



Solutions to Your Real Estate Needs

- Organize the home buying process and guide you through.
- Define your goals as a buyer & search for the “right” home for you.
- Search for the “right” home for you.
- Provide you a comparative market analysis on homes as desired.
- Disclose all known information about properties and areas, which interest you.
- Ensure confidentiality of your information as my client.
- Explore all financing possibilities with you.
- Strategize your offer to the seller and assist in preparing earnest money contract.
- Negotiate on your behalf all offers which you submit.
- Act as your advocate write contract and negotiate in the best price and terms



DFW Urban Realty is a full-service real estate company specializing in inner-city lifestyle. We look forward to helping you find your new home. We combine personal service with advanced technology to offer you an unmatched level of customer service.

Contact **DFW Urban Realty** Today!

Kenneth Cox – Broker/Owner
DFW Urban Realty, LLC
License #597370
MetroTex, NAR, TAR, BBB

- Office: (214) 764-4124 office
- Fax: (214) 764-4135
- Toll Free: (800) 525-4124
- E-Mail: broker@dfwurbanrealty.com
- Websites: www.dfwurbanrealty.com, www.buyandselldallas.com, www.buyandsellfortworth.com

www.searchdallasmls.com, www.searchfortworthmls.com: We offer the most advanced home search in the Dallas Fort Worth area with multiple search options including search by MLS number, city, address, zip code, school district, subdivision, polygonal map, radius map, and our new Sold Home Map Search (includes days on market, original listing prices, selling prices, selling dates)



What is a buyer's agent?

Does it cost me anything to have a Buyers' Agent? No. Sellers pay the commission out of the proceeds of the sale. Even most private sellers or "For Sale By Owners" are willing to pay the selling side of the commission for me to bring in my buyers.

How does it help me to work with a Buyers' Agent? A buyer's agent will save you time and money. A good agent will listen to what you want and show you only homes that fit your needs and wants, and price range. When you look by hunting through ads, magazines and open houses, you find yourself looking through many homes that aren't what you are looking for. And most importantly when working as your agent, I will save you money by negotiating a price favorable to you and also providing you comparable sales information to see what the house you want to buy is worth.



Home Buying

Know what to expect when you buy a house. Our Home Buying guide explains each step, to help you make informed decisions.

Are you ready to buy a home? Ask yourself these questions:

What are your personal reasons?

Do you need more room for a growing family, or want to move closer to work or schools? Make a list and think it through; it's a good way to balance out the financial factors in your decision.

How long do you plan to own this home?

You may be better off renting if you expect to move or get transferred within two years. Calculate if you should rent or buy?

Do you have enough cash for a down payment, closing and moving costs?



For a \$100,000 home with a 20 percent down payment, you may need less than \$25,000. Calculate how much you can afford.

Can you afford to carry a monthly mortgage and still pay your bills?

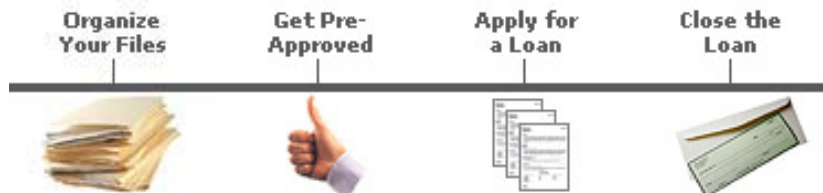
A mortgage should take no more than one third of your net income. Budget to buy and determine how much your payments will be. If you're carrying extra debt, take steps to reduce.

Do you need the tax break?

Many homeowners rely on tax deductions as a budget necessity--and one way to accumulate savings.

Lending

Understand the paperwork, improve your eligibility, and choose a loan. The Lending guide tells you what you need to accomplish each step and walks you through important decisions.



Order a copy of your credit report.

Order and analyze a copy of your credit report. Your lender will also order a copy, but you should see it first. That way, you can clear up any credit problems before you submit your loan application.

Organize your recent tax returns and financial documents.

The lender will need your financial information to determine how much you can borrow. If you don't have all the paperwork, you can get copies by contacting your tax-preparer and other people who deal with your personal finances.

Get contact information from your human resources department.

Find out who is authorized to release information about your employment status. Provide the correct contact name and telephone number to the lender to avoid lengthy loan-processing delays.

House Hunting



Know the market, know what you want and know what to look for. Our House Hunting guide prepares you for each step and helps you carry out a successful search.



