role of the real estate broker

- Help find a suitable home
- Prepare offers
- Guide through the purchasing process
- Liaison between buyer, seller, and listing agent
- Coordinate with bank, title company, and listing agent
- Disclose any facts about property or HOA
selecting a real estate broker

- Realtor® vs. real estate broker
- How to hire a real estate broker
  - Experience is necessary
- Verify licensing; no disciplinary actions
  - Consumer Corner News at the Colorado Division of Real Estate (dora.state.co.us/realestate)
- Ask questions - interview the real estate broker to make sure they will meet your needs
types of real estate brokers

- Seller’s agent
- Buyer’s agent
- Transaction broker
- Customer
shopping for a home

- Likes/dislikes
  - Current/future needs and wants
  - Personal/family’s interests as these relate to home search

- Communicate all this to your real estate broker.

- Watch for signs that are being unrealistic.

- Can you handle changes/repairs after the sale?
locations of homes

- Multiple Listing Service (MLS)
- Public websites (realtor.com, coloradohousingsearch.com)
- Newspapers, real estate shopper guides, open houses, etc.
- Considerations when selecting a home or neighborhood
- Contact your broker to access properties.
types of homes

- Single family
- Townhouse
- Condominium (condo)
- Modular home
- Manufactured/mobile home
types of homes (cont.)

- Short sale
  (aka “preforeclosure”)
- Foreclosed home
- HUD home
- Deed restriction
homeowners association (HOA) or common interest community (CIC)

- Who participates in an HOA?
- What is an HOA?
- Are there any fees associated with HOAs & CICs?
- Important documents/information on HOA
  - Lender will provide these documents/information to you – Read them!
- Protect your home and get involved in your HOA or CIC
purchasing a home

- Submit a contract to purchase
- Earnest money
  - Show of a buyer’s good faith
  - Amount set by the seller; is negotiable
  - Money back at closing – most FTHB programs do not allow any money back to the buyer at closing
- Submit an offer
  - Broker and lender will develop an offer to buy
  - Buyer Agency Agreement
  - For Sale by Owner
purchasing a home (cont.)

- Different ways to take title
  - Joint tenants
  - Tenants in common
  - Severalty

- Purchase contract elements
  - Forfeiting your earnest money
  - Acceptable reasons for canceling the contract
  - Observe the following contract items for deadlines: title review/CIC review, inspection, appraisal
purchasing a home (cont.)

- Title commitment
- Home inspection
  - Inspectors not licensed in Colorado
  - Pay for the inspection the day of
  - Make sure inspector is bonded and insured
  - Walk the property with the inspector
  - Bank-owned properties
  - Mold, radon, and methamphetamine testing
  - Further negotiations based on findings
purchasing a home (cont.)

- Survey/Improvement Location Certificate (ILC)
  - Survey Estimated cost $1,000 - $3,000
  - ILC estimated cost $350 - $400

- Appraisal
  - Determines fair market value of home
  - Lender will order the appraisal once all inspection items have been resolved
  - Estimated cost $450 - $500
purchasing a home (cont.)

- Real estate property disclosures; contract attachments
  - Seller’s Property Disclosure
  - Square Footage Disclosure
  - Lead-Based Paint Disclosure
  - Mold Disclosure
  - Bank Addendums

- Home warranty
new construction

- Take your buyer’s agent to the initial visit.
- Research the builder’s reputation.
- Review covenants and HOA documents.
- Determine the property taxes.
- Don’t close with outstanding items on the punch list.
- Consider an attorney’s review of contract.
- Hire a third-party inspector.
- Get receipts and physically verify all upgrades.
real estate
section three quiz
true or false

- You will lose your earnest money deposit if any of the items listed on your Contract to Purchase are not completed on time.
- You do not need a home inspection on a newly-built home.
true or false

- It is recommended that you visit the property and neighborhood at various times of day.
- HUD homes are foreclosed homes where the previous owner had a conventional loan.
### Column A
- Earnest money
- Buyer Agency Contract
- Homeowners Association (HOA)
- Inspection

### Column B
A. A report that will address the condition of the property and identify any potential issues
B. Comprised of homeowners who oversee the financial statements and assures the property is maintained
C. A good faith deposit that shows the borrower is serious about buying the home
D. An agreement that specifies terms, buyer’s/broker’s duties, relationship, obligations, compensation, etc.