

# BUYER'S *Guide*



# WE ARE...

The #3 real estate team in Minnesota, #1 eXp Realty team in Minnesota, and #8 eXp Realty team nationwide.

We have hand-selected a team of high-producing, collaborative agents to drive the future of real estate, and we chose the best of the best staff to handle the systems supporting our agents.

Starting as a father-son team, Pemberton Homes has grown into a 100-person force of nature. Rooted in core values and purpose, each of our agents and staff members is dedicated to teamwork, self-improvement, and a passion to surpass the expectations of every client who does business with us.

What does this mean for you? White-glove service, creative solutions, and innovation at every turn. In addition to our outstanding agents, we rely on full-time, in-house staff members who are experts in their fields to ensure your experience is second to none.

We are honored to be by your side throughout this major milestone. Our #1 priority is assisting you reach your real estate goals and protecting your best interests.



# Working With A *Real Estate Agent*



## NEEDS VS WANTS

Before beginning your home search, determine what you and your family truly need in a new home. Your agent will be able to design your search based on that list.

## PRE-APPROVAL

REALTORS® typically have lending partners they know and trust. The relationship between the lender and the agent is critical to the success of your purchase.

## HOME INSPECTION

A professional home inspection can save you headaches when living in your new home. Your agent will have a list of qualified inspectors they trust.

## NEIGHBORHOOD

Take the time to investigate the neighborhoods you're interested in. Be aware that there are questions about locations that REALTORS® are not permitted to answer.

## DETAILED APPROACH

Coordinating the details of buying and moving into your new home can be overwhelming. An experienced, full-time REALTOR® provides a full-service, detailed approach to make sure nothing slips through the cracks along the way.

# TIMELINE

**1. PRE-APPROVAL-** One of the most important steps, your pre-approval from a trusted lender will allow you to shop for your dream home while knowing exactly how much house you can afford. This peace of mind will allow you to stay quick on your feet when it comes to writing offers.

**2. HOUSE HUNTING-** Create a list of "must haves," "nice to haves," and "absolutely nots" to save yourself time looking at the wrong homes. Narrowing down where you're willing to live is also useful.

**3. OFFERS-** You found the perfect house - AWESOME! Let's put together the strongest offer possible within your unique situation. Your agent will reach out to the listing agent at this point to find out how we can make our offer stand out.

**4. INSPECTION-** With an accepted offer in hand, the inspection period starts. An inspector's job is to find minor and major issues with the home. Once we have the report, we can negotiate repairs or credits based on the findings.

**5. APPRAISAL-** One of the last steps before clear to close status is the appraisal. The lender will order a third-party valuation of the property to be completed so the bank knows how much they can lend you for the house.

**6. TITLE/PROCESSING-** Before closing, the title company and lenders will complete their examinations and processing to make sure everything is all squared away. You may have some items to turn in to your lender at this point. Do so as soon as possible to keep the timeline moving.

**7. CLEAR TO CLOSE-** The moment we've all been waiting for. This means the lender has said we are all set to close on your new home! Double check wiring instructions for closing day with the title company.

**8. CLOSING DAY-** We will complete a final walkthrough on the home, making sure the home is in the same condition or better than the last time we saw it. Then, you will sign the closing documents and get your new keys!

# Interested in *New Construction?*

WE CAN HELP BUILD YOUR PERFECT HOME!

## **Benefits of Agent Representation**

New build communities each have their own contracts which are typically written in favor of the builder. Having an experienced agent by your side throughout the building process ensures you fully understand the contract you're signing. A real estate agent also negotiates on your behalf to lock in at the best price with the best incentives and terms.

Real estate agents can also help navigate the selection process, making sure that you truly love the home you're building. We also check in periodically to track the building process and handle any issues that may arise.

## **The Home Building Process**

1. Tour model homes to find the right style and incentives for you.
2. Complete a design consultation with the builder representative. This is where you'll choose the lot, floor plan, and exterior elevation.
3. Review and sign the purchase agreement.
4. Complete your selection appointment where you decide what finishes you would like in your home.
5. Construction starts. We will check in periodically to ensure the builder is on track.
6. A few weeks prior to closing, we will complete a blue tape walk-through where we walk through the home and stick blue tape anywhere that needs touch-ups.
7. Close on your new home and move in! Remember, new construction homes come with warranties. We will make sure you know how these work before you move in.



# Know Your *Numbers*

You're different – your loan choices should be different, too.

