

Montgomery Alabama REALTOR®

Choosing A Realtor® –

There are many good Realtors®, but there are few great ones. You should first be comfortable with the Realtor® you select. Since you will be spending a lot of time with a Realtor®, there should be a connection. When selecting a Realtor®, interview them as if you are an employer and they are applying for a job. If you think about it, you are hiring a Realtor® to help you find a home. Don't be timid or afraid ask pertinent questions about their business and "How They Work." Be comfortable with the REALTOR®/Broker before you enter into a business relationship . . . **Most Realtors® will tell you how great they are, but the true "great ones" will tell you ⇒ "What they are going to DO FOR YOU!"**

Are you familiar with the National Association of Realtors® Code of Ethics? There are many rules and regulations that Realtors® must abide by, they took an oath to do so.

Ron prides himself by displaying "what he offers his clients" on his business cards and Web site and places them into ACTION, and Ron offers the following:

- Undivided Loyalty,
- Obedience,
- Reasonable Care and Diligence,
- Confidentiality,
- Full Discloser and Accountability,
- Copies of paper Work

With that said, Congratulations on/with your decision to purchase real estate.

Let's begin with.... "Buying a home" -- You have decided on buying a new home, or are thinking about buying real estate. You'll be joining the ranks of hundreds of families who realize that home ownership offers a number of benefits including building equity, saving for the future, and creating an environment for your family. Whether you are a "***First Time Home Buyer***" buying or purchasing for the first or purchasing a second home, when you own your own home, your hard-earned dollars contribute to your mortgage will build **your "Net Worth."** The equity you earn is yours. Over time, your home will/should increase in value.

The following information and home buying tips are intended to be a guide to assist you in real estate home buying and making what is for most people the **LARGEST INVESTMENT** of their lifetime. If you have any questions, or if you would like to schedule an appointment to meet with Ron regarding steps to buying a home, please call or e-mail Ron at, **RonHidalgo@MindSpring.Com** or dial ➔ 334.546.1410 or Toll Free: 1.866.508.3535.

⇒ **Home buying--** Residential Real Estate has typically appreciated approximately 5% per year on an average nationwide. Of-course this figure fluctuates by area, it also fluctuates due to the economy. Some communities and neighborhoods, in their prospective counties grow faster than others.

For a up-to date statistical data report on areas surrounding The Montgomery Tri-County Area in Alabama, sent or call Ron and he will be happy assisting you on/with these reports.

Uncle Sam Rewards You-- When you file your yearly income tax return, you are permitted to take the interest amount on your loan and the property taxes as a deduction! When you are renting, none of your housing expenses can be deducted.

⇒ **Buying a New Home—**

Budgeting Housing Expenses--- If you've been renting for some time, you are probably aware that your rental payment generally increases at each renewal. Loan payments are generally a fixed amount each month for the duration of the loan unless you get a variable or adjustable rate mortgage. Even then, your payment is fixed for a certain time period. Money In The Bank. With each loan payment you make, a portion of that amount is being applied to "principle," which means you are building equity in your home. Although, in the beginning, you are paying mostly interest, combined with appreciation over time, your equity can grow rapidly.

⇒ **First Time Home buyer--- Do's and Don'ts**

- ⇒ **DO- check your credit long before** you plan to purchase a home to see what your Credit Score is. The higher your Credit Score, the better interest rate you will get. Also, it is a good idea to check your credit report incase there are surprises on your report that you may not be aware of. You can check your credit score at MyFico.com
- ⇒ **DO- Make all payments on time.** Just 30 days late will adversely affect your credit score.
- ⇒ **DO- Get pre-approved before looking for a house.** Knowing how much you can afford ahead of time will save you and your Realtor valuable time. Being pre-approved also makes your offer more favorable to the seller since you are already approved for a loan.
- ⇒ **DO- Maintain your deposit and closing costs in a** financial institution for at least 2-3 months before applying for a loan. Your lender will require all financial statements for at least 3 months at time of application and will also ask for the latest statements just before closing.
- ⇒ **Don't- make major purchases such as** a CAR, furniture, appliances, vacations or any financial obligations. These purchases will show up on your credit report and may lower your credit score.
- ⇒ **DON'T- apply for credit cards, loans or any other type of credit.**
- ⇒ **DON'T- Quit your job!** Changing jobs may not pose a problem in most cases as long as you remain in the same profession. There are, however, certain restrictions. Get all the facts pertaining to you before making a decision to change jobs. There are other DO'S and DON'TS, however, these are among the most serious to take into account.

