

Guide to Buying a Home



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Meet Mark

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Bilingual with Spanish

BUYER VALUE PROPOSITION

- 1. Needs Analysis** - Help analyze your wants and needs to get a clear picture of your ideal home
- 2. Pre-qualification** - Guide you to a reputable loan officer and help obtain pre-approval to determine a budget that works for you
- 3. Neighborhood information** - Create your neighborhood search profile and provide a list of pre-screened homes to consider
- 4. Home Search** - Organize and schedule private home showings
- 5. Make an Offer** - Help compare homes when submitting an offer, advise on terms and conditions of the offer and prepare the Purchase and Sale Agreement (PSA) and addendums
- 6. Negotiate to Buy** - Present offer and facilitate the negotiations
- 7. Coordinate Inspectors** - Advise and coordinate inspectors as needed
- 8. Pre-Close Preparation** - Coordinate with all parties, supervise document preparation and provide pre-closing consulting
- 9. Closing** - Review closing documents, resolve last minute items and complete transaction
- 10. Post-Closing** - Assist with transaction post-closing

For me, real estate is always about relationships, not transactions. Whether you're buying your first home or your third, I'll take the time to listen so that I understand both your in-a-perfect-world goals and your non-negotiable needs. My goal is to help you find the right home for your lifestyle, exceed your expectations and help you build wealth through real estate.

When you hire me as your broker, you'll find me to be committed to the art and science of my craft. I'll prepare you for the rigors of our local market with real-time data about pricing, inventory and the competitive offer landscape. I'll also share how I've helped recent buyers succeed, how to package an offer to stand out and how to assess the long-term investment of the potential home you're interested in.

Throughout our time working together I'll be your strongest advocate and proudly leverage my network and Windermere resources to help with your purchase and resources for maintaining your home during your time of ownership while making the process as smooth and exciting.

“

If you know you're going home, the journey is never too hard.”

ANGELA WOOD

What my clients are saying

Professional. Kind. Responsive. Compassionate. Knowledgeable. Efficient. Hard-Working. Patient. Mark exemplifies all of these attributes and more. Don't look any further. The relationship with your realtor can be one of the most important, if not the most important, part of the home-buying process. Mark is AMAZING. He helped me navigate the challenge of a cross-country purchase and supported me every step of the way. He was so incredibly patient throughout the whole process, and always kept a sense of humor, which I appreciated immensely. Mark is the person you want in your corner during a stressful and life-changing time. He goes above and beyond to help you not only find a home, but ensure you have the knowledge you need to make informed decisions. He's fantastic, and I was so happy to work with him.

~ **Kiva Williams**

I've worked with Mark twice now on purchasing a home. He is professional and smart with his work. He has been flexible with his schedule and worked with other realtors to see properties when I was available. He's uber-informative about the process. He has collegial and consultative relationships with other professionals that benefit his clients. He networks to gather key information about the homes available and the market. He came to our showings well-prepared and informed. This has been an anxious time to buy a house. Mark has been honest and encouraging during the house hunt. I was on a short timeline and Mark kept that in mind. We were finding very little inventory of homes that would work for us and he found several that were good fits. When one offer was lost, he moved right on to the next. Mark worked with me to structure a strong, strategic offer in this competitive market and that made it happen. Highly recommend Mark!

~ **Colin Sexton**

We couldn't have been happier working with Mark Chavez from Windermere Mount Baker and we highly recommend you give him a call. We closed on our home in spring of 2021 after starting the process of searching in fall 2020. We toured 50+ homes as North as Edmonds, and as South as Renton. Almost every home we offered on sold for \$100K over asking price but Mark and his team were there for us and supportive every single day. He constantly checked-in and reassured us about the process. He was also NEVER pushy, and we honestly feel like he was the perfect support we needed in an extremely heated, seller's market. We were particularly impressed with how Mark provided listing comparables (comps) for every home we were interested in. These comps helped us further understand the nearby market and compare the home to recent sales in the area. Lastly, Mark is so valuable for his organization and preparation. As first time buyers, he provided a very useful home buying tool kit (a physical box of materials), and after closing he even gave us a starter move in kit that included boxes and other moving materials. If you're looking for a real estate broker in Seattle, Mark Chavez is a person that you should talk to.

~ **Conner & Amanda Cayson**





Washington Real Estate Law

New Homebuyer Protections

Effective January 1, 2024, the statute in Washington that governs real estate brokerage relationships (RCW 18.86) – otherwise known as the “Agency Law” – was significantly revised. The revisions modernize the 25-year-old law, provide additional transparency and consumer protections, and acknowledge the importance of buyer representation.

KEY REVISIONS

For years, real estate brokerage firms were only required to enter into written agreements with sellers, not buyers. The Agency Law now requires firms to enter into a written “brokerage services agreement” with any party the firm represents, both sellers and buyers. This change is to ensure that buyers (in addition to sellers) clearly understand the terms of the firm’s representation and compensation.

The services agreement with buyers must include:

- ▶ The term of the agreement (with a default term of 60 days and an option for a longer term);
- ▶ The name of the broker appointed to be the buyer’s agent;
- ▶ Whether the agency relationship is exclusive or non-exclusive;
- ▶ Whether the buyer consents to the individual broker representing both the buyer and the seller in the same transaction (referred to as “limited dual agency”);
- ▶ Whether the buyer consents to the broker’s designated broker/ managing broker’s limited dual agency;
- ▶ The amount the firm will be compensated and who will pay the compensation; and
- ▶ Any other agreements between the parties.

ADDITIONAL INFORMATION

There are other changes to the law that provide additional consumer protections related to the duties that brokers owe to all parties in a transaction.



REVISED PAMPHLET

The pamphlet entitled “Real Estate Brokerage in Washington” provides an overview of the revised Agency Law.



REVISED AGENCY LAW

Substitute Senate Bill 5191 sets forth the revised Agency Law in its entirety.



Once I know
what you love,
I won't stop
until you have it.



All in, for you.



Guiding your purchase

When we work together on your home-buying journey, my goal is for you to stay informed, be confident and have some fun along the way. I'll listen attentively to your wants and needs so I can help you find the home that not only matches your lifestyle and investment goals but also feels right. I want you to arrive at your new home feeling successful, hopeful, and happy.

Advising you before the transaction, I'll make sure you understand all the terms, processes and documents involved. I'll provide real-time market data and helpful information so you can make informed decisions. You can be confident you have a skilled negotiator working on your behalf and assured that all action items and communications are being handled thoughtfully and professionally.

