

Stylish
PATINA



RLAH.
REAL ESTATE
BERKSHIRE HATHAWAY

Kelly Millspaugh Thompson's Custom Approach to
Home Buying

Home Buyer Wish List

Locations: _____
Bedrooms: _____
Bathrooms: _____
Garage (Y/N, Detached/Attached): _____
Home Type: _____
Yard (Y/N): _____
Basement (Full / Partial / Finished / Unfinished): _____

Describe Your Ideal Home

Are there any special features or needs that you want to consider when looking for your home?

How much renovation are you willing to do?

Do you have to be close to public transportation?

Do you have any pets? Do they have any needs as you look for a home?

Do you have any physical needs that must be met, such as wheelchair access?

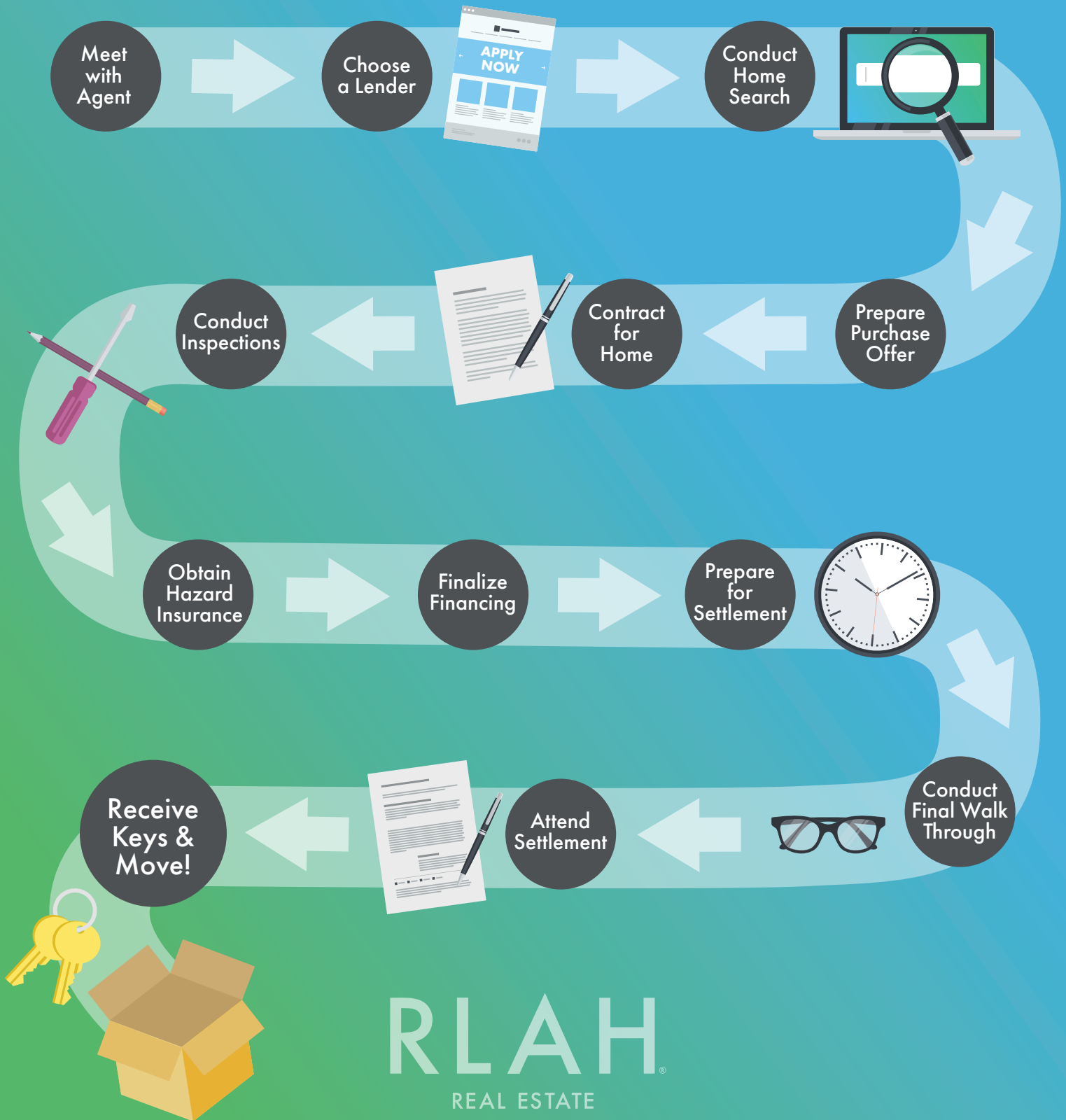
If we found your ideal home today, are you in a position to write an offer immediately?

