusions are refrigerators and sheds.

[Inspection Period](#)

The time after a home buyer and seller agree on a contract is usually called the Inspection Period. It's during this time where a buyer will usually bring in a home inspector and/or other contractors to evaluate the home's condition.

[Interest Rate](#)

The interest rate is the amount charged by a lender in exchange for loaning money to a buyer. It is expressed as a yearly percentage of the total loan amount and is paid as part of the monthly mortgage loan payments. Interest rates change daily, but once a borrower locks a rate for a fixed-rate mortgage, she will make payments based on this rate for the entire life of the loan.

Vocabulary Words

[Lien](#)

A lien is a legal claim against the property of another, usually to secure an unpaid debt. Liens commonly arise when a homeowner pledges his or her home as collateral to borrow money. Utility companies, contractors, local governments, and other creditors can also sometimes file a lien to collect unpaid amounts. Buyers should review title reports closely with this in mind. If the report contains any liens, the buyer should consult their Escrow Officer or title company to investigate. All liens should be cleared before the buyer can legally own the home.

[List Date](#)

The date you officially list your property on the market.

[List Price](#)

The price you list your property for sale.

[Limited Agency](#)

Also called Dual Agency, occurs when the same real estate agent represents both the seller and buyer. In most cases, it's not a good idea for one agent to represent both parties in a real estate transaction. The listing agent's job is to sell a home at the highest possible price, while the buyer's agent aims to negotiate the lowest price for the buyer. In this case, the Realtor and her client's interests aren't aligned.

Limited Agency can make some clients feel uncomfortable and should be educated prior to entering a limited agency relationship.

[Market Value](#)

The amount a willing buyer would pay a willing seller for a home. An appraised value is an estimate of the current fair market value. The "assessed" value, which is a determination by the local authority, and the "appraised" value, which is a determination based on comparables in the market, are different from the market value, as this value applies to what the property would actually cost under "normal market conditions." Some may consider it the 'fair value'.

Vocabulary Words

[Mortgage Insurance \(PMI\)](#)

Purchased by the buyer to protect the mortgage lender in the event of default (typically for loans with less than 20% down). PMI is required for borrowers of conventional loans with a down payment of less than 20%. FHA loans and VA loans are essentially public mortgage insurance, as borrowers pay higher insurance premiums in exchange for a lower down payment. These funds allow the FHA to insure lenders against losses if borrowers default on FHA-approved loans. Available through a government agency like the Federal Housing Administration (FHA) or through private mortgage insurers (PMI).

Mortgage insurance costs are included as part of the monthly loan payment. FHA-insured loans have two mortgage insurance components: an upfront premium and a monthly payment. The upfront premium is paid at closing, whereas the monthly payment is paid until the borrowers reach a certain loan-to-value ratio on their mortgage loan, based on the final sale price of the home.

[Multiple Listing Service \(MLS\)](#)

The Multiple Listing Service, or MLS, is a local service that compiles available real estate for sale submitted by its Realtor® members, along with detailed information that brokers and agents can access online. Each MLS has its own rules and systems for providing listing information. The Wasatch Front Regional MLS is affiliated with the National Association of Realtors® (NAR).

[National Association of Realtors®](#)

The National Association of Realtors® (NAR) is an organization made up of more than one million Realtors®, brokers, appraisers, and other real estate professionals who are involved in the residential and commercial real estate industries. A real estate agent can only be called a Realtor® if he or she belongs to the National Association of Realtors®.

Vocabulary Words

[Offer to Purchase](#)

A detailed written document with a proposal to purchase a property that may be amended several times in the process of negotiations. When signed by all parties named on the document, the purchase offer becomes a legally binding contract. This is called the Real Estate Purchase Contract (REPC), also sometimes called the Sales Contract.

[Possession Date](#)

The date, as specified by the sales agreement, that the buyer can move into the property. Generally, it occurs within a couple days of the Closing Date.

[Pre-Approval](#)

A pre-approval is given when the lender checks the buyer's credit report and verifies employment history, income, and down payment amount. A full review of the pre-approval application can take 12–24 hours. Once a property is chosen, it must also meet the underwriting guidelines of the lender.

A pre-approval letter must accompany written offers as seller's expect to see that the buyer is in a position to purchase the home.

Pre-approval is different from pre-qualification. Pre-qualification is an informal process where an estimate is given as to how much a buyer can afford.

[Pre-Approval Letter](#)

A letter from a mortgage lender indicating that a buyer qualifies for a mortgage of a specific amount. It also shows a home seller that you're a serious buyer.

[Pre-Qualification](#)

This usually refers to the loan officer's written opinion of the ability of a borrower to qualify for a home loan, after the loan officer has made inquiries about debt, income and savings. The information provided to the loan officer may have been presented verbally or in the form of documentation, and the loan officer may or may not have reviewed a credit report on the borrower.

Vocabulary Words

Principal

The amount of money borrowed from a lender to buy a home, or the amount of the loan that has not yet been repaid. Does not include the interest paid to borrow.

