

# WEICHERT WORKS

## HOMEBUYER'S GUIDE

A comprehensive  
guide to finding and  
purchasing the right  
home for you!

**Weichert**  
REALTORS® | Benchmark 

SETTING HIGHER STANDARDS IN REAL ESTATE

Each Weichert® franchised office is independently owned and operated.









BenchMark Realtors was established in the Memphis area in 1999. After ten years of growth and expansion, in 2009 we became part of Weichert Realtors, the largest independently-owned real estate firm in the nation. With Weichert's national presence and BenchMark's local knowledge, Weichert Realtors BenchMark is able to bring an unmatched level of products and customer service to homebuyers in Tennessee and Mississippi.

Weichert Realtors BenchMark is the only true full service real estate firm in the Memphis area. We provide customers access to in-house services including mortgages, credit services, home warranties, legal services, insurance and a network of vendors to help maintain their new home.

Put simply, we strive to be the best in our profession. All agents, firms, and services are not the same. Let us show you what makes us better. You'll be glad you did. It's our guarantee.

## OUR MISSION STATEMENT

- To keep our customers' best interests first and foremost at all times.
- To provide customer service that exceeds our customers' expectations.
- To provide additional value by offering related services to our customers.
- To encourage the personal development of our agents through education and certification.
- To solicit feedback, review, evaluate, and improve our performance.
- To participate in charitable efforts in our community, personally and financially.

**Weichert** | Benchmark  
REALTORS®

SETTING HIGHER STANDARDS IN REAL ESTATE

**BenchMark**  
Mortgage, LLC

 **BenchMark**  
Credit Score

901.202.2000

[www.benchmarkmemphis.com](http://www.benchmarkmemphis.com)



## NOW IS A GREAT TIME TO PURCHASE A HOME.

While markets go up and down, homeownership has always been a sound investment.

Here are 5 of the biggest advantages for you as a homebuyer:

- 1. EQUITY.** Over time, homes gain value, so you can expect to get your investment back and typically much more when you sell.
- 2. TAX DEDUCTIONS.** Save on taxes based on the interest and real estate taxes you pay instead of letting a landlord get the benefit.
- 3. CREDIT.** Money you put down and pay into a mortgage to build equity can be made available to you in the form of a loan or line of credit.
- 4. STABILITY.** While most landlords raise rents every year, you can choose a fixed-rate mortgage so that your payments stay the same.
- 5. LOWER PAYMENTS.** If you can afford just 5% down, your monthly payments may actually be less than your rent.

*Talk to us to learn more about mortgage and down payment options.*





PREPARING  
TO SHOP



FINDING THE  
RIGHT AGENT



FINANCING



FINDING YOUR  
DREAM HOME



MAKING AN  
OFFER



NEGOTIATING



CLOSING SALE

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## TERMS TO KNOW

### APPRAISAL

An estimate of value of property resulting from analytics of facts about the property; an opinion of value.

### ANNUAL PERCENTAGE RATE (APR)

The borrower's costs of the loan term expressed as a rate. This is not their interest rate.

### CLOSING DISCLOSURE (CD)

Closing Disclosure form designed to provide disclosures that will be helpful to borrowers in understanding all of the costs of the transaction. This form will be given to the consumer at least three business days before closing.

### COMPARABLE SALES

Sales that have similar characteristics as the subject real property, used for analysis in the appraisal. Commonly called "comps."

### CLOSING

Occurs when the borrowers sign paperwork, become contractually obligated to the lender and become the legal owners of the home. Closing typically takes place at an attorney's office.

### DEED RESTRICTIONS

Limitations in the deed to a parcel of real property that dictate certain uses that may or may not be made of the real property.

### DISBURSEMENT DATE

The date the amounts are to be disbursed to a buyer and seller in a purchase transaction or the date funds are to be paid to the borrower or a third party in a transaction that is not a purchase transaction.