Would you like to live in an area with a community association?

If we could time this perfectly, when would you like to move into your new home?

Have you purchased a home in the past, and what was that experience like?

Home Purchase Timeline



Financing

It is tempting to focus only on the interest rate and the loan program when selecting your lender, but there is a lot more to it. Finding the right lender is incredibly important.

Consider these characteristics when selecting your lender:

- 1) Responsiveness
- 2) Experience
- 3) Location of their office and underwriters
- 4) Prequalification processes

Your lender will use employment, credit, and financial information to form the estimate of a mortgage that you can afford. Your lender should provide you with different loan scenarios, which will break down your monthly mortgage payment.

Here is a small checklist of items to discuss with your lender:

- ☐ What will my down payment amount be?
- ☐ Are you receiving a financial gift from a family member?
- ☐ Is the market bearing a scenario in which you can ask for closing cost assistance from the seller if that is needed?
- ☐ Does my earnest money deposit get applied to my down payment?

If you'd like, I can provide copies and samples of the following:

- Financial information sheet
- Loan Estimate
- What a good lender pre-approval letter looks like

Need recommendations on where to start?
I have a list of lenders I recommend.



Financing

Sample Loan Estimate Documents

FICUS BANK
4321 Random Boulevard • Somerville, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED 2/15/2013
APPLICANTS Michael Jones and Mary Stone
123 Anywhere Street
Anytown, ST 12345
PROPERTY 456 Somewhere Avenue
Anytown, ST 12345
SALE PRICE \$180,000

LOAN TERM 30 years
PURPOSE Purchase
PRODUCT Fixed Rate
LOAN TYPE ☒ Conventional ☐ FHA ☐ VA ☐
LOAN ID # 123456789
RATE LOCK ☐ NO ☒ YES, until 4/16/2013 at 5:00 p.m. EDT
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/14/2013 at 5:00 p.m. EDT

Loan Terms

Can this amount increase after closing?

Loan Amount \$162,000 NO
Interest Rate 3.875% NO
Monthly Principal & Interest \$761.78 NO
See Projected Payments below for your Estimated Total Monthly Payment

Prepayment Penalty YES • As high as \$3,240 if you pay off first 2 years
Balloon Payment NO

Projected Payments

Payment Calculation Years 1-7 Years

Principal & Interest \$761.78 \$761.78
Mortgage Insurance + 82 + 82
Estimated Escrow Amount can increase over time + 206 + 206
Estimated Total Monthly Payment \$1,050 \$999.99

This estimate includes ☒ Property Taxes

Estimated Taxes, Insurance, and Assessments
Amount can increase over time

Costs at Closing

Estimated Closing Costs \$3,198
Estimated Cash to Close \$5,672

LOAN ESTIMATE VISIT

Closing Cost Details

Loan Costs

A. Origination Charges \$1,802
25 % of Loan Amount (Points) \$405
Application Fee \$300
Underwriting Fee \$1,097

B. Services You Cannot Shop For \$672
Appraisal Fee \$405
Credit Report Fee \$30
Flood Determination Fee \$20
Flood Monitoring Fee \$32
Tax Monitoring Fee \$75
\$110

Other Costs

E. Taxes and Other Government Fees \$85
Recording Fees and Other Taxes \$85
Transfer Taxes

F. Prepaids \$867
Homeowner's Insurance Premium (6 months) \$605
Mortgage Insurance Premium (months) \$202
Prepaid Interest (\$17.44 per day for 15 days @ 3.875%) \$262
Property Taxes (months)

G. Initial Escrow Payment at Closing \$413
Homeowner's Insurance \$100.83 per month for 2 mo. \$202
Mortgage Insurance per month for mo. \$211
Property Taxes \$105.30 per month for 2 mo.

