

BUYER'S GUIDE



cesargonzalez
P R O P E R T I E S

ABOUT **CESAR GONZALEZ**



Cesar is a real estate professional in the Greater Los Angeles area. His uninterrupted experience of over 16 years in real estate has taken him through the mortgage industry, re-development and property development.

His extensive experience allows him to provide valuable insight to buyers, sellers and investors of real estate. Cesar's goal is to provide each and every client with a personalized and unique approach to their real estate needs, while exceeding their goals and expectations. Cesar strives to build relationships that last a lifetime. He is a true believer in the American dream, which gives him the drive and passion to help other families achieve their goals through home ownership. Clients can rest assured knowing they will be guided throughout the entire process until keys are delivered, while also helping with any other real estate portfolio needs throughout decades to come.

Cesar's early exposure to digital marketing for global brands is one of his many unique qualities that differentiates him from others. This

experience has allowed him to develop the vision and research skills to be well informed prior to advising his client of a potential move. He strongly believes that it is not only his duty to represent his clients to the best of his ability, but also to educate them of the process while anticipating their needs, so his clients feel well informed prior to making an executive decision. He is honest, often times telling his clients what they might not want to hear, hardworking, and extremely knowledgeable about the real estate industry and trends. Cesar offers a full-service experience that doesn't end when escrow closes.

Cesar holds a real estate broker's license. He is a member of the Associate Leadership Council (ALC), helping with the leadership of the KW Encino-Sherman Oaks office and a graduate of multiple KW BOLD programs. He is also a member of the Beverly Hills Greater Los Angeles Association of Realtors (BHGLAAR) and the Southland Regional Association of Realtors (SRAR). Cesar is the volunteer President of the Finance, Insurance and Real Estate (FIRE) Alumni Chapter of his alma mater. Cesar graduated in 2001 with a degree in Finance and International Business from California State University, Northridge.

ABOUT MY TEAM



ZACH POMER - MARKETING DIRECTOR is responsible for the marketing, communication and business development efforts of the team. In addition to strategic business development efforts, he directs media relations, branding, advertising and website development. Zach has an extensive background in real estate and has explored many different aspects of the industry. His experience includes agent management, sales and marketing. Zach has an in-depth knowledge and understanding of the real estate industry and what is needed to sell a property in a variety of markets.



DEMETRA KALIVAS, COMPLIANCE BROKER is a San Fernando Valley native. She was born and raised in Northridge. In 1993, Demetra started her career in real estate after 15 years in banking where she advanced quickly from the teller window to President's Assistant and, eventually, to operations. In real, Demetra has a vast knowledge on Real Estate Investment Advisory, Acquisitions, Dispositions and specializes in Residential Real Estate Contracts and Compliance. Demetra has managed Real Estate offices for over 20 years and is currently the Managing Broker for Keller Williams Realty, Encino-Sherman Oaks.



MONICA MACIAS, TRANSACTION COORDINATOR for the Keller Williams Encino-Sherman Oaks office functions as a liaison between all parties, including clients, escrow companies, lenders, etc. during the process of a real estate sale. She effectively manages that administrative tasks involved in closing a sale. Her keen attention to detail helps ensure that all documents are filled out correctly and submitted to corresponding parties in each transaction.

RAVING REVIEWS

"Working with Cesar was truly a wonderful experience. Not only is he knowledgeable and professional, you will not find another broker who will work harder to help you find your perfect home. I can't even remember the number of homes we asked Cesar to show us! Cesar made us feel like we were his #1 priority and was there to assist us every step of the way. I would not hesitate to use Cesar again"

- **Buyer, Glenoaks Canyon**

"Cesar has been working to provide me with real estate brokerage services over over 10 years. Over that time, he was helped my purchase and sell several single family and investment properties. With each subsequent transaction, he has exceeded my expectations with respect to his knowledge, professionalism, responsiveness, negotiating abilities. I highly recommended his services!"

- **Buyer & Seller, North Hollywood**

"Cesar helped us purchase our house in Glendale. From the moment when we first started looking at homes all the way until he delivered the keys, Cesar was there for us through the en-

tire process. Always available for questions or support, we very much appreciated his wide base of real estate knowledge.

Cesar also assisted us in renting our former residence and helped us find a great pair of tenants.

We would highly recommend Cesar!"