If you understand current market conditions, you'll position yourself better as a buyer. It helps to know if you're in a seller's market or a buyer's market. In a seller's market, you may have to make a full-price offer or higher just to beat the competition. In a buyer's market, you have more room to negotiate. You can get a sense of the market from certain indicators such as:

Median home price

The median home price gives you the midpoint in the range of sales prices for a specific period. Compare over the past several years to see whether prices are rising or falling in the overall market and specific areas.

Number of home sales

The number of home sales indicates the number of homes sold in a specific period. Compare over the past several years to see whether this number is rising or falling. Generally, the more active the market, the higher the number of homes sold.

Offer to Closing

Negotiate price and terms, spot potential problems and complete your purchase. The Offer to Closing guide explains key points and pitfalls of each step, so you can be your own best advocate.



When you make an offer, you commit to one home. You sign a contract to purchase, which



is legally binding if the seller accepts. You also write out your first big check for a good-faith deposit, which you can apply to the down payment at closing. The more carefully you research the market, the neighborhood, comparable homes, and current property values, the more quickly and confidently you can decide what price to offer.

Focus on the facts:

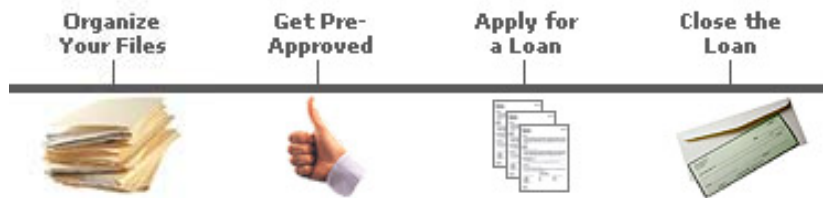
- Are you making an offer that you can afford?
- Have there been, or are there, any other offers?
- What is the apparent condition of the property?
- What contingencies, or conditions, do you need?
- If seller comes back with a counteroffer, what's negotiable?



Pre-Approval Program

Here are the benefits:

- Look at the “right” homes
- Save money dealing with a comfortable seller
- Close more quickly
- Minimize trauma of not knowing whether or not you qualify
- In today’s market, many sellers request written pre-notification before working an offer
- Select what program suits your needs
- Obtain a written good faith estimate of closing costs and other fees



Items Needed for Credit Application

Employment:

- Addresses for two full years
- Gross monthly income
- W-2s, if available
- Proof of pensions, retirement, disability or Social Security
- Proof of income from rentals, investments,
- Proof of child support or alimony paid/received
- Year to date pay stub

If self-employed:

- Two years 1040 Tax Returns
- Current year profit and loss statement

Creditors:

- Creditor’s name, address, type account
- Account numbers

- Monthly payments and approximate balances
- Amount of child care expenses



Banking:

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

Miscellaneous:

- List of assets in stocks, bonds, land
 - Life insurance cash value (documented if used as cash down payment)
 - If applicant is selling a home, a copy of sales contract Social Security numbers for all parties
 - Veterans - Certificate of Eligibility & DD-214
- Cash or check to pay for application fee

REALTORS®

- Copy of sales agreement
- Copy of listing on property
- Instructions on how appraiser is to gain entrance



What You Should Know About Agency in Texas

The Texas Legislature enacted an amendment to the Texas Real Estate License Act which became effective January 1, 1996. Among other things, the amendment changes the permitted agency relationships between a real estate broker and its client. No longer will The Michael Group act as a disclosed dual agent in a transaction in which both the seller and buyer are working with associates of our company. Instead, we will act as an intermediary in the transaction. We strive daily to provide the public and our sales associates with current information regarding the sale and leasing of property. In recent years the real estate industry and state legislatures across the country have also sought to better inform buyers and sellers about the legal relationship they may have with the real estate broker.

INFORMATION and DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

Competing Clients

Buyer understands that Broker may represent more than one client seeking to purchase the same house. Broker will notify Buyer if an offer is to be submitted on the same property they are interested in, but will not discuss any of the terms or conditions of any offers made. After written notification to client of competing buyers for the same property, Buyer may terminate this agreement immediately with written notification and no further obligations. The buyer also has the right to waive any objections to any conflict by reason of competing buyers.