H. Other \$1,017
Title - Owner's Title Policy (optional) \$1,017

I. TOTAL OTHER COSTS (E + F + G + H) \$2,382

J. TOTAL CLOSING COSTS \$8,054
D + I \$8,054
Lender Credits

Calculating Cash to Close

Total Closing Costs (J) \$8,054
Closing Costs Financed (Paid from your Loan Amount) \$0
Down Payment/Funds from Borrower \$18,000
Deposit - \$10,000
Funds for Borrower \$0
Seller Credits \$0
Adjustments and Other Credits \$0
Estimated Cash to Close \$16,054

Additional Information About This Loan

LENDER Ficus Bank
NMLS/... LICENSE ID
LOAN OFFICER Joe Smith
NMLS/... LICENSE ID 12345
EMAIL joesmith@ficusbank.com
PHONE 123-456-7890

MORTGAGE BROKER
NMLS/... LICENSE ID
LOAN OFFICER
NMLS/... LICENSE ID
EMAIL
PHONE

Comparisons

Use these measures to compare this loan with other loans.

In 5 Years \$56,582 Total you will have paid in principal, interest, mortgage insurance, and loan costs.
\$15,773 Principal you will have paid off.

Annual Percentage Rate (APR) 4.274% Your costs over the loan term expressed as a rate. This is not your interest rate.

Total Interest Percentage (TIP) 69.45% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

Appraisal
We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

Assumption
If you sell or transfer this property to another person, we ☐ will allow, under certain conditions, this person to assume this loan on the original terms. ☒ will not allow assumption of this loan on the original terms.

Homeowner's Insurance
This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.

Late Payment
If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.

Refinance
Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Servicing
We intend ☐ to service your loan. If so, you will make your payments to us. ☒ to transfer servicing of your loan.

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature _____ Date _____ Co-Applicant Signature _____ Date _____

TIP: The type of loan you are receiving and the amount for the down payment may have an effect on the outcome of a potential offer you write on a property.

All Real Estate is Local

How does transacting in the purchase of a home in the DMV differ from other areas of the country?

Agents Write Contracts

In some states, you'll see attorneys writing the contract. In the DMV, real estate agents are using boilerplate forms provided by the local REALTOR® association and the brokerage. When the time comes to write an offer on the property of choice, your REALTOR® will spell out the terms and write it for you. Either party, buyer or seller, always has the right to have an attorney review the contract, but most of the time that is not needed. All terms of the contract are legal and binding, so it is important to include all terms of the sale.

Earnest Money Deposits

Typically 1-5% of the sales price. In a seller's market, we will see higher percentages. It is always important to review all terms of the contract and how they work together.

Appliances Are Typically Included In The Sales Price

In the DMV, it is common that most appliances are included in conveyances. The listing will specify what is and is not included in the sale, and the purchase agreement will dictate what conveys.

Housing Costs are Different

It is important to note that prices vary from area to area in the DMV, and prices as a whole may be very different from what buyers see in other parts of the country.

Transactions Typically Close Quickly

A number of factors contribute to a selected closing date, but in the DMV we typically see an average escrow period of 25-40 days if there is a loan involved, and sometimes quicker depending on competition and if the home is being purchased all cash.



The Home Search

Essential Data Provided to Buyers

As your full-time real estate professional at RLAH, I have access to software, tools, and data unavailable to most. All agents are expected to “pull comps,” but we believe due diligence should go deeper for a real estate purchase. We’ll make sure that you’re more knowledgeable than others that you might be competing with, leading to a favorable outcome.