- **Buyer, Glendale**

"You will not find a more attentive and knowledgeable realtor than Cesar. Cesar saw us through the rollercoaster-ride-like experience of purchasing our first home in L.A., which included making offers on seven (!) houses before we were finally successful. He ferried us to many showings, was always personally accessible (day, night, and weekends), and guided us through every step of the process. He even suggested that we consider an area where we weren't initially looking, but ended up purchasing (and loving) our home. We've recommended Cesar to many friends and will use him if we ever decide to move."

- **Buyer, Studio City**

READY
BUY A **TO**
HOME?



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P R O P E R T I E S

READY **TO BUY A HOME?**

"Buying a home can be complicated but it helps to be prepared for the process in advance. Before starting to seriously shop for a home, consider the following one-year timeline that'll help you arrange your finances. The more time you give yourself for this process, the better."

A YEAR OUT (OR ASAP)

GET YOUR CREDIT REPORTS If there are errors on your reports, you will pay a higher interest rate on your mortgage. You might have issues getting a loan. The three major credit bureaus (Equifax, Experian and TransUnion) offer free reports from AnnualCreditReport.com. Scan for suspicious activity, collection accounts for debts you don't owe and negative marks (other than bankruptcy) that are older than seven years.

OBTAIN YOUR FICO CREDIT SCORES Your credit scores are three-digit numbers used to measure your creditworthiness. They help determine the rates and terms for your loan. While there are hundreds of different credit-scoring formulas, the majority of lenders use FICO.

CONSIDER A CREDIT-MONITORING SERVICE Given how important your credit and credit scores will be in buying a home, many consumers appreciate the early warning if a collector tries to post a bogus debt.

ATTACK YOUR DEBT Try to eradicate bad debt such as credit-card balances and payday loans which signal that you are living beyond your means. Getting any overspending problems fixed before you buy a home is key. Homeownership typically involves big costs such as property taxes, insurance, maintenance, repairs, improvements, and decorating.

SAVE MONEY Cut back on luxury expenses and put as much money aside as possible. Think about your dream of homeownership. Ideally, try to have at least a 5% down payment but putting down 10% will give you even more financing options.

SWITCH TO AUTOMATIC BILL PAY A single, 30-day late payment can knock 100 points off your score so be sure every bill gets paid when it's due. If you don't have a reliable bill-paying system, consider using automatic debits so payments come directly from your checking account or an online bill-payment system's recurring-payment feature.

READY **TO BUY A HOME?**

6 MONTHS OUT

RESEARCH MORTGAGE OPTIONS Many people have lost their homes in today's market, because they didn't understand their mortgage or listened to poor advice. For some, low teaser payments for a more expensive home were enticing, but payments increased and they are unable to pay. Understand the risks of the different types of mortgages.

RESEARCH HOMEOWNERSHIP COSTS Remember that homeownership not only includes your mortgage, it also involves property taxes, home insurance and perhaps homeowners or condo-association fees. You might face higher utility bills, maintenance and repair costs, too. Speak with your homeowner friends so you know what to expect.

HONE YOUR SAVING STRATEGIES A bigger down payment could result in a larger home or a lower mortgage payment. Build up your emergency fund for unexpected home expenses.

3 MONTHS OUT

REDUCE YOUR CREDIT UTILIZATION Remember: less is better. At least when it comes to the FICO scoring formula. It's sensitive to how much of your available limits you're using on your credit cards and other revolving lines of credit. Even if you pay your balances in full every month, the balance that shows on your most recent statement is the formula used. Keep that balance below 30%, or even lower.

DON'T OPEN OR CLOSE ANY ACCOUNTS Until the mortgage process is completed and you've moved into your new home, avoid actions such as opening credit accounts or closing old ones that could potentially harm your credit.

READY **TO BUY A HOME?**

2 MONTHS OUT

LOOK INTO POTENTIAL MORTGAGE RATES Checking your FICO credit scores doesn't ding them so order a fresh set and speak to a few mortgage lenders about rates. Don't apply yet or give permission for your credit to be pulled; just get a feel for what you can expect.

UNDERSTAND THE EFFECT OF MORTGAGE SHOPPING ON YOUR SCORE Everyone wants to get the best loan rate and terms possible. Each time a lender checks your credit, a "hard inquiry" appears on your credit report and dings your score slightly. Good news is that the FICO scoring formula counts all mortgage-related inquiries within a specified period as one. It is important to do your serious mortgage shopping in a fairly concentrated period of time, typically immediately after you enter escrow.