Home Buying Tips

- **MAKING AN OFFER--** Once you have identified a home that **"Meets your Requirements"** . . . how do you go about making an offer? First, you will need to do a Comparable Analysis of similar homes in the neighborhood that are for sale, pending a sale and have closed. The internet is a good source for some of this information; however, most reporting sites are not as up-to-date as the Realtor's Multiple Listing Service. The Multiple Listing Service (private to Realtors) is maintained by Realtors and tracks vital home information for several years.

Another factor to consider before making an offer is the property condition. Is the condition the same as, better than, or less than similar homes in the neighborhood? What is the condition inside the home, outside the home, roof, etc? How much will you need to invest in the home to bring it up to standards for the neighborhood? Keep in mind, improvements for your enjoyment should not be considered in this amount.

- **Market Condition--** will also play a role. In a hot seller's market, properties tend to sell quickly. It is possible that there could be 'multiple offers' on the same property by several interested buyers. Sellers will be less likely to compromise and will be looking for the strongest purchaser with less or no contingencies. It is possible that the home could sell above the Listed Price.

In a slower period, or 'buyer's market", homes may stay on the market longer, whereby the seller is more likely to compromise.

Finally, and most importantly, is how you feel about this home and your motivation. If you have found your "dream home" than you will be less likely to negotiate. Personal feelings are important because you will have to live with your decision once you have purchased this home.

Ron prides himself to display what he offers his clients on his business cards and Web site and he offers the following:

- Undivided Loyalty.
- Obedience,
- Reasonable Care and Diligence,
- Confidentiality,

- Full Disclosure and Accountability.
- Copies of signed Paper Work



- **THE DEPOSIT--** Generally speaking, sellers like to see a deposit between 5 and 10% of the purchase price; however, the deposit amount is negotiable. When you make your offer, you will include nominal "earnest money" with the offer, and upon acceptance of your offer, you will make an additional deposit to equal the agreed upon deposit amount within a specified time period. It is important to understand the deposit is not "held." The deposit is deposited in the Real Estate or Title Company's escrow account and will be delivered to the closing agent at closing. It is also a good idea to try to limit the deposit amount incase of any contract disputes, whereby, this amount will be held until a resolution is determined. This doesn't happen often, but it is something to consider.

- **DOWNPAYMENT--** The down payment is the cash amount you are putting down on the property. If you will be getting a loan, the down payment is the cash difference between your loan amount and the purchase amount. Seller's like to see a large down payment because the buyer is more likely to get approved for the loan.

- **CONTINGENCIES--** The Offer to Purchase will include several contingencies. The first contingency will be for "Financing" if you are not paying cash for the property and will be applying for a loan. If you are not approved for the loan, generally, the contract will be considered null and void and you will get your deposits back.

- **INSPECTIONS--** A Comprehensive Inspection is another contingency. The inspection company that you choose and pay for will inspect the overall condition of the house, such as the structure, electrical, plumbing, roof, (seawall) etc. The inspector will also inspect for Termite and pest infestation including dry wood rot and water damage. You can also have a separate inspection for Mold. Depending on your contract, the seller can be responsible to make certain limited repairs up to an agreed upon amount, the seller can make all repairs, the buyer can accept the property in its "as-is" condition, or the buyer or seller can cancel the contract. Whatever the case, the Inspection at least gives you peace of mind, knowing beforehand, the condition of the property.

- **SELLER'S DISCLOSURE--** The Seller's Disclosure is a document signed by the seller disclosing all material facts about the property that the seller is aware of. This includes any problems with any items in the house, any items in need of repair, age of appliances, structural problems, legal actions or additions not done with permits, etc. This document also discloses the age of the roof, if known, any leaks and what if any repairs have been made. This disclosure will be important in determining your Offer amount.

There is a list of other contingencies that you may need to include in the contract depending upon your circumstances. Your Realtor® can assist you in this area.

- **CLOSING AGENT--** The closing agent you select can be an attorney or a Title company or a combination of both. The closing agent handles the transaction from Contract to Closing making sure that there is "clear title" to the property and securing Title Insurance for you the buyer and for the lender. In Dade and Broward counties, the buyer chooses the Closing Agent and in Palm Beach County, the seller chooses the closing agent. The closing agent also in contact with the Mortgage Broker to follow up with the loan process and coordinates final figures for the closing day. Generally 1-2 days before closing, the closing agent will notify you the final amount in a cashier's check you will need to bring with you to closing to cover the down payment and closing costs. Your initial deposit will be delivered by the Realtor.

