

THE BUYING PROCESS

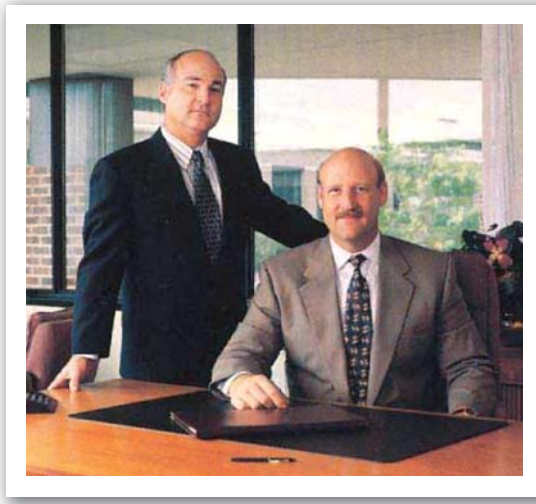
The **Buying Process** explained, and how I provide you with professional services and guidance in the home-buying process →



LEADING REAL ESTATE
COMPANIES *of* THE WORLD™



**Avery
Hess**
REALTORS®



Our Commitment

At the core of any successful business are hard-working, dedicated individuals with a commitment to caring and excellence. Our company's success is an ongoing tribute to the talented people that represent Avery-Hess, Realtors. From Sales to Mortgage, Settlement Services to Insurance, and Relocation to Property Management, we have assembled the best Real Estate team in the area.

Our Sales Associates benefit from the most progressive working environment in Real Estate and have a thorough understanding of the local Real Estate market. We define our business model as consumer-centric—a model that focuses the effort of our entire team on the most important part Real Estate, YOU. Our entire suite of technology, products, and services has been designed in order to serve the needs of today's Real Estate consumer. We encourage you to use our web-site (www.averyhess.com) to search for your new home. Our site employs our proprietary MyLife Home SearchSM Technology, an industry leading search technology that enables you to immediately envision life in the home of your dreams. MyLife allows you to discern how close your new home is to food, shopping, places of worship and public transportation, in addition to a host of other amenities that are important to your life in your new home.

Our Gas Mileage Calculator will give you an accurate estimate of what your daily cost of commuting to work from your new home will be in today's dollars. We understand how important it is for our customers and clients to be educated and informed about all of the different considerations that need to be taken into account when purchasing your home. We want to ensure not only will you find a house with the right number of bedrooms and baths, but you are able to find a community and lifestyle that meets your specific needs so your house can truly be a home for you. Combining the knowledge and experience of an Avery-Hess Sales Associates with our leading-edge technology ensures that your Home Buying experience will be unforgettable. We look forward to assisting you in achieving all of your Real Estate goals.


S. Scott Avery President


David C. Hess Vice-President



A Synopsis of the **MyLife Home SearchSM** Technology

The first step in the home buying process is finding a home that is right for you. Avery-Hess, Realtors® is the industry leader in Real Estate search technology. Our award-winning site (www.averyhess.com) employs our proprietary MyLife Home SearchSM Technology that enables you to immediately envision life in the home of your dreams.

Our mission is to provide today's consumer with unfettered access to the information and tools necessary to make an informed decision about buying a home. By utilizing our proprietary MyLife Home SearchSM technology, we provide our site users a home search experience that is unmatched.

MYLIFE HOME SEARCHSM TECHNOLOGY PROVIDES CUSTOMERS ▶

- > **Robust home data and information** We publish relevant data including current sale prices and recently sold prices. Additionally, we parse our data so you can filter your search results by active, pending, or foreclosure listings. You can even filter down to isolate properties that are single family, townhomes, condos, lots & land or commercial. Our comprehensive data allows site users to access a wealth of accurate and timely information relevant to their home search.
- > **Rich Community Information** The community information on our site provides great information about local communities in the Greater Washington DC area, Maryland and Virginia. Consumers can learn about the history of various communities, area attractions, recreation, transportation and more!
- > **Amenities and Conveniences** Our "MyLife Property View" allows a consumer to imagine their life in their prospective new home. This technology allows users to view medical facilities, schools, stores and shopping, restaurants and grocery stores, public transportation, places of worship, child care, airports, and entertainment located near their new home and throughout their prospective new community.
- > **Gas Mileage Calculators** We realize the cost of transportation and fuel has a significant impact on a home purchase decision. Every listing on our site has the local area's current gas prices, and our Gas Mileage Calculator will give you an accurate estimate of what your daily cost of commuting to work from your new home will be in today's dollars.