GET APPROVED FOR A MORTGAGE IN ADVANCE Pre-approval, in which a lender gives a commitment to make you a loan, is different and more valuable to sellers than pre-qualification, which gives you just an idea of an affordable mortgage amount without any commitment. You are not obligated to get a loan from the lender that offers you a preapproval letter. Even though a pre-approval involves a hard credit inquiry, the small potential ding on your credit is worth it because you'll be in a stronger position with sellers.

CONSIDER A MORTGAGE BROKER After you are in escrow, shop for a mortgage. Get referrals from family and friends or look on the National Association of Mortgage Brokers website.

RESEARCH NEIGHBORHOODS AND AGENTS Check Internet listings, attend open houses, and talk to others to identify a professional to help you in your home search.

READY TO BUY A HOME?

1. GET PRE-QUALIFIED BY LENDER

- Obtain pre-qualification letter.

2. PROPERTY TOURS

- Tour homes that suit your needs and preferences.
- Educate yourself about the current housing market.

3. TARGET AN IDEAL HOME AND WRITE AN OFFER

- Deliver your earnest money deposit (this check will be held until there is a ratified contract).

4. PRESENT THE OFFER

- Your Realtor® will prepare a presentation highlighting the benefits of your offer and your strength as a buyer.
- Your Realtor® will present the offer to the sellers and the sellers' agent.
- The sellers will either accept the offer, counter your offer, or reject it.

5. COUNTER OFFER

- Your Realtor® will discuss the counter offer and how it relates to your goals and prepare a response.

6. ESCROW

- When the offer has been accepted and signed by all parties, your Realtor® will open escrow.
- Your earnest money will be deposited at this time.
- The escrow officer will order a Preliminary Report and send copies to your agent and lender.

7. LOAN APPLICATION

- Submit a completed loan application to the lender of your choice and provide the lender with all the necessary documents.

8. CONTINGENCY PERIOD

- Buyer's approval of seller's Real Estate Transfer Disclosure Statement.
- Buyer's approval of Preliminary Report.
- Physical inspections/pest inspections.
- Property appraisal and loan approval.

9. HOMEOWNERS INSURANCE COVERAGE

- Select an insurance company and discuss coverage.
- Give insurance agent information to escrow; Escrow will need to order a copy of the policy for the new lender prior to escrow closing.

10. SIGNING DOCUMENTS

- Your lender will send the loan documents directly to Title.
- You will receive copies of title documents and lender documents.
- You will need a current photo I.D.

11. DOWN PAYMENT AND CLOSING FUNDS

- The escrow officer will provide a Buyer's Estimated Closing Statement which will itemize your costs and credits with an estimate of total moneys due.
- Submit a cashier's check to title several days prior to closing.

12. FUNDING

- The lender will send funds to Title.

13. CLOSE OF ESCROW

- The deed will be recorded at the County Recorder's office by Title (you will receive the original back from the County Recorder in approximately six weeks).
- Your Realtor® will coordinate with you the transfer of the keys and delivery of possessions.

14. MOVE IN!

READY **TO BUY A HOME?**

PROFESSIONALS INVOLVED IN YOUR TRANSACTION

REALTOR® A licensed real estate agent and a member of the National Association of Realtors, a real estate trade association. Realtors also belong to their state and local associations of Realtors.

LISTING AGENT The listing agent or broker forms a relationship with the homeowner to sell the property and place the property in the Multiple Listing Service.

BUYER'S AGENT A key role of the Buyer's agent or broker is to work with the buyer to locate a suitable property and negotiate the home purchase.

TITLE OFFICER A title officer carries out the title search and examination, takes any necessary corrective action and provides the policy protection to secure a clean title.

ESCROW OFFICER An escrow officer leads the facilitation of your escrow, including escrow instructions preparation, document preparation, and funds disbursement.

APPRAISER Before you can get a loan, the bank will have an appraiser look at the home and decide if it's really worth the money you're planning to spend. Many homeowners hire their own appraisers to make sure they're getting the best value.

MORTGAGE BROKER OR LENDER A mortgage broker will find you the best loan and lender to fit your needs. The financing aspect of your home purchase may begin before you find an agent with a loan pre-approval.