As Pemberton Homes' official lending affiliate, FLEX Mortgage was established to maximize your loan options. As a mortgage broker, FLEX shops more than 20 different lenders to find a loan that works for you, at a competitive price.

Mortgages don't have to be complex. Our lending team with more than 25 years of experience is prepared to explain and simplify every part of the process.

Start a conversation  
with FLEX's *industry-*  
*leading* mortgage  
consultants:



Colin Smith

612-799-0813

Colin@myflexmortgage.com

NMLS# 1112936

Matt Lundin

612-747-4905

Matt@myflexmortgage.com

NNLS# 2186168



**FLEX**  
MORTGAGE

# The *Pre-approval* Process

1

## Introduction Phone Call

The first step to a pre-approval is to learn more about what options are available. The introduction phone call allows your loan officer to learn about you, your goals, and your financial situation. From there, your loan officer will lay out your potential loan options.

2

## Submit Application

After submitting the application, your loan officer will let you know what documents they need to complete the pre-approval.

Time is of the essence here. Loan officers cannot issue a pre-approval without all required documents.

3

## Underwriting Review

Once received, your documents and application will go through review by a mortgage underwriter. This will determine what loan types are available to you.

4

## Pre-approval

After underwriting, your loan officer will call to discuss your options and make sure you understand what the numbers mean.

The pre-approval letter will be sent via email to both you and your agent and will be submitted along with any offers.

# Understanding *Loan Options*

## **Rate Buydowns**

In an effort to lower the interest rate of a loan, some sellers may offer a rate buy down. These temporary discounts to the rate help keep monthly payments within an affordable range for borrowers. For example, a 2-1 buydown means that the seller would pay for 2% out of the total interest rate for the first year of the loan, and then 1% the second year. This cost is paid at closing of the home.

## **ARM Program**

An Adjustable Rate Mortgage (ARM) offers a fixed interest rate for an initial period of time, after which the rate adjusts periodically based on a chosen financial index. There is a risk of payment increases if interest rates rise after the initial period, making ARMs suitable for those expecting income growth or planning to sell before the period ends.

## **Conventional**

Conventional loans typically have stricter requirements compared to government-insured loans, including a higher credit score and income requirements and sometimes a larger down payment (usually between 5-20%).

## **Federal Housing Association (FHA)**

FHA loans are designed to help low- to moderate-income borrowers qualify for a mortgage by providing more lenient credit and income requirements. The minimum down payment for an FHA loan is 3.5% if you have a 580 credit score or above. If your score is 500-579, you may still qualify, but your down payment will increase.

## **Veterans Affairs (VA)**

VA loans are available to eligible veterans, active duty service members, and surviving spouses. This is a 0% down product and there is no mortgage insurance, either. There are specific requirements, including having a valid Certificate of Eligibility (COE) from the VA, income and credit score minimums, and the property being purchased must meet certain standards.

## **United States Rural Development (USDA)**

USDA loans are designed to help low- to moderate-income borrowers in rural areas purchase homes. As a 0% down loan product, these loans typically have lower interest rates and do not require mortgage insurance. Borrowers must meet certain requirements including a qualifying income level and purchasing a home in an eligible rural area. The property must meet certain standards, as well.

## **Jumbo Loans**

Jumbo loans exceed the maximum loan amounts that can be guaranteed by government-sponsored entities. These maximums are different depending on the area, but typically have stricter credit score and income requirements as well as a larger down payment (10-20%).





# Your Home Search

There are multiple ways to search for homes. In addition to online searches, our team has invested in top-notch technology to make searching for your new home easier and faster. In a market experiencing an inventory shortage, it's critical to have immediate access to both active and off-market options.



## How We Find Homes

	PEMBERTON HOMES	OTHER AGENTS
MLS (Multiple Listing Service)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Industry Partnerships	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Zenlist	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Expired/Canceled Listings	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Engagement	<input checked="" type="checkbox"/>	<input type="checkbox"/>
For Sale by Owner	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Flipper/Buyer Inventory	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Zenlist (Exclusive Listings)

One of the best parts of working with an agent on a large team is the access to off-market listings. One of our software platforms that helps us share exclusive listings is Zenlist.

Zenlist operates similarly to a dating app where off-market listings are automatically matched to buyers' profiles based on their search criteria. The best part - this tool goes beyond Pemberton Homes by including our massive eXp Realty network. That means more exclusive listings for you to look at and more opportunity for you to find your next home.