### EARNEST MONEY DEPOSIT

Down payment made by a purchaser of real property as evidence of good faith; a deposit or partial payment.

### EASEMENT

A right, privilege, or interest limited to a specific purpose that one party has in the land of another.

### ESCROWS/IMPOUNDS

A trust type of account established by lenders for the accumulation of borrower's funds to meet periodic payments of taxes, mortgage insurance premiums, and/or future insurance policy premiums, required to protect their security.

### HAZARD INSURANCE

Real estate insurance protecting against fire, some natural causes, vandalism, etc., depending upon the policy. Buyer often adds liability insurance and extended coverage for personal property.

### LEGAL DESCRIPTION

A description of land recognized by law, based on government surveys, spelling out the exact boundaries of the entire parcel of land. It should so thoroughly identify a parcel of land that it cannot be confused with any other.

### LIEN

A form of encumbrance that usually makes a specific parcel of real property the security for the payment of a debt or discharge of an obligation (judgements, taxes, mortgages, and deeds of trust, for example).

### PITI

A payment that includes Principal, Interest, Taxes, and Insurance.

### POWER OF ATTORNEY

A written instrument whereby a principal gives authority to an agent. The agent acting under such a grant is sometimes called an Attorney-in-Fact.

### RECORDING

Process of filing documents affecting real property with the appropriate government agency as a matter of public record.

### SETTLEMENT STATEMENT

Document providing a detailed breakdown of costs involved in a real estate transaction.



## KEY PROFESSIONALS INVOLVED IN A REAL ESTATE TRANSACTION

Knowledgeable, customer-focused professionals are available to answer your title and settlement questions. Throughout the purchase process, you may also encounter the following industry specialists who are able to professionally answer questions in their area of expertise.

### **REAL ESTATE AGENT**

A real estate agent is licensed by the state to represent parties in the transfer of property.

### **LISTING AGENT**

The listing agent works with the homeowners to sell the property and represent their best interest.

### **BUYER'S AGENT**

Works with the buyer to locate a property and negotiate a successful purchase agreement.

### **HOME INSPECTOR**

Provides a comprehensive report of a home's major systems. This report does not cover cosmetic items.

### **APPRAISER**

Provides an analysis of the subject property based on comparable sales and determines a fair market value for the property. This is to ensure that the buyer is not paying more for the home than it is worth.

### **LOAN OFFICER**

Helps buyers understand and differentiate loan programs available and the terms of their loan. The loan officer is responsible for completing all application disclosures in compliance with lender and federal guidelines.

### **INSURANCE AGENT**

Helps a homebuyer determine the homeowner's protection coverage needed and then finds the right insurance policy to fit those needs.

# TOP TEN BUYER MISTAKES

## 1 NO MORTGAGE APPROVAL.

It is critical to know that you are qualified for a mortgage loan prior to shopping for a home. You should know that you have met the requirements for credit, employment, income, and funds to close. Benchmark Mortgage can provide your loan approval quickly at no charge.

## 2 ONLINE MORTGAGE APPROVALS.

Many online sites are advertising for out of town lenders. Some advertised rates are “teasers” and are subject to additional conditions. Estimates of closing costs can be incorrect since not all lenders are familiar with our local market. Benchmark Mortgage guarantees competitive rates and other numbers will be accurate.

## 3 NOT LEARNING THE PROCESS.

Your Weichert Benchmark agent will teach you the homebuying process. They will discuss all the steps, expenses, and how they will provide assistance. The more you learn, the faster the process will be.

## 4 NOT UNDERSTANDING THE BUYER'S AGENT AGREEMENT.

Some companies charge buyers for their services. We do not. Your Weichert agent will typically earn a commission on the home you purchase and be paid by the seller. The listing agent will “co-op” with your buyer's agent.

## 5 NOT FOCUSING ON LOCATION.

Narrow your search based on schools, city, zip code, etc. Driving neighborhoods is time well spent before setting appointments to view individual homes. You can get a good feel for the street and see how well the neighbors keep up their properties.