LIFE OF A PURCHASE AND SALES TRANSACTION

BUYER

- Submits a written offer to purchase (or accepts the Seller's counter-offer accompanied by a good faith deposit amount).
- Applies for a new loan by submitting all required forms & often pays certain fees such as credit report & application costs.
- Approves the preliminary report & any property, disclosure or inspection reports called for by the purchase & sale agreement, (Deposit Receipt).
- Approves & signs the escrow instructions, new loan documents, & other related instruments required to complete the transaction.
- Fulfills any conditions contained in the contract, lender instructions and/or the escrow instructions.
- Approves any final changes by signing amendments in the escrow instructions or contract.
- Deposits sufficient funds in the escrow to pay the remaining down payment & closing costs.

LENDER (IF APPLICABLE)

- Accepts the loan application & related documents from the Buyer(s) & begins the qualification process.
- Orders & reviews the property appraisal, credit report, verification of employment, verification of deposit(s), preliminary report & other related information.
- Submits the entire package to the loan committee and/or underwriters for approval.
- When approved, loan conditions & title insurance requirements are established.
- Informs Buyer(s) of loan approval terms, commitment expiration date, & provides a good faith estimate of the closing costs.
- Deposits the new loan documents & instructions with the escrow holder for Buyer's approval & signature.
- Reviews & approves the executed loan package & coordinates the loan funding with the escrow officer.

LIFE OF A PURCHASE AND SALES TRANSACTION

ESCROW OFFICER

- Receives order for the title & escrow services
- Accepts Buyer's earnest money deposit. Orders the title search & examination on the subject property from title officer.
- Acts as the impartial "stakeholder" or depository, in a fiduciary capacity for all documents & monies required to complete the transaction per written instructions of the principals.
- With the authorization from the real estate agent or principal, orders demands on existing deeds of trust & liens or judgments, if any. For assumption of loan by Buyers, orders the beneficiary's statement or formal assumption package.
- Reviews documents received in the escrow: preliminary report, payoff or assumption statements, new loan package, & other related instruments.
- Reviews the conditions in the Lender's instructions, including the hazard & title insurance requirements.
- Prepares the escrow instructions & required documents, together with a preliminary estimate of settlement charges, for the Buyer & Seller, in accordance with the terms of the purchase & sale agreement.
- resents the instructions, documents, statements, loan package(s), estimated closing statements & other related documents to the principal(s) for approval & signature.
- Reviews the signed instructions & documents, returns the loan package, & requests the lender's funds.
- Determines when the transaction will be in the position to close & advises the parties.
- Assisted by title personnel, records the deed, deed of trust, & other documents required to complete the transaction with the County Recorder & orders the title insurance policies.
- Closes the escrow by preparing the final settlement statements, disbursing the proceeds to the Seller, paying off the existing encumbrances, & other obligations. Delivers the appropriate statements, funds & remaining documents to the principals, agents, and/or lenders.

LIFE OF A **PURCHASE AND SALES TRANSACTION**

SELLER

- Submits documents & information to escrow holder, such as: addresses of lien holders, tax receipts, equipment warranties, home warranty contracts, any leases and/or rental agreements.
- Orders inspections, receives clearances & approves final reports and/or repairs to the property as required by the terms of the purchase & sale agreement (Deposit Receipt).
- Approves & signs the escrow instructions, payoff demands, grant deed, & other related documents required to complete the transactions.
- Approves any final changes by signing amendments to the escrow instructions or contract.
- Reviews documents received in the escrow: preliminary report, payoff or assumption statements, new loan package, & other related instruments.
- Reviews the conditions in the lender's instructions including the hazard & title insurance requirements.

TITLE OFFICER

- Examines the title to the real property & issues a preliminary report.
- Determines the requirements & documents needed to complete the transaction & advises the escrow officer and/or agents.
- Reviews & approves the signed documents, releases the order for title insurance prior to the closing date.
- When authorized by the escrow officer, the title officer records the signed documents with the County Recorder's office & issues the title insurance policies.

TITLE INSURANCE

"In California, most real estate transactions are closed with the issuance of a title insurance policy in favor of the owner, the Lender or both. Many homebuyers erroneously assume that when they purchase a piece of real property, possession of the deed to the property is all they need to prove ownership. Not so, because hidden hazards may attach to real estate. Forgeries, faulty surveys, hidden liens, the false representation of ownership of a married person as being single are just a few examples of factors which may cloud the title to real property ownership. A property owner's greatest protection is a policy of title insurance."

WHAT IS TITLE INSURANCE? Title insurance insures property owners that they are acquiring a marketable title. Unlike casualty insurance (policies which insure against future events), title insurance is designed to eliminate risk or loss caused by defects in title from past events. Title insurance provides coverage only for title problems. A title insurance policy is a contract of indemnity which insures against loss if the title is not as reported; and if it is not and the owner is damaged, the title policy covers the insured for his/her loss up to the face amount of the policy.