Instant Information about ANY HOME FOR SALE via Avery-Hess Text On-Demand*

With Avery-Hess' Text On-Demand technology, you never need to worry about not having current listing information to share with your family and friends. By utilizing the Avery-Hess Text On-Demand technology, information about any listing you are interested in will be sent to your mobile device on-demand, when you want it. This service is free** and easy to use, and Avery-Hess is the ONLY BROKER in the entire area to offer this technology to consumers! **Steps are outlined below** ➔

- 01 Text "Avery" to "59559"
- 02 A message stating "please respond to this text message with the number of the house you are interested in" will be sent back to your mobile device
- 03 Reply back to this message with house number, for example, "15025". (i.e. for a house on 123 Main St, text back "123")
- 04 You will receive a text message back with the following information about the property you are interested in:

123 Main Street
\$204K
3bd/2ba
1820sq/ft
\$112 per sqft

Call Avery-Hess, Realtors®
(866) 239-5089



*Text On-Demand technology available on ANY active home in VA, MD, DC & WVA listed in MRIS

**standard text message rates apply and vary by carrier



As Avery-Hess Agents, and Professional Realtors® We offer these advantages

THOROUGH UNDERSTANDING OF OUR LOCAL MARKET ▶

It is important to understand Real Estate Market conditions tend to be very localized. The market conditions in our area are very different than market conditions of other markets in the United States. It is important to consider the factors that drive our local market conditions when making your decision to purchase your new home. Founded in 1992, Avery-Hess is an established local company, with local ownership, whose agents live and work in the same market area you are in. Because of our deep roots in our local community, we are able to provide you with a wealth of information about all of our local communities and market - information that will enable you to be a better equipped and informed home buyer.

CORRECTLY WRITTEN CONTRACTS ▶

We are skilled authors of real estate contracts. A poorly written contract creates issues and may cause problems during the transaction.

SKILLED NEGOTIATIONS ON YOUR BEHALF ▶

We are experienced negotiators and apply our experience on your behalf to get the best possible terms based on your needs.

ADVICE AND COUNSELING TO PROTECT YOUR INTERESTS ▶

- > Price
- > Deposits
- > Financing terms, loan contingencies
- > Personal property
- > Condition of property inspections, termite, environmental
- > Title insurance
- > Drafting counter offers
- > Explaining the seller's counter offer
- > Disclosures
- > Special requirements
- > Time for acceptance and method of acceptance
- > As-is
- > Possession
- > Damages
- > Settlement
- > Surveys
- > Home Warranty
- > Fair Housing Compliance



Home Inspections: Why you Should Obtain One

As a prospective homebuyer, are you confident that you can identify any current or potential problem areas in your new home? Identifying current or potential problem areas—in what for many of us is the biggest investment of our lives—is an important element of the home-buying process. This is a highly-specialized area of expertise; most of us do not possess the critical eye and skill sets necessary to identify issues or potential problems. We strongly recommend you enlist the services of a professional Home Inspector to survey the premises and check the integrity of the interior and exterior components of your new home. Doing so now may allow you to save substantial sums of money in the future.

HERE ARE A FEW AREAS THAT HOME INSPECTORS LOOK AT ▶

> Structural

> Electrical

> Plumbing

> Built-in Appliances

> Safety Hazards

and more...

A certified Home Inspector can help you identify existing or potential problems with your prospective residence. Additionally, Home Inspectors will provide you with a detailed report of the different areas of the inspected home, along with recommendations on how to address any existing or potential issues, should there be any. There are many Home Inspection companies to choose from, just be sure to choose a company that is fully licensed and accredited.

We recommend you always obtain a general home inspection. Specialized inspections beyond the scope of a general home inspection for areas such as radon and lead-based paint are also available.