### OneHome (MLS Portal)

The most common way for real estate agents to search for homes is through the MLS. OneHome is the portal where we can automatically share listings with you that fit your criteria. We have the ability to adjust your search at any time and can make it as specific as you'd like.

The MLS is the best place to find accurate, up-to-date information on current active inventory. You can also mark a listing as a "favorite" or leave notes on listings for your agent.

## Weekly Buyer Meetings

We like to take a proactive approach to finding your new home. We do this through weekly meetings where we discuss:

- Home search parameter check-in and update as needed
- Review existing and off-market inventory
- Recenter on your goals
- Set our next appointment

# Buyers' *Advantage Program*

At Pemberton Homes, we believe in providing excellent service to our clients by educating and empowering them at every step of the way. We fully understand the magnitude of buying a home, and we are honored to work for our clients throughout the process.

## WE PROMISE TO

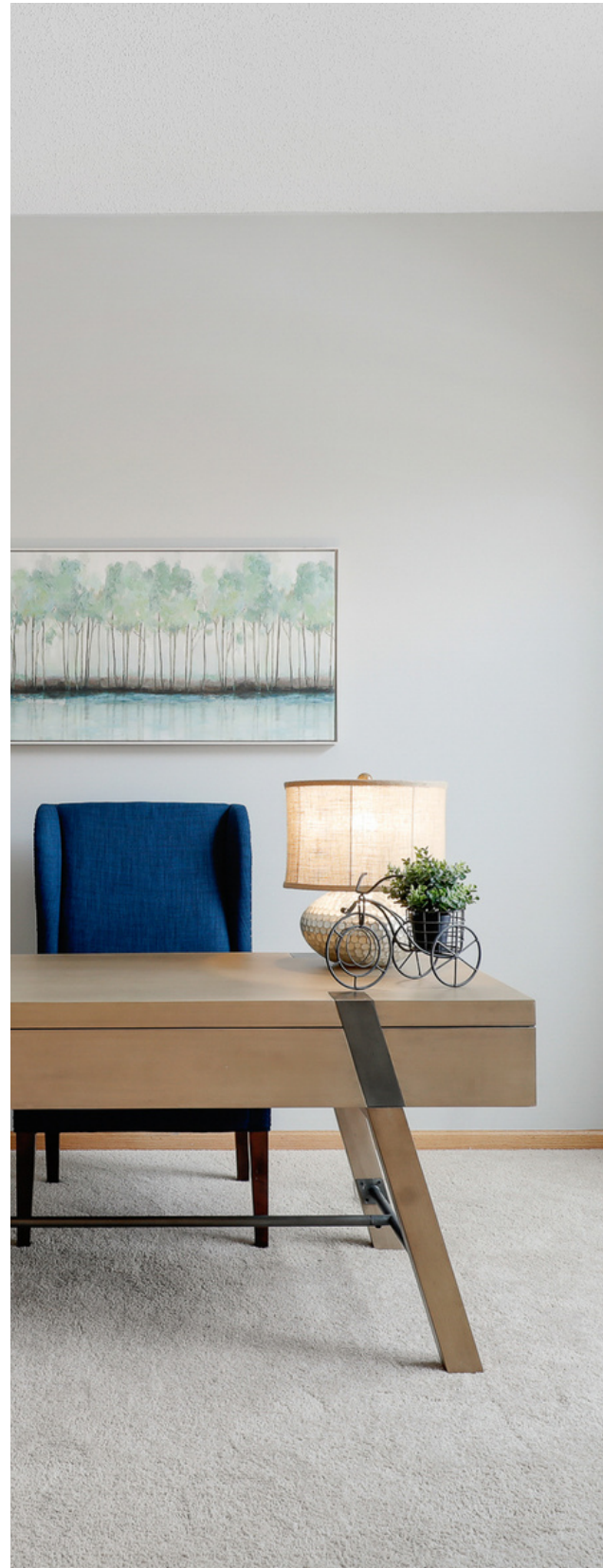
- 1** Assist you in finding the best lender to secure financing appropriate to your financial situation.
- 2** Update you regarding any properties on the MLS and off-market that match the property search parameters discussed.
- 3** Arrange a private showing of any property, including new construction.
- 4** Strategize strong offers on any property you love.
- 5** Prepare and submit offers with the terms, price, and timeline we decide on. I will present the offer on your behalf and negotiate in your best interests to help you secure the property with the best possible terms and price.
- 6** Recommend vendors like home inspectors, title companies, insurance, etc.