TITLE SEARCH Issuing a title policy is an extensive and exacting process. Title companies work to eliminate risks by performing a painstaking search of the public records or the title company's own "plant," where public records pertaining to the property and the parties to the escrow are maintained, to determine the current recorded ownership, any record liens, encumbrances, or other matters of record which could affect the title to the property. Once a title search is complete, the title company issues a preliminary report detailing the current vesting, description, taxes and exclusions from coverage.

COMMON FORMS OF OWNERSHIP

	TENANCY IN COMMON	JOINT TENANCY	COMMUNITY PROPERTY	COMMUNITY PROPERTY
PARTIES	Two or more persons ¹	Two or more natural persons	Spouses or domestic partners ²	Spouses or domestic partners ²
DIVISION	Ownership can be divided into any number of interests, equal or unequal	Ownership interests must be equal	Ownership interests must be equal	Ownership interest must be equal
CREATION	One or more conveyances (law presumes interests are equal if not otherwise specified)	Single conveyances (creating identical interests); vesting must specify joint tenancy	Presumption from marriage or domestic partnership or can be designed in deed	Single conveyance and spouses or domestic partners must indicate consent which can be on deed
POSSESSION & CONTROL	Equal right of possession	Equal right of possession	Equal right of possession	Equal right of possession
TRANSFERABILITY	Each co-owner may transfer or mortgage their interest separately	Each co-owner may transfer his/her interest separately buy tenancy in common results	Both spouses or domestic partners must consent to transfer or mortgage	Both Spouses or domestic partners must consent to transfer or mortgage
LIENS AGAINST ONE OWNER	Unless married or domestic partners, co-owners interest not subject to liens of other debt/owner but forced sale can occur	Co-owners interest not subject to liens of other debtor/owner but forced sale can occur if prior to co-owners/debtors death	Entire property may be subject to forced sale to satisfy debt of either spouse or domestic partner	Entire property subject to forced sale to satisfy debt of either spouse or domestic partner
DEATH OF CO-OWNER	Descendent's interest passes to his/her devisees or heirs by will or intestacy	Descendent's interest automatically passes to surviving joint tenant ("Right of Survivorship")	Descendants 1/2 interest passes to surviving spouse or domestic partner unless otherwise devised by will	Descendants 1/2 interest automatically passes to surviving spouse or domestic partner due to right of survivorship
POSSIBLE ADVANTAGES / DISADVANTAGES	Co-owners interests may be separately transferable ³	Right of Survivorship (avoids probate); may have tax disadvantages for spouses	Qualified survivorship rights; mutual consent required for transfer; surviving spouse or domestic partner may have tax advantage ²	Right of survivorship; mutual consent required for transfer; surviving spouse or domestic partner may have tax advantages

THIS IS PROVIDED FOR GENERAL INFORMATION ONLY. FOR SPECIFIC QUESTIONS OR FINANCIAL, TAX OR ESTATE PLANNING GUIDANCE, WE SUGGEST YOU CONTACT AN ATTORNEY OR CERTIFIED PUBLIC ACCOUNTANT.

1. "Persons" includes a natural person as well as validity formed cooperation, limited partnership. Trust property is vested in the trustee (usually a natural person or corporation).
2. Transfers by spouses/domestic partners may require a quitclaim deed from the other spouse/partner for title insurance purposes.
3. If Co-owners are spouses/domestic partners, property may be subject to legal presumption of "community property" requiring consent of both spouses/ partners to convey or encounter title notwithstanding vesting as "joint tenancy."

WHAT IS **ESCROW**?

Escrow is the depositing of funds and documents that establish the terms and conditions for the transfer of property ownership with an impartial third party for delivery upon completion of the terms of the escrow instruction.

When the parties deliver documents and money to the impartial escrow holder to be held for further delivery until certain conditions have been met, we say the documents are held "in escrow". We may also say the parties have "opened an escrow". Each of the principals of the escrow (Seller, Buyer, Lender) will give to the escrow holder written instructions setting out the conditions under which the further delivery is to be made.

THE PURPOSE OF AN ESCROW The common use of an escrow is to enable the parties in a real estate transaction to deal with each other with less risk, since the escrow holder acts as:

- Custodian for funds and documents.
- A clearing house for payment of all demands.
- An agency to perform the clerical details for the settlement of the accounts between the parties.