## 6 LACK OF DUE DILIGENCE.

This is to be your new home and this is your transaction. If you have a question or concern, don't be afraid to bring it to light. Your contract can be written contingent on your review and approval of schools, survey, flood elevation, or other specific concerns.

## 7 NOT HAVING A PROFESSIONAL HOME INSPECTOR.

A certified home inspector will be thorough and provide a detailed report including important information about your new home and any items that require repair. The report also protects you from buying a “problem house.” Based on the report, you can cancel your purchase agreement.

## 8 MAKING A LOW OFFER TO PURCHASE.

It is perfectly acceptable to negotiate by making a lower initial offer on a home. However, if the offer is too low, the seller may not take the offer seriously. There is a fine line to follow here, since you may be competing with other buyers making offers on the same home. Your Weichert Benchmark agent can research the area sales and guide you on negotiations.

## 9 RELYING ON VERBAL AGREEMENTS.

Many details in a transaction are handled by phone. Important items relating to the contract terms, deadlines for performance, inspections, price, seller concessions and additional contingencies for purchase should all be in writing.

## 10 CHANGING YOUR FINANCIAL POSITION DURING LOAN PROCESSING.

During loan processing, changes in your job, income, savings, debts, or credit score can all lead to problems with your mortgage financing. It is best to keep your finances and job steady during the loan process, but we understand that things happen. If something comes up, it is best to check with your loan originator before making any changes.





# LET US GUIDE YOU

## THE ROLE OF A BUYER'S AGENT

Your Weichert Benchmark agent will not charge a fee to represent you in a real estate transaction. We offer many services to our buyers at no charge, including but not limited to the following:

- Searching the Multiple Listing Service for available homes
- Showing any listed home to a buyer
- Helping to evaluate the value of a particular property
- Searching for the appropriate financing
- Assisting with writing contracts and negotiating the terms of purchase
- Coordinating various inspections of the property
- Scheduling activities required for closing the sale

At some point, you will sign a “Buyer Representation Agreement” that outlines the minimum level of performance for buyer agents. Your Weichert Benchmark agent will far exceed the minimum requirements.



# BenchMark

Mortgage, LLC

## BENCHMARK MORTGAGE

The mortgage market is constantly changing. BenchMark Mortgage is always searching for new and innovative loan products and programs to assist our homebuyers.

We will help you navigate through the options and find the best loan to fit your goals.

- We offer simple pre-qualifying by phone. We can typically issue a preapproval letter in 30 minutes or less.
- We are happy to meet you face to face to review loan paperwork and explain the process.
- We offer after hours and weekend availability to accommodate your busy schedule.
- Licensed in Tennessee, Mississippi, and Alabama, we can help with investment property or second home purchases, as well as primary residences in those areas.
- Our rates and fees are competitive with all local lenders. We will match or beat any confirmed competitors rate.
- Ask your agent about getting pre-qualified through BenchMark Mortgage or give us a call at 901-202-2000.

## LOAN APPLICATION PREPARATION

In order to keep the loan process as simple as possible, we keep the amount of documents needed to a minimum. Please be prepared to provide the following items:

- Recent pay stubs
- W-2s (2 years)
- Bank statements (2 months)
- Driver's license or other valid id





# BenchMark

## Credit Score

### WHAT IS BENCHMARK CREDIT SCORE?

BenchMark Credit Score is a program developed by Weichert Realtors BenchMark & BenchMark Mortgage to assist homebuyers in raising their scores to qualify for a loan and/or get a lower interest rate. Our program is different than other credit repair companies. We focus on four key components:

#### 1. EDUCATION

We begin with Credit education. Once you understand the credit scoring system, you can work within the parameters of that system.

#### 2. TECHNOLOGY

We use software programs which will accurately predict what your scores will be in one month, six months, or one year. We can simulate the effect that certain actions such as removing a collection item or paying a past due account will have on your score.