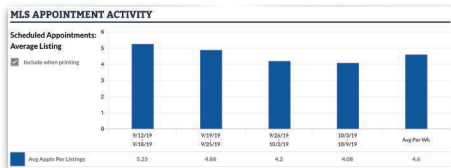
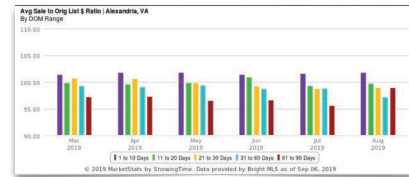


What are pricing trends over recent years?

If prices have been increasing, you may expect to see an increase after you purchase. An appreciating asset may be worth purchasing, as equity is trending in a positive direction.

How much should we offer based on timing?

Properties typically sell for the most amount of money in the first few days on the market. You’ll need to know if you’re in a market where properties sell for above the asking price.

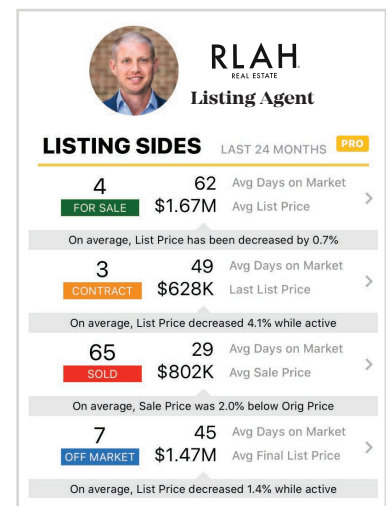


How many buyers are we competing with?

If you are competing with less buyers, you can obtain more favorable terms. Conversely, if a plethora of buyer activity is centered around your search, sellers have reason to be confident and offer less concessions.

Does the listing agent typically price correctly?

While the seller ultimately determines the asking and accepted price, having insight into the listing agent’s “Sales Price to List Price” ratio lets us know what to expect as far as the agent’s influence.



The Home Search

What if you don't find anything?

Hang in there! New listings are constantly coming on the market.
We could also look at revising the wish list!

Common Search Criteria Adjustments

- 1) Price range: if financially possible, moving up in a price range might open up more options.
- 2) Type: Detached, townhouse, condominium, or coop? Maybe consider another type of home which still meet essential needs.
- 3) Size: Perhaps living without an extra bedroom, garage, or family room.
- 4) Location: Often a tradeoff is location of home or less home in the right location.
- 5) Proximity to Public Transportation: Would you like to be walking distance to metro? How does having public transportation accessible affect property values.
- 6) A space for your pet: if you are purchasing in a building, is the building pet-friendly?



When We Find the Right Home

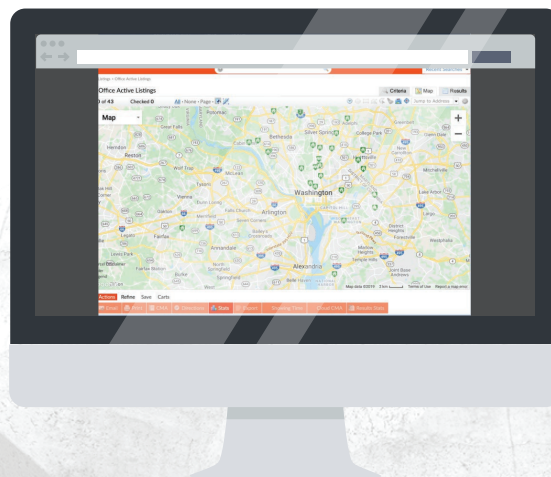
When we find the right home, we will try our best to make sure of a few items in advance:

- ☐ Is the property fully available? Sometimes listings can appear active, when in fact they are not.
- ☐ Are there other offers on the property? How many offers? Is there an offer deadline involved?
- ☐ When and how will offers be presented to the seller?
- ☐ What closing date is important to the seller? Are there other terms we should consider?
- ☐ Conveyances. What is being sold with the property and what is going with the seller when they leave?
- ☐ A detailed market analysis will help determine what price to offer.

There are a few ways to approach an offer:

- 1) If there is competition a buyer will want to make their offer as strong as possible.
- 2) If there is no competition a buyer might want to consider their own needs.
- 3) What if competition enters the picture?
- 4) DOM and have there been any price adjustments?

Sometimes the terms of an offer can make it more attractive than others. We will look at closing date, earnest money deposit amounts, down payment options, shorter contingency time frames, or removing certain contingencies depending on the property and demand.



Preparing Your Purchase Offer



Advisors

The main objective in constructing an offer is to purchase the home at the most favorable terms possible. As your agent, I will try to find out what the seller's critical needs are.

Here are examples of areas of negotiation when constructing an offer:

- 1) Offer / Purchase Price - amount of money the seller will be receiving for their home.
- 2) Subsidies - seller closing cost credit for example (remember reducing the net proceeds to the seller will reduce ability to negotiate on price, and subsidy amounts may be limited depending on lender financing).
- 3) Deposits - the earnest money deposit signifies the buyer's commitment to the transaction.
- 4) Settlement & Occupancy - this is the second most important term to the seller next to price. if you can settle when the seller wishes to move, this is the best-case scenario. Are you willing to allow post-settlement occupancy if the seller needs it?
- 5) Property Condition - typically most offers include a contingency for a satisfactory home inspection report.
- 6) Inclusions & Exclusions - the seller will include certain items with the sale of the home, we will make sure the offer is clear in accurately reflecting conveyances.
- 7) Contingencies - a contingency is a clause which states that the buyer will perform only if another condition is met. Typical contingencies include appraisal, financing, home inspection / radon test, or the sale of a current home. The fewer contingencies an offer contains, the more desirable to the seller. Let's discuss pre-offer inspections and what they mean.

The Purchase Offer

As your REALTOR®, it is my job to demonstrate your ability to purchase by delivering a clean, complete, and well-written offer. What does this mean? We will make sure to include in the offer package some or all of the following:

- ☐ Lender Preliminary Pre-Approval letter
- ☐ Bank Statements if providing a cash offer
- ☐ Copy of Earnest Money Deposit check (let's discuss EMDs!)
- ☐ A completed purchase offer document which I will write on your behalf
- ☐ Contract cover letter from me summarizing the attractiveness of your offer

What is a Love Letter?

Depending on the property, as a buyer you can draft a letter to present with the purchase offer to the seller. This sometimes help form a relationship with the seller. You can describe why you love the home and why you would love to live there. This also helps to differentiate your offer from others that might come in.

We do everything possible to get you the best deal!

Please remember that no matter what the condition of the market, you may or may not be competing with other buyers when you make your offer. Even in markets where supply is high, some very desirable homes will attract more buyer interest. The amount of room you have to negotiate either price or terms will depend on both the general supply and demand factors and on the specific quality of the property you wish to purchase



Negotiating

Negotiating in the DMV

It is my job as your agent to negotiate on your behalf. But the negotiation doesn't stop after we have a ratified contract. It may continue into inspections as well.

An ability to negotiate the price and terms on any property depends on four things:

- Your ability to be a qualified and flexible buyer
- Desirability of the home
- Motivation of the seller
- State of the market

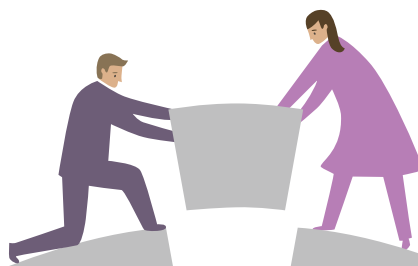
Three Different Types of Markets

In a buyer's market: homes stay on the market longer, creating more choices and more leverage for a buyer.

In a seller's market: homes may last only a few weeks or days. It is not unusual for properties with more than one interested buyer to sell over asking price, sometimes with the use of escalation clauses, and flexible terms for the buyer become scarce or non-existent.

In a balanced market: highly desirable homes sell quickly and at higher prices, while others take more time and flexible terms are found more often with homes taking longer to sell.