Texas Law

Texas Law requires all real estate brokers to disclose whom the broker will be representing

a) Buyers - b) sellers - c) or in certain situations both the buyer and the seller

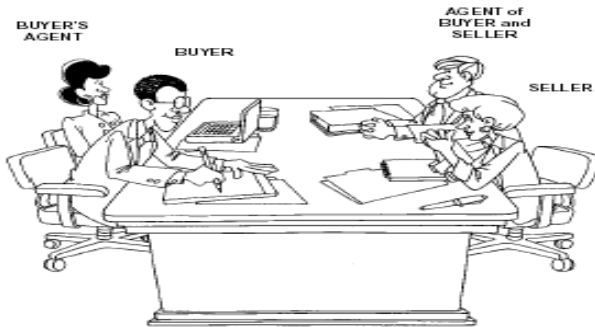
Whatever the case, the relationship must be disclosed to you. Please read the attached representation guide and ask me any questions you may have concerning our working relationship. Once we have discussed it and you fully understand agency relationships, please sign and date the enclosed.

Termination of Buyer Agreement

With **forty-eight** hours written notification buyer or agent may terminate this agreement with no further obligation



Description of Agency Relationships



One type of real estate transaction involves a seller who has listed property for sale with a real estate broker and is presented with an offer to purchase from a buyer who has engaged another broker. Both brokers have individual sales associates to act on behalf of the broker in the transaction. In this transaction the broker for the seller and the broker's sales associate exclusively represent the seller. The other broker and its sales associate working for the buyer exclusively represents the buyer.

INTERMEDIARY STATUS (FOR IN-COMPANY TRANSACTIONS)

Intermediary status was created by the Texas Legislature in 1995 and was designed for use when the same broker such as represents a buyer and seller when a buyer wishes to purchase a property listed for sale by the Broker. In such a transaction, with the written consent of the parties, the broker may work with both parties to the sale. As an Intermediary, the Broker (1) will treat both the buyer and seller honestly, (2) will not disclose that the seller will accept a price less than the asking price unless authorized in writing to do so by the seller, (3) will not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer, (4) will not disclose

any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by law. The Broker, with the written consent of the parties, may act as an Intermediary in two different circumstances explained as follows: When the Buyer and Seller wish to have the Broker act as an Intermediary in the sale and each has separate agents of the Broker working with them, then Broker may appoint each agent to act as an "Appointed Licensee." Under these circumstances, the Appointed Licensee will carry out the instructions of the parties to whom they are appointed and will render professional advice and opinions to the parties during the transaction.



When a Buyer and Seller in the transaction wish to work with the same sales associate of the Broker, then the sales associate will act as an "Intermediary Representative" of the Broker. Such a transaction presents a greater potential for a conflict of interest between the Broker and the parties, which precludes the Broker and its Intermediary Representative from promoting the interest of one party over the other. In this situation the Intermediary Representative will not render professional advice or opinions to either party so as to remain fair and impartial to both parties, however may provide information and assistance.



Property Inspection

You can include a provision in the sales contract that gives you the right to inspect the mechanical, electrical, plumbing and structural portions of the property.

There are inspection companies that provide services of this type. You can accompany the inspector to ask questions and receive a written report itemizing any areas of concern.

If repairs are needed, you can request the seller to make them in accordance with the provisions of the sales contract.



Home Warranty Plan

As an additional benefit, some sellers provide a Home Warranty Plan for the buyer. These plans are typically good for one year and cover selected items such as:

- Central Heating System
- Central Air System
- Interior Plumbing
- Built-In Appliances
- Some Pool Equipment
- Water Heater & Disposal

If the home you choose does not have a Home Warranty Plan, you may acquire the coverage yourself. We will provide the home warranty brochures for your review to help in selecting the best company to suit your needs.

Some optional items to be covered at an additional charge may include sprinkler systems, pool equipment, spa, garage door openers, washers/dryers, and refrigerators. Service call charges may vary.

You will receive your policy number at closing, which you need to use when calling the warranty company service number. Do not call your own service person unless the repair is on an item not covered by your policy

These plans could be very valuable to the new homeowner, should unexpected items break.



Functions of a Title Company?

By **Dawn Enoch Moore**
Attorney at Law
TICOR Land Title Company

TICOR Land Title Company understands that the purchase or sale of your home is one of the most stressful yet exciting times in your life. We, therefore, must not only be skillful in the technical aspect of closing but in the way we handle the needs and concerns of our customers.

Most people cannot answer the question "What are the functions of a title company?" Clearly, the reference "Title Company" implies a purpose of assuring title, but the title company goes beyond that. The title company actually handles the closing of the transaction by coordinating all parties - lender, buyer, and seller - and preparing all necessary documents including the settlement statement. It also handles all the money involved in the closing. Through all this, the title company's main function is to provide title insurance to the prospective buyer and any lender financing the purchase. Title insurers differ from other kinds of insurers in that they attempt to research and eliminate all risks of title defects rather than to assume risks. It is the ancillary function of the title company, then, to handle the actual closing to assure that the documents necessary to convey clear title have been properly executed and filed and that all previous interests in the property have been disposed.

Why have title insurance if all risks are eliminated? Not all risks can be eliminated. Title insurance covers matters that cannot be discovered even by a diligent search of the records, such as forgeries of signatures or claims of unknown heirs.

The Closing

Closing is the time when you receive title to the property. It may take place at a title company, lending institution, realtor's office, or attorney's office. The lender will normally provide you ahead of time with an accounting of funds that you will need to bring to the closing. The lending institution may have difficulty in providing you with exact closing figures well in advance. They normally do not prepare the figures until shortly before the closing. Ask the lender for a reliable estimate at the loan application interview. Then add a margin of safety to avoid any possible confusion. Because the law provides that any contract for the sale or purchase of real estate must be in writing, verbal promises or agreements not included in the contract are unenforceable. It is important to write into the contract all the gray area items such as appliances, window treatments, lighting fixtures, landscaping elements, etc.

Just before the closing you will want to inspect the house again. Personal property, which is attached to the house, is normally left with the house. The purchase contract should include an itemized list of items, which are specifically included or excluded. Check to see that all items agreed upon in the



purchase contract are in place and functional. By law you have a right only to those items specified in the purchase contract.

What You Need to Bring

First, you'll need a certified or cashier's check for the down payment and closing costs. You will also need an insurance policy for fire/hazard coverage naming the lender as joint beneficiary.

Property Survey

Your lending institution requires a current land survey to determine the boundaries of your property. Should you plan to construct fencing, driveways, sheds, etc. close to a property line, it is more cost effective to request a full-stake survey at the time of the initial survey. Sufficient time before closing should be allowed for review of the completed survey by the attorney, mortgage and/or title company.

Title Search

An attorney or title insurance company can research a title to make sure the property is free and clear of any liens, encumbrances, or taxes. Most title hazards will show up in a title search. This is an examination of public records, which covers a preceding period of approximately sixty years. Even the most thorough search may not discover every title discrepancy. For this reason, title insurance can be purchased to provide protection for your claim to the property.

Title Insurance

Generally, there are two forms of title insurance. Lender's title insurance, required by most lending institutions, is normally written in the amount of the mortgage and protects the lending institution from losses resulting from title defects. Because lender's insurance expires when the mortgage is repaid, you may benefit from the second form of title insurance known as an owner's title policy. It usually is written for the amount of the purchase price of the home. This protection starts the day of the closing and lasts as long as you or your heirs retain an interest in the property. Unlike other insurance premiums, your title insurance premium is paid only once, at the closing. By purchasing owner's and lender's protection simultaneously, substantial savings in title insurance premiums can be realized.

After all fees have been paid and documents signed and notarized at the closing, you will receive a copy of each and, most importantly, title to your house.



ESTIMATED CLOSING COST	ASSUMP/CASH	CONVEN	FHA	VA	ESTIMATE
LOAN CHARGES					
Loan Origination (1%)	n/a				
Discount Points %	n/a				
Appraisal Fee	n/a	\$350.00	\$325.00	\$325.00	
Credit Report	\$60.00	\$60.00	\$60.00	\$60.00	
Process/Underwriting Fee	n/a	\$300.00	Sellers pay	Sellers pay	
Lenders Inspection Fee	n/a	\$75.00	\$50.00	\$40.00	
PM/MIP	n/a	see lender	2.25%	n/a	
VA Funding Fee		n/a	n/a	up to 3%	
Transfer Fee (Assumption)	\$250.00	n/a	n/a	n/a	
Photos & Amortization	n/a	\$15.00	15	Sellers pay	
Tax Service Fee	n/a	\$175.00	Sellers pay	Sellers pay	
PREPAIDS					
Interest # Days					
Hazard INS. (1yr. +2 mo)					
PM/MIP Escrow (2mo)					
Tax Escrow (4mo)					
MISCELLANEOUS CHARGES					
Survey	n/a	\$250.00	\$250.00	\$250.00	
Termite Inspection	\$100.00	\$100.00	\$100.00	Sellers pay	
Home Warranty Plan	\$175.00	\$175.00	\$175.00	\$175.00	
Courier Fees		\$ 50.00	\$50.00	Sellers pay	
Escrow Acct Assumed		n/a	n/a	n/a	
Attorney's Fees	\$150.00	\$250.00	\$155.00	Sellers pay	
Escrow Fees	\$125.00	\$125.00	\$60.00	Sellers pay	
Recording Fees	\$25.00	\$40.00	\$ 40.00	\$40.00	
Mortgage Title Policy	\$125/2nd	\$175.00	\$175.00	\$175.00	
Copies (rest.etc.)	\$20.00	\$20.00	\$10.00	Sellers pay	
Tax Proration @ _____ / day					
HOA Dues & Fees					
Total Estimated Costs	\$905.00	\$2,160.00	\$1,465.02	\$1,065.00	
PRINCIPAL BALANCE					
INTEREST					
TOTAL PAYOFF					
SALES PRICE					
LESS TOTAL PAYOFF					
PLUS ESCROW ACCT.					
(PD. AFTER DIRECT BY LENDER)					
ESTIMATED NET PROCEEDS					



Glossary of Real Estate and Financing Terminology

ACCEPTANCE: Consent to an offer to enter into contract.

ADJUSTABLE RATE MORTGAGE: A loan that allows the lender to adjust the borrower's Interest rate and payments at prescribed times and with prescribed limits.

AMORTIZED LOAN: A loan that is paid off in equal installments during its term.

A. P. R. (Annual Percentage Rate): A term used in the Truth in Lending Act. It represents the relationship of the total finance charge (Interest, discounts points, origination fees, loan broker, commission, etc.) to the amount of the loan.

APPRAISAL: An estimate of real estate value, usually issued to standards of FHA, VA, FHMA. Recent comparable sales in the neighborhood are the most important factor in determining value.

APPRECIATION: Increase in value due to any cause.

ASSUMABLE MORTGAGE: Purchaser takes ownership to real estate encumbered by an existing mortgage and assumes responsibility as the guarantor for the unpaid balance of the mortgage.

BILL OF SALE: Document used to transfer title (ownership) of PERSONAL property.

CLOSING STATEMENT: A financial statement rendered to the buyer and seller at the time of transfer of ownership, giving an account of all funds received or expended.

CLOUD ON THE TITLE: Any condition that affects the clear title to real property.

COMPARABLE SALES: Sales that have similar characteristics as the subject property and are used for analysis in the appraisal process.

CONTRACT: An agreement to do or not to do a certain thing.

CONSIDERATION: Anything of value to induce another to enter into a contract (i.e. money, services, a promise).

DEED: Written instrument which, when properly executed and delivered, conveys title to real property.

DISCOUNT POINTS OR POINTS: A loan fee charged by a lender of FHA, VA or Conventional loans to increase the yield on the investment. One point = 1% of the loan amount.

EARNEST MONEY: Initial deposit made by the purchaser of real estate as evidence of good faith.

EASEMENT: A right to use the land of another.

ENCUMBRANCE: Anything that burdens (limits) the fee title to property, such as a lien, easement or restriction of any kind.



EQUITY: The value of real estate over and above the liens against it. It is obtained by subtracting the total liens from the value.

ESCROW PAYMENT: That portion of a mortgagor's monthly payment held in trust by the lender to pay for taxes, hazard insurance, mortgage insurance, lease payments and other items as they become due.

EXCHANGE: The trading of equity in a piece of property for equity in another.

FANNIE MAE: Nickname for Federal National Mortgage Corp. (FNMA), a tax-paying corporation created by Congress to support the secondary mortgages insured by FHA or guaranteed by VA. as well as conventional home mortgages.

FEDERAL HOUSING ADMINISTRATION (FHA): The Federal Government agency that administers FHA insured loans.

FHA INSURED MORTGAGE: A mortgage under which the Federal Housing Administration insures loans made, according to its regulation, by approved lenders.

FIXED RATE MORTGAGE: A loan that fixes the interest rate at a prescribed rate for the duration of the loan.

FORECLOSURE: Procedure whereby property pledged as security for a debt is