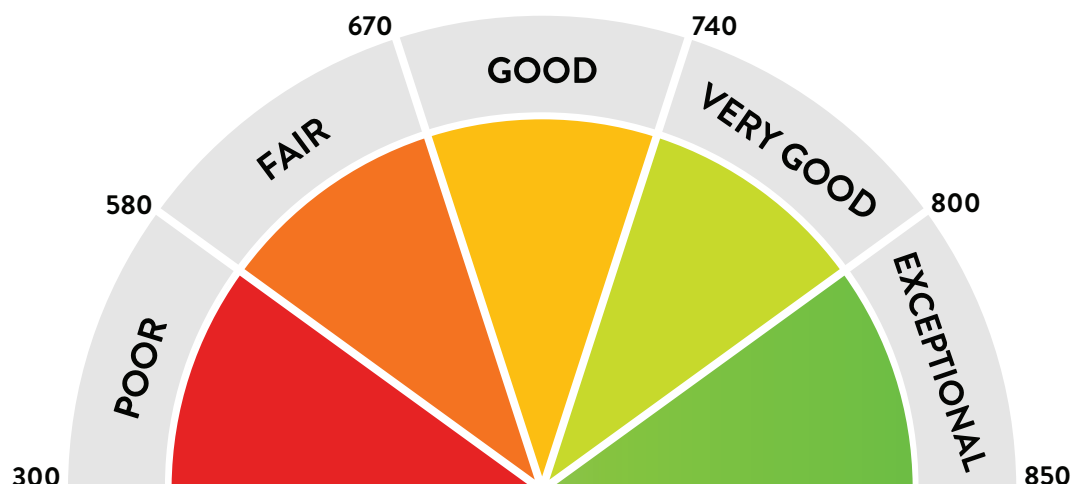
#### 3. PERFORMANCE

We will put together an action plan which may include paying down balances or opening new accounts to get your scores to the highest possible level.

#### 4. MONITORING

Monitoring results is the final component. We will follow up with you regularly to ensure that you are performing as advised and seeing results as expected.

\* The program is guaranteed to produce positive results. Ask your agent for more details or call us at 901-202-2000.









A hand in a dark suit sleeve points towards the left side of the page, against a background of a red brick wall. The wall is composed of rectangular bricks with light-colored mortar. The hand is positioned in the upper left quadrant of the image.

## PROPERTY INSPECTIONS

Almost all real estate contracts are contingent upon the property passing inspections. If the home does not pass, you do not have to purchase.

### APPRAISAL

The Appraisal required by a lender will determine the value of the home and possibly items required to be repaired. New homes must be complete, except for minor cosmetic items, and existing homes must be habitable and provide standard systems.

### TERMITE INSPECTION

The Termite Inspection can be required by the lender and protects the buyer. The property must be inspected by a licensed pest control company for the presence or evidence of damage caused by wood destroying insects. Any active infestation must be remedied.

### RESIDENTIAL PROPERTY CONDITION DISCLOSURE ACT

The Residential Property Condition Disclosure Act requires that sellers of an existing property complete a form disclosing any known defects and other pertinent information regarding the house, lot, and neighborhood surroundings. Any intentional misrepresentation by the seller can result in penalties. Exemptions to this requirement include sales by non-occupants, foreclosures, estate sales, and new homes with a builder warranty.

### PROFESSIONAL PROPERTY INSPECTOR

The Property Condition and Inspection clause of most real estate contracts allows the buyer the opportunity to determine the specific condition of the property and identify any items in need of repair. Weichert Realtors-BenchMark strongly recommends having a professional home inspection. These companies produce comprehensive reports that will identify items needing repair and provide other valuable information regarding your new home. You can not be forced to close on a property that does not meet your satisfaction for condition.

Your buyer's agent will help you schedule all necessary inspections and ensure that you understand the results. They will also help you negotiate any repairs with the seller and ensure that all agreed upon repairs are completed to your satisfaction prior to closing.