- **CLOSING DAY--** Before closing, you will do a "Walk-Through" inspection to verify that all repairs have been made if applicable and to verify that the property is still in good condition before you purchase it. The closing day is not a day to re-negotiate, it is just simply to verify all previous agreed upon items have been completed. At closing, the transfer a title takes place. The seller receives a check and the buyer receives keys to the property.

Ron prides himself to display what he offers his clients on his business cards and Web site and he offers the following:

- **Undivided Loyalty.**
- **Obedience,**
- **Reasonable Care and Diligence,**
- **Confidentiality,**

- **Full Discloser and Accountability.**
- **Copies of signed Paper Work**



ABOUT DIFFERENT MORTGAGES

Fixed Rate Mortgages -- As the name suggests, Fixed Rate mortgages are loans where the interest rate remains the same throughout the life of the loan. These loans offer the lowest risk in terms of monthly payment predictability and are appropriate if you are concerned that interest rates are on the rise. There are two payback options:

30-Year Fixed Rate Mortgage-- These loans offer a fixed rate over 30-years. The interest rate is usually higher compared to a 15-year mortgage, however, the monthly payment is lower. The total interest costs will be higher with this loan.

15-Year Fixed Rate Mortgage

These loans offer a fixed rate over 15-years. The interest rate is usually lower as compared to a 30-year mortgage. However, the shorter payback period means a higher monthly payment.

Adjustable Rate Mortgages (ARMs):

These loans offer a lower initial interest rate that adjusts each year and is tied to a pre-selected market index rate. An ARM allows you to qualify for a larger loan amount as compared to a fixed rate loan, however, you assume the risk of your interest rate and your monthly payment increasing in the future.

1,5 and 7-Year ARM-- The interest rate is fixed for the specified terms then adjusts annually thereafter.

Balloon Mortgage Loans-- These loans offer a set interest rate for a specified term with the balance or balloon payment due at the end of the term. These loans are available for 5 and 7 year terms.

Financing a Second Home

Vacation Properties-- Vacation homes are a great escape, however, loans on vacation homes typically require a larger down payment, involve higher interest rates, and may have other restrictions compared to a primary home loan.

In addition, there are tax ramifications you should be aware of with a vacation home. If you do not plan to rent the home, you can usually deduct mortgage interest and real property taxes. You are not permitted to deduct the closing costs as you would normally be allowed on a principle residence. You should consult a financial advisor for advice on owning a vacation home.

Income Properties-- As with vacation homes, income property loans usually require a larger down payment, involve higher interest rates and may have other restrictions compared to a primary home loan.

Income properties also have unique tax ramifications. Renting a property for more than 14 days a year qualifies as income property. You can usually deduct a portion of the mortgage interest costs. All of the income received from the property is subject to income tax. You are permitted to deduct rental-related expenses - like utilities, maintenance and depreciation - with limits. You should consult a financial advisor for advice on owning income properties.

Documents Needed to Apply For A Mortgage

- Two most recent pay stubs
- W-2s for the last two years
- Federal income tax returns for the last two years
- Last 2 month's bank statements
- Long-term debt information (credit cards, auto loans, installment debt, child support, etc)

Ron prides himself to display what he offers his clients on his business cards and Web site and he offers the following:

- **Undivided Loyalty,**
- **Obedience,**
- **Reasonable Care and Diligence,**
- **Confidentiality,**

- **Full Disclosure and**
- **Accountability,**
- **Copies of signed Paper Work**



3911 Fain Court Montgomery, AL. 36109 Toll Free: 1.866.508.3535.



Repairing Past Credit Problems

Have you had situations in the past that have put blemishes on your credit? There are many reasons why credit problems occur. Some explanations are:

- You were a co-signer on a loan that wasn't paid on time
- You allowed someone else to use your credit cards
- You may have thought your spouse paid the bill
- You thought your insurance company was going to handle the payment
- You are divorced but your former spouse had credit problems

Some lenders will work with you to find a credit solution. They have special programs and financing options that allow you to get a mortgage even with minor credit blemishes. However, it is in your best interest to keep your credit report in good standing. Here are some helpful hints for your credit report:

- Never go over 90 days past due on any accounts
- Keep your credit card debt below 50% of your monthly obligations
- If paying bills after the due date, always pay within the grace period

Get pre-approved for a mortgage by filling in the form below:

SELLER'S MARKET VERSUS BUYER'S MARKET

Every region experiences a revolving cycle known as a Seller's Market or a Buyer's Market depending on many factors such as the national and local economy, interest rates, supply and demand, etc. When there is an abundance of homes on the market and a shortage of buyers, this is typically a Buyers Market because buyer's for the most part are in control. Contrary, when there is a shortage of homes and many buyers, this is a Seller's Market.