TYPICAL ESCROW TRANSACTION An escrow begins with the Realtor® opening the order for title work and providing the Purchase Agreement and all executed documentation to escrow. Once received, title prepares a preliminary report. Upon receipt of the preliminary report, an analysis is made to determine the necessary action and documents required to complete the transaction:

- Demands for satisfaction of liens not acceptable to Buyer and/or Lender.
- Documents for recording.
- Instructions and requirements of the new Lender.

In most areas, Buyer and Seller instructions are prepared for signature from the information gathered. When all the title and financial requirements are met and instructions from all parties can be fully complied with, the escrow is said to be "in perfection" and can close. Once the financial settlement takes place, documents are

INSPECTION PROCESS

During the contingency period, the Buyer or Seller will order physical inspections as specified in the Purchase Agreement. Legislation mandates (under Civil Code 1102) that the Seller has the responsibility to reveal the true condition of the property on a Transfer Disclosure Statement. This may help determine what kind of property inspections are desired or necessary.

WHO PAYS? Your Purchase Sale Agreement will specify who is responsible for the costs of inspections and for making any needed corrections or repairs. It is negotiable between the parties and should be considered carefully. Your agent will advise you what is customary and prudent.

STRUCTURAL PEST CONTROL INSPECTION A licensed inspector will examine the property for any active infestation by wood destroying organisms. Most pest control reports classify conditions as Section I or Section II. The inspection and the ensuing Section I repair work is usually paid for by the Seller. Section II preventative measures are generally negotiated, and not necessarily completed.

Section I Conditions are those currently causing damage to the property. These conditions generally need to be corrected before a Lender will make a loan on a home.

Section II Conditions are those not currently causing damage but which are likely to, if left unattended.

HOME INSPECTION This inspection may encompass roof, plumbing, electrical, heating, appliances, water heater, furnace, exterior siding, and other visible features of the property. A detailed report will be written with recommendations and pictures which may include the suggestion to consult a specialist (such as a structural engineer or roofing contractor). The inspection fee is usually paid by the Buyer.

GEOLOGICAL INSPECTION If requested, a soils engineer will inspect the soil conditions and the stability of the ground beneath the structure, as well as research past geological activity in the area. You may also elect to go to the city and research the property's proximity to known earthquake fault lines. Typically, the Buyer pays for this inspection.

HOME PROTECTION PLANS Home protection plans protect the Buyer's major investment beginning immediately upon close of escrow. The plans cover major mechanical systems in the home as well as certain major appliances. Realtors® are familiar with some of the various plans available and will be happy to gather a selection of programs for you to study.



WHO **PAYS** WHAT?

THE SELLER CAN GENERALLY EXPECT TO PAY FOR:

- Real Estate Broker's commission
- Due and payable property taxes, bonds, assessment
- Prorated taxes, interest, rent HOA dues (could be credit or debit)
- Payoff of all loans, other liens and judgments of record against the property (except those to be assumed by Buyer) including, but not limited to; accrued interest, demand/statement fee, re-conveyance fee, forwarding fee, late fees/prepayment penalty, if any
- Loan fees required by the Buyer's Lender (specifically on FHA & VA loans)
- Homeowner's Association transfer fee, document fee and demand fee
- Pest control inspection reports and cost for repairs
- Home warranty plan
- Title insurance premium for Owner's Policy
- Escrow fee (Seller's portion)
- Document preparation fee for Grand Deed and other recordable document(s) prepared for Seller's benefit
- Demand processing fees
- Notary Public fees
- Document signing service, if requested
- Documents recording charges
- Natural Hazard Disclosure
- County Transfer Tax (\$1.10 per \$1,000 of sales price)
- City Transfer Tax (varies by city)

WHO **PAYS** WHAT?

THE BUYER CAN GENERALLY EXPECT TO PAY FOR:

- Prorated taxes, interest, rent HOA dues (could be credit or debit)
- Payable taxes (not yet delinquent) required to be paid in advance by Lender
- Inspection fees (physical, roofing, geological, etc.)
- New financing costs, fees, pre-paid interest and impounds, if any (except those costs to be paid by Seller, as required by Lender or as negotiated in Purchase Agreement) or Assumption costs if existing financing is to be assumed by Buyer
- Hazard insurance premium - year paid in advance
- Title insurance premium for Lender's Policy
- Escrow fee (Buyer's portion)
- Document preparation fee for documents prepared for Buyer's benefit
- Notary Public fees
- Document signing service, if requested
- Special delivery/courier fees/wire transfer, if utilized
- Document recording charges

NEGOTIATED TERMS The costs and charges of a Southern California real estate transaction are fully negotiable between the Buyer and Seller through their respective agents. The negotiated terms will be set forth accordingly in the Purchase Agreement.