## INSURANCE REQUIREMENTS

**HOMEOWNERS OR HAZARD INSURANCE** is required by the lender to protect the property against damage due to fire, wind, vandalism, and a variety of accidents. It also insures against liability claims by others and the theft or damage of contents.

**FLOOD INSURANCE** is required by the lender only if your property is located in a certain category of “flood zone” as determined by FEMA, a part of the federal government. Zones are re-mapped periodically so requirements for a particular property can change.

**TITLE INSURANCE** is required by all lenders, but is frequently recommended even to buyers paying cash for a property. This coverage defends your title to the property in the event of a defect or dispute. Defects could be forged documents, missing heirs, or unreleased liens. The insurance premium is a one-time charge at closing.

**MORTGAGE INSURANCE, PMI AND MIP** all refer to coverage required by the lender to insure against loan default by the borrower. The premium is paid by the borrower and provides coverage only for the lender. Some premiums are paid monthly and some are paid at closing or financed in the loan amount. Mortgage insurance is not required if your down payment is at least 20% of the purchase price.

**MORTGAGE LIFE INSURANCE** pays off your mortgage balance in the event of the death of a mortgagee. This coverage is a variation of life insurance that is tied to your mortgage and is not a requirement of the lender. An insurance agent can help you determine the type of coverage that you need.





## HOME WARRANTIES

Warranties can be provided and/or purchased for new and existing homes. They fall into several categories and offer different levels of protection for a buyer. As with warranties on other products, there are exclusions to coverage.

**HOME WARRANTY PROGRAMS** are sold by a number of companies to cover a home for one year after purchase. They can be purchased by the buyer or seller. The warranty will typically cover heating, air, plumbing, electrical, and built-in appliances.

**BUILDER WARRANTIES** are provided almost without exception on new homes. The builder agrees to come back within the first year to correct problems related to systems and sometimes extending to cosmetic items discovered after closing.

**MANUFACTURER WARRANTIES** can extend beyond a builder's one year warranty to cover some appliances for up to two years, and A/C compressors for up to five years. If an existing home has new systems, there may be warranties that can be transferred to the new owner.

**EXTENDED WARRANTIES** can be provided by a builder to cover major systems for two years and offer a structural warranty for ten years. A builder must pay a fee to join an extended warranty program and pay a premium for each house sold.

Your Weichert agent can help you explore all the warranties that may apply to your purchase. In the absence of a specific warranty, the seller of the property has no obligation for repairs after closing.







## FINDING THE RIGHT HOME

We start with the price range that fits your budget and is approved by your lender. Our system searches online to find every home that might meet your criteria based on area, age, floor plan, etc. We want to be sure you have the opportunity to consider every home that might be right for you. We will help you view homes until we find the right one.

### NEW CONSTRUCTION

We can help you negotiate the price and terms on a new home or help you select a lot and plan to build a home based on your specifications. If you visit a subdivision on your own without us you should always notify any builders' agent on site that you will have your agent represent you in the purchase. Remember the builder's agent represents the builder's interest.

### RESALE HOMES

We can help you with the purchase of existing homes and negotiations with the seller's agent. We help you negotiate price, terms, assistance with our closing expenses, inspections, repairs, closing and possession.

### FORECLOSURES AND SHORT SALES

We may consider properties owned by a bank or subject to bank approval to be sold for less than the current mortgage balance. It is important that you have our help to negotiate these difficult transactions as there are many details to consider. We have experience in these types of transactions and can help you avoid costly mistakes.

### FOR SALE BY OWNER HOMES

Some homes are offered for sale directly by the owner without assistance of a listing agent. These are protections afforded to you with listed properties that may not exist with properties sold by an individual. Your Weichert Benchmark agent will manage the transaction to ensure your protection and coordinate all the details required to have a successful closing.