Purchase Offer

A detailed, written document which makes an offer to purchase a property, and which may be amended several times in the process of negotiations. When signed by all parties involved in the sale, the purchase offer becomes a legally-binding sales agreement.

Realtor®

A Realtor® is a real estate agent who is a member of the National Association of Realtor®. Realtors® must uphold the organization's professional standard of ethics and conduct themselves in a manner in line with the organization's standards.

Recording

When ownership has been transferred out of the Seller's name and into the Buyer's and is recorded with the county. This is when the keys can be given to the new owner.

Right of First Refusal

This term gives a buyer the first chance to purchase a property if any other offer is made. It's not common in residential sales. Right of First Refusal may not be a good option for home sellers since it could prevent them from accepting a great offer with a short expiration period.

Seller's Agent

This is the Realtor who is representing the buyer of the property you want to sell.

Seller's Market

A seller's market happens when there are more buyers than homes for sale, resulting in multiple-offer situations and higher home prices. In contrast, a buyer's market happens when the supply of homes significantly exceeds demand, resulting in a reduction of home prices, making them more attractive to buyers.

Vocabulary Words

[Seller Property Condition Disclosures \(SPCD\)](#)

The Seller Property Condition Disclosure is a document completed by the seller of a home, listing any known issues with the property and any remodel projects completed during the time they owned the home. The seller is required to provide the SPCD within the Seller Property Condition Disclosure Deadline specified in the Real Estate Purchase Contract. It is the buyer's responsibility to review the information and address any issues within the Due Diligence Deadline. While the information provided in this document is helpful, it is by no means a substitution for a home inspection by a licensed inspector.

In most cases, a Realtor® can ask to see the SPCD on a home prior to making an offer. However, when buying bank-owned homes buyers won't receive these documents since the bank isn't required to provide details about the condition of the home. Every transaction is different, and the Real Estate Purchase Contract dictates the specifics.

Examples of Seller Disclosure issues include:

- Structural, settling, electrical, or plumbing issues
- Lead paint, radon, asbestos, or toxic mold
- Pests or wood-destroying insects
- Flood or wildfire danger
- Toxins in the local soil or water

[Settlement](#)

A meeting where all documents are signed by all parties. Utah allows Buyers and Sellers to use their own title companies, so in most cases, the Buyer's and Seller's will sign individually at their respective title offices.

[Severalty](#)

If you're the sole owner of the property, you have what's called "severalty."

Vocabulary Words

Staging

This applies to repainting your home in neutral colors, placing your furniture and accessories in appealing ways to feature the home without clutter, allowing prospective buyers to see the features that matter the most.

Survey

You could ask for the county to do this, as it typically involves measurement of lot lines, dimensions and positioning, just to determine how much property you actually have, even outside the actual structure. Encroachments and easements are also determined, such as pathways and additions outside the lot lines.

Title

Title is the right to, or ownership of, a specific property. A Title or Deed is sometimes used as proof of ownership of land. Clear title refers to a title that has no legal defects.

Buyers get a Preliminary Title Report (PR) from their Escrow Officer within a few days of an accepted offer. The PR identifies all parties with a legal claim to the property, what items need to be cleared from title before the new buyer can take possession, and if there are any recorded easements or encroachments on the property. Once the transaction closes, the buyers will receive a final title policy recording their names as the new legal owners, along with the amount of title insurance and will be made part the county's public records.

Title Insurance

Title Insurance guarantees the accuracy of the title search and protects both the lender and buyer against title defects, liens, competing claims of ownership and other legal problems with the title should they arise after closing.

Truth-In-Lending Act (TILA)

Federal law that requires disclosure of a truth-in-lending statement for consumer loans. The statement includes a summary of the total cost of credit.

Vocabulary Words

[Title Search](#)

A historical review of public records and all legal documents relating to ownership of a property by a title company to determine the history of ownership and identify any issues with prior transfers of ownership, claims or encumbrances on the title to the property, and identify any liens, encroachments, easements, restrictions, or other factors that might affect the title. This step must be completed before a buyer can purchase title insurance.

[Under Contract](#)

A home is Under Contract when the seller's have accepted an offer from a buyer, but the sale has not yet been completed. Typically it takes 30 - 45 days from the date the offer is acceptance until the sales contract closes and the sale is complete. Once the sale closes, the status will be changed from Under Contract to Sold.

[VA Funding Fee](#)

The *VA Funding Fee* is a one-time fee paid directly to the Department of Veterans Affairs. Use this calculator to determine your total *VA Funding Fee*.

[Walkthrough](#)

A walkthrough is the final inspection of a home by the buyer prior to closing. It's the buyer's final opportunity to walk through the home to ensure any repairs agreed to in the contract have been fulfilled. The walkthrough can happen anywhere from a few days to a few hours before closing. If the buyer finds something wrong or unfinished, he should have his Realtor® address the issue and have it completed prior to closing on the home.