

# THE ELITE PACIFIC BUYING EXPERIENCE



**YUMI LANEY, REALTOR®**  
CRS, CRB, GRI, SRES, RENE, RB-10898

**CHRISTINA LANEY MITRE, REALTOR-ASSOCIATE®**  
CRS, GREEN, SRES, RS-67243





Luxury Service with Aloha Spirit

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Aloha,

Thank you for considering Yumi Laney and Christina Laney Mitre of Elite Pacific Properties to help you in the purchase of your property. We hope you find this buyer's packet helpful and informative and please don't hesitate to ask any questions along the way.

We are a mother and daughter partnership and have worked together as a team for the past 15 years and come to you with over 55 years of real estate experience here on Oahu. We service the entire island and have great REALTOR® connections statewide, nationally and internationally. We are members of the Honolulu Board of REALTORS® as well as the Hawaii and National Associations of REALTORS®. Our agents abide by the REALTORS® Code of Ethics. These ethical standards of professional behavior are more stringent than the minimum standards prescribed by law. And we believe that honesty and integrity are of primary importance in our relationships with our clients, customers and colleagues.

We both bring very unique attributes to our partnership, our company and to you, our clients. Yumi's 40+ years as a seasoned Broker agent, has extensive experience as a Broker-in-Charge, a mentor/coach for many agents over the years will give you the confidence in our abilities and expertise to assist you in finding your perfect home here in Hawaii. Christina's energetic and executing persona offers you the pulse of the real estate market. She closely monitors the business environment in Hawaii, nationally and internationally to keep on top of the trends and the future. She excels in building relationships through her networking, social media, blogging, podcasts, video and marketing strategies. She has recently started a lifestyle brand reaching the Millennial, Generation X and Active Baby Boomer: [www.SmartLivingHi.com](http://www.SmartLivingHi.com) that also connects with our Facebook business page: <https://www.facebook.com/SmartLivingHawaii/> and our Instagram account, handle: [@smart\\_living\\_hawaii](https://www.instagram.com/smart_living_hawaii/) (click to open account) and Podcast: <https://www.smartlivinghi.com/podcast>. Please visit our Smart Living site, Facebook, Instagram and/or Podcast pages and see the innovative platforms we integrate into our business plan to elevate our marketing, services and personal touch to you all. Our primary goal is to assist our clients with their real estate endeavors and we are committed to ensure our clients' real estate experience goes beyond their expectations. We truly believe in building a genuine relationship with you and look forward to the opportunity assist you in finding the home of your dreams here in Hawaii or overseas! Thank you again and we look forward to working with you!

Sincerely,

**Yumi Laney, REALTOR®**  
RB-10898

**Christina Laney Mitre, REALTOR-ASSOCIATE®**  
RS-67243



## YUMI LANEY

*“Oahu’s Top Performers 2019”*

REALTOR®, CRS, CRB, GRI, SRES, RENE, RB-10898

C: 808.371.9906 | Yumi@LaneyRE.com

*Yumi Laney and Christina Laney work together, creating a sales team providing professional real estate service exceeding your expectations! Yumi and Christina, Senior Real Estate Experts, specialize in helping their clients and loved ones transition into a senior lifestyle with educational seminars, planning and investigating the many options in buying and selling real estate. Building life-long relationships and keeping their families close to their hearts is what they do every day!*

Throughout her 40+ years in real estate, Yumi has successfully sold homes from Waikiki to Windward Oahu and Waianae to Hawaii Kai. Whether a first-time buyer or a seasoned property owner, Yumi is committed to serve with her expertise, professionalism and integrity. Her expertise in marketing, contract negotiations and escrow follow-up, financing, and other related areas ensures timely closings for her many satisfied clients.

Yumi began her real estate career in 1978 and obtained her broker’s license in 1980. She has earned the national designations of Graduate Realtors Institute (GRI) and Certified Residential Specialist (CRS). With her continued real estate education, she has also earned her Senior Real Estate Specialist (SRES) & Certified Aging-in-Place Specialist (CAPS) designations. She is a member of the National Association of Realtors, Hawaii Association of Realtors and the Honolulu Board of Realtors. Yumi also served on the Board of Directors of the Honolulu Board of Realtors, was on the Board of Directors of Kahala Associates and was the Broker-In-Charge at LIST Sotheby’s International Realty. Yumi was acknowledged as one of Hawaii Business’ Top 100 Realtors of 2009 and 2018. As a Corporate Relocation Specialist, Yumi has helped many families move to the islands with confidence and comfort. Leading edge technology and internet marketing are Yumi’s keys to successfully selling today. She is proficient in a variety of systems in servicing both buyers and sellers in all price ranges. This allows her to monitor all marketing and sales activities, keeping her clients well-informed.

Yumi was born in Hiroshima City, Japan. She has lived in many areas of the United States during her father’s military career until he retired with his family in Pacific Grove, California, located on the beautiful Monterey Peninsula. Yumi is a graduate of the University of California in Santa Barbara. Her interests are island traveling in the Pacific, snorkeling, reading, church and family activities and just enjoying Hawaii. Having enjoyed some of the World’s special coastal cities, Hawaii was a natural place to settle with her husband Rick, a computer consultant/ocean engineer and her children, Christina and John-David.



## CHRISTINA LANEY MITRE

REALTOR-ASSOCIATE® CRS, GREEN, SRES, RS-67243  
C: 808.282.1399 | Christina@LaneyRE.com

*Yumi Laney and Christina Laney work together, creating a sales team providing professional real estate service exceeding your expectations! Building life-long relationships and keeping their families close to their hearts is what they do every day!*

Christina Laney Mitre joined Elite Pacific Properties for its integrity, innovation and growth in real estate industry and sales. A true Kama'aina, Christina has a great appreciation of Hawaii and its beauty which surrounds her. Christina is an alumni of Roosevelt High School here in Honolulu and a graduate of Whittier College with a Bachelor of Arts in Business Administration and an emphasis in International Business. Her first employer was the Salvation Army in Los Angeles, California working with under privileged youth in South Central Los Angeles. This job opportunity which was quite challenging has given her a deeper understanding of the world we live in and has opened her heart to those less fortunate.

Christina returned to the Hawaiian Islands in 2003, then became absorbed in the beauty of Hawaii and the realization of wonderful opportunities Hawaii has to offer. Her experiences as a concierge for a five-star resort and a server for a large restaurant chain helped develop excellent service skills and a true understanding of giving premiere service to her customers. Christina discovered the importance of building trusting relationships with those around her and knowing that she serviced well was her reward. Christina's other hidden talent lies in event planning and is one of the founding members of the Chamber of Commerce of Hawaii's Young Professional Program. She has been their YP Event's Chair, Ambassador, Ambassador Trainer and Steering Committee Member from the start. A great organization that helps build and connect the successful leaders of today with the future leaders of tomorrow! Now more than ever, she has a desire to help others find their way through life; real estate being the security and support to help them along the way.

Christina is on her fourteenth year and is focused, persistent and determined to succeed at a very high level in real estate sales. It is with great pleasure and pride for Christina to work alongside her loving mother and mentor, Yumi Laney. Yumi Laney has been selling real estate for over 40 years and is continuously paving the path for the next generation of Realtors. Together, Christina and Yumi started a Senior Concierge Program at Kahala Associates that provided referrals, services, seminars and more for the senior community and continues to provide these services at Elite Pacific Properties. Christina also assisted as the sales manager of one of Kaka'ako's brand new affordable housing project with the two state agencies, HCDA and HHFDC. She continues to work directly with the developer on those sales but has put her main focus back on general brokerage to tend to her client base. She sits on the Catholic Charities of Hawaii's Board of Directors and is currently the Chair of the HBR East Oahu Region. On her remaining free time, she has launched her passion project of creating a sustainable awareness hub for the State of Hawaii and its people. This most recent endeavor has created a unique niche of real estate services related to Hawaii's sustainable initiatives. She has also just earned her NAR GREEN Designation focusing on green & sustainable building, marketing and selling of homes and developments. Smart Living Hawaii [www.SmartLivingHi.com](http://www.SmartLivingHi.com) is centered around Hawaii's sustainable sectors: Energy, Environment, Agriculture, Housing and Culture. She hosts podcasts, blogs, vlogs, social media posts, events and more!

# **THE HOMEBUYING PROCESS**

Buying a home represents one of the biggest decisions you'll ever make. Having an experienced professional by your side is the best way to ensure you're making the best decision possible.

Owning a home remains a steadfast part of the American dream, and we want to make sure you're able to make confident decisions. After working with tens of thousands of buyers, we've learned that buyers have three common questions.

1

How will I know that I've seen all of the properties matching my criteria?

2

What can I do to be sure I don't overpay?

3

How can I ensure that I don't buy a property in poor condition?

The best way to help you answer these questions is to make sure our agents are among the best trained and most experienced in the industry. Their training and experience makes them among the most appreciated and sought after in our region.

### DON'T TAKE OUR WORD FOR IT

We're locally owned and operated - so we're deeply planted in our communities. With over 200 professional agents in 10 offices across all four major islands, Elite Pacific guarantees local market knowledge and insight. We select only the best agents in Hawaii to be a part of Elite Pacific. Then we provide a full team of experts to help them provide outstanding service for you. As a result, we've represented clients in thousands of transactions and our agents have by far the highest average sales of all major firms in Hawaii.



#3

BROKERAGE BY  
TOTAL VOLUME

13

OF THE TOP 100  
REALTORS IN THE STATE

5-star

OVER 1,100 5-STAR  
RATINGS ON ZILLOW  
AND GROWING



Read what our past clients had to say about their Elite Pacific agents:

<https://www.elitepacific.com/testimonials/>

# Hawaii Home Buying Process

The buying process in Hawaii is unlike many other states. There are many nuances to land ownership, zoning laws, rental restrictions, property condition and the escrow process. Your Elite Pacific agent will guide you every step of the way.

## PLANNING FOR YOUR HOME SEARCH

By planning for your home search, you'll be in a much better position to ensure you don't miss any properties that might be of interest. Your Elite Pacific agent will share the current market conditions with you, as well as what you can expect from the home search process. This, along with your loan pre-approval, will help you be more prepared to make a competitive offer when you see the right property.

## OFFER AND DUE DILIGENCE

During this phase, you and your agent will prepare an offer to purchase and negotiate the terms of the agreement. After having your offer accepted, you'll thoroughly inspect the property with the aid of inspection professionals to ensure you understand the condition of the property you intend to purchase.

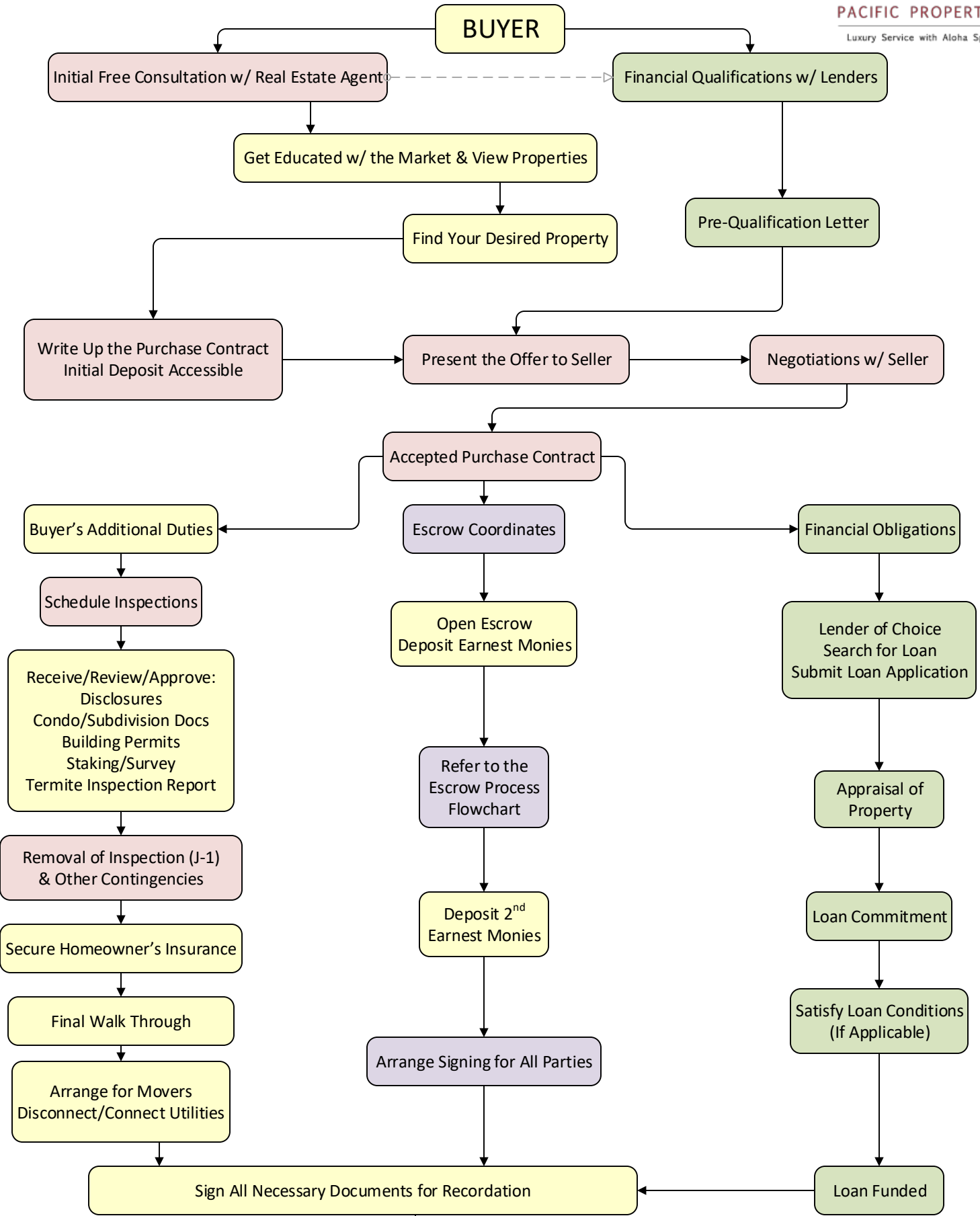
## PREPARING FOR CLOSING

During this time you will also review your final settlement statements, prepare additional funds for closing and conduct your final walk through of the property. Your Elite Pacific agent will be there every step of the way to make sure you understand the process and what is needed to close on the home.

Your agent will help you confirm that all contingencies have been met to your satisfaction before you sign the final paperwork and exchange keys.



# BUYER'S FLOWCHART OF EVENTS



**Created By:**  
Christina Laney Mitre  
RS-67243

**Christina's Info:**  
808.282.1399  
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Record Title ~ Close Escrow ~ Get the Keys ~ Welcome to Your New Home!



# Working With Your Agent

## THE REAL ESTATE AGENT THAT IS BEST FOR YOU

It is important for you to know whether an agent is working for you or simply working with you while acting as an agent for someone else. In some real estate transactions, the agents work for the seller. In others the seller and buyer may each have an agent. And sometimes the same agent or agencies work for both the buyer and the seller.

When you choose an Elite Pacific REALOR® you choose someone who is part of a strong team - a team made up of full-time, legally trained contract reviewers who work 12 hours a day, 365 days a year; seven full-time transaction coordinators; and a dedicated Brokerage Support team to help with any issues that may arise during the buying process.



### Contract Review

Headed by  
Scott Villard, BIC



### Transaction Coordination

Headed by  
Andy Leskowitz, BIC



### VP of Brokerage

Margaret Reynolds

## COMMUNICATION IS KEY

Buying a home is a big deal and a few things are more important than good communication. You decide how frequently you would like to communicate during the home search process. Once we successfully negotiate a contract and are preparing to close, you're going to hear from us a lot.

Long after you buy your home, your agent is available as a resource to you and your other professional advisors (attorney, accountant, insurance or financial). Elite Pacific Properties recommends an annual Real Estate Review following the purchase of your home to keep you well informed on the value of your house and the current market.

## HOW DO YOU LIKE TO COMMUNICATE



Phone



Mail



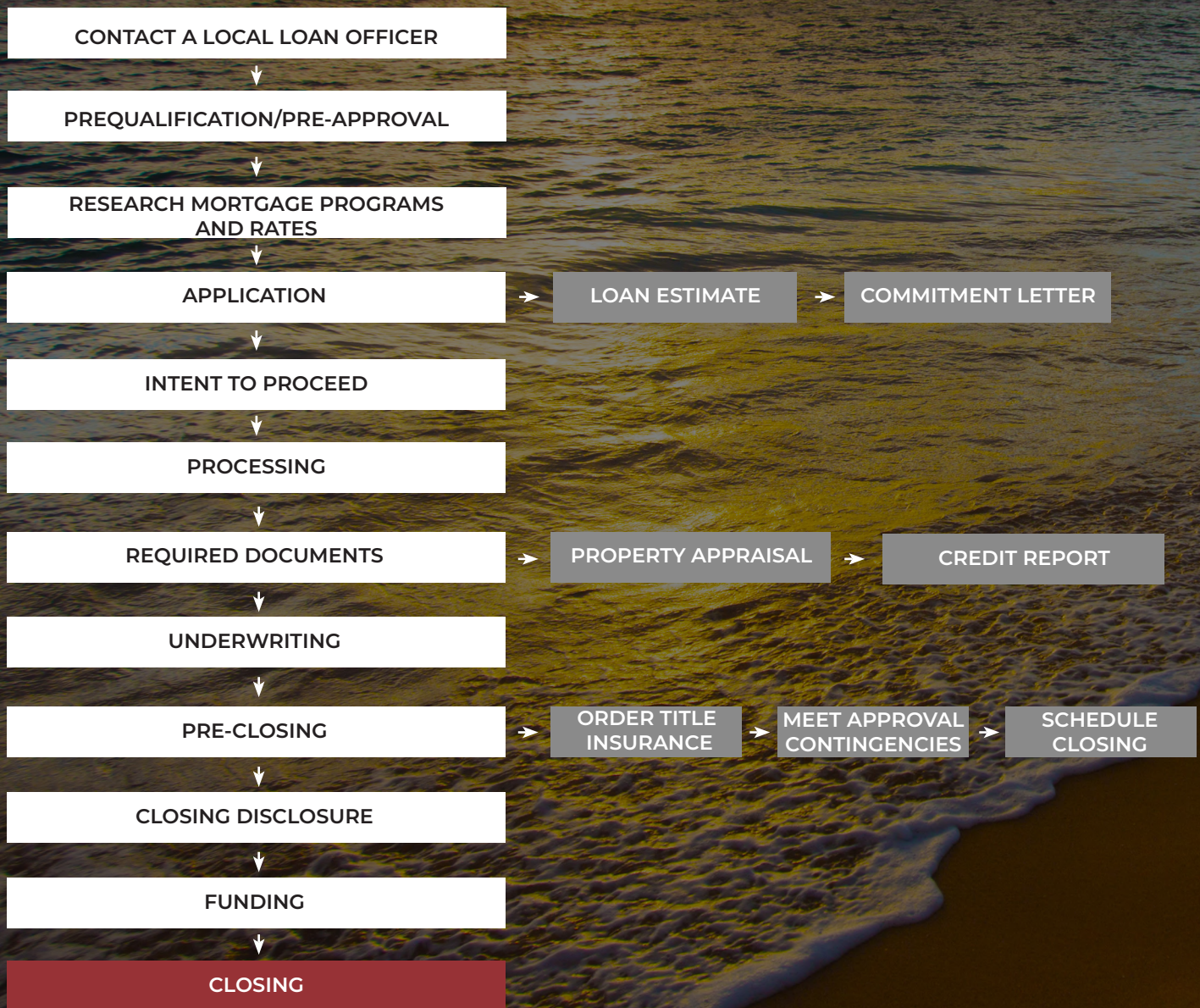
Email



Text

# MORTGAGE PROCESS

## PRE-APPROVAL IS KEY





## Preferred Lenders

Our mission is to make the process of financing real estate easy and enjoyable, which is why we work with a team of vetted, professional loan officers, dedicated to prompt, personal service -from application through closing. Taking out a home loan can be stressful, which is why our team of professionals is always available to answer your questions and to ensure the level of service you deserve. Our Agents work with lenders who offer a broad menu of financing options, very competitive rates and customer service that is second to none. Work with your Elite Pacific Agent to find the best lender for your purchasing needs:

- Conventional loans with fixed or adjustable rates
- FHA and VA loans
- 100% financing loans
- First-time homebuyer program
- Extended interest rate lock-in and more

### THE REAL ESTATE AGENT THAT IS BEST FOR YOU

One way to show sellers you are serious about buying your dream home is to get pre-approved for a mortgage. Knowing your budget will give you the confidence that a home is in your reach.

According to Freddie Mac:

“Pre-approval will tell you how much home you can afford and can help you move faster and with greater confidence in competitive markets.”

### ADVANTAGES TO OBTAINING YOUR PRE-APPROVAL AT THE BEGINNING OF YOUR HOME SEARCH PROCESS

1

REDUCE THE “UNKNOWNNS” BY IDENTIFYING CONCERNS EARLY. TIME ALLOWS YOU AND YOUR LOAN OFFICER TO DEVELOP SOLUTIONS AND HAVE THEM REVIEWED BY UNDERWRITING.

2

CONFIDENCE IN YOUR FINANCIALS TRANSLATES INTO MORE EFFECTIVE NEGOTIATIONS.

3

REDUCE THE TIME FROM CONTRACT TO CLOSING, MAKING YOUR OFFER MORE ATTRACTIVE.

4

HELPS TO PROTECT THE MONEY YOU SPEND ON APPRAISALS, INSPECTIONS, AND MOST IMPORTANTLY, EARNEST MONEY DEPOSITS.

## 4 Cs THAT DETERMINE HOW MUCH YOU CAN BORROW

Once you have selected a lender, you will need to fill out a loan application and provide important information regarding your credit, debt, work history, down payment and residential history. Freddie Mac describes the 4 Cs that help determine the amount you will be qualified to borrow.

### CAPACITY

YOUR CURRENT AND FUTURE ABILITY TO MAKE YOUR PAYMENTS.

### CAPITAL

OR CASH RESERVES. THE MONEY, SAVINGS AND INVESTMENTS YOU HAVE THAT CAN BE SOLD QUICKLY FOR CASH.

### COLLATERAL

THE HOME OR TYPE OF HOME THAT YOU WOULD LIKE TO PURCHASE.

### CREDIT

YOUR HISTORY OF PAYING BILLS AND OTHER DEBTS ON TIME.

Many homebuyers overestimate the down payment and credit scores needed to qualify for a mortgage today. If you are ready and willing to buy, you may be surprised at your ability to do so.

## LOAN DOCUMENTATION CHECKLIST

- |   |   |
|---|---|
| <input type="checkbox"/> Last two years' federal tax returns (personal & business - all pages)                              | <input type="checkbox"/> Divorce Decrees/Separation Agreements to document alimony, child support or division of debts/assets                                     |
| <input type="checkbox"/> W-2s/1099s/K-1s for the last two years   | <input type="checkbox"/> HUD(1)/Closing Disclosure from any recent property sales   |
| <input type="checkbox"/> Most recent paystub(s) showing year-to-date income of at least 30 days                             | <input type="checkbox"/> Driver's license(s)  |
| <input type="checkbox"/> Two months of most recent asset statements for bank, brokerage and retirement accounts (all pages) | <input type="checkbox"/> Recent mortgage statements, property tax bills, home insurance declarations and home-owner's association bills for all real estate owned |
| <input type="checkbox"/> Documentation of Social Security or pension income   |   |

You are not required to provide any of this information until a property address has been identified and you have declared your intent to proceed with your loan application.



## WHY SO MUCH PAPERWORK FOR A MORTGAGE LOAN APPLICATION?

The friends and family who bought homes more than 15 years ago experienced a simpler mortgage process, but also paid a higher interest rate (the average 30-year fixed rate mortgage was 8.12% in the 1990's and 6.29% in the 2000's).



### THE GOVERNMENT HAS SET NEW MORTGAGE GUIDELINES.

During the housing crisis, many families lost their homes. The government wants to make sure this can't happen again and now requires banks to prove beyond any doubt that you are capable of paying the mortgage.

### THE BANKS DON'T WANT TO BE IN THE REAL ESTATE BUSINESS.

During the housing crisis, banks were forced to take responsibility for millions of foreclosures and short sales.

## FOUR MORTGAGE MISTAKES TO AVOID:

### NEW CREDIT

AVOID APPLYING FOR ANY OTHER CREDIT BEFORE AND DURING THE MORTGAGE APPLICATION PROCESS.

### NEW ASSETS

YOUR MONEY HAS TO HAVE BEEN IN YOUR ACCOUNT FOR AT LEAST A FEW MONTHS.

### JOB CHANGE

DON'T SWITCH JOBS RIGHT BEFORE OR WHILE APPLYING FOR A MORTGAGE.

### NOT LOCKING A RATE

IF YOU'RE HAPPY WITH YOUR RATE, LOCK IT. THERE'S NO WAY TO KNOW IF YOU'RE AS LOW AS YOU CAN GO.

## CLOSING COSTS

If you have your down payment and are ready to start your home search, another piece of the puzzle is to make sure that you have money for closing costs.

Closing costs are monies that need to be paid when you obtain a mortgage. These are fees charged by people involved in your purchase, including your lender and other third parties involved in the transaction. Closing costs are typically between 2-5% of your purchase price.

If you think about it, with a low down payment program such as (FHA), your closing costs could equal the amount that you saved for your down payment. Sometimes, your lender may have options to help you cover the closing costs through obtaining a slightly higher interest rate.

## FEES/COSTS THAT MAY BE INCLUDED IN CLOSING COSTS:

Closing costs are additional funds required to complete the transaction and close on the sale of your home. Some of these costs are in relation to obtaining your loan, others are charges from the escrow company, and then there are the prorated costs of ownership: like property taxes, insurance, maintenance fees and more. Work with your lender and Elite Pacific agent so you aren't caught off guard by these costs.

### TYPICAL BUYER FEES

- 40% of title insurance premium
- 50% of escrow fee
- Cost to draft mortgage, note or agreement of sale
- All costs associated with obtaining loan, including origination fees
- Document preparation and recording costs
- Condominium or association transfer fees and prorated monthly fee
- Prorated property taxes
- Appraisal
- Home inspection

### TYPICAL SELLER FEES

- 60% of title insurance premium
- 50% of escrow fee
- Real estate commissions
- Document preparation and recording costs
- Prorated association fee
- Prorated property taxes
- Costs for survey
- Termite inspection and any required remedy
- Conveyance taxes
- HARPTA or FIRPTA (withholding taxes)

## ESTIMATED BUYERS CLOSING COSTS

**BUYERS:** \_\_\_\_\_  
**PROPERTY:** \_\_\_\_\_

**DATE:** \_\_\_\_\_  
**TERMS:** \_\_\_\_\_

**PURCHASE PRICE:** \$ \_\_\_\_\_  
**DOWN PAYMENT:** \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**MORTGAGE LOAN AMOUNT:** \$ \_\_\_\_\_

**MORTGAGE LOAN COSTS:**

Appraisal	\$	_____
Credit Report	\$	_____
Loan Fees	\$	_____
Document Fees	\$	_____
Notary Fees	\$	_____
Interest Reserves	\$	_____
Real Property Tax Reserve	\$	_____
Private Mortgage Insurance	\$	_____
Other	\$	_____

**ESCROW & RECORDING COSTS:**

Escrow Fees	\$	_____
Notary Fees	\$	_____
Certificate of Title	\$	_____
Recording Lease & Mortgage	\$	_____
Title Insurance	\$	_____
Other:	\$	_____

**OTHER COSTS:**

_____	\$	_____
_____	\$	_____
_____	\$	_____

**TOTAL ESTIMATED CLOSING COSTS:** \$ \_\_\_\_\_

**TOTAL DOWN PAYMENT AND CLOSING COSTS:** \$ \_\_\_\_\_

**Estimated Monthly Payment:**

Interest Rate @	\$	_____
Maintenance Fees	\$	_____
Property Taxes	\$	_____
Lease Rent	\$	_____
Other:	\$	_____
<b>TOTAL</b>	<b>\$</b>	<b>_____</b>

The above figures are estimates; prorations of property taxes, lease rent and extraordinary expenses are not included. This information, while deemed to be from reliable sources, cannot be guaranteed.

# Pre-Qualification vs. Pre-Approval

The terms pre-qualification and pre-approval can often bring confusion to many people who are looking to purchase a home. In a market where homes are selling quickly, it is important to understand the difference between pre-qualification and pre-approval.

When you begin shopping for a home, you will want to know how much you can afford. More importantly, your real estate agent and the home seller will want to know that your loan is in place.

## Pre-Qualification

- Based on a simple calculating process performed by a lender or real estate agent to provide an affordability guideline for buyers
- Provides an estimate of how much you can borrow
- Based on information you provide on your income and assets
- Lender is not bound to make a loan. No approval or commitment.

VS.

## Pre-Approval

- Formal process that includes a credit check and possibly employment verification.
- Provides proof of loan approval to real estate agent and sellers
- Based on verification of your income, assets, and credit
- Requires satisfactory property review upon purchase and no substantial change in your financial condition to obtain final approval

**Why should you get pre-qualified?** Pre-Qualifying is a quick way to determine what price range of homes the real estate agent and buyer should be reviewing. It saves you time and avoids the frustration of finding something you can't afford!

**Why should you get pre-qualified when you're refinancing?** When you're refinancing, pre-qualifying will allow you some peace of mind that your refinance amount is achievable, especially if you're trying to get cash back from your property equity.

**Why should you get pre-approved?** Pre-Approval is a must in today's environment; most sellers require it up front. It improves the buyer's negotiating position and the length of time it would take to close the deal. There is almost a certainty that the buyer will be able to settle on the house.

## Advantages of Being Pre-Approved

1. Now that your loan is in place, you can start looking for the right home.
2. You will also be taken much more seriously when it comes time to choose an agent or work with sellers on your own. In a tight market, a pre-approval letter from a lender can make all the difference in whether your offer is accepted over an equal offer by another person.
3. Once you find a home, you can move quickly. A typical closing will take place a month or even six weeks after an offer is accepted. If you are pre-approved, you can cut this time down by almost half, depending on the time of year and how busy the lender, appraisers, and other service providers are.





# Credit Scores: FICO®

FICO® (Fair Isaac Corporation)

## Credit Scores Are Vital to Your Financial Health

When lenders talk about "your score," they usually mean the FICO® score developed by Fair Isaac Corporation. A credit score is a number that helps lenders and others predict how likely you are to make your credit payments on time. If you are planning to purchase a home, or refinance the one you are in, a high credit score is crucial if you are to be granted a loan. FICO® scores are generated by computer programs licensed by Fair Isaac and housed at Equifax, Experian and Trans Union. Individuals' full electronic credit files are run through the software and evaluated for risk patterns by statistical models.

### What is a good score?

FICO® scores range from 300-850, and most people score in the 600s and 700s (higher FICO® scores are better). Lenders buy your FICO® score from three national credit reporting agencies (also called credit bureaus): Equifax, Experian and TransUnion.

In the eyes of most lenders, FICO® credit scores above 700 are a sign of good financial health.

FICO® scores below 600 indicate risk to lenders and could lead lenders to charge you higher rates or turn down your credit application.

## Consider a couple who is looking to buy their first house.

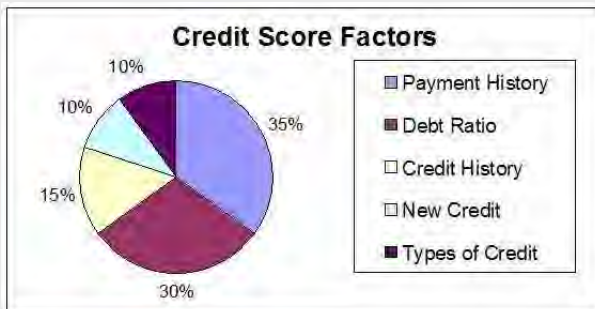
Let's say they want a thirty-year mortgage loan and their FICO® credit scores are **720**. They could qualify for a mortgage with a low 5.5 percent interest rate.\*

But if their scores are **580**, they probably would pay 8.5 percent\* or more -- that's at least 3 full percentage points more in interest.

On a \$100,000 mortgage loan, that 3 point difference will cost them \$2,400 dollars a year, adding up to \$72,000 dollars more over the loan's 30-year lifetime.

**Your credit score does matter.**

\*Interest rates are examples only and may differ.



### How to improve your credit score

1. Pay your bills on time.
2. Keep balances low on credit cards.
3. Pay off debt rather than moving it between credit cards.
4. Apply for and open new credit accounts only when you need them.
5. Check your credit report regularly for accuracy.
6. If you have missed payments, get current and stay current.

Source: [http://en.wikipedia.org/wiki/FICO\\_score#FICO\\_score](http://en.wikipedia.org/wiki/FICO_score#FICO_score)

You should review your credit report from each credit reporting agency once a year and especially before making a large purchase, like a house. To request a copy (charges may apply), contact :

- Equifax: (800) 685-1111, [www.equifax.com](http://www.equifax.com)
- Experian (formerly TRW): (888) 397-3742, [www.experian.com](http://www.experian.com)  
Also by Experian: [www.freecreditreport.com](http://www.freecreditreport.com)
- TransUnion: (800) 916-8800, [www.transunion.com](http://www.transunion.com)

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# FHA Loans: General guidelines to pre-qualification

If one or more of the following apply to you, an FHA-insured loan may be or you:

- You don't have a large deposit to put down on a house
- You want to keep your monthly payments as low as possible
- You're concerned about monthly payments going up
- You're worried about qualifying for a loan
- You don't have perfect credit - no minimum FICO score



For more information, visit [www.hud.gov/fha/](http://www.hud.gov/fha/)

## General Guidelines to Pre-Qualify

### Consistent History of Employment

2 year minimum, preferably same company

### Consistent Source of Income

Showing you earn a fixed salary or income shows your ability to repay the loan amount

### Solid Credit Report

History that shows you have not had any overdue payments in the past 2 years

### Bankruptcy History 2 Years or Older

Credit report should reflect you are now back to financial stability and have had 2 consecutive years of good credit standing

### Foreclosure History 3 Years or Older

Good credit standing for 3 years; perfect credit after foreclosure onward

### Total Monthly Payments Should Not Exceed 41% of Gross Income

Total monthly payments, including other debt, should be no more than 41% of your total monthly income

## Basic Documents Required

- Tax Returns**  
Last 2 years, including all schedules
- W2s and 1099s**  
Last 2 years
- Pay Stub**  
Most recent month's worth (30 days)
- Bank Statements**  
Last 3 months for all accounts
- Retirement Accounts**  
Most recent
- Credit Card Statements**  
Most recent
- If you Rent**  
12 months of cancelled rent checks or landlord contact information
- If you have No Credit**  
Most recent utility bills and other alternative sources of credit
- Bankruptcy**  
Bankruptcy and discharge papers

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# Answers to Some Frequently Asked Financial Questions

## **Q. WHAT IS THE DIFFERENCE BETWEEN "PREQUALIFIED" AND "PREAPPROVED?"**

A. A prequalification consists of a discussion between a home buyer and a loan officer. The loan officer collects basic information regarding the customer's income, monthly debts, credit history and assets, and then uses this information to calculate an estimated mortgage amount for the home buyer. The prequalification is not a full mortgage approval, but estimates what a home buyer can afford.

A pre-approval, on the other hand, is a comprehensive approach using basic information as well as electronic credit reporting. Pre-approvals, in most cases, are true mortgage commitments. The lender commits to financing your home and indicates the total mortgage amount available to you.

## **Q. WHAT TYPES OF MORTGAGE PROGRAMS ARE OFFERED?**

A. Currently, there are over 50 different mortgage products available, including.

- 15, 20 and 30-year fixed rate loans
- adjustable rate loans
- new construction financing
- VA and FHA loans
- 5 and 7 -year balloon loans
- and many more

## **Q. HOW LONG DOES IT TAKE TO PROCESS A MORTGAGE APPLICATION?**

A. Usually about 45 to 60 days, although it can take as few as seven days and as long as 90 days for some transactions. The actual time depends on how quickly the lender can get an appraisal of the property, a credit report and verification of employment and bank accounts.

## **Q. WHAT DOCUMENTS WILL I HAVE TO PROVIDE?**

A. Be prepared to provide verification of income (including a pay stub and recent tax returns), bank account numbers and details on your long-term debt (credit cards, auto loans, child support, etc.). If you're self-employed you may also be required to provide financial statements for your business.

In recent years, lenders have been required to obtain more specific information from borrowers in order to package and sell loans to investors. If you were lending someone such a large amount of money, you'd want detailed financial information.

## **Q. COULD ANYTHING DELAY APPROVAL OF MY LOAN?**

A. If you provide the lender with complete, accurate information, everything should go smoothly. You may face a delay if the lender discovers credit problems-a history of late payments or nonpayment of debts, or a tax lien. You may then be required to submit additional explanations or clarifications. You should also be sure to notify your lender if your personal or financial status changes between the time you submit an application and the time it's funded. If you change jobs, get an increase (or decrease) in salary, incur additional debt or change your marital status, let the lender know promptly. You may be delayed if the home you selected fails to appraise for the agreed purchase price.

# Answers to Some Frequently Asked Questions....

## **Q. WHAT'S INCLUDED IN MY HOUSE PAYMENT?**

A. Principal and interest on your loan. Depending on the terms of your loan, the payment also may include hazard (homeowners) insurance, mortgage insurance and property taxes.

## **Q. CAN I PAY THOSE OTHER THINGS SEPARATELY?**

A. Not if it's an FHA or VA-insured loan. With most other loans, you can pay your own taxes and insurance if you borrowed no more than 80 percent of the purchase price or appraised value of your home. Check with your lender to be sure.

## **Q. WHAT DO THE CLOSING COSTS INCLUDE?**

A. Closing costs cover processing and administration of your loan. In addition to a loan fee, you'll usually be asked to prepay interest charges, to cover the partial month in which you close, and impounds for property taxes, hazard insurance and mortgage insurance.

## **Q. WHEN DO MY MORTGAGE PAYMENTS START?**

A. Usually about 30 days after closing. The actual date of your first payment will be included in your closing documents.



# HOME SEARCH

## SEE IT ALL TO FIND THE BEST



### SIGNS YOU'VE FOUND YOUR HOME

- You'd be upset if it were gone tomorrow
- You get the butterflies
- You feel pride in the house
- You can imagine it with your touches
- You forgive flaws
- It doesn't have your deal breakers
- You can afford it!

# Beginning the Search Process

It is really important to know what you're looking for when you start your home search. Many new homebuyers fantasize about the features they see on television or Pinterest and start looking at the countless homes listed for sale with rose-tinted glasses. Do you really need that farmhouse sink in the kitchen in order to be happy with your home choice?

**AFTER PRE-APPROVAL, THE NEXT STEP IS TO LIST ALL THE FEATURES OF A HOME THAT YOU WOULD LIKE, AND TO QUALIFY THEM AS FOLLOWS:**

## MUST-HAVES

IF THIS PROPERTY DOES NOT HAVE THESE ITEMS, THEN IT SHOULDN'T EVEN BE CONSIDERED (E.G. DISTANCE FROM WORK OR FAMILY, NUMBER OF BEDROOMS/ BATHROOMS)

## SHOULD-HAVES

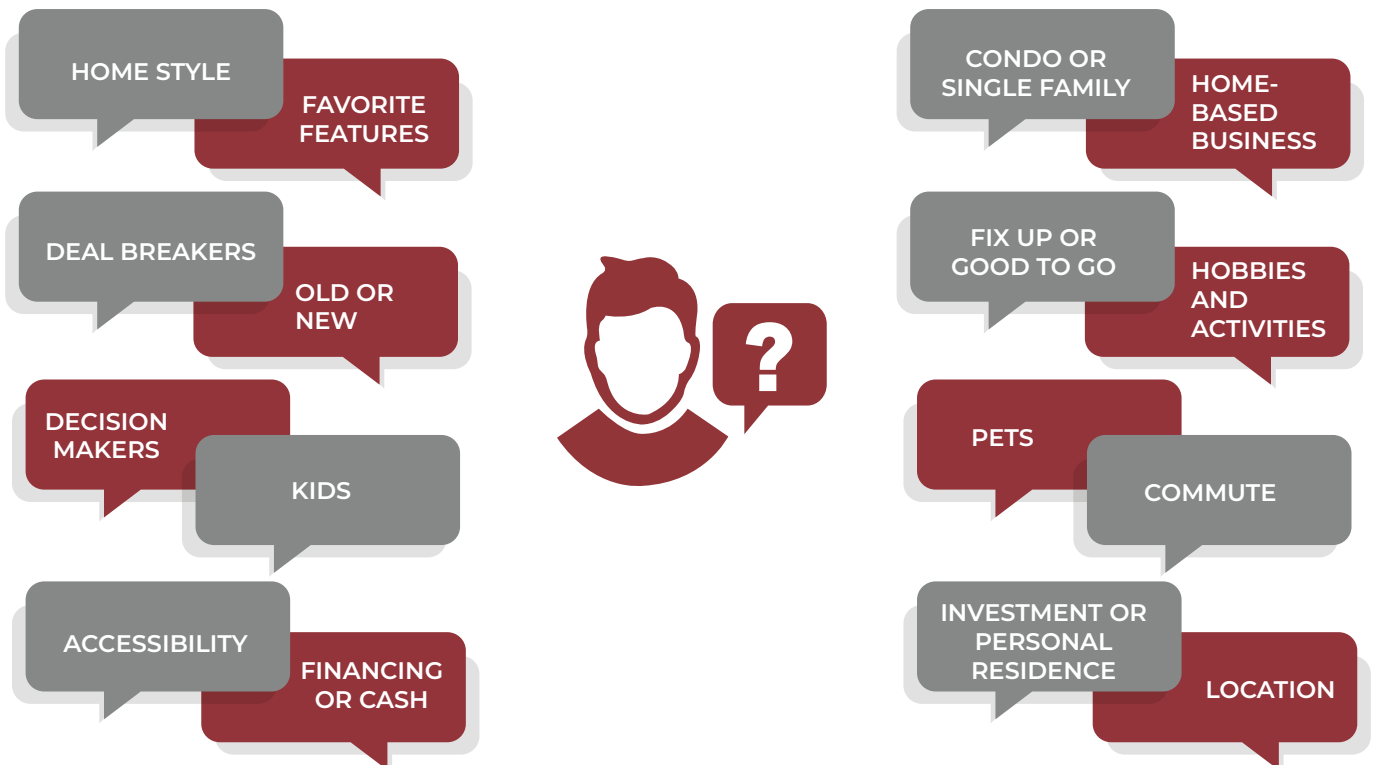
IF THE PROPERTY HITS ALL OF THE 'MUST-HAVES' AND SOME OF THE 'SHOULD-HAVES' IT STAYS IN CONTENTION, BUT DOES NOT NEED TO HAVE ALL OF THESE FEATURES.

## WISH LIST

IF WE FIND A PROPERTY IN OUR BUDGET THAT HAS ALL OF THE 'MUST-HAVES' MOST OF THE 'SHOULD-HAVES' AND ANY OF THESE, IT'S A WINNER!

## YOUR NEEDS AND PRIORITIES

A successful real estate buying experience is dependent upon a proactive relationship with your Elite Pacific agent. Be ready for a lot of questions. There simply is no better way to learn about your needs and priorities. Want to start preparing? Here are questions you can begin to answer.



# Property Search

## ELITE PACIFIC'S FUNNEL PROCESS

We're here to help you find the right home, to make sure you don't miss seeing a home you'd like to consider and make sure you don't overpay. With thousands of homes, searchable online at any give point in time, the goal is to go from 1,000's to 100's to dozens to a rolling top three.

With Elite Pacific's sophisticated website search engine, your agent's deep community and property knowledge, as well as their ability to listen to your needs, you will find the home that's right for you. Your rolling top three represents the three homes that best meet your needs and priorities as they become available.

No home is perfect, even if you start from scratch and build something brand new. Our goal is to make sure your top priorities are taken into consideration, and you find a property with the benefits you are looking for. If you find a home that has 80% of what you are seeking, you should make an offer.

FEATURES: HOME & COMMUNITY	BENEFITS: WHY THESE FEATURES?
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

## Tools for Your Search

On the go? See a “For Sale” sign while driving? Want to search all the listings in a neighborhood right from your phone? The Elite Pacific Properties mobile app is your go-to mobile search device. It can search based on your location, commute times, or by drawing around the area you want to live in. If you see something you like, you can send a message to your Elite Pacific Agent right from the app!



Ask for your custom mobile app now

### ELITEPACIFIC.COM

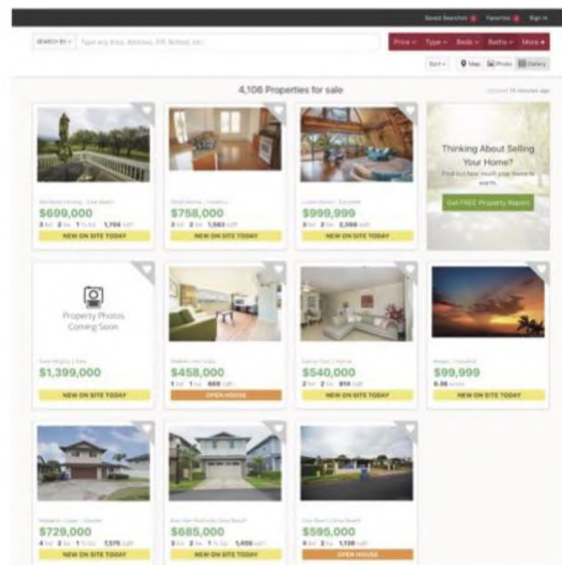
The average consumer spends months looking for a home before purchasing. Having a website that allows for an efficient and thorough search is important for peace of mind.

### MY ACCOUNT

Your Elite Pacific agent will set you up with your own log in to our search website. Our website is updated every 15 minutes, directly from our local MLS, which ensures accuracy of information.

### HOW TO USE YOUR ELITEPACIFIC.COM SEARCH WEBSITE

1. Once you receive your welcome email, visit the site.
2. Check your account in the top right corner. If you need to update your information or password, you can do it here.
3. Search all active inventory on the MLS (Multiple Listing Service).
4. Save favorite searches and send yourself listing updates when there is a new property that matches your criteria.
5. Save your favorite properties.
6. Request showings right from the site, or share properties with each other.



**4308 Kahala Avenue**  
 Honolulu, HI 96816  
 \$6,988,000 STATUS: ACTIVE ON 3/11/17 577 SQ FT MLS # 20172288  
 UPDATED: 35 min ago

**\$6,988,000**  
 \$ 8524 / 0.45 ACRES  
 \$ 8496 / 1.12 ACRES  
 7070 SQ FT \$988 / SQ FT

**School Information**  
 Elementary School: Kaimali  
 Middle School: Kaimali  
 High School: Kaimali

**Virtual Tour**  
 REALTOR/MARKET  
 Mary Lavoie-Olson  
 Contact Mary

**Description**  
 SINGLE LEVEL LUXURY LIVING ON KAHALA AVE. Spectacular custom built residence by Pyramid Construction. Beautifully appointed by Jonathan Barnett "Decorator to the Stars. Single level main house plus separate guest house. Stylish design and world-class quality! Luxury private retreat built with family and guests in mind. Main house features 3 Bedroom Suite 2 spa master suite! Features gourmet kitchen, home theater, office, featuring 10K+ sqft ceilings. Guest house features 2 Master Suites with outdoor TV entertainment area. Designed for island/outdoor island living. Salt water pool with waterfall & spa. Landscaped for privacy. Gated entry and 3 car garage. Bonus room above garage can be made quarters. Close to Kahala Beach, Diamond Head and Waialeale.

Exterior Features		Interior Features		Property Features	
Construction Materials	Double Wall, Halohal Tile, Mosaic/Stucco, Other	Floors	Hardwood, Marble/Granite, W/W Carpet	Amenities	Bedroom On 1st Floor, Entry, Full Bath On 1st Floor, Landscaped, Multi/Quad Owners, Other, Patio/Deck, Storage, Walk/Fence
Location	Inside	Inclusions	A/C Central, A/C Split, Auto Storage Door Opener, Cable TV, Ceiling Fan, Chandelier, Connection Oven, Dishwasher, Exhaust, Dryer, Gas Grill, Heat Pump, Intercom, Microwave Hood, Range Hood, Range/Oven, Refrigerator, Security System, Smoke Detector, Washer	Assessed Value Improvements	2179500.00
Lot Description	Clear	Sq Ft Heated Living	6702	Assessed Value Land	2963100.00
Parking	3 Cars, Driveway, Garage, Street	Sq Ft Booked Living	318	Assessed Value Total	5138600.00
Pool	Heated, In Ground, Spas/HotTub	Other		Builder Name	Pyramid Construction
Road Frontage	County Rd, Paved Rd			Disclosures	Property Disclosure Stmt
Roof	Tile			Down Payment Reserve	No
Sq Ft Garage	1018			Events	Other
Stories	One, Split Level			Flood Zone	Zone X
Style	Detach Single Family, Multiple Dwellings			Land Recordset	Regular System
Topography	Level			Land Tenure	FS - Fee Simple
View	Garden, Mountain, Other			Listing Financing	Cash, Conventional
				New Construction	No
				Possession	At Closing
				Property Condition	Excellent
				Property History	Single Family
				Security	Key
				Setbacks	C&C, Of Record
				Special Sale Conditions	None
				Tax Amount	1473.00
				Tax Paid By Seller	No
				Tax Year	2017
				Utilities Available	Cable, Connected, Gas, Internet, Overhead Electricity, Public Water, Telephone
				Zoning	OS - R10 - Residential District

Listing History

Date	Days Ago	Event	New Price
Feb 1, 2018	77 days ago	Price Reduced - + \$-600,000 (-7.8%)	\$6,888,000
Oct 23, 2017	178 days ago	New on market	\$7,388,000

Map showing the location of 4308 Kahala Avenue, Honolulu, HI, 96816. Starting Address: [Blank], Listing Address: 4308 Kahala Avenue, Honolulu, HI, 96816. Get Directions

With thousands of properties to consider, at the center of every home search is the need to efficiently gather information without needing to switch back and forth between websites. ElitePacific.com gives you the typical bedrooms and baths, but then goes much further. All of the information is updated and vetted for accuracy by the local Multiple Listing Service in real time.

PHOTO GALLERY AND VIRTUAL TOUR

ASK YOUR AGENT A QUESTION

COMPLETE FEATURES DIRECT FROM MLS



# Tools for Your Search

## NEGOTIATION GUIDANCE

Price is certainly important; however, there are dozens of other terms that you and the seller will need to agree upon.

The proper handling of negotiations can substantially affect your home purchase. Your Elite Pacific agent is focused on achieving your real estate goals and ensuring a smooth process along the way. We recommend all of our clients review a sample Purchase Contract with their agent soon after beginning the buying process.



## FIVE TIPS FOR MAKING AN OFFER

**Understand How Much You Can Afford** - While it's not nearly as fun as house hunting, fully understanding your finances is critical in making an offer. You will need to know if you are financially able and prepared to make any repairs to the house (e.g. new roof, new appliances).

**Act Fast** - The inventory of homes listed for sale has remained well below the six-month supply that balances the market between buyers and sellers. Buyer demand has continued to outpace the supply of homes for sale in many markets. As soon as you decide that you want to make an offer, work with your agent to present it as soon as possible.

**Make it Personal** - Often a seller will pick the offer that has the highest chance of successfully closing for the greatest amount of money. Especially in multiple-offer situations, sellers will also work with the buyer they feel is most deserving of the home. A great cover letter about you, why you love the home, along with a photo, can go a long way. When combined with a pre-approval, verification of cash funds and a letter from your Elite Pacific agent, your offer will be presented in the strongest possible light.

**Make a Solid Offer** - Your offer should be comparable to other sales and listings in the neighborhood. Your Elite Pacific agent should be active in the neighborhoods you are considering. Make a solid offer based on his/her experience, recent sales of similar homes, and the condition of the house.

**Be Prepared to Negotiate** - You will likely get at least one counter-offer from the sellers. The two most common items to be negotiated are the selling price and closing date. Your agent will be key in the negotiation process, giving you guidance on the counter-offer and making sure that the agreed-to contract terms are met.

Whether buying your first home or your fifth, having a local real estate professional who is a market expert is your biggest asset.

## THE ESCROW PROCESS WITH ELITE

### What is the Escrow Process and Why is it Needed?

The Escrow Process defines the deposit of a deed, money, contract or other written agreement with a third party to be delivered only when performance or fulfillment of set conditions has been completed.

Escrow is used during real estate transactions for protection and convenience. Both buyer and seller can work independently to provide inspections, reports, loan commitments and funds, deeds and other items, using the escrow holder as the central holding repository.

### Opening a New Escrow

Once both buyer and seller have agreed to terms and have a fully executed purchase contract for a property, your agent will submit contract documents to our team of dedicated, full time Transaction Management (TM) professionals. We will then:

- Open an escrow account and file with an Escrow/Title company to help us manage the transaction.
- Create a timeline of contract contingencies to share with you. This timeline details deliveries of important inspection reports, financial documents and verifications. It also defines due diligence deadlines as detailed in your specific purchase contract.
- Send you a welcome letter with information about how we use DocuSign to obtain digital signatures during the course of the Escrow.
- Order HOA documents, the termite inspection and survey report as required by your contract if you are selling your property.



## During Escrow

Once your transaction has been opened and your due diligence period begins, your TM team will collect and distribute all received documents and task the following:

- Escrow will provide a Preliminary Title Report detailing ownership and property liens and encumbrances.
- The Seller will provide a disclosure statement detailing all known areas of repair, replacement, warranty or concern.
- The Seller will provide any relevant homeowner or subdivision documents to the Buyer for review.
- The Seller will deliver the termite inspection report and survey report, if required by contract.
- Update and manage your transaction timeline providing weekly updates on status.
- Send you all digital signing requests for receipts and approvals of the various documents that you will review during the course of the transaction. These include:
  - Sellers Disclosure Statement Approval
  - Home Inspection Contingency Approval
  - Final Walkthrough Inspection Approval
  - HOA Document Approval
  - Approvals for any changes, additions or deletions agreed upon by Buyer and Seller during the course of the transaction.
- Coordinate the transaction with your agent, the other party's agent and the escrow officer.

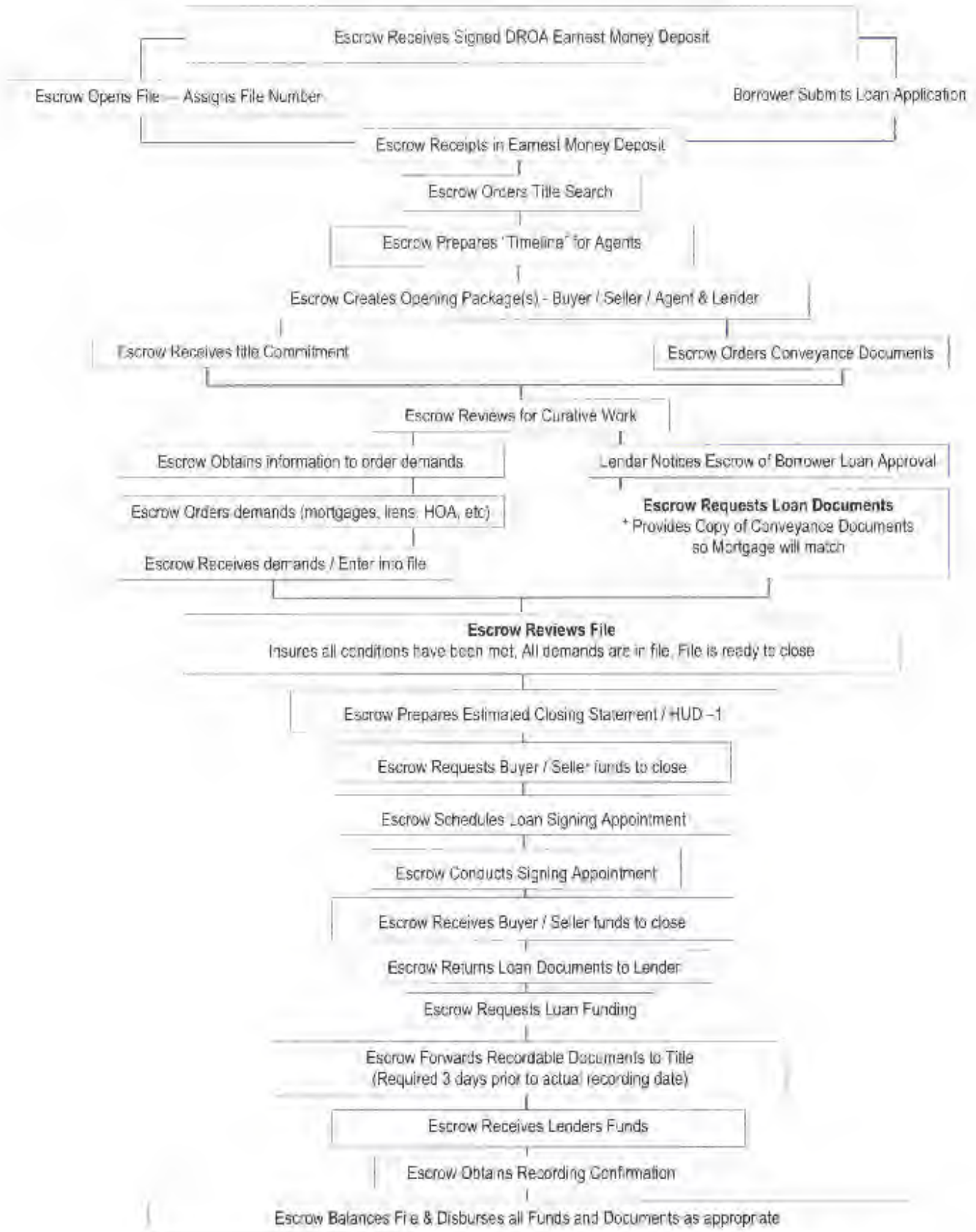
## Closing Escrow

Your TM team will be working closely with your agent to make sure that:

- All inspection, financial and report contingencies have been met.
- You sign all required escrow and mortgage related documents.
- All pre-closing contingencies such as cleaning and pet treatment have been completed.

Once all contingencies have been met and all funds have been deposited, your transaction is ready to be recorded at the Bureau of Conveyances. Your TM team will be working with your agent to make sure that your purchase or sale completes smoothly. It is our job to document and archive your transaction. All communications and related documents are always stored offsite safely and securely. Congratulations on a successful Transaction!

# ESCROW PROCESS





Informational content brought to you by

**TITLE GUARANTY**

— TITLE & ESCROW SERVICES —



Luxury Service with Aloha Spirit

## What is Title and Escrow?

The purchase of residential real estate is the most expensive long term financial commitment most individuals or families will ever make. Because of this, all those involved will want to be sure that the rights to the property are clear, that the transfer will be completed expeditiously and correctly, and that their financial interests are safeguarded to the maximum extent possible. Through title insurance and escrow services, Title Guaranty helps all involved parties achieve these goals.

**T**itle insurance differs significantly from other forms of insurance in many respects. While the function of most other forms of insurance is risk assumption, the primary purpose of title insurance is to eliminate risks and prevent losses that can occur when a title is defective.

To achieve this protection, Title Guaranty first performs an extensive search of public records to determine whether any person other than the seller has any right, lien, claim, or encumbrance that may be taken into account. Once all the rights and claims are clearly determined, a title product may be issued.

Title insurance services are designed to afford homeowners, lenders, and others protection from adverse title claims or risks. The financial assurance offered by Title Guaranty, both in satisfying any valid claims and in defraying any attacks on the title, is the key aspect of title protection. This process also helps ensure that all parties have a clear understanding of their interests before the transaction is consummated. In this way, potential title claims can be resolved before financial losses are incurred.



**E**scrow is a trustworthy, third party who manages documents and funds relating to a transaction. **Escrow executes, deposits, holds, and disburses these documents and funds upon the fulfillment of all conditions** of the escrow instructions. Title Guaranty Escrow Officers provide experience and expertise in real estate transactions, and work together with the parties and their agents to expeditiously close your transaction.

Escrow calculates the prorations for monthly and yearly assessments such as real property taxes, lease rents, and condominium or other association dues; provides and obtains HARPTA and FIRPTA documents; and pays, as instructed, existing liens, mortgages, taxes, fire insurance premiums, etc. Escrow also coordinates the recordation of documents and the issuance of the desired title coverage with the client's selected title company.

Prior to and at closing, Escrow will also produce preliminary and final closing statements indicating the various charges and credits to the seller and the buyer.

August 2017





# Preliminary Reports

## What is a Preliminary Report?

A preliminary report is a title report that is made before a title insurance policy is issued or when escrow is opened. It is usually issued for the purchaser or mortgagee of a property. The report reflects the status of the title to the property after an investigation has been made of the public records. Those matters affecting title are set forth as of the date and time shown on the report.

## Knowledge is Power!

Knowing the condition of the title is vitally important in any real estate transaction. Empower yourself by gaining a thorough understanding of a preliminary title report!

### Buyer's Concerns

- Does the seller really own the property?
- What liens encumber the property and will they be satisfied before the transfer of title?
- What use and enjoyment limitations will the buyer have as owner of the property?

### Seller's Concerns

- Review the status of the property before delivery to the buyer.
- Resolve any defects before transfer of title to the buyer.
- If there is any titleholder change in status, such as death, divorce, or marriage, you may need to provide proof of the event.

## Preliminary Report Format

### Schedule A

**Vesting** - The vested owner in schedule A should be the individual(s) who signs the contract and/or loan documents. The vesting includes marital status, tenancy, and estate - fee simple or leasehold.

**Time of Search** - A search of the public records is done from the source of title (as early as 1846) up to the current date and time.

### Schedule B

**Encumbrances** - Items that affect an owner's right of use and enjoyment of the property such as restrictions on use, liens, unpaid taxes, outstanding mortgages, etc. Encumbrances are shown in order of priority.

### Schedule C

**Legal Description & Derivation** - Contains the legal description of the property and the conveyance document(s) or other evidence of how the current title holder obtained title.

### General Notes & Buyers Liens

**General Notes** - Items that are not encumbrances but relevant to the property such as changes in status of the title holder and non-encumbering liens.

**Buyer Liens** - Existing liens against the buyer are noted here.



# Title & Tenancy

	Tenancy in Severalty	Tenancy in Common	Joint Tenancy	Tenancy by the Entirety
<b>TENANCY DEFINITION</b>	Property held by one party, severed from all others	Property held by 2 or more persons, with no right of survivorship	Property held by 2 or more individuals (no corporations, partnerships, etc). Includes right of survivorship	Property held by a married couple or Hawaii registered Reciprocal Beneficiaries. Includes right of survivorship
<b>CREATION OF THE TENANCY</b>	Any transfer to one party	By express act; also by failure to express the tenancy	Express intention plus 4 unities of time, title, interest and possession (with statutory exception)	Express intention. When terminated, automatically defaults to Tenancy in Common when the following event occurs: Divorce of a married couple; termination of a reciprocal beneficiary relationship; dissolution of a civil union.
<b>POSSESSION</b>	Total	Equal right of possession	Equal right of possession	Equal right of possession
<b>TITLE TO THE PROPERTY</b>	One title in one party	Each co-owner has a separate legal title to his undivided interest; will be equal interests unless expressly made unequal	One title to the whole property since each tenant is theoretically deemed owner of whole; must be equal undivided interests.	One title in the tenancy unit
<b>CONVEYANCE OF INTEREST</b>	No restrictions (check release of marital rights, if any)	Each co-owner's interest may be conveyed separately by its owner; purchaser becomes tenant in common	Conveyance of 1 co-owner's interest breaks his tenancy; purchaser becomes tenant in common	Cannot convey without the other tenant
<b>EFFECTS OF DEATH ON THE TENANCY</b>	Entire property subject to probate	Decedent's fractional interest subject to probate. The property passes, by will to devisees or to the heirs, who take as tenants in common. No survivorship rights	No probate - cannot be disposed of by will; property automatically belongs to surviving co-tenants (last one holds in severalty).	Right of survivorship - no probate
<b>CREDITOR'S RIGHTS</b>	Subject to creditor's claims	Co-owner's fractional interest may be sold to satisfy a creditor who then becomes tenant in common	Joint tenancy is broken and purchaser becomes tenant in common. Creditor gets nothing (as to the property) if debtor tenant dies before sale	A judgment creditor only of both tenants can execute on property. Federal liens may attach to the property.

## Property Condition



### HOME INSPECTIONS

A home inspection evaluates the visible and accessible systems and components of a home and is intended to give you an understanding of their condition.

Your Elite Pacific agent will assist you in arranging the inspection after you have an accepted offer. The inspection is typically a cost charged to the buyer and paid at the time of service. This inspection period is your opportunity to examine every aspect of the property, and a home inspection by a professional home inspector is typically the most important element.

Keep in mind, it's the inspector's job to find issues, no matter how small, because that's what you're paying him/her to do. It's important to remember that there is no such thing as a perfect home. Every home inspection will reveal minor issues, even in new construction and luxury homes.

In general, you should not ask for repairs or credits, unless there is a major discovery that is inconsistent with the general age and visible condition of the property. Section J-1 (General Inspection) does not require the seller to repair or replace anything or give a credit for repairs as a result of the inspection. You may ask for repairs, but the seller is not contractually required to even respond to your request.

Your Elite Pacific agent's job is to make sure you are comfortable with the condition of the property so that you can make the best financial decisions for you and your family. We have an excellent vendor database of licensed professionals who can help you address any repair needs that may arise.

Whenever possible, be present. The inspector will review with you the results of the inspection (submitted to you afterward as a written report) and point out any problems. Usually the inspection of the home can be completed in two to three hours (the time can vary depending upon the size and age of the dwelling).



## HOME INSPECTORS TYPICALLY INSPECT:



STRUCTURAL COMPONENTS  
(FLOORS, WALLS, ROOFS, FOUNDATIONS,  
ETC.).



MECHANICAL SYSTEMS  
(PLUMBING, ELECTRICAL,  
AIR CONDITIONING).



INSTALLED APPLIANCES  
AND OTHER MAJOR COMPONENTS  
OF THE PROPERTY.

## WHAT HOME INSPECTIONS DON'T COVER

Inspections don't address the cost of repairs. Working with your agent and reputable contractors, estimates can be developed during your due diligence period.

An inspection doesn't guarantee that the home complies with building codes (subject to periodic change).

Inspections don't protect you in the event an item inspected fails in the future. Home inspections are an evaluation of the property on the day it is inspected, taking into consideration normal wear and tear.

Home inspectors are not required to report on wood-destroying insects, environmental contamination, pools and spas, detached structures, or cosmetic issues.

Ask the home inspector if he or she covers specific things that are important to you. If not, you and your agent can work together to arrange for an inspection of these items by the appropriate professionals.

## Contract to Closing

### HAVING YOUR OFFER ACCEPTED IS JUST THE BEGINNING OF WHAT A FULL-SERVICE REAL ESTATE FIRM OFFERS

The services of an Elite Pacific associate can help put your mind at ease and bring order to a process that frequently overwhelms even the most organized. The process of purchasing a home can be complex and emotional. Proactive management and attention to detail will help make your purchase efficient and seamless.



### WHAT YOUR ELITE PACIFIC AGENT DOES:

1. Distribute documents to all relevant parties, including the title company, insurance and financial professionals.
2. Create and maintain a timeline of all contingencies and remain in contact regarding upcoming deadlines.
3. Coordinate due diligence for home, pest and other inspections desired by the buyer.
4. Facilitate needed bids and repairs.
5. Communicate with your lender to ensure timely financing.
6. Interact with the listing agent to ensure both parties are on the same page.
7. Schedule necessary walk-through(s).
8. Confirm contingencies have been satisfied according to the contract.
9. Coordinate your closing and moving schedules.



# Contract to Closing

## Helping you prepare for the big transition

There's a lot to remember when moving. This list contains most of the big tasks you'll need to do (and some that you won't), along with suggested timeframes.

### FIVE WEEKS BEFORE

- Call moving companies for estimates.
- Remove and dispose of unnecessary possessions.
- Start compiling an inventory of your possessions.
- Get a floor plan (with room dimensions) of your new home to help you decide which furnishings you want to keep and which room they will go in.
- Start a file of moving-related papers and receipts.
- Locate schools, healthcare professionals and hospitals in your new location.
- Arrange to transfer your children's school records and family medical records

### FOUR WEEKS BEFORE

- Secure off-site storage, if needed.
- Choose a mover and sign a contract.
- Contact your homeowner's insurance agent about coverage for moving and secure more if necessary.

### THREE WEEKS BEFORE

- Make travel plans if necessary.
- Make arrangements with condo and homeowners association to reserve elevator usage time if moving into or out of a high-rise building.
- Arrange to close existing bank accounts and open new accounts in new area.
- Arrange for child care on moving day.

### TWO WEEKS BEFORE

- Create a file of important papers such as driver's license; registration documents and title; any medical, dental and school records; birth certificates; wills; deeds; stock certificates; and other financial documents.
- Notify the following of your change of address:
  - Post office
  - Banks
  - Relatives and friends
  - Insurance agents, lawyer, tax financial advisor
  - Magazine subscriptions
- Notify utility companies of dates to discontinue/transfer service and/or establish service for your new home. Also arrange for final readings and bills including refunds on prepaid services.
  - Electric
  - Heating oil
  - Internet service
  - Natural gas
  - Telephone
  - Televisions
  - Trash collections
  - Water

- Notify your state's DMV of your new address.
- If moving from a rental, arrange refund of your security deposit
- Discontinue additional home services (housekeeper, gardener/lawn service, pool cleaner), if applicable.
- Start using up things you can't move such as perishables.

### ONE WEEK BEFORE

- Pack moving essential boxes; important documents, travel clothes, personal items and prescription medications.

### 2-3 DAYS BEFORE

- Confirm all final arrangements with your mover and other service providers.

# TG's RECORDING PROCESS

## For the Buyer



**TITLE GUARANTY**  
SERVING HAWAII SINCE 1896

**Title and Escrow is our business.  
Hawaii is our home.**

Call: (808) 521-0211 or Visit: [TGHawaii.com](http://TGHawaii.com)

## YOU ARE ENTITLED TO THE HOME EXEMPTION IF:

- 1) You own and occupy the property as your principal home. This is evidenced by: occupancy of a home for more than 270 calendar days of a calendar year; registering to vote; being stationed under military orders; or filing of an income tax return as a resident of the state of Hawaii, with an address in the city your home resides in.
- 2) Your ownership is recorded at the Bureau of Conveyances. For lessees, the lease should be for residential purposes for a term of five years or more and lessee will pay all property taxes.

### SINGLE HOME EXEMPTION

The law allows just one (1) home exemption; if a husband and wife live apart and own separate homes, each shall be entitled to one-half (1/2) of one exemption or an amount in proportion to the assessed value.

### HOME EXEMPTIONS FOR SENIOR CITIZENS

This exemption was established to lighten the tax burden for senior citizens who have relatively fixed incomes. Additional exemptions are added as age increases. For more information, please visit your county's website.

[www.kauaipropertytax.com](http://www.kauaipropertytax.com), [www.honolulupropertytax.com](http://www.honolulupropertytax.com), [www.hawaiipropertytax.com](http://www.hawaiipropertytax.com) or [www.mauiprpropertytax.com](http://www.mauiprpropertytax.com)

### OTHER EXEMPTIONS

The law allows for additional exemptions for totally disabled Veterans; those with Hansen's disease and blind, deaf or totally disabled persons.

### IF YOU SELL, RENT OR PURCHASE ANOTHER HOME

If there is a change which might affect your home exemption, such as no longer occupying the property as your home, ceasing to own the property, and/or renting the property, then you must report the change within 30 days. Failure to file a report within 30 days may result in a penalty and additional taxes being assessed.

## INSTRUCTIONS FOR FILING THE HOME EXEMPTION FORM

1. Up to 2 people per sheet.
2. Fill in the tax key of your property.
3. Print your name, \*social security number and birth date.  
*\*The County of Hawaii requires the last four (4) digits of Social Security numbers on its forms.*
4. Print your address, complete with zip code.
5. Answer all of the questions.
6. If more than *ONE LIVING UNIT* on the property, indicate which building (ohana/main house).
7. Both husband and wife must sign.
8. Home phone and business phone.
9. *PHOTO COPY OF PROOF OF AGE* for each *OWNER OCCUPANT* (driver's license, state ID, etc.)
10. File the home exemption claim with the county tax office by the date listed on the attached form and the exemption will be effective for the next assessment year and tax year.
11. Include self-addressed stamped envelope to have your receipt copy of the home exemption form returned to you.
12. Do not return the forms to Title Guaranty - send directly to the address on the form.

## 17 Locations Statewide

HAWAII KAI • KAHALA • KAILUA • KAPOLEI  
KING ST • MAIN • MILILANI • PEARLRIDGE  
LIHUE • KOLOA • PRINCEVILLE  
KAHULUI • LAHAINA • WAILEA  
HILO • KAMUELA • KONA

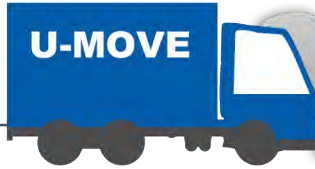
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## Moving Checklist

Helping you prepare for the big transition

There's a lot to remember when moving. This list contains most of the big tasks you'll need to do (and some that you won't) and suggested timeframes. Depending on your situation, you may need to add other things.

### 8 Weeks Before

- Call moving companies for estimates.
- Remove and dispose of unnecessary possessions.
- Start compiling an inventory of your possessions.
- Get a floor plan (with room dimensions) of your new home to help you decide which furnishings you want to keep and which room they will go in.
- Start a file of moving-related papers and receipts.
- Locate schools, healthcare professionals and hospitals in your new location.
- Arrange to transfer your children's school records and family medical records.

### 6 Weeks Before

- Secure off-site storage, if needed.
- Choose a mover and sign contract.
- Contact your homeowner's insurance agent about coverage for moving and secure more, if necessary.
- Contact insurance companies (auto, homeowner's, medical, and life) to arrange for coverage in your new home.

### 3 Weeks Before

- Make travel plans, if necessary.
- Make arrangements with condo or homeowner's association to reserve elevator usage time if moving into or out of a high-rise building.
- Arrange to close existing bank accounts and open new accounts in new area.
- Arrange for child care on moving day.

- 2 - 3 Days Before** Confirm all final arrangements with your mover and other service providers.

### 4 Weeks Before

- Create a file of important papers, such as auto license, registration documents and title; any medical, dental and school records; birth certificates; wills, deeds, stock certificates, and other financial documents.
- Notify the following of your change of address:
  - Post office
  - Insurance agent, lawyer, tax/financial advisor
  - Banks
  - Credit card companies
  - Magazine subscriptions
  - Relatives and friends
- Notify utility companies of date to discontinue/transfer service and/or establish service at your new home. Also arrange for final readings and bills, including refunds on prepaid services.
  - Electric
  - Telephone
  - Heating oil
  - Television
  - Internet service
  - Trash collection
  - Natural gas
  - Water
- Notify your state's DMV of your new address.
- If moving from an Apt., arrange for refund of your security deposit.
- Discontinue additional home services (housekeeper, gardener/lawn service, and pool cleaner), if applicable.
- Start using up things you can't move, such as perishables.

### 2 Weeks Before

- Arrange special transport for your pets and plants.
- Contact your moving company and review arrangements for your move.

### 1 Week Before

- Pack moving-essential boxes—important documents, travel clothes, personal items and prescription medications.





## Payment Due Dates

### 1st Installment

Tax Period: July 1 - December 31  
Payment Due: August 20

### 2nd Installment

Tax Period: January 1 - June 30  
Payment Due: February 20

## HONOLULU

### \*Residential A:

Tier 1 tax rate: applied to net taxable value of the property up to \$1,000,000

Tier 2 tax rate: applied to net taxable value of property in excess of \$1,000,000

## MAUI

### \*Short Term Rental:

Overnight accommodations are provided to guests for compensation for periods of less than one hundred eighty days, in no more than two single-family dwelling units or one single family dwelling unit and one accessory dwelling unit, excluding bed and breakfast homes.

## HAWAII ISLAND

## KAUAI

Class	Net Taxable Bldg: (Per \$1000)	Net Taxable Land: (Per \$1000)	Tax Rate: (Per \$1000)
Residential			\$3.50
Hotel & Resort			\$13.90
Commercial			\$12.40
Industrial			\$12.40
Agricultural			\$5.70
Preservation			\$5.70
Public Service			\$0.00
Vacant Agricultural			\$8.50
Residential A*			
Tier 1			\$4.50
Tier 2			\$10.50
Residential	\$5.60	\$5.60	
Apartment	\$6.31	\$6.31	
Commercial	\$7.39	\$7.39	
Industrial	\$7.48	\$7.48	
Agricultural	\$5.94	\$5.94	
Conservation	\$6.43	\$6.43	
Hotel & Resort	\$11.00	\$11.00	
Time Share	\$14.40	\$14.40	
Homeowner	\$2.90	\$2.90	
Commercialized Residential	\$4.60	\$4.60	
Short Term Rental*	\$10.75	\$10.75	
Residential	\$11.10	\$11.10	
Affordable Rental Housing	\$6.15	\$6.15	
Apartment	\$11.70	\$11.70	
Commercial	\$10.70	\$10.70	
Industrial	\$10.70	\$10.70	
Agricultural & Native Forest	\$9.35	\$9.35	
Conservation	\$11.55	\$11.55	
Hotel/Resort	\$11.55	\$11.55	
Homeowner	\$6.15	\$6.15	
Homestead			\$3.05
Residential			\$6.05
Vacation Rental			\$9.85
Commercial			\$8.10
Industrial			\$8.10
Agricultural			\$6.75
Conservation			\$6.75
Hotel & Resort			\$10.85
Residential Investor			\$8.05
Commercialized Home Use			\$5.05

For more information on real property tax payment options, please visit your county's website. **This flyer does not provide tax or legal advice pertaining to a specific situation. Consult a lawyer or tax professional before entering into a transaction.** The information in this flyer is intended for educational purposes only and may not be applicable in all situations. All rights to these materials are reserved; no reproduction without prior written consent.



## Emergency Contact Numbers



**Police/Fire/Ambulance 911**

AGENCY	STATEWIDE	OAHU	KAUAI	MAUI	EAST HAWAII	WEST HAWAII
American Red Cross <a href="http://hawaiiireddcross.org">hawaiiireddcross.org</a>		734-2101	245-4919	244-0051	935-8305	326-9488
Board of Water Supply - Trouble line Oahu <a href="http://hbws.org/cssweb">hbws.org/cssweb</a> Kauai <a href="http://kauaiwater.org">kauaiwater.org</a> Maui <a href="http://co.maui.hi.us/index.aspx?NID=225">co.maui.hi.us/index.aspx?NID=225</a> HI Island <a href="http://hawaiiidws.org">hawaiiidws.org</a>		748-5000	245-5444	270-7633	961-8790	
Buoy/Coast Winds <a href="http://surfnewsnetwork.com">surfnewsnetwork.com</a>		973-6114	Please refer to web address			
Crime Stoppers		955-8300	241-1887	242-6966	961-8300	322-9969
Electric - Trouble Service Center		548-7961	246-4300	871-7777	969-6666	
Gas Company Customer & Emergency Service <a href="http://hawaiigas.com">hawaiigas.com</a>		535-5933	245-3301	877-6557	935-0021	329-2984
Hawaii State Civil Defense <a href="http://www.scd.hawaii.gov">www.scd.hawaii.gov</a>	733-4300	523-4121	241-1800	270-7285	935-0031	
Highway Safety Hotline <a href="http://hawaii.gov/dot/highways">hawaii.gov/dot/highways</a>		831-6714 / 485-6207	Please refer to web address			
Humane Society Oahu <a href="http://hawaiianhumane.org">hawaiianhumane.org</a> Kauai <a href="http://kauaihumane.org">kauaihumane.org</a> Maui <a href="http://mauihumane.org">mauihumane.org</a> HI Island <a href="http://hihs.org">hihs.org</a>		946-2187	632-0610	877-3680	329-1175	
Missing Child Center (Hawaii Hotline) <a href="http://hawaii.gov/ag/mcch">hawaii.gov/ag/mcch</a>	793-9797					
Ocean Safety & Lifeguard Service <a href="http://www.hawaiiibeachsafety.com">http://www.hawaiiibeachsafety.com</a>		922-3888	691-7873	270-6136	961-8689	327-3570
Pacific Disaster Center <a href="http://pdc.org">pdc.org</a>	891-0525					
Poison Control Center <a href="http://aapcc.org">aapcc.org</a>	800-222-1222					
Senior Helpline <a href="http://hawaiiadrc.org">hawaiiadrc.org</a>	643-2372 / 643-0889	768-7700	241-4470	270-7774	961-8626	323-4390
Social Security Administration <a href="http://ssa.gov">ssa.gov</a>	800-772-1213					
U.S. Coast Guard	842-2600 (24hr) or 842-2601					
Wave Forecast (Hawaiian Waters) <a href="http://surfnewsnetwork.com">surfnewsnetwork.com</a>		973-4382 / 596-7873	241-7873	572-7873	324-7874	
Weather Forecast <a href="http://www.prh.noaa.gov/hnl">www.prh.noaa.gov/hnl</a>	973-5286	973-4381	245-6001	(866) 944-5025	935-8555	961-5582

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Suite 106  
Honolulu, HI 96816  
(800) 315-3898

### Kailua Office

419-B Kuulei Rd.  
Kailua, HI 96816  
(800) 315-3898

### Turtle Bay Office

57-091 Kamehameha Hwy  
Kahuku, HI 96731  
(800) 315-3898

## MAUI OFFICES

### Lahaina Office

75 Kupuohi St. Suite 203  
Lahaina, HI 96761  
(800) 315-3898

### Wailea Office

34 Wailea Gateway Pl.  
Suite A-204  
Kihei, HI 96753  
(800) 315-3898

## KAUAI OFFICES

### Koloa Office

3417 Poipu Rd.  
Suite 110B  
Koloa, HI 96756  
(800) 315-3898

### Princeville Office

5-4280 Kuhio Hwy.  
Suite B-103  
Princeville, HI 96722  
(800) 315-3898

## BIG ISLAND OFFICES

### Hilo Office

64 Keawe St.  
Suite 203  
Hilo, HI 96720  
(800) 315-3898

### Kona Office

Walua Professional Bldg.  
75-5905 Walua Rd.  
Suite 9  
Kailua-Kona, HI 96740  
(800) 315-3898

### Waikoloa Office

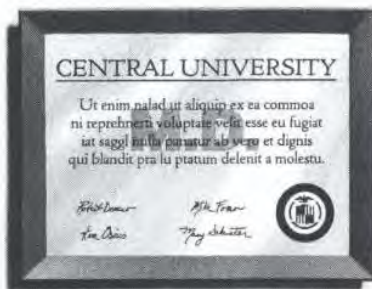
Kings' Shops at Waikoloa  
250 Waikoloa Beach Dr.  
Suite B14  
Waikoloa, HI 96738  
(800) 315-3898

### Waimea Office

65-1291 Kawaihae Rd.  
Suite 101 C  
Kamuela, HI 96743  
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# Glossary

- **Adjustable Rate Mortgage (ARM):** A mortgage with an interest rate that changes over time in line with movements in the index. ARMs are also referred to as AMLs (adjustable mortgage loans) or VRM (variable rate mortgages)
- **Adjustment Period:** The length of time between interest rate changes on an ARM. For example, a loan with an adjustment period of one year is called a one-year ARM, which means that the interest rate can change once a year.
- **Amortization:** Repayment of a loan in installments of principal and interest, rather than interest-only payments.
- **Annual Percentage Rate (APR):** The total finance charge (interest, loan fees, points) expressed as a percentage of the loan amount.
- **Appraisal:** An estimate of the property's value.
- **Assumption of Mortgage:** A buyer's agreement to assume the liability under an existing note that is secured by a mortgage or deed of trust. The lender must approve the buyer in order to release the original borrower (usually the seller) from liability
- **Balloon Payment:** A lump sum principal payment due at the end of some mortgages or other long-term loans.
- **Binder:** Sometimes known as an offer to purchase or an earnest money receipt. A binder is the acknowledgment of a deposit along with a brief written agreement to enter into a contract for the sale of real estate.
- **Buydown:** Permanent-prepaid interest that brings the note rate on the loan down to a lower, permanent rate. Temporary-prepaid interest that lowers the note rate temporarily on the loan, allowing the buyer to more readily qualify and to increase payments as income grows.
- **Cap:** The limit on how much an interest rate or monthly payment can change, either at each adjustment or over the life of the mortgage.
- **Cash Reserves:** The amount of the buyer's liquid cash remaining after making the down payment and paying all closing costs.
- **CC&Rs:** Covenants, conditions and restrictions. A document that controls the use, requirements and restrictions of a property
- **Certificate of Commitment:** The lender's approval of a VA loan, which is usually good for up to six months.
- **Certificate of Reasonable Value (CRV):** A document that establishes the maximum value and loan amount for a VA guaranteed mortgage.
- **Chattel:** Personal property
- **Closing Statement:** The financial disclosure statement that accounts for all of the funds received and expected at the closing, including deposits for taxes, hazard insurance, and mortgage insurance.
- **Condominium:** A form of real estate ownership where the owner receives title to a particular unit and has a proportionate interest in certain common areas. The unit itself is generally a separately owned space whose interior surface (walls, floors and ceilings) serve as its boundaries.
- **Contingency:** A condition that must be satisfied before a contract is binding. For instance, a sales agreement may be contingent upon the buyer obtaining financing.
- **Conversion Clause:** A provision in some ARMs that enables home buyers to change an ARM to a fixed rate loan, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed rate mortgages. This conversion feature may cost extra.
- **Cooperative:** A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.
- **CRB:** Certified Residential Broker. To be certified, a broker must be a member of the National Association of Realtors, have five years experience as a licensed broker and have completed required Residential Division courses.
- **CRS:** Certified Residential Specialist.
- **Debt Ratios:** The comparison of a buyer's housing costs to his or her gross or net effective income, and the comparison of a buyer's total long-term debt to his or her gross or net effective income. The first ratio is *housing ratio*; the second ratio is *total debt ratio*.
- **Due-On-Sale Clause:** A clause that requires a full payment of a mortgage or deed of trust when the secured property changes ownership.
- **Earnest Money:** The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.

•**Escrow:** A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties' instructions and assuming responsibility for handling all of the paperwork and distribution funds

•**Equity:** The difference between what is owed and what the property could be sold for.

•**FHA Loan:** A loan insured by the Federal Housing Administration (of the Department of Housing and Urban Development).

•**Federal Home Loan Mortgage Corporation (FHLMC):** Called "Freddie Mac"; a part of the secondary market, particularly used to purchase loans from savings and loan lenders within the Federal Home Loan Bank Board

•**Federal National Mortgage Association (FNMA):** Popularly known as "Fannie Mae." A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages insured by FHA or guaranteed by the VA, as well as conventional home mortgages.

•**Fee Simple:** An estate in which the owner has unrestricted power to dispose of the property as he wishes, including leaving by will or inheritance. It is the greatest interest a person can have in real estate

•**Finance Charge:** The total cost a borrower must pay, directly or indirectly, to obtain credit according to Regulation Z.

•**Fixed Rate Mortgage:** A conventional loan with a single interest rate for the life of the loan.

•**Fully Indexed Rate:** The maximum interest rate on an ARM that can be reached at the first adjustment.

•**Gift Letter:** A letter from a relative stating that an amount will be gifted to the buyer, and that said amount is not to be repaid.

•**Government National Mortgage Association (GNMA):** Called "Ginnie Mae"; a governmental part of the secondary market that deals primarily in recycling VA and FHA mortgages, particularly those that are highly leveraged

•**Graduated Payment Mortgage:** A residential mortgage with monthly payments that start at a low level and increase at a predetermined rate

•**GRI:** Graduate, Realtors Institute A professional designation granted to a member of the National Association of Realtors@ who has successfully completed courses covering Law, Finance and Principles of Real Estate.

•**Home Inspection Report:** A qualified inspector's report on a property's overall condition. The report usually includes an evaluation of both the structure and mechanical systems.

•**Home Warranty Plan:** Protection against failure of mechanical systems within the property Usually includes plumbing, electrical, heating systems and installed appliances.

•**Home Warranty Plan:** Protection against failure of mechanical systems within the property Usually includes plumbing, electrical, heating systems and installed appliances.

•**Index:** A measure of interest rate changes used to determine changes in an ARM's interest rate over the term of the loan.

•**Initial Interest Rate:** The introductory interest rate on a loan; signals that there may be rate adjustments later in the loan.

•**Joint Tenancy:** An equal undivided ownership of property by two or more persons. Upon the death of any owner, the survivors take the decedent's interest in the property

•**Jumbo Loans:** Mortgage loans that exceed the loan amounts acceptable for sale in the secondary market; these jumbos must be packaged and sold differently to investors and therefore have separate underwriting guidelines.

•**Lien:** A legal hold or claim on property as security for a debt or charge.

•**Loan Commitment:** A written promise to make a loan for a specified amount on specified terms.

•**Loan- To- Value-Ratio:** The relationship between the amount of the mortgage and the appraised value of the property, expressed as a percentage of the appraised value.

•**Lock-in:** The fixing of an interest rate or points at a certain level, usually during the loan application process. It is usually done for a certain period of time, such as 60 days, and may require a fee or premium in the form of a higher interest rate.

•**Margin:** The number of percentage points the lender adds to the index rate to calculate the ARM interest rate at each adjustment.

•**Mortgage Life Insurance:** A type of term life insurance often bought by home buyers. The coverage decreases as the mortgage balance declines. If the borrower dies while the policy is in force, the mortgage debt is automatically covered by insurance proceeds.

●**Negative Amortization:** Occurs when monthly payments fail to cover the interest cost. The interest that isn't covered is added to the unpaid principal balance, which means that even after several payments the borrowers could owe more than they did at the beginning of the loan. Negative amortization can occur when an ARM has a payment cap that results in monthly payments that aren't high enough to cover the interest.

●**Origination Fee:** A fee or charge for work involved in evaluating, preparing, and submitting a proposed mortgage loan. The fee is limited to 1 percent for FHA and VA loans.

●**Payment Cap:** The maximum amount the payment can adjust in any given time frame.

●**PITI:** Principal, Interest, Taxes and Insurance.

●**Planned Unit Development (PUD):** A zoning designation for property developed at the same or slightly greater overall density than conventional development, sometimes with improvements clustered between open, common areas. Use may be residential, commercial or industrial.

●**Point:** An amount equal to one percent of the principal amount of the investment or note. Lender assesses loan discount points at closing to increase the yield on the mortgage to a position competitive with other types of investments.

●**Prepayment Penalty:** A fee charged to a borrower who pays a loan before it is due. Not allowed for FHA or VA loans.

●**Private Mortgage Insurance (PMI):** Insurance written by a private company protecting the lender against loss if the borrower defaults on the mortgage.

●**Purchase Agreement:** A written document in which the purchaser agrees to buy certain real estate and the seller agrees to sell under stated terms and conditions. Also called a sales contract, earnest money contract, or agreement for sale.

●**Rate Gap:** The difference between where the rate is now and where it could adjust to on an ARM. Also used to compare the difference between a current conventional rate and that of an ARM.

●**Realtor@:** A real estate broker or associate active in a local real estate board affiliated with the National Association of Realtors. @

●**Regulation Z:** The set of rules governing consumer lending issued by the Federal Reserve Board of Governors in accordance with the Consumer Protection Act.

●**Tenancy in Common:** A type of joint ownership of property by two or more persons with no right of survivorship.

●**Title Insurance Policy:** A policy that protects the purchaser, mortgagee or other party against losses.

●**VA Loans:** A loan, made by a private lender, that is partially guaranteed by the Veterans Administration.