DECIDING TO BUY A HOME IS A BIG STEP. HERE ARE SOME OF THE SERVICES I PROVIDE:

Share actionable market intelligence

Focus your home search

Explain contracts and documents

Refer you to a respected lender

Provide resources for a bridge loan or making a cash offer

Preview and tour homes

Refer you to an inspector and attend inspections

Write an intelligent offer that can win

Negotiate purchase terms and timetables

Coordinate the many moving parts of the transaction all the way through closing

Answer all of your real estate questions

Getting to know you

Before I can help you buy a home, I need to know a few things about you. We'll start with a consultation, during which you'll explain what you're looking for in your new home. We'll discuss different ways to get there, based on both your specific situation and the current state of the market.

This initial conversation is about more than learning which floor plans you prefer or what your budget might be—it's also a chance for us to get to know each other as people. My practice is built on relationships, so it's important for us to build a foundation of trust and transparency as we move forward.

As you start the active home search process, I'll help you refine your search criteria, narrowing in on neighborhoods, commute times and floor plans that match your specific needs. I'll also use my personal network and Windermere's resources to keep you informed of any new and promising listings that come on the market.



A CONFERENCE CALL



A CUP OF COFFEE



AN OFFICE VISIT





Whether it's about a new listing or an offer we've submitted, I'll tailor my communication to match the method and frequency you prefer.

**IF YOU'RE SEEKING YOUR FIRST HOME OR YOUR FIFTH,
I CAN ADVISE YOU ON ANY REAL ESTATE PURCHASE.**



First home



Upsizing



Downsizing



Relocating in or out of the area



Investment property



Vacation home

Figuring out financing

NECESSARY STEPS BEFORE YOUR HOME SEARCH

To make your home search process as smooth as possible, it's crucial that you have your finances and budget in order **before** you start seriously looking at homes. In a competitive region and real estate market such as ours, having financing pre-approval is key to your success (unless you plan to pay cash). To get pre-approved for a loan, you'll need to connect with a mortgage lender. Who you work with on the financial side is entirely your choice, but I'm always happy to recommend some trusted and knowledgeable lenders who have been integral to my clients' success. Some lenders even offer a certified buyer program, which serves as a type of performance guarantee to a seller who is considering multiple competing offers.

About 30% of successful buyers in our region are cash buyers. If you intend to purchase with all cash, it's important to know that there is likely to be competition from other cash buyers. As a result, it's crucial that your funds be available in liquid form—this could propel you ahead of a buyer who hasn't yet converted other holdings to cash.



Financial benchmarks for buyers

PRE-QUALIFICATION:	Determination of your probability of obtaining a loan.
PRE-APPROVAL:	Lender verification of your income and credit approval. Obtaining pre-approval early in the process can give you and the seller greater confidence in your ability to close on the purchase.
PERFORMANCE GUARANTEE:	Lender certification of your ability to be issued a loan based on a combination of your financial profile and the proposed purchase price of the subject property.
CASH BUYER:	Ability to purchase the home based on verified cash holdings rather than lender financing.



Buying first and selling later?

Since a bridge loan can give you a stronger negotiating position and ease the pressure of having to sell before you buy, speak with your lender about whether they have a bridge loan product. If they don't, Windermere's exclusive bridge loan program can be the perfect solution. The approval process takes only a few days and the fee is just one percent of the loan amount. No payments are necessary on the loan before your home closes unless you choose to make a payment. The principal and interest are due when the home closes, or six months following disbursement, whichever comes first.

WINDERMERE **BRIDGE LOAN**

THE WINDERMERE BRIDGE LOAN PROGRAM OFFERS YOU:

- A stronger negotiating position
- A simple application
- Fast processing
- No payments due before closing
- Competitive fees and interest rates

**Buying a home isn't
always a walk in the park.
I just want it to feel like one.**



All in, for you.



Determining your maximum price

Understanding how much you can afford is crucial before you start searching for a home. You'll likely work with a lender or financial advisor to calculate your max budget, but before you do, consider taking these steps:

CHECK YOUR CREDIT REPORT

It's best to check your credit report before your lender does so you can correct any mistakes you find before your lender sees them. It also gives you an opportunity to explain any blemishes that show up on your report.

KNOW YOUR CREDIT SCORE

When you check your credit report, you can also check your credit score. (This is known as a "soft credit check" and will not affect your overall credit.) Your score can impact how much lenders are willing to loan you as well as the interest rate you qualify for.

DETERMINE YOUR DOWN PAYMENT

The decision about how much of a down payment you're prepared to make is entirely up to you. The size of your down payment may impact the financing terms your lender gives you. Also, it's typical that a down payment of less than 20% will require you to purchase Private Mortgage Insurance (PMI).

WHAT NOT TO DO WHEN BORROWING MONEY

- Change jobs, become self-employed or quit your job
- Buy a car, truck, motorcycle or van
- Use credit cards more than normal
- Stop paying bills
- Spend money you have saved for closing
- Omit debts or liabilities from your loan application
- Buy big-ticket items (such as furniture)
- Originate any inquiries into your credit or apply for new credit cards
- Make large cash deposits without checking with your loan officer
- Change bank accounts
- Co-sign a loan for anyone
- Change marital status



Start touring

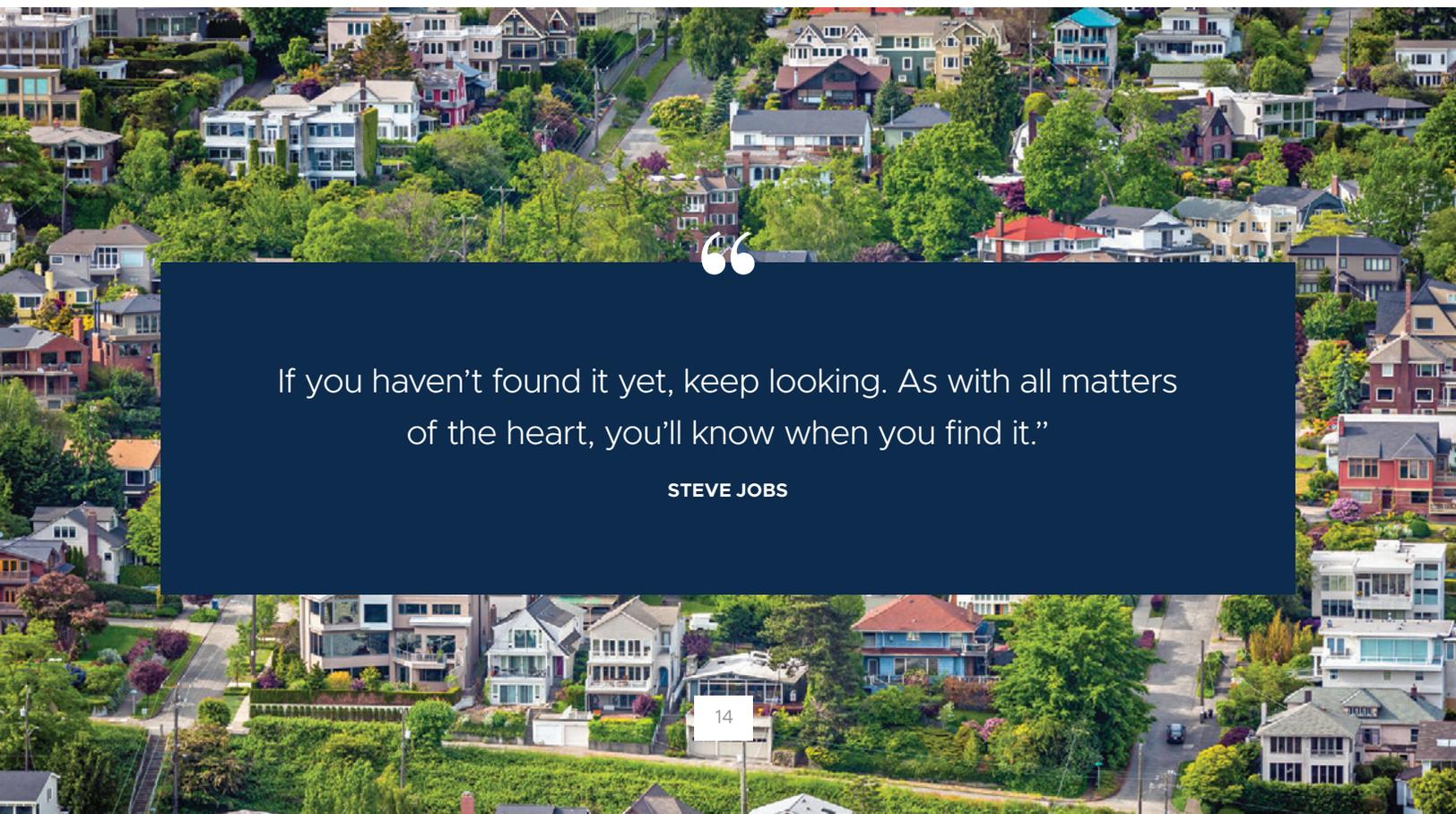
SETTING UP A SUCCESSFUL SEARCH

Once you've determined your budget and we have an idea of what you're looking for, we'll start touring listings. This process will help you get a sense of what you can expect from different types of homes, your price point and the vibe of various neighborhoods. It will also help me get a better sense of your wants and needs in order to continue refining our search.

While the market may be more competitive at certain times, I want you to feel comfortable with every decision you make. There is no right or wrong number of listings to view, nor is there a specific timeline you have to stick to during the search. To help you be confident in your selection, I'll lay out the pros and cons of each contending property. My advice will always be honest and backed up by relevant data.

QUESTIONS TO ASK YOURSELF BEFORE YOU START LOOKING:

- How long do you see yourself living in your home?
- What features are most important to you in a home?
- What neighborhoods and home styles within your budget attract you the most?
- What is your commute tolerance?
- Do you have any specific lifestyle factors that your home must accommodate now?
- Considering any family or roommates, is your household likely to stay the same size?



If you haven't found it yet, keep looking. As with all matters of the heart, you'll know when you find it."

STEVE JOBS

Due diligence

LET'S TAKE THE TIME TO MAKE SURE THIS REALLY IS THE BEST HOME FOR YOU.



Work with your mortgage professional to be sure that you are comfortable with the price or monthly payment of the home.



Get your questions answered about the neighborhood (it can help to talk to neighbors).



Do a thorough inspection of the home (sewer lines, etc.).



Research schools, commute times, public transit options, etc.



Review comparative home values.

A home inspection benefits all parties involved by providing insight into the condition of the home, thereby making you an informed buyer.

WALKING YOU THROUGH INSPECTION

Home inspections are a critical part of the home-buying process. They can take the mystery out of buying a home and make it easier for you to imagine yourself living there. Whether commissioned by you or the seller, the inspection will look beyond the home's cosmetics to make sure its general systems operate properly. The inspector will look for large repairs that are needed and present a detailed report on the condition of the home.

As your buyer's agent, I'll help you:

- Find a well-regarded inspector
- Review a seller-procured inspection report
- Review your buyer-procured inspection report
- Help you determine your risk tolerance for required repairs
- Negotiate fair and appropriate solutions if necessary



Choosing Between a Single Family Home, Townhouse, Condo or Co-Op

Here are some basic attributes of each type of residence:

SINGLE FAMILY HOME

The property owner is entitled to full enjoyment of the property, limited only by zoning laws, deed or subdivision restrictions (covenants).

The duration of this ownership is not limited and can be passed along in a will to the owner's heirs.

TOWNHOUSE

Townhouses (or townhomes) are usually a series of single story or multi-story units that are linked to each other horizontally by common walls.

Townhouse owners hold title to their units and the land beneath them. Common areas are owned jointly by all townhouse owners.

Townhouse owners pay property taxes on their individual units.

Sometimes there is a homeowners' association to manage the complex that collects fees from all owners in order to maintain common areas, but not always. Often, there is a joint maintenance agreement to define each owner's responsibility. It is very important to carefully review this document and any agreements in the title report so that you know what would be expected of you and your neighbors.

CONDO

When you purchase a condominium, you own that unit, from the interior walls in. The land underneath and shared spaces are owned by the home owners association (which each condo owner owns a share of).

You may also have the rights to use an exercise room, the party room, or any other common areas. Common areas include land, the exterior of buildings, hallways, roofs, swimming pools – any area used by multiple owners.

Condominium owners pay property taxes on their individual units.

A property owners' association usually manages the complex and collects fees from all condo owners in order to maintain common areas.

CO-OP

If property is a cooperative arrangement or co-op, title to all associated real estate is held by a corporation. Buyers purchase stock in the co-op corporation and are considered shareholders, not owners of real property. Each shareholder holds a lease to his unit that runs for the life of the corporation.

Taxes are paid by the corporation. Any mortgages are normally held and paid by the corporation. All costs to operate the building are shared by shareholders.

New cooperative shareholders must usually be approved by an administrative board.

Because you are buying into a corporation and not purchasing real property, you must use special financing—a regular home loan won't work for co-op purchase, and escrow must be performed by a specific type of agent. If necessary, I can put you in touch with lenders and escrow agents who deal specifically with co-op purchases.



Shared Ownership vs. Private Ownership

Here's a list of some pros and cons to help you decide what type of home ownership might be most appropriate for you.

PROS OF OWNING A SINGLE-FAMILY HOUSE

You are generally in charge of decisions regarding your own property

Usually increased privacy

No monthly owner fees paid to the homeowners association (HOA) or board

Generally stronger price appreciation in good markets

CONS OF OWNING A SINGLE-FAMILY HOUSE

Generally more expensive on an absolute cost basis

Maintenance required

Higher degree of direct responsibility

PROS OF OWNING A CONDO/CO-OP

Exterior maintenance and repair often included in homeowners dues (HOD)

Possible amenities, such as pool or clubhouse

Strict architectural control

Sometimes utilities and insurance are paid for by HOA

Often more security

Co-op taxes paid with HOD

CONS OF OWNING A CONDO/CO-OP

Little say about the exterior of your unit

Possibly noisier

Generally smaller units than single-family homes

Historically slower price appreciation

You may not agree with Condo Board decisions

Special assessments are occasionally levied to pay for unanticipated costs.



Putting together your offer

Before writing your first offer on a home, I'll guide you through its various components, including the Purchase and Sale Agreement, state-required forms, all contingencies, and what you'll need to prepare to back up an offer financially.

PREPARING THE OFFER

When you're ready to make an offer on a specific property,

I will:

- Perform a market analysis to show how the home compares in value to recent listings and sales
- Work with you to devise a comprehensive strategy for your offer
- Tailor your offer to your comfort level and to the unique circumstances of the listing

PRESENTING YOUR OFFER TO THE SELLER

Once we've written up the Purchase and Sale Agreement and all associated forms, **I will:**

- Call the seller's agent to inform them that your offer is coming via email
- Tell them a little about you and briefly preview the offer
- Follow up to confirm they received your offer

SECURING YOUR INTEREST WITH A DEPOSIT

Earnest money is a "good faith" deposit submitted with your offer that shows the seller you are serious about purchasing their home.

- The amount of earnest money and the terms surrounding it can make a difference in how attractive the seller finds your offer.
- In a traditional real estate market, it's rare for a buyer to lose the earnest money. If the buyer willfully decides, however, that they no longer want to buy the house and has no legal reason for rescinding their offer, then the seller has the right to retain the earnest money.
- Earnest money can convey the seriousness of your commitment to purchasing the property. For example, you may authorize that your earnest money be converted into a non-refundable deposit. This signals to the seller that you are all in and willing to risk your deposit in order to secure the purchase.





Winning offer strategies

To help you navigate the realities of this landscape when we put together your offer, I'll investigate recent sales data to anticipate the level of competition we may face. I'll also connect with the listing broker to gauge the market's reception of the particular home. Then I'll advise you on specific strategies to maximize the chances your offer will be accepted by the seller, which may include:

PRICE & ESCALATION

In a multiple-offer situation, it may be prudent to offer a price-escalation provision—or escalator clause—to strengthen your offer against competing offers. To do this correctly and confidently, you'll need to know your uppermost price tolerance for the purchase. At that point we'll discuss how an escalator can help your offer stand out, as well as any tactics that might minimize the chances a bidding war will escalate to your maximum budget.

CONTINGENCIES

When we submit an offer on a listing that is expected to receive competing offers, we'll discuss the pros and cons of waiving certain contingencies. These include the inspection, financing, appraisal and title contingencies. I'll counsel you about the impact of each contingency and the risks associated with waiving them.

EARNEST MONEY

Any offer we make will require you to commit a certain dollar amount as a good-faith deposit. In a competitive situation, the more earnest money you can commit, the more your offer may stand out to the seller. Another tactic is authorizing escrow to convert earnest money into a nonrefundable deposit upon offer acceptance. Depending on the level of buyer interest in the listing, we may discuss the benefits of such a maneuver and your tolerance for making it.

TIMING

In a competitive scenario, it may also help to offer a specific closing timeline if that's meaningful to the seller. A favorable rent-back provision may also appeal to the seller so they have more time to vacate the property. Either way, I'll work to ascertain the seller's preferences before we write the offer.

Purchase and Sale Agreement

Before you submit an offer on a home, I'll guide you through the Purchase and Sale Agreement, the contract in which you and the seller outline the details of the property transfer.

**THE PURCHASE AND SALE AGREEMENT
USUALLY CONSISTS OF THE FOLLOWING:**

Purchase and sale agreement

Earnest money

Pre-approval letter from your lender or Proof of funds if paying cash

Financing addendum if financing your purchase

Optional clause addendum (form 22D)

Addendum outlining special conditions (WRE41)

Utility addendum (Form 22K)

Title addendum (Form 22T)

Inspection or inspection waiver addendum (Form 35, 35W)

Lead based paint disclosure (Form 22J)

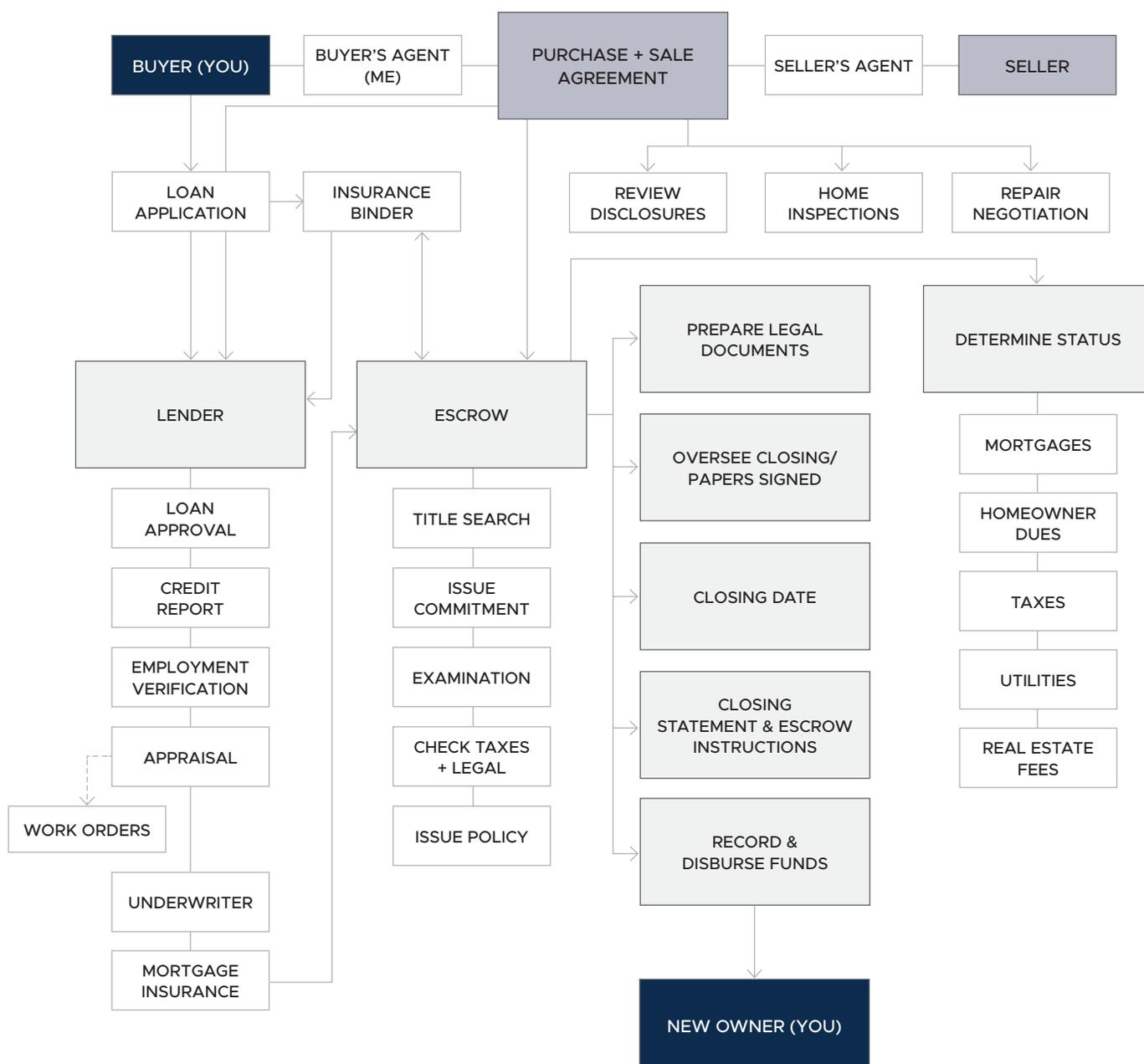
Legal description (Exhibit-A)

Seller disclosure (Form 17)



The path to closing

Once your offer is accepted by the seller, you'll formally begin the process of closing. This period typically takes several weeks, and entails the process of opening escrow for the sale, performing inspections and transferring the title and deed of the house to you. It's a complicated process with many moving parts, but I will make sure you understand everything that's happening so you're never out of the loop.



Closing Costs: Who Pays What

This Chart Indicates Who Customarily Pays What Cost

	CASH	CTM	FHA	VA	CONV
1. Downpayment	buyer	buyer	buyer	buyer	buyer
2. Termite (Wood Infestation) Inspection (negotiable except on VA)				seller	
3. Property Inspection (if requested by Buyer)	buyer	buyer	buyer	buyer	buyer
4. Property Repairs, if any (negotiable)	seller	seller	seller	seller	seller
5. New Loan Origination Fee (negotiable)			buyer	buyer	buyer
6. Discount Points (negotiable)			buyer	seller	buyer
7. Document Preparation Fee (Charge Seller on FHA/VA)			seller	seller	buyer
8. Credit Report		buyer	buyer	buyer	buyer
9. Appraisal or Extension Fee (negotiable)			buyer	buyer	buyer
10. Interest Proration on Seller's Existing Loan		seller			
11. Existing Loan Payoff	seller		seller	seller	seller
12. Existing Loan Payoff Demand	seller		seller	seller	seller
13. Loan Prepayment Penalty (if any)	seller		seller	seller	seller
14. Next Month's PITI Payment		buyer	buyer	buyer	buyer
15. Prepaid Interest (approx. 30 days)			buyer	buyer	buyer
16. Mortgage Transfer Fee		split			
17. Reserve Account Balance (Credit Seller / Charge Buyer)		prorate	prorate	prorate	prorate
18. FHA MIP, VA Funding Fee, PMI Premium		prorate	buyer	buyer	buyer
19. Assessments payoff or proration (sewer, paving, etc.)	seller	seller			
20. Taxes	prorate	prorate	prorate	prorate	prorate
21. Tax Impounds			buyer	buyer	buyer
22. Tax Service Contract			seller	seller	buyer
23. Fire/Hazard Insurance	buyer	buyer	buyer	buyer	buyer
24. Flood Insurance			buyer	buyer	buyer
25. Homeowners Association (HOA) Transfer Fee	split	split	split	seller	split
26. HOA/Disclosure Fee	seller	seller	seller	seller	seller
27. Current HOA Payment	prorate	prorate	prorate	prorate	prorate
28. Next Month's HOA Payment	buyer	buyer	buyer	buyer	buyer
29. Home Warranty Premium (negotiable)					
30. Realtors' Commissions	seller	seller	seller	seller	seller
31. EAGLE Homeowners Title Policy	seller	seller	seller	seller	seller
32. Lenders Title Policy and Endorsements			buyer	buyer	buyer
33. Account Servicing Set-up Fee (negotiable)		split			
34. Escrow Fee (NOTE: Charge Seller on VA Loan)	split	split	split	seller	split
35. Recording Fees (Flat Rate)	split	split	split	split	split
36. Reconveyance/Satisfaction Fee	seller		seller	seller	seller
37. Courier/Express Mail Fees	split	split	split	seller	split
38. Wire Fees	split	split	split	seller	split
39. Email Loan Documents			buyer	seller	buyer

Note: Prorated items will appear on Closing Statement as charges for one and credits for the other.

Settlement & closing

Before mutual acceptance, a closing date is agreed upon by you and the seller. "Closing" is when you each sign all the paperwork and pay your share of the settlement fees, and the documents are recorded. Settlement obligations vary widely due to specific contract language, local laws and customs. Prior to the closing date, the escrow officer will complete a settlement statement detailing all the expenses associated with the purchase of your new home.

THE BUYER PAYS FOR:

Down payment on the home

Buyer's escrow fee (according to the contract)

Lender's extended title insurance premium (ALTA)

Document preparation (if applicable)

Prorated property taxes (from date of acquisition)

Prorated Homeowners Association dues
(from date of acquisition) if applicable

Recording fees for all documents in buyer's name

Notary fees, if applicable

Homeowner's hazard insurance premium for first year

Inspection fees (according to contract)

Loan fees as agreed with lender

Interim interest on new loan, prorated from date
of funding to first payment date

THE SELLER PAYS FOR:

Seller's escrow fee (according to contract)

Owner's title insurance premium

Real estate service fees (according to contract)

Payoff of all encumbrances (loans) in seller's name

Prorated property taxes (prior to date of sale)

Any judgments, tax liens, assessments or
encumbrances placed against property title

Any unpaid Homeowners Association dues

Recording charges to clear all documents of record
against the seller

Excise tax, if applicable, determined by county
and based on sale price

Glossary

ADJUSTABLE-RATE MORTGAGE (ARM) interest rates on this type of mortgage are periodically adjusted up or down depending on a specified financial index

AMORTIZATION a method of equalizing the monthly mortgage payments over the life of the loan, even though the proportion of principal to interest changes over time. In the early part of the loan, the principal repayment is low, while the interest payment is high. At the end of the loan, the relationship is reversed.

ANNUAL PERCENTAGE RATE (APR) the actual finance charge for a loan, including points and fees, in addition to the stated interest rate

APPRAISAL an expert opinion of the value or worth of a property

ASSESSED VALUE the value placed on a property by a municipality for purposes of levying taxes. It may differ widely from appraised or market value.

CERTIFICATE OF TITLE a document, signed by a title examiner, stating that a seller has an insurable title to the property

CLOSING the deed to a property is legally transferred from seller to buyer, and documents are recorded

CLOSING COSTS charges paid to various entities during the real estate transaction, including escrow fees, document prep fees and lender fees

COMMISSION a fee (usually a percentage of the total sold price) paid to an agent or broker for services performed

COMPARATIVE MARKET ANALYSIS (CMA) a survey of the attributes and selling prices of comparable homes—on the market or recently sold—used to help determine current value for a specific property

CONTINGENCY a condition in a contract that must be met for the contract to be binding

CONTRACT a binding legal agreement between two or more parties that outlines the conditions for the exchange of value (for example: money exchanged for title to property)

DEED a legal document that formally conveys ownership of a property from seller to buyer

DOWN PAYMENT a percentage of the purchase price that the buyer must pay in cash and may not borrow from the lender

EQUITY the value of the property actually owned by the homeowner: purchase price, plus appreciation, plus improvements, less mortgages and liens

ESCROW a fund or account held by a third-party custodian until conditions of a contract are met

FIXED-RATE MORTGAGE interest rates on this type of mortgage remain the same over the life of the loan, unlike an “adjustable-rate” mortgage

FIXTURE a recognizable entity (such as a kitchen cabinet or light fixture) that is permanently attached to a property and belongs to the property when it is sold

HAZARD INSURANCE compensates for property damage from specified hazards such as fire and wind

INTEREST the cost of borrowing money, usually expressed as a percentage rate

LIEN a security claim on a property that may only be released once a legal issue or a debt is cleared up

MARKET VALUE the price range of a property that is established by present economic conditions, location and other general trends

MORTGAGE security claim by a lender against a property until the debt is paid

MULTIPLE LISTING SERVICE (MLS) a system that provides detailed information about listed properties to its members and their clients

ORIGINATION FEE application fee(s) for processing a proposed mortgage loan

PITI principal, interest, taxes and insurance, forming the basis for monthly mortgage payments

PMI (PRIMARY MORTGAGE INSURANCE) insurance for the lender to cover potential losses if the borrower defaults on the loan

POINT one percent of the loan principal, charged in addition to interest and fees

PRINCIPAL (1) one of the parties to a contract; or (2) the amount of money being borrowed, on which interest is charged

PURCHASE AND SALE AGREEMENT a contract between buyer and seller that outlines the details of the property transfer (refer to "Purchase and Sale Agreement" on page 16)

SETTLEMENT all financial transactions required to make the contract final

TITLE a document that indicates ownership of a specific property

TITLE INSURANCE a one-time premium that a buyer pays in order to secure protection against loss or damage in the event of an incorrect search of public records or misinterpretation of title. The title insurance policy also shows what the property is subject to in terms of liens, taxes, encumbrances, deed restrictions and easements.

TITLE SEARCH detailed examination of the entire document history of a property title to make sure there are no legal encumbrances





Sample buyer closing costs

± \$30

CREDIT REPORT

± \$1,300

1/2 ESCROW FEE
(ON A \$900K HOME)*

± \$1,000

APPRAISAL

± \$250

SEWER INSPECTION

± \$500

PROPERTY INSPECTION

20%

ESTIMATED DOWN PAYMENT



The only out-of-pocket costs (not financed in your loan) are typically home inspections, appraisal, and your down payment. A good rule of thumb is to budget around 2.5% of your loan amount (not including your down payment) to cover these costs.

**Fees determined by sale price and/or loan amount.*

TAKING POSSESSION

You will sign your closing documents a couple days prior to closing. On the day of closing, typically the documents are recorded at the county in the late afternoon and you will have access to your new home in the early evening.

I will keep in touch to find out how things are going, and I'm always happy to answer any questions you might have. I can also provide referrals (plumbers, electricians, etc.) and give you updates on the value of your home going forward.

If you are happy with my service, I would love to help your friends and family. I always have time for your referrals!

Why Windermere

\$18B

WINDERMERE'S ANNUAL PROPERTY
SALES IN KING COUNTY*

Windermere's extensive network allows me to collaborate with the region's largest cohort of listing brokers so you never miss out on new inventory.

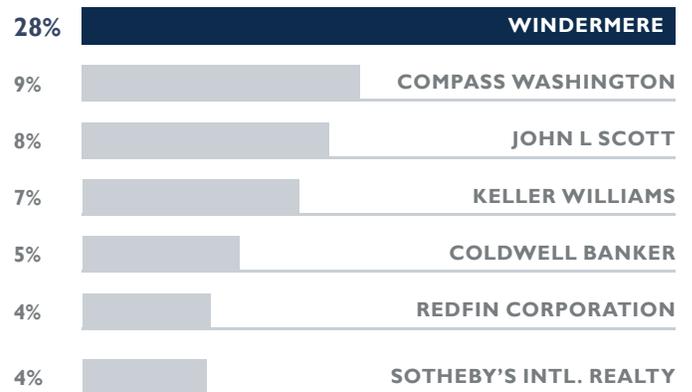
- Windermere typically has the most listings in the market at any given time. This is meaningful because with inventory so tight in our region, our network access to the most resale and new construction listings is a big advantage.
- Our relationships with Windermere listing brokers serve to ease the communication, flow and vibe of transactions that otherwise could be taxing.

IN A COMPETITIVE MARKET, WINDERMERE GIVES BUYERS THE EDGE

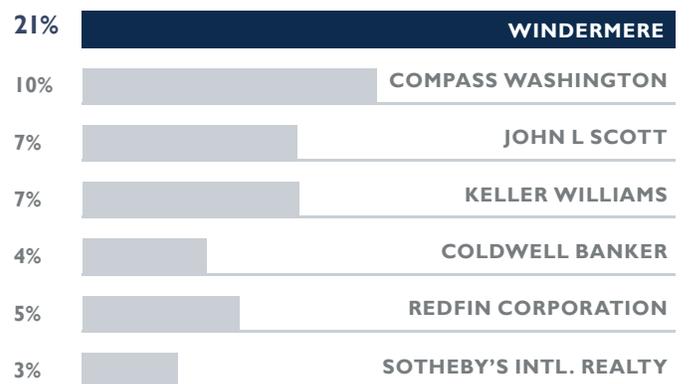
Buyers choosing Windermere increase their odds of succeeding in a competitive market because:

- Windermere brokers receive extensive training on how to (a) craft the most competitive offer for their buyer, and (b) position it to have the greatest appeal to the seller.
- Windermere brokers adjust their negotiating techniques based on real-time market conditions.
- A market-wide survey of Northwest MLS agents indicated that they are more confident about completing transactions with Windermere brokers than with brokers from any other firm.

WINDERMERE SELLS MORE KING COUNTY HOMES AND CONDOS (BY



WINDERMERE HAS MORE WINNING BUYERS IN KING COUNTY (BY VOLUME)





YOUR HOME SALE FURTHERS THE IMPORTANT WORK OF THE WINDERMERE FOUNDATION

When your property sale closes, I'll donate a portion of my commission to the Windermere Foundation, which is committed to making our communities a better place to live for our most disadvantaged neighbors. Housing is our business, so helping unhoused and low-income families – with an emphasis on helping children – has been our way of giving back. Over the years the foundation has donated tens of millions of dollars to cover families' housing costs, help stave off evictions, and fund backpacks full of food so school kids don't go hungry on weekends.

For over 50 years, Windermere has been our region's most recognized real estate brand and a respected philanthropic leader. We remain deeply rooted in our local neighborhoods and committed to keeping the region a place where everyone can have a home.

FUNDS PROVIDED IN 2023

\$3,769,294

FUNDS PROVIDED IN 2022

35+

YEARS

\$53M+

GIVEN TO NON-PROFITS

893

GRANTS FULFILLED

\$3,418

AVERAGE GRANT

607

ORGANIZATIONS SUPPORT

Since 1989, more than \$53 Million has been raised by the Windermere Foundation and has allowed us to support non-profit organizations dedicated to helping low-income and unhoused families.



- EMERGENCY ASSISTANCE _____ **24%**
- YOUTH/CHILD PROGRAMS _____ **24%**
- FUNDRAISING EXPENSES _____ **15%**
- FOOD SUPPORT _____ **12%**
- SHELTER _____ **9%**
- EDUCATION/COUNSELING _____ **5%**
- ADMINISTRATIVE EXPENSES _____ **4%**
- SCHOLARSHIPS _____ **4%**
- SCHOOL ASSISTANCE _____ **3%**

“

The greatness of a community is most accurately measured by the compassionate actions of its members.”

CORETTA SCOTT KING

2023 Recipients of Office Funds

FOUNDATION

Graham Hill Elementary
 Humble Design
 Rainier Beach High School
 Rainier Valley Food Bank
 Rising Star Elementary
 Wellspring Family Services
 Alliance For Education Move-A-Thon
 Benefits Law Center
 Seattle/King County Coalition On Homelessness
 Dunlap Elementary
 Gender Justice League
 Franklin High School
 Mount Baker Community Club - MLK Jr Scholarship
 Southeast Youth and Family Services
 African Housing and Development
 Dearborn Park Elementary

FOUNDATION TOTAL = \$43,750



Gen Pride
 Community Passageways
 Personal In The Community
 The Feels
 Camp Lucy George Pocock Rowing
 Southeast Seattle Senior Center
 Foster Care Book
 Riverton Church For Refugees
 Level The Field

CARES TOTAL = \$11,895



Team Read
 Arts Corps
 Orca PTSA
 Rainier District Little League
 Community Shredding/Recycling
 Seattle Parks Foundation
 City Art Farm
 Justice And Soul
 Seed Arts
 CVC Legacy Shunpike
 Wellspring
 Within Reach
 College Success Foundation
 Windermere Foundation

OFFICE TOTAL = \$15,058



OFFICE GIVING 2023 TOTAL = \$70,703



Corporate Philanthropists We're in Good Company

The Puget Sound Business Journal publishes an annual “Corporate Philanthropists” list ranking the region’s top 25 companies by cash giving in Washington State. In the 2022 list, the Windermere Foundation climbed six places from the previous year to become 15th among the largest corporate philanthropists in this region, with cash contributions of more than \$2.54 million. We’re very proud of this accomplishment and to stand alongside other reputable companies such as Amazon, Microsoft Corp., The Boeing Company, Albertsons Cos., and JPMorgan Chase.

We couldn’t have done it without our generous agents whose donations fund the Windermere Foundation.

Corporate Philanthropists

Ranked by cash giving in Washington in 2022 (Company Revenues exceeding \$500M)

1	Amazon.com Inc. Seattle, WA	\$78.00M	11	Alaska Air Group SeaTac, WA	\$5.13M
2	Microsoft Corp Redmond, WA	\$61.21M	12	T-Mobile US Inc. Bellevue, WA	\$3.54M
3	The Boeing Company Seattle, WA	\$17.95M	13	PACCAR, Inc. Bellevue, WA	\$3.40M
4	Albertsons Cos. Bellevue, WA	\$14.19M	14	Nordstrom, Inc. Seattle, WA	\$3.00M
5	JPMorgan Chase & Co. Seattle, WA	\$10.63M	15	Windermere Foundation Seattle, WA	\$2.54M
6	Costco Wholesale Corp Issaquah, WA	\$10.00M	16	Bank of America Seattle, WA	\$2.50M
7	BECU Tukwila, WA	\$8.53M	17	Umpqua Bank Tacoma, WA	\$2.46M
8	Kaiser Permanente Renton, WA	\$7.55M	18	Avista Corp. Spokane, WA	\$2.01M
9	Delta Dental of Washington Seattle, WA	\$7.42M	19	Bristol Meyers Squib Seattle, WA	\$1.91M
10	Comcast Washington Everett, WA	\$6.00M	20	Regence BlueShield Seattle, WA	\$1.63M

*As published on May 18, 2023 in the Puget Sound Business Journal.



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Our value lies in our values

Windermere and I share some deeply held values. First, we prize people over transactions—client relationships are our number one priority. Listening for ways we can be helpful, regardless of whether someone is in the market to list or buy a home, is how we're able to provide memorable service and meaningful value.

Second, we freely give away our knowledge and share our expertise in order to help people move confidently into their next chapter. We're passionate dispensers of market insights, creative strategies and winning angles in order to boost our clients' readiness and success.

And third, we work hard to keep our region strong and communities vibrant. Through our actions and contributions, we strive to create economic and lifestyle opportunities for both the households and neighborhoods we serve.

#1

WINDERMERE'S LOCAL RANKING IN CLOSED UNITS, TOTAL DOLLAR VOLUME AND, MOST IMPORTANTLY, CLIENT SUCCESS

50+

YEARS THAT WINDERMERE HAS BEEN A RESPECTED CIVIC AND CORPORATE LEADER IN WESTERN WASHINGTON

100%

OF OUR BROKERS DONATE TIME AND/OR MONEY TO THE WINDERMERE FOUNDATION





REAL ESTATE BROKERAGE IN WASHINGTON

Introduction

This pamphlet provides general information about real estate brokerage and summarizes the laws related to real estate brokerage relationships. It describes a real estate broker's duties to the seller/landlord and buyer/tenant. Detailed and complete information about real estate brokerage relationships is available in chapter 18.86 RCW.

If you have any questions about the information in this pamphlet, contact your broker or the designated broker of your broker's firm.

Licensing and Supervision of Brokers

To provide real estate brokerage services in Washington, a broker must be licensed under chapter 18.85 RCW and licensed with a real estate firm, which also must be licensed. Each real estate firm has a designated broker who is responsible for supervising the brokers licensed with the firm. Some firms may have branch offices that are supervised by a branch manager and some firms may delegate certain supervisory duties to one or more managing brokers.

The Washington State Department of Licensing is responsible for enforcing all laws and rules relating to the conduct of real estate firms and brokers.

Agency Relationship

In an agency relationship, a broker is referred to as an "agent" and the seller/landlord and buyer/tenant is referred to as the "principal." For simplicity, in this pamphlet, seller includes landlord, and buyer includes tenant.



For Sellers

A real estate firm and broker must enter into a written services agreement with a seller to establish an agency relationship. The firm will then appoint one or more brokers to be agents of the seller. The firm's designated broker and any managing broker responsible for the supervision of those brokers are also agents of the seller.



For Buyers

A real estate firm and broker(s) who perform real estate brokerage services for a buyer establish an agency relationship by performing those services. The firm's designated broker and any managing broker responsible for the supervision of that broker are also agents of the buyer. A written services agreement between the buyer and the firm must be entered into before, or as soon as reasonably practical after, a broker begins rendering real estate brokerage services to the buyer.



For both Buyer and Seller - as a Limited Dual Agent

A limited dual agent provides limited representation to both the buyer and the seller in a transaction. Limited dual agency requires the consent of each principal in a written services agreement and may occur in two situations: (1) When the buyer and the seller are represented by the same broker, in which case the broker's designated broker and any managing broker responsible for the supervision of that broker are also limited dual agents; and (2) when the buyer and the seller are represented by different brokers in the same firm, in which case each broker solely represents the principal the broker was appointed to represent, but the broker's designated broker and any managing broker responsible for the supervision of those brokers are limited dual agents.



Duration of Agency Relationship

Once established, an agency relationship continues until the earliest of the following:

1. Completion of performance by the broker;
2. Expiration of the term agreed upon by the parties;
3. Termination of the relationship by mutual agreement of the parties; or
4. Termination of the relationship by notice from either party to the other. However, such a termination does not affect the contractual rights of either party.

Written Services Agreement

A written services agreement between the firm and principal must contain the following:

1. The term (duration) of the agreement;
2. Name of the broker(s) appointed to act as an agent for the principal;
3. Whether the agency relationship is exclusive (which does not allow the principal to enter into an agency relationship with another firm during the term) or nonexclusive (which allows the principal to enter into an agency relationship with multiple firms at the same time);
4. Whether the principal consents to limited dual agency;
5. The terms of compensation;
6. In an agreement with a buyer, whether the broker agrees to show a property when there is no agreement or offer by any party or firm to pay compensation to the broker's firm; and
7. Any other agreements between the parties.

A Broker's Duties to All Parties

A broker owes the following duties to all parties in a transaction:

1. To exercise reasonable skill and care;
2. To deal honestly and in good faith;
3. To timely present all written offers, written notices, and other written communications to and from either party;
4. To disclose all existing material facts known by the broker and not apparent or readily ascertainable to a party. A material fact includes information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a transaction, or operates to materially impair or defeat the purpose of the transaction. However, a broker does not have any duty to investigate matters that the broker has not agreed to investigate;
5. To account in a timely manner for all money and property received from or on behalf of either party;
6. To provide this pamphlet to all parties to whom the broker renders real estate brokerage services and to any unrepresented party;
7. To disclose in writing who the broker represents; and
8. To disclose in writing any terms of compensation offered by a party or a real estate firm to a real estate firm representing another party.

A Broker's Duties to the Buyer or Seller

A broker owes the following duties to their principal (either the buyer or seller):

1. To be loyal to their principal by taking no action that is adverse or detrimental to their principal's interest in a transaction;
2. To timely disclose to their principal any conflicts of interest;
3. To advise their principal to seek expert advice on matters relating to the transaction that are beyond the broker's expertise;
4. To not disclose any confidential information from or about their principal; and
5. To make a good faith and continuous effort to find a property for the buyer or to find a buyer for the seller's property, until the principal has entered a contract for the purchase or sale of property or as agreed otherwise in writing.

Limited Dual Agent Duties

A limited dual agent may not advocate terms favorable to one principal to the detriment of the other principal. A broker, acting as a limited dual agent, owes the following duties to both the buyer and seller:

1. To take no action that is adverse or detrimental to either principal's interest in a transaction;
2. To timely disclose to both principals any conflicts of interest;
3. To advise both principals to seek expert advice on matters relating to the transaction that are beyond the limited dual agent's expertise;
4. To not disclose any confidential information from or about either principal; and
5. To make a good faith and continuous effort to find a property for the buyer and to find a buyer for the seller's property, until the principals have entered a contract for the purchase or sale of property or as agreed otherwise in writing.

Compensation

In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms. To receive compensation from any party, a firm must have a written services agreement with the party the firm represents (or provide a "Compensation Disclosure" to the buyer in a transaction for commercial real estate).

A services agreement must contain the following regarding compensation:

1. The amount the principal agrees to compensate the firm for broker's services as an agent or limited dual agent;
2. The principal's consent, if any, and any terms of such consent, to compensation sharing between firms and parties; and
3. The principal's consent, if any, and any terms of such consent, to compensation of the firm by more than one party.

Short Sales

A "short sale" is a transaction where the seller's proceeds from the sale are insufficient to cover seller's obligations at closing (e.g., the seller's outstanding mortgage is greater than the sale price). If a sale is a short sale, the seller's real estate firm must disclose to the seller that the decision by any beneficiary or mortgagee, to release its interest in the property for less than the amount the seller owes to allow the sale to proceed, does not automatically relieve the seller of the obligation to pay any debt or costs remaining at closing, including real estate firms' compensation.



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I look forward to working with you

**THROUGHOUT YOUR TRANSACTION, MY ROLE IS TO BE YOUR ADVOCATE,
AND MY GOAL IS TO GIVE YOU AN OUTSTANDING CLIENT EXPERIENCE.**

I'll work tirelessly to educate and advise you about how the current real estate market impacts your decision regarding whether and when to buy a home. When you're ready, I'll help you find the property that's a perfect fit and I'll guide you through the process of submitting an offer. Once your offer has been accepted, I'll negotiate the critical and contractual details right up until you have keys in hand. Thereafter I'll be a steady resource for you along the path of your homeownership, sharing information about how to maximize your investment from both financial and lifestyle perspectives.



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