What type of market are we seeing today? Let's discuss!



Under Contract

Ratified Contract

You have a ratified, enforceable contract when...

All parties have agreed, in writing to all the terms without addition or amendment; and...

A copy of the fully executed contract is delivered to the other party.



CONTRACT CHECKLIST

- ☐ Disburse a copy of the completely ratified contract to all parties: lender, settlement company, and RLAH.
- ☐ Schedule a time for home inspection, or other inspections.
- ☐ Lender will order and schedule appraisal.
- ☐ Discuss locking interest rate with lender, and finalizing loan documents.
- ☐ Buyer will need to set up homeowner's insurance on property.
- ☐ I'm happy to recommend a home inspector, pest inspector and other contractors that might be needed.

Preparing for Closing

A time for settlement will be scheduled as we get closer to the closing date. I will stay in constant communication with the lender, settlement company, and others to ensure a smooth transaction! We will do a final walk through in the final few days leading up to closing.

Sample Closing Disclosures

Smart Settlements, LLC
3400 Chain Bridge Road Suite 100
Fairfax, VA 22030
(703) 537-3800

ALTA Combined Settlement Statement

File #: 10916-18
Prepared: 09/05/18
Escrow Officer: Carlos Reyes

Property: 2006 North Brandywine Street
Arlington, VA 22207
Cabin Myers and April Myers
Matthew Caroll Dubuc
Intercontinental Mortgage Company

Settlement Date: 09/06/18
Disbursement Date: 09/06/18

Seller		Buyer	
Debit	Credit	Debit	Credit
	Primary Charges & Credits		
\$620,000.00	Sales Price of Property	\$620,000.00	
	Deposit		\$15,000.00
	Loan Amount		\$497,000.00
	Lender Credit		\$4.50
	Selling Agent Credit		
	Title Company Credit		
	Proportions/Adjustments		
\$192.33	Assessments 09/06/2018 to 01/01/2019		
\$2,424.83	County Taxes 09/06/2018 to 01/01/2019		
	Loan Charges		
	1% of Loan Amount (Points)		
	LIAR - Rate Lock Extension Fee		
	Processing Fee		
	Underwriting Fees		
\$150.00	CPI Premium (Lender to Chicago Title Insurance Company)		
	Appraisal Fee to Commonwealth Appraisal Services & Inc.		
	Credit Report Fee for Credit Plus		
	Flood Certification Fee to CoreLogic Flood Services		
	Mortgage Insurance Premium to Radian		
	Prepaid Interest (\$72.99666 per day from 09/06/2018 to 10/01/2018)		
	Impounds		
	Homeowner's Insurance \$60.92 per month for 3 mos.		
	Property Taxes \$430.27 per month for 2 mos.		
	Aggregate adjustment		
\$144,835.46	Payoffs/Payments		

Signature Addendum

Acknowledgement
We/I have carefully reviewed the Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the Settlement Statement.
We/I authorize Smart Settlements, LLC to cause the funds to be disbursed in accordance with this statement.