## LOVE IT OR LIST IT GUARANTEE

During the first 12 months after closing, if you are dissatisfied with your new home purchase, simply let us know and we will sell it for you without charging a listing agent's commission. All that is required is you notify us within 12 months of the purchase of your home, and you use us to represent you on the purchase of your next home.

## CANCELLATION GUARANTEE

If you are not completely satisfied with the job we are doing for you, you can cancel our Buyer Representation Agreement with three days written notice. We have no interest in requiring you to work with us if you are unhappy and we are confident you will feel the "no pressure" approach when working with our company.



# Costs of Buying



## EARNEST MONEY

This is "good faith" money held by the listing broker until closing. These funds will go towards the amount you owe at closing. This is normally at least 1% of the purchase price.

## HOME INSPECTION

Home inspectors are hired by you to evaluate the condition of the home. Inspection costs typically start at \$500 and vary depending on the scope of services you request.

## HOME APPRAISAL

A third-party evaluator will determine the market value of the home. Appraisal costs start around \$500, which you may pay at the time of appraisal or at closing, depending on the lender.

## DOWN PAYMENT

This covers the difference between the amount of the loan and the purchase price. This number will vary depending on the loan product.

## CLOSING COSTS

All other fees and costs associated with the home purchase (think taxes, title fees, and lender fees). These are estimated at 3% of the purchase price.

## AGENT COMMISSION

Compensation to be paid to your agent as a buyer is negotiable. Talk with your agent about the different options available to you.

## REMEMBER...

- Earnest money has to be deposited three days after an accepted offer
- Check with your lender for information on your amount owed at closing
- Closing costs are negotiable

# Who You Work With Matters



**FLEX**  
TITLE COMPANY, LLC

612-643-9675

orders@myflextitle.com

## YOUR TITLE TEAM

Title companies search public records to develop and document the chain of ownership of a property. If any liens or encumbrances are found, the title company might require a homebuyer to eliminate them before issuing a title policy. Title companies also facilitate closings with the parties and ensure all documents are signed and recorded. Whether you're selling your first home or buying your fifth investment property, every closing is a priority. FLEX Title Company LLC is your trusted partner through the entire process. With 24 years of experience and integrity to match, FLEX Title promises a high level of customer service, a friendly and professional environment, and so much more. By approaching every situation with a solution-driven mindset, they are able to make your real estate transaction as stress-free and efficient as possible.

## INSURING YOUR NEW ASSET

With all of the options for homeowners insurance, choosing the right one for your situation can be a daunting task. Insurance Resource Group (IRG) is a premier boutique agency offering a wide variety of insurance options. With over 40 years of experience, IRG ensures you will find the best option for your unique situation. Whether you're bundling with other items or simply looking to protect your new home, IRG will be with you during your transaction and after to answer questions and look out for your family.



*irg.*

INSURANCE RESOURCE GROUP

612-670-6727

## WARNING!

Wire Fraud is on the rise and can cost you thousands. Never trust wiring instructions sent via email. Always independently confirm wiring instructions in person or via a telephone call to a trusted and verified phone number. Never wire money without double-checking that the wiring instructions are correct.

# Lifelong Client Perks

When you work with Pemberton Homes, you're a client for life. It's an honor to be a part of big moments in your life, so we LOVE giving back to you!

Before, during, and after the purchase of your new home, you have access to

- Office Exclusive Listings
- Free Moving Truck
- Giveaways
- Client Events
- Valuable Real Estate Education
- And So Much More!

## CHECK OUT OUR RECENT EVENTS



Buy or sell with Pemberton Homes and use our moving truck for free!



# GLOSSARY

## TYPES OF HOUSING:

**Single Family Home:** An independent residential structure with no shared walls, that sits on its own land and is designed to be used as a single-dwelling unit.

**Multi-Family Home:** Property with multiple separate units contained within one building or several buildings within one complex.

**Condo:** Property within a condominium building where the owner has full title to the individual apartment and undivided interest in the common areas.

**Town House:** A traditional row house or multi-story home with a private entrance, that typically shares 1 or more walls with other residences.

**Twin Home:** A two-unit dwelling where each unit is owned by separate parties with the property line running through the shared, middle wall.

**Cooperative:** A building jointly owned by a corporation made of the unit owners whereby each resident is a shareholder in the corporation based in part on the relative size of the unit they live in.

## HOUSING INFORMATION:

**MLS:** Stands for Multiple Listing Service where real estate agents list houses.

**Off Market/Office Exclusive:** Withheld listing that is only shared with agents from the same brokerage.

**Days on Market:** The number of days a listing is on the market before an accepted offer.

**Dual Agency:** Both the buyers and sellers are represented by the same brokerage.

**Facilitation:** Neither party is represented, but an agent is assisting with paperwork.

## FINANCING:

**Loan Officer:** Representative of a financial institution who assists borrowers in the application process.

**Underwriter:** Financial expert who looks at financing and assesses how much risk a lender will take if the institution loans money.

**Earnest Money:** Money paid to confirm a contract.

**Down Payment:** Initial payment made when something is bought on credit.

**PITI Payment:** Monthly principal, interest, taxes, and insurance.

**Debt-to-Income Ratio:** Calculation of total monthly debt payments versus monthly income.

**Discount Points:** Points of interest that can be purchased to lower your interest rate.

**Cash to Close:** Total amount of money needed on closing day to finalize the home purchase.

**Appraisal:** Third-party market valuation of the subject home that determines the maximum loan amount.

# GLOSSARY

## OFFER OPTIONS:

**Rent Back:** Sellers keep possession of the property after the sale closes while paying the buyers rent.

**Move-In Agreement:** Buyers move into the property before closing and pay rent to the seller.

**Backup Offer:** An offer made in acknowledgement of an existing offer, which ensures a contract with the seller if the first offer falls through.

**Escalation Clause:** Allows for an increase in purchase price based on other competing offers.

**Appraisal Gap:** States the buyer will cover some or entirety of a gap in case of low appraisal.

**Blind Offer:** Offer submitted without seeing the property in person.

**As-Is Sale:** An agreement between the buyer and seller where the buyer releases the seller of any liability after the sale is final.

**Multiple Offers:** Situation where there are multiple offers on a single property.

**Seller Contributions:** Closing costs normally paid by the buyer that are being paid by the seller.

## INSPECTIONS

**Home Inspection:** A limited, non-invasive examination of the condition of a home, often in connection with the sale of that home, conducted by a certified home inspector.

**Sewer Inspection:** An examination of the sewer line of a property via camera looking for cracks, clogs, or other defects.

**Chimney Inspection:** An examination of the chimney to look at any buildup, obstructions, damage, or other defects.

**Radon:** A colorless, odorless, tasteless radioactive gas that is often found in the lower levels of homes.

**Radon Test:** Measures the presence and level of radon in the home either with charcoal canisters or with a special film.

## PROCESSING

**Title Insurance:** A contractual obligation that protects against losses that occur when title to a property is not free and clear of defects.

**Title Examination:** The process of examining public records and retrieving documents on the history of a piece of real property to determine and confirm property's legal ownership and find out what claims or liens are on the property.

# Real People, *Real Experiences*

"Pemberton Homes is absolutely amazing. Prior to working with them, I had been looking for a home for two years. They were available, reliable, and took the time to get to know what was best for me and my family. House hunting is hard and stressful, but Pemberton Homes helped me through the difficult times. They are the greatest!! I can't imagine doing this journey without them."

"Our Pemberton Homes agent did an outstanding job representing us and finding a house that suited our needs! They were able to find us a reasonably priced home in a wonderful town where my fiancé and I can raise our family."

"The agents at Pemberton Homes are outstanding! They go above and beyond, we are working with them for our 3rd time and we couldn't imagine using anyone else. They are patient and understanding, never pressuring or wanting to put you in something that isn't right for you!"

"Pemberton Homes did a fantastic job helping us purchase our first home. They were responsive, informative, looked out for our best interests, and listened to what we needed. They were able to answer all our questions quickly and in a way that makes sense to someone who hasn't bought a home before."

"Our agent at Pemberton Homes was great! We bought a house from another state and 100% trusted her to help guide us through this process. She was very responsive and communicated very well in order to help me and my family through this time of change."

"Our agent at Pemberton Homes was so helpful to us in our home search. She was very responsive and flexible when it came to showing us homes, and she really helped us zero in on what we were looking for and in which areas. I know she is busy but she always made time for us and made us feel like we were her top priority. I would recommend her to anyone looking to buy a house!"

**WE PROUDLY HAVE OVER 750 5-STAR REVIEWS**



612-260-8777 | [Info@TeamPemberton.com](mailto:Info@TeamPemberton.com)