NEW RESPA REGULATIONS In accordance with new RESPA regulations, all fees for Buyer's financing, Owner's Policy of Title Insurance and Documentary Transfer Tax must be disclosed as a cost to the Buyer on the Good Faith Estimate and be charged to the Buyer in Sections 800, 1100 and 1200 accordingly on the HUD Settlement Statement. If negotiated in the Purchase Agreement that Seller pays for these costs and charges, Buyer will receive a credit for same from the Seller which will appear in Section 200 of the HUD Settlement Statement.

THE **LOAN** PROCESS

STEP 1 - THE LOAN APPLICATION. The key to the loan process going smoothly is the initial interview. At this time, the Lender obtains all pertinent documentation so unnecessary problems and delays may be avoided. The Realtor® opens escrow with the title company at this time as well.

STEP 2 - ORDERING DOCUMENTATION. Within 24 hours of application, the Lender requests a credit report, an appraisal on the new property, verifications of employment and funds to close, mortgage or landlord ratings; a preliminary report and any other necessary supporting documentation.

STEP 3 - AWAITING DOCUMENTATION. Within 1-to-2 weeks, the Lender begins to receive the supporting documentation. As it comes in, the Lender checks for any problems that might arise and requests any additional items needed.

STEP 4 - LOAN SUBMISSION. Once all the necessary documentation is in, the loan processor assembles the loan package and submits it to the underwriter for approval.

STEP 5 - LOAN APPROVAL. Loan approval generally takes 1-to-3 days. All parties are notified of the approval and any loan conditions which must be cleared before the loan can close. The loan approval is the beginning of the closing process.

STEP 6 - DOCUMENTS ARE DRAWN. Within 1-to-3 days after loan approval, the loan documents (including the note and deed of trust) are completed and sent to the escrow holder. The escrow officer will make an appointment for the borrowers to sign the final documents. At this time, the borrowers are told how much money they will need to bring in to close the loan. Payment must usually be made by a cashiers check.

STEP 7 - FUNDING. Once all parties have signed the loan documents, they are returned to the Lender who reviews the package. If all the forms have been properly executed, a check is issued to fund the loan.

STEP 8 - RECORDATION. Upon receipt of the loan funds, the title company will record the legal documents necessary to transfer the property into the Buyer's name. At the same time, the deed of trust is recorded to how the new loan on the property. Escrow is now officially closed and you now own your home. Please consult your Mortgage Consultant for more detailed information regarding your loan.

FINANCING

CLOSING COSTS Below is an overview of the types of closing costs you may incur on your loan. Some are one-time fees while others recur over the life of the loan. When you apply for your loan, you will receive a Good Faith Estimate of settlement charges and a booklet explaining these costs in detail.

LOAN ORIGINATION FEE This fee covers the Lender's administrative costs in processing the loan. It is a one-time fee and is generally expressed as a percentage of the loan amount.

LOAN DISCOUNT Often called "Points", a loan discount is a one-time charge used to adjust the yield on the loan to what market conditions demand. One point is equal to 1% of the loan amount.

APPRAISAL FEE This is a one-time fee that pays for an appraisal, a statement of property value required on most loans. The appraisal is made by an independent appraiser.

CREDIT REPORT FEE This one-time fee covers the cost of the credit report which is processed by an independent credit reporting agency.

TITLE INSURANCE FEES There are two title policies; a Buyer's title policy (which protects the new homeowner) and a Lender's title policy (which protects the Lender against loss due to a defect in the title). These are both one-time fees.

MISCELLANEOUS TITLE CHARGES The title company may charge fees for a title search, title examination, document preparation, notary fees, recording fees and a settlement or closing fee. These are all one-time charges.

DOCUMENT PREPARATION FEE There may be a separate, one-time fee that covers preparation of the final legal papers, including the note and deed of trust.

PREPAID INTEREST Depending on the day of the month your loan closes, this charge may vary from a full month to just a few days interest. If your loan closes at the beginning of the month, you will probably have to pay the maximum amount. If your loan closes near the end of the month, you will only have to pay a few days interest. Your first payment will usually be 30 days after the date pre-paid interest is paid through.

MORTGAGE INSURANCE MI PREMIUM Depending on the amount of your down payment, you may be required to pay a fee for mortgage insurance (which protects the Lender against loss due to foreclosure). You may also be required to put a certain amount for MI into a special reserve account (called an impound account) held by the Lender.

MOVING COUNTDOWN

BEFORE YOU LEAVE

- Obtain mover's guide from your local post office.
- Update credit card, other accounts.
- Subscriptions: six or eight weeks notice.
- Notify friends & relatives.

BANK

- Transfer funds and arrange check cashing in your new city.
- Cancel any automatic payment or direct deposit.
- Arrange credit references.

INSURANCE

- Notify companies of new location for coverage.
- Life, health, fire & auto.

UTILITY COMPANIES

- Gas, light, water, telephone, fuel, garbage & cable TV.
- Get refunds on any deposits made.

DELIVERY SERVICE

- Laundry, newspaper, change-over of services.

CHILDREN

- Register in school.
- Transfer school records.
- Arrange for day care.

RECORDS

- Ask doctor & dentist for referrals;
- get prescriptions, eyeglasses, X-rays, if appropriate.
- Get copies of birth certificates, medical records, children's school records.

PETS

- Ask about regulations for licenses, vaccinations, tags.
- Consult a veterinarian about moving pet.
- Obtain all records.

AT YOUR NEW HOME

- Check off all boxes & items as they come off the truck.
- Install new locks.
- Check on telephone, gas, electricity, water & trash pickup.
- Check pilot light on stove, hot water heater & furnace.
- Ask mail carrier for mail that may have been held until your arrival.
- Apply for drivers license or address change.
- Register to vote.
- Register car within five days after arrival in state or a penalty may apply when getting new license plates.
- Obtain vehicle inspection sticker & transfer motor club membership.
- Register children in school.
- Arrange for medical services: doctor, dentist, etc.

DON'T FORGET

- Empty and defrost freezer & clean refrigerators.
- Have appliances serviced before moving.
- Clean rugs or clothing before moving.
- Clean and/or repair furniture and curtains.

- Plan for special care needs for your infants & pets.
- Make arrangements for moving your plants; moving companies do not typically assume responsibility for them.
- If you are moving to Arizona, California, Florida, or New Mexico, ask about bringing your plants into the state.
- Cancel or update address for newspaper.
- Make arrangements for TV & cable.
- Discuss with your moving counselor: insurance coverage, packing and unpacking labor, arrival day, various shipping papers, method and time of expected payment.
- Make sure to have the things with you that you will need
- right away when you arrive - lamp, bowls, utensils, bathroom tissue, snacks, coffee pot, etc.
- Obtain relocation package from real estate agent or Chamber of Commerce.
- Arrange for storage (if needed).
- Find out about tax deductible moving expenses.
- Obtain all personal records from lawyers & accountants.
- Assemble packing materials.
- Have car serviced & checked for the trip.
- Pack a day or two worth of extra clothing in case of delay.
- Find a legal way to dispose of items moving companies are not allowed to move - paint, oil, propane tanks, finger nail polish and remover, matches, batteries, ammunition, & any other items that may damage your belongings.

MOVING DAY

- Make a list of every item and box loaded onto the truck.
- Carry enough cash or travelers checks to cover cost of moving services and expenses until you make banking connections in your new city.
- Take jewelry, family photos, and important documents with you - or mail them to yourself by registered mail.
- Carry an assortment of toys for the children (if needed).
- Let a close friend or relative know the route and schedule you will travel, including overnight stops; ask him or her to take messages until you get settled.
- Double check closets, drawers & shelves to be sure they are empty.
- Turn off all appliances & lock all doors and windows.
- Leave all old keys needed by new tenant or owner with Realtor or neighbor.
- Let the movers know where you can be reached.

THE BOTTOM LINE

Real estate is complicated.

That's where I come in.

At the closing table, my goal is for you to feel that the experience of buying your home exceeded all your expectations, so throughout all of our interactions - from showing to closing - I will work hard to achieve that goal.

When you choose me as your partner, you are not just getting a trusted, respected agent - you are getting a local expert who is passionate about serving our community and those who call it home.

Let's get started today.



kw



HERE'S HOW YOU CAN
GET IN TOUCH WITH ME

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d. (818) 974-0681
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Each office is independently
owned and operated.