Cabin Myers _____ Date _____ April Myers _____ Date _____

Matthew Caroll Dubuc _____ Date _____

Settlement Agent _____ Date _____

Seller		Buyer	
Debit	Credit	Debit	Credit
	— Credit \$48.00		
	— Mortgage \$61.00		
\$410.00	Grantor Tax (County Deed Taxes) to Arlington County Recording Office		
\$410.00	Grantor Tax (State Deed Taxes) to Arlington County Recording Office		
	Recordation Tax (County Deed Taxes) to Arlington County Recording Office	\$683.33	
	Recordation Tax (County Security Instrument Taxes) to Arlington County Recording Office	\$580.83	
	Recordation Tax (State Deed Taxes) to Arlington County Recording Office	\$2,050.00	
	Recordation Tax (State Security Instrument Taxes) to Arlington County Recording Office	\$1,742.50	
\$1,230.00	Regional Congestion Relief Fee (Grantor Tax) (County Deed Taxes) to Arlington County Recording Office		
	Commissions		
\$8,200.00	Listing Agent Commission to Midcon Realty Group LLC		
\$24,600.00	Selling Agent Commission to McEnaney Associates, Inc.		
	Title Charges		
	Title - Lender's Title Policy to Chicago Title Insurance Company	\$1,853.10	
	Title Exam & Document Preparation Fee to Smart Settlements, LLC	\$375.00	
\$180.00	Title Search Fee to AntaresArch	\$200.00	
	orig Fee to Smart Settlements, LLC	\$395.00	
	orig (Optional) to Chicago Title Insurance Company	\$1,682.50	
	to Arlington County Treasurer (\$3,781.54 POC by		
	mail to Beckett Glen HOA (\$600.00 POC by Seller)		
	to Arlington County Treasurer		
	Urban Prep Services, INC		
	to Suburban Pest Services, INC	\$33.00	
	for Premium (12 mos.) to State Farm	\$721.00	
	Subtotals	\$847,386.84	\$737,130.42
	Due from Buyer		\$110,254.42
	Due to Seller		
	Totals	\$847,386.84	\$847,386.84

Produced by Smart Settlements, LLC
Using Quila

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TIP: Utilities: a fee for utilities at closing, please set up gas, electric, internet and

My Value: An Invaluable Resource

No Cost to You

Working with an exclusive buyer's agent doesn't cost you anything. I am paid, along with the listing agent, by the seller once the seller's home is sold.

One Point of Contact

A buyer shouldn't have to repeat themselves. I will listen to your needs and wants, and will get a true sense of what you are looking for in a home. Having one designated resource for all things real estate frees up your time.

Personal Negotiator

I will help you evaluate and prioritize during the negotiation process, along with steadfastly representing your interests and confidentiality. By working with me, you are not limiting yourself to specific properties, and I can help you buy any home that's for sale, from FSBOs to listings of another company.

Accessibility

I work hard to keep communication with my clients consistent and comprehensive, and will check in frequently throughout the purchase process. I'm happy to customize communication to your preferred style whether via phone, email, text, or face-to-face.

Closing & Beyond

It is my goal to be your real estate resource for life, and your contact for all things house and home.

Recommended Vendors

Reach out to me for any recommended vendors, such as home inspectors, painters, flooring companies, and more.

Home Trends & Market Data

Curious what your home might be worth after making updates, or wondering what the real estate market is doing? I'm a consistent resource for market knowledge, and can always run a market analysis for you.

Files & Document Storage

Need paperwork from your transaction to share with your accountant? I keep a record and have access to contract documents for a number of years following closing.

Future Communications

I can add you to my mailing list so you can periodically receive valuable information!





Kelly Millspaugh Thompson

Licensed in VA

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📷 stylishpatina

📱 stylishpatinashop

Stylish PATINA
RLAH REAL ESTATE

Stylish Patina Home
410 S. Maple Ave. #114
Falls Church Va 22046

About Agent

Kelly Millspaugh Thompson your Realtor with a Designers eye. Kelly is a native of Northern Virginia and therefore very familiar with all the areas has to offer no matter what your budget. She also owns a home furnishing and design business in Falls Church City that she has owned for ten years called Stylish Patina. She has a passion for helping her clients find a house and make it a home. She has all the resources to help you find your ideal home or list your home for top dollar.

About RLAH

Because transacting in home sales requires more work than any one person can do, RLAH stands behind the agent & helps with a multitude of tasks along the way. Through record breaking sales in 2019 and the best combination of involved leadership, accessibility, personalized support, education, and resources, RLAH works behind the scenes to meet clients' needs by empowering the REALTOR®.

About Berkshire Hathaway

Our connection with Berkshire Hathaway brings the strength of a large franchise to the flexibility and expertise of local ownership. RLAH Real Estate is a member of the largest real estate network in the world through Berkshire Hathaway Home Services of America.

RLAH
REAL ESTATE



REALTRENDS
THE TRUSTED SOURCE



ARLINGTON | CHEVY CHASE | DUPONT | GEORGETOWN | H STREET