## THE DETAILS MAKE THE DIFFERENCE

All Buyer's Agents are NOT the same. Weichert Benchmark agents pride themselves on being the best. We have the training and support of our office staff and management to make sure your home purchase goes smoothly.

Remember, we are serving as your agent so your input is important. We will make sure you have everything you need to make good decisions. The main areas of assistance include but are not limited to:

### PROVIDING INFORMATION, KNOWLEDGE, AND EXPERTISE

We provide the market data needed to help you with your decision to purchase including price trends, evaluating market appeal and condition, and assistance with cost estimates for renovations or repairs.

### MAKING YOUR HOME SEARCH PRODUCTIVE

By using our proven systems and techniques we will make your home shopping experience efficient and easy. We will spend the time needed to work with you until we find the right home. With no sales pressure.

### NEGOTIATING PRICE AND TERMS

We work hard for you to get the best price and terms for the home you are buying. In most cases, we can negotiate with the seller to pay your closing costs for you. This will help reduce the amount of cash you need to close.

### ENFORCING THE CONTRACT AND CLOSING THE DEAL

We will coordinate all efforts associated with the transaction including your loan processing and any special stipulations of your contract. We will be with you at the closing table to review our efforts and make sure you are satisfied.

# FREQUENTLY ASKED QUESTIONS

## **DO I REALLY NEED AN AGENT? I CAN FIND HOMES ONLINE.**

Your Weichert Benchmark agent can make the process much more efficient with an automated search of the most up-to-date listings, set to your criteria. Many websites have incomplete, inaccurate, or outdated information which can cause you to miss out on the right home for you.

## **DO I HAVE TO PAY A BUYER'S AGENT?**

As a buyer, you will not pay anything to have an agent represent you. Your Weichert Benchmark agent will be paid by splitting commissions with the listing agent of the home you buy. Agents offer to cooperate with other brokers to make a sale. Since the listing agent has an agreement with the owner of the home to pay a commission, the fees are already built into the price.

## **WHAT ABOUT HOMES THAT ARE FOR SALE BY OWNER?**

FSBO homes are offered by the owner directly to the public without a listing agent. You can still use a buyer's agent and may need even more assistance since there is no listing agent to handle the seller's side of the transaction.

## **HOW LONG DOES THE PROCESS TAKE?**

It can take a little time to find just the right home. Your Weichert Benchmark agent will spend the time it takes to be sure you see everything that might meet your needs until you select the right home for you. Most buyers are successful in 30-60 days including the mortgage process.

## **HOW CAN I GET THE LOWEST INTEREST RATE?**

BenchMark Mortgage can help you evaluate rates and programs that meet your needs. Our rates are always competitive, and we guarantee that the closing costs will be accurate.

## **HOW CAN I FIND FORECLOSURES AND SHORT SALES?**

Your Weichert Benchmark agent will include all types of available properties in your search for a home. Short sales and foreclosures can be good deals but do require extra time and effort and have additional risk factors. Your agent can explain the pros and cons of these properties.

## **WHAT EXPENSES WILL I HAVE PRIOR TO CLOSING?**

You will have to pay for a home inspection, termite inspection, and possibly other items you may want - such as a survey. If for some reason you do not close, the fees are not refundable.

## **HOW DOES EARNEST MONEY WORK?**

You will need to make an earnest money deposit to demonstrate good faith when you finalize a contract to purchase. Typically 1% of the sales price is sufficient. The earnest money is applied towards the down payment to be made at closing. If the contract falls through due to no fault of the buyer the earnest money can be refunded.

## **WHAT IF I WANT TO GET OUT OF A CONTRACT?**

If the property does not appraise for the agreed upon purchase price, does not pass inspection or does not meet some other contract contingency, then the contract can be canceled. If you change your mind and cancel for another reason that is not covered by the contract, you could lose your earnest money and face additional penalties.



# NOTES





SETTING HIGHER STANDARDS IN REAL ESTATE

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