Home Warranty Protection Program

Every home buyer, whether 1st time or seasoned, should consider obtaining a home warranty service contract (Home Warranty) to protect your investment. A Home Warranty provides you with peace of mind by offering you protection after closing on your home. We generally recommend obtaining a Home Warranty through HMS Home Warranty, an established provider that has been issuing Home Warranty service contracts to consumers since 1980.

A home warranty protection typically will cover the following systems and appliances:

EXAMPLE :

Basic coverage for Home Buyers ▶

- > Heating Systems
- > Duct Work
- > Plumbing Systems
- > Electrical Systems
- > Dishwasher
- > Garbage Disposal
- > Range / Oven / Cooktop
- > Trash Compactor
- > Well Pump

EXAMPLE :

Basic coverage for Home Sellers ▶

- > Plumbing System
- > Electrical System
- > Water Heater
- > Garbage Disposal
- > Trash Compactor
- > Well Pump

EXAMPLE OF OPT. PROTECTION :

Optional coverage for Home Buyers ▶

- > Air Conditioning System
- > Pool / Spa Equipment





What you should know about Equal Opportunity in Housing

To ensure that the right of Home Buyers and Home Sellers are protected, every Avery-Hess Sales Associate subscribes to the Equal Opportunity Program developed by the National Association of Realtors®. Every Avery-Hess Sales Associate conducts their business and activities in accordance with these guidelines and adheres to a strict Code of Ethics.

THE LAW ▶

Equal Opportunity in Housing is an ethical principle to which Realtors and Realtor-Associates subscribe; moreover, it is the law of the land and the right of all who reside in it.

CIVIL RIGHT ACT OF 1866 ▶

The Civil Rights Act of 1866 provides that “All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property.”

In the case of Jones vs. Mayer decided on June 17, 1968, the U.S. Supreme Court held that the 1866 law prohibits “all racial discrimination, private as well as public, in the sale or rental of property.”

CIVIL RIGHTS ACT OF 1968 ▶

In Title VIII of the 1968 Civil Rights Act, known as the Federal Fair Housing Law, Congress declared a national policy of fair housing throughout the United States.

The law made illegal any discrimination in the sale, lease, or rental of real property based on race, color, religion, sex, or national origin. The law required that all people be treated equally with respect to the terms or conditions of sale, purchase, lease, or rental and with no denial of equal housing opportunity based on race, color, religion, sex, or national origin.



What you should know about Equal Opportunity in Housing

THE FAIR HOUSING AMENDMENTS ACT OF 1988 ▶

This was enacted to strengthen the administrative enforcement provision (Title VIII) of the Civil Rights Act of 1968, to add prohibitions against discrimination in housing on the basis of handicap (mental or physical) and/or familial status (families with children under the age of 18), and to provide stiffer penalties for violations relating to discriminatory housing practices.

As amended, The Fair Housing Act provides any complainant, aggrieved person, or respondent with an opportunity to elect not to proceed before an administrative law judge, but to move the case to an appropriate federal district court.

THE EQUAL OPPORTUNITY PROGRAM ▶

The National Association of Realtors® has developed an Equal Opportunity Program to provide resources and guidance to Realtors® and Realtors®-Associates in ensuring equal professional service for all people.

THE CODE OF ETHICS AND EQUAL OPPORTUNITY ▶

Article 10 of the National Association of Realtors® Code of Ethics requires that “The Realtor® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or nation origin. The Realtor® shall not be a party to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin.” A Realtor® pledges to conduct his or her business and activities in keeping with the spirit and letter of the Code of Ethics. Article 10 imposes obligations upon Realtors® and Realtor®-Associates, but it is also a firm statement of position and philosophy on housing opportunity for all people.

THE AFFIRMATION MARKETING AGREEMENT ▶

This thorough and complete program established voluntary compliance within the industry. Realtors® agree to acquaint the community with equal housing opportunity and to establish office procedures to ensure there is no denial of equal service. Realtors® also agree to provide materials explaining this commitment.



Understanding Agency
"It's your choice" →



Understanding Agency

STANDARD SELLER REPRESENTATION ♦

If you are selling property or offering it for lease, and sign a listing agreement with a Realtor[®], then the Realtor[®] and his or her brokerage firm become your agent and you are their client. Salespersons for other companies who are cooperating with the listing company and showing it to prospective buyers or tenants may also be your agents. Their goal is to seek a transaction on terms acceptable to you, and they owe you the standard agent duties outlined on the following page.