Interest rates also play a role in this cycle. When rates are low, more people qualify for a loan or qualify for a higher loan amount. When rates are high, less people qualify.

Right now, we are experiencing some of the lowest interest rates in many years. If you have been considering purchasing a home, take advantage of the low interest rates. All indications are that rates will soon be on the rise as the economy starts to improve.

SELLER'S MARKET VERSUS BUYER'S MARKET

Every region experiences a revolving cycle known as a Seller's Market or a Buyer's Market depending on many factors such as the national and local economy, interest rates, supply and demand, etc. When there is an abundance of homes on the market and a shortage of buyers, this is typically a Buyers Market because buyers for the most part are in control. Contrary, when there is a shortage of homes and many buyers, this is a Seller's Market.

Interest rates also play a role in this cycle. When rates are low, more people qualify for a loan or qualify for a higher loan amount. When rates are high, less people qualify.

Right now, we are experiencing some of the lowest interest rates in many years. If you have been considering purchasing a home, take advantage of the low interest rates. All indications are that rates will soon be on the rise as the economy starts to improve.

Ron prides himself to display what he offers his clients on his business cards and Web site and he offers the following:

- Undivided Loyalty.
- Obedience,
- Reasonable Care and Diligence,
- Confidentiality,

- Full Disclosure and Accountability.
- Copies of signed Paper Work



3911 Fain Court Montgomery, AL. 36109 Toll Free: 1.866.508.3535.



Montgomery Alabama REALTOR®

Choosing A REALTOR® –

There are many good Realtors®, but there are few great ones. You should first be comfortable with the Realtor® you select. Since you will be spending a lot of time with a Realtor®, there should be a connection. When selecting a Realtor®, interview them as if you are an employer and they are applying for a job. If you think about it, you are hiring a Realtor® to help you find a home. Don't be timid or afraid ask pertinent questions about their business and "How They Work." Be comfortable with the REALTOR®/Broker before you enter into a business relationship . . . **Most Realtors® will tell you how great they are, but the true "great ones" will tell you ⇨ "What they are going to DO FOR YOU!"**

Are you familiar with the National Association of Realtors® Code of Ethics? There are many rules and regulations that Realtors® must abide by, they took an oath to do so.

Ron prides himself by displaying "what he offers his clients" on his business cards and Web site and places them into ACTION, and Ron offers the following:

- Undivided Loyalty,
- Obedience,
- Reasonable Care and Diligence,
- Confidentiality,
- Full Discloser and Accountability,
- Copies of paper Work

Market Value & Assessment--- Ron and Saunders Realty know the south. Experience and knowledge along with -- working with the leading financial institutions, construction professionals, and legal teams across the Southeast, we have built "Team Work" which works together for our clients. Building or buying / Selling or Leasing . . . Locating the perfect property is easy when you know even the smallest details about the market. Selling and leasing is equal when the Broker and Agent know the "Total Market" and its strengths & weaknesses. Saunders Realty can also help you fill your commercial space using formal market analysis, management services and working relationships with top national retailers.

Long Term Success--- Behind every Saunders success is a long term relationship. When Ron and Saunders Realty commits to you, it goes beyond the essentials; we bring state-of-the-art technology and opportunities to you. So when you are ready to Purchase or Sell, Ron and Saunders Realty are ready to give you the very best of Real Estate Service. *Ron is proud to say, Awe earn your business and work to obtain your trust and commit to your success.@*



3911 Fain Court * Montgomery, Al. 36109 O www.SaundersRealty.Net

Ron P. Hidalgo, REALTOR® /Broker associate Q Full time **Realtor®** since 1983

email: RonHidalgo@MindSpring.Com O www.RonSellsAlabama.Com

Ron believes in "Professional and Quality Service Is Not Expensive, It s Priceless!

"Ron's Clients and Customers deserve nothing less."

