

How do Brokers Earn Their Money?

1. Explain the benefits of a Buyers Broker/Agent.
2. Determine the approximate price range for which the buyer will qualify. This is called pre-qualifying, and includes an in-depth inventory of the buyer's resources, and a discussion about credit.
3. Describe how lenders and loan brokers work.
4. Explain the benefits and drawbacks of various standard kinds of financing.
5. Explain loan charges and their relationship the cost and rate of the loan.
6. Provide ideas for alternate methods of finance or purchase if necessary.
7. Explain the use and benefit of a lender pre-qualification letter.
8. Recommend several lenders or loan brokers who can provide a credit report, (and corrections if needed), eligibility documentation, liens, or any other preliminary work that should be done to make the buyers as strong as possible.
9. Go over in general your financial and personal plans, as they relate to real estate. Verify that your purchase will be compatible with both your long and short term goals.
10. Make a final determination that you can afford to buy the kind of property that will meet all, or most of your needs.
11. Discuss your motivation for buying, in order to insure that you buy a property that will best meet all of your needs. Buyers have been known to fall in lovewith a property, only to admit later that it is too expensive to maintain, too long a commute, or in some other way not a good choice.
12. Provide a copy of the Real Estate Relationships Disclosure.
13. Review the Real Estate Relationships Disclosure.
14. Provide a copy of the Real Estate Consumer Guide.
15. Provide a copy of the Buyer Brokerage Agreement.
16. Review the Buyer Brokerage Agreement.
17. Explain commission agreements as stated in Buyer Brokerage Agreement.
18. Provide an Agency Agreement Addendum.
19. Explain the Agency Agreement Addendum, as needed.
20. Assist in developing a prioritized list of the criteria you can use to select the best home for you.
21. Help you keep on tract with your criteria when analyzing the pros and cons of various properties.
22. Inform you of possible tax benefits, and or ramifications of your purchase.
23. Explain how the structure of your purchase agreement may affect you financially.
24. Help you select the most advantageous time:
 - a) to make an offer.
 - b) to close your escrow.

25. Provide a copy of the purchase agreement form before the time comes to sign. This gives you time to familiarize yourselves with it.
26. Provide a good understanding of potentially appropriate neighborhoods in your price range.
27. Provide rating data about local schools.
28. Provide locations and characteristics of shopping areas.
29. Provide information about local and regional transportation systems.
30. Share information about available parks and recreation.
31. Explain what sports facilities and programs exist locally.
32. Tell about various churches and religious institutions in the area.
33. Provide facts regarding any existing or possible negative aspects of all areas you are considering.
34. Explain how the Realtor Multiple Listing Service works for appropriate homes.
35. Search properties listed in the Multiple Listing Service for appropriate homes.
36. Examine local newspapers for appropriate properties.
37. Check Home Finder magazine for appropriate properties.
38. Search the Newspaper classifieds for homes.
39. Look through Home Journal magazines for appropriate properties.
40. Review our own personal list of homes that are not on the market, but which we know could be available.
41. Check our list of For Sale By Owner Homes for properties which may not suit your needs.
42. Contact owners of property and arrange to show homes to you.
43. Efficiently show appropriate homes.
44. Share any personal knowledge about local history, weather, political activity or other factors which may affect your decision.
45. Explain and define real estate terminology as needed throughout the buying process.
46. Discuss the benefits and liabilities of various styles of home types of materials and construction.
47. Describe how the orientation of the home on the property affects its function, comfort and energy usage.
48. Help you find a Diamond in the Rough. That is, show you how to add value to a home that may not be perfect, but has most of the features you require.
49. Act as a sounding board, in your decision making process.
50. Provide information about the seller's motivation for selling, if known.
51. Provide a comparative market analysis to determine an appropriate offering price.
52. Write an offer which will best meet your needs and protect your interests.
53. Provide explanation of particular clauses of the agreement if needed.
54. Explain the lender's appraisal process.
55. Provide a written estimate of the costs to close the escrow, including down payment, and monthly payment under the terms of your offer.
56. Be sure that the events and conditions agreed upon in the contract can

- be realistically performed within the time limits provided.
57. Explain how offers to purchase property are presented.
 58. Make an appointment to present your offer.
 59. Present your offer to the seller in a business like manner.
 60. Add credibility to your offer by confirming your ability to perform under the terms of the agreement.
 61. Respond to seller objections with minor modifications which allow the seller to accept, while not significantly altering your position.
 62. Recalculate costs, and monthly payments, in the event of a counter offer from the seller.
 63. Verify representations by the seller, such as, the existence of a building permit for improvements.
 64. Provide professional negotiating experience.
 65. Help remove negotiating obstacles before they arise by knowing the financing and escrow process.
 66. Suggest minor modifications which may allow the seller to accept the offer, and which may not make a significant difference to the buyer.
 67. Suggest several reputable service companies for a house inspection.
 68. Provide several companies who can supply a Pest control Inspection.
 69. When there is a well, give list of respected Well Inspection and Testing Companies.
 70. Provide the names of good Chimney Inspection Companies we have worked with in the past.
 71. Suggest a number of reputable Roof Inspection Companies.
 72. Make arrangements for the various inspections, as required.
 73. Be present if possible, when these inspections take place to add clarity to the written reports. Inspections usually take place during the workday.
 74. Help interpret which report items are serious, and which are relatively minor.
 75. Assist in finding the least costly solutions to problems revealed in the reports.
 76. Re-negotiate with the seller to pay for items which are important, or a matter of health and safety.
 77. Arrange, as requested to have another expert give an opinion in a case where experts express differing opinions.
 78. Arrange for repairs, as necessary.
 79. Provide a SellersDisclosure Statement in a timely manner.
 80. Review SellersDisclosure Statement for items of concern.
 81. Provide a Lead Paint Disclosure in a timely fashion.
 82. Explain Lead Paint Disclosure form.
 83. Gather more information about any items on that disclosure which may be of concern to the buyers.
 84. Rewrite the contract, if needed.
 85. Explain the use of title escrow company.
 86. Explain escrow accounts.

87. Deliver earnest money to listing broker.
88. Go over terms, price and projected closing date with escrow officer.
89. Inform the officer of all parties to the transaction, and how to contact them.
90. Order a Preliminary Title Report.
91. Review the Preliminary Title Report when received to look for clouds on the title, unforeseen liens, easements or encroachments. Any of these could delay closing.
92. Explain Covenants, Conditions and Restrictions, as appropriate.
93. See that the pending sale has been reported to the Multiple Listing Service.
94. Closely follow the deadlines listed in the contract, assuring that buyer and seller perform as agreed. A critical task, as an error in timing can nullify the agreement.
95. Work with the lender to provide information and approvals within the agreed time frames.
96. Provide regular weekly updates on escrow progress to buyer and to sellers agent.
97. Arrange for buyer to see property again as needed for measuring, improvement plans, furniture placement, etc.
98. Explain the protections provided by a Home Warranty Plan.
99. Order a Home Warranty, if requested.
100. Explain Home Owners Insurance requirements.
101. Assist in arranging for Home Owners Insurance, if requested.
102. Provide a list of moving companies, and information regarding the rates, and the services they provide.
103. Provide a list of the telephone numbers of local gas, electric, water and garbage service companies, also the phone company.
104. Arrange a smooth transition of the change in utility service from seller to buyer.
105. Help the buyers locate temporary housing if needed.
106. Assist the buyers in locating local reliable child care.
107. Arrange the exact times when the seller will leave, and when the buyer will move in. As the close of escrow approaches, very often, events beyond the control of either buyer or seller sometimes dictate minor adjustments in the original plans.
108. Negotiate for buyers if the escrow process takes longer than expected, and an Early Move-In Agreement is required.
109. Conduct a final walk through inspection of the property to be sure nothing has been changed since the purchase agreement was ratified.
110. Make arrangements to rectify any problems discovered during the final viewing.
111. Provide written explanation of the various ways to hold title to real property.
112. Provide the names of at least three attorneys who can explain the ramifications of holding title.

113. Explain closing papers.
114. Explain loan documents.
115. Explain closing statements
116. Check closing statements for accuracy.
117. Arrange for wire transfers of funds as necessary.
118. Pick up closing documents and final refund check for delivery to buyer after close of escrow.
119. Attend closing with buyers to help explain any questions.
120. At all times protect the buyers interests.