If you are a prospective buyer or tenant who is dealing with a Realtor[®] who represents the seller or landlord, remember that you are a customer of that Realtor[®] and not a client.

A seller's representative can still provide valuable services to customers – showing the property, preparing and presenting any offers and counteroffers, comparing financing alternatives, and disclosing known adverse material facts about the condition of the property. All agents in a transaction must be truthful with all parties, but the seller representative's highest duty is to the client.

STANDARD BUYER REPRESENTATION ♦

Prospective buyers and tenants have realized in recent years that they may want to have a Realtor[®] of their own representing them in a transaction. They do this by forming their own brokerage relationship, usually by written agreement, with a Realtor[®] who becomes their agent and owes them duties of a standard agent. A representative for the prospective buyer or tenant can freely advise the buyer-client about all aspects of the property.

A seller dealing with a buyer's agent should remember that in this relationship, the seller is the customer and the Realtor[®] is working for the buyer. In many cases, the listing agent will share the commission with the buyer's representative, but that doesn't diminish the buyer representative's obligation to the buyer.

OVERLAPPING BROKERAGE RELATIONSHIP ♦

The increasing popularity of buyer representation has increased the number of transactions where a Realtor[®] might have overlapping brokerage relationships.

This happens when a buyer or tenant client of a real estate company wants to buy or rent one of that company's listings. Even if different Realtors[®] are working with the different clients, their dual loyalties are created through their company, which has legal and contractual obligations to both clients. There are 2 separate scenarios that occur in an overlapping brokerage relationship, designated agency and dual agency.

Designated agency means that within the same real estate company, one agent is representing the seller as the listing agent and one agent is representing the buyer as their buyer's agent. The Broker has "designated" the agents to represent their respective client because the Broker has knowledge of both parts of the transaction and becomes the dual agent. Both parties must consent in writing to allow designated agency. Dual agency occurs when one agent has a listing agreement with the seller and also has a buyer for the property that is also under a buyer agency agreement with the agent. The agent then becomes a dual agent and represents both parties in the same transaction. Dual agency only occurs if the listing agent has a buyer agency agreement with the buyer. Both parties must consent in writing to allow dual agency.



Understanding Agency Who works for whom?

*Understanding your Options**

CLIENT OR CUSTOMER? ➔

When dealing with a Realtor® in a real estate transaction, you are usually either a client or a customer of that Realtor®. A client is someone who has formed a brokerage relationship with a Realtor®, usually by signing a contract, and the Realtor® is their agent. Parties who do not have a brokerage relationship with the Realtor® are customers.

A Realtor® you choose as your agent will fully represent your best interests. An agent's first allegiance is to his or her client. Among the standard duties a Realtor® owes a client are ➔

- > Adhering to and executing the terms of the brokerage agreement
- > Promoting the client's best interest by seeking a transaction acceptable to the client
- > Providing financial accounting
- > Disclosing any known material facts about the property or the transaction
- > Exercising ordinary care
- > Maintaining client confidentiality where applicable; this does not apply to areas where information is required to be disclosed by law

An agent does have duties to a customer, as well. Standard duties agents must provide ➔

- > Agent must treat all parties honestly and with integrity and not knowingly give false information
- > Agent must inform all customers and potential customers of the nature of their brokerage relationships, if any
- > Agent must disclose material facts, adverse or otherwise, that pertain to the physical condition of the property of which the Realtor® is actually aware
- > Agent must comply with the law, including, but not limited to, the Fair Housing Act



Understanding Agency

Who works for whom?



SELLER AGENCY

- Agent represents the best interest of the seller.
- Agent owes seller fiduciary duties.
- Agent owes buyer honesty.
- Must give buyer all material facts to make an educated decision.



BUYER AGENCY

- Agent represents the best interest of the buyer.
- Agent owes buyer fiduciary duties.
- Agent owes seller honesty.
- Must give seller all material facts to make an educated decision.



DUAL AGENCY

- The agent represents both the buyer and seller equally.
- Confidentiality to all parties. Agent may do nothing to the detriment of either buyer or seller.
- Agent facilitates the transaction. Agent may not provide full advice to either party due to confidentiality restrictions.



DESIGNATED AGENCY

- The broker represents both buyer and seller equally.
- Confidentiality to all parties. Broker may do nothing to the detriment of either buyer or seller.
- One agent represents the seller.
- One agent represents the purchaser.



The Multiple Listing Service Membership

AS MEMBERS OF THE MULTIPLE LISTING SERVICE ▶

We can show you any property.

If you should see an ad in a newspaper, a magazine, on-line, or a sign in a yard, call us to find out more information.

If you want to see it, we will show it to you

A SPECIAL WORD ABOUT NEW HOMES ▶

We work with builders and can get all the information you need to make any decisions, but we will need to accompany you to the property on the initial visit.

Please bear in mind that if you deal directly with the builder without agent representation, you will be entering the transaction as an unrepresented buyer without any representation working on your behalf. We will be able to represent you and your best interests during negotiations with the builder, and you will receive all of the services offered in this presentation as well as those offered by the builder.



The ListingBook Search for Properties

WITH LISTINGBOOK I CAN ▶

Show YOU how YOU can search for any property in the MRIS.

(Local Realtor® Database)

This service offers you the same comprehensive search experience used by Realtors®.

We send you an invitation, you confirm that invitation, and the search is on.

SEARCH FOR PROPERTIES LIKE A PRO ▶

You will be able to access information including:

- ▶ New Listings
- ▶ Days on Market
- ▶ Local Sales Trends
- ▶ Recent Price Reductions and more

Get up to the minute market and listing data direct from the MRIS ... the Real Estate Multiple Listing Service of the VA/MD/WVA and DC Metro area.

This product is offered to you free of charge simply by providing us with your e-mail address. An invitation will be emailed to you and YOUR search begins for the perfect home.

Avery-Hess, Realtors® abides by a NO-SPAM policy.



Our Mutual Agreement

IF WE WILL ▶

- ▶ Make our best effort to find the home to meet your needs
- ▶ Commit our time, cars, computers, and experience to find exactly what you want
- ▶ Incur all our car, phone, and administrative expenses
- ▶ Continue the home search until you find a home or tell us to stop looking

YOU WILL ▶

- ▶ Let us know if your plans change
- ▶ Tell us if you want to look at a home listed with another broker, builder, or...
- ▶ Tell us if you want to look at a for-sale-by-owner listing
- ▶ Work with us until we find the right home



Disclosures (if applicable*)

It is our responsibility to deliver to you ➔

01 SELLER'S DISCLOSURE

02 FEDERAL LEAD BASE PAINT ADDENDA

03 STATE LEAD BASE PAINT*

04 GOVERNMENT REGULATIONS AND EASEMENTS*

05 GOVERNMENT REGULATIONS AND EASEMENTS REFERENCE GUIDE*

06 HOA, OR CONDO, OR COOPERATIVE RESALE PACKAGE ADDENDUM

07 ACKNOWLEDGEMENT OF RECEIPT OF INFORMATION

08 SUBDIVISION PLAT

09 CONVEYANCE LIST

**As mandated by Virginia, Maryland, or DC law.*



We also need to discuss

01 ▶ BUYER'S REMORSE

02 ▶ OTHER PEOPLE'S OPINIONS

03 ▶ THE "HOT BUTTON" - WHAT IS
THE ONE THING YOU WANT IN
YOUR HOME, REALISTIC
OR OTHERWISE?

04 ▶ YOUR TIMEFRAME FOR
MAKING A DECISION





Additional Information
you should know →



Items needed for a Loan Application

EMPLOYMENT ▶

- > Address for two full years
- > Gross monthly income
- > W-2's, if available
- > Proof of pensions, retirement, disability, or Social Security
- > Proof of income from rentals, investments, etc.
- > Proof of child support or alimony paid/received
- > Year-to-date pay stub
- > If self-employed: Two years 1040 Tax Returns and Current year P&L statement

CREDITORS ▶

- > Each creditor's name, address, and type of account
- > Account numbers
- > Monthly payments and approximate balances
- > Amount of child care expenses

BANKING ▶

- > Names and addresses of savings institutions
- > Account numbers for all accounts
- > Type of accounts and present balances

REALTOR® ▶

- > Copy of sales agreement
- > Copy of listing on property



Choice Mortgage Services

What we can do for you

An affiliate of Wells Fargo Home Mortgage, CHOICE MORTGAGE specializes in innovative Loan Programs that cater to your needs in today's Mortgage Market. We offer a comprehensive suite of products and services that include ▶

- > Conventional, FHA, and VA Loan Programs
 - > 100%-103% Financing Programs
 - > Stated Income/Stated Asset Prgms
 - > Loans for Less-Than-Perfect Credit
 - > Interest Only Mortgages
 - > Relocation Mortgage Programs
 - > Combination Mortgages: 80/20, 75/25, 80/15/5 and more
 - > Investor and Second/Vacation Loans
 - > Renovation/Rehabilitation Loans
 - > Single Close Construction to Permanent Financing
 - > Builder Best Programs: Interest rates locked up to 24 mos.
 - > Reverse Mortgages for those 62+ years of age
 - > Home Equity Lines of Credit/Loans
 - > Non-Contingent Mortgage Loan Approvals
 - > Bi-Lingual Specialists
 - > Portfolio Loan Programs
- and more...*

For more information, please visit www.choiceloan.org or contact:

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Settlement Information

The settlement services normally performed for the Purchaser include ♦

- > Implementation of the sales contract
- > Assembling necessary information and documents and related to settlement
- > Examination of the title to your property
- > Reviewing the loan instructions and preparing the appropriate documents for settlement
- > Conducting the settlement
- > Recording documents
- > Receiving and disbursing settlement funds for your account

You will need to provide a fire insurance policy insuring you and your lender. Most lenders will require the original insurance policy, together with paid receipt for the first year prior to settlement. The policy should name your lender in the loss payable clause. Some lenders require the policy and the paid receipt to be delivered to their office several days prior to the settlement, while others permit the policy and paid receipt to be brought to settlement. Please check with your lender as to the procedure it requires so that settlement will not be delayed if your lender requires delivery of the policy substantially in advance of settlement. Please notify the settlement attorney as soon as possible with the name of your fire insurance company and the amount of the annual premium. They need this information to prepare the settlement statement.

Your sales contract and truth-in-lending disclosure statement from your lender should enumerate most of the settlement costs, which you will have to pay at settlement. If you have any questions about this form, please call your agent. The law requires that you bring to settlement a cashier's or certified check for the balance of the purchase price plus settlement costs payable by you at settlement. All checks should be made payable to the settlement attorney. The settlement attorney will discuss title insurance at the settlement. At that time you will have the option of obtaining owner's title insurance in addition to the lender's policy, which your lender requires you to purchase. You are reminded that it is your responsibility to make arrangements to transfer utility services and billing for the property into your name. Please advise the settlement attorney as to the manner in which you wish to take title for example, as an individual, or jointly with another individual, or in some other manner.



Owner's Title Insurance

Why you should have it

OWNER'S TITLE INSURANCE will protect you against these hidden risks, which would not be disclosed by even the most meticulous search of public records ▶

- 01 Forgery
- 02 Fraud in connection with the execution of documents
- 03 Undue influence on a grantor or executor
- 04 False impersonation by those purporting to be the owner's of the property
- 05 Incorrect representation of marital statue of grantors
- 06 Undisclosed or missing heirs
- 07 Will not properly probated
- 08 Mistaken interpretation of wills and trusts
- 09 Mental incompetence of grantors
- 10 Conveyance by a minor
- 11 Birth of heirs subsequent to the date of a will
- 12 Inadequate surveys
- 13 Incorrect legal descriptions
- 14 Non-delivery of deeds
- 15 Unsatisfied claims not shown on the record
- 16 Deeds executed under expired or false powers of attorney
- 17 Confusion due to similar or identical names
- 18 Dower or courtesy rights of ex-spouses or former owners
- 19 Incorrect indexing
- 20 Clerical errors in recording legal documents
- 21 Delivery of deeds after the death of a grantor



Notes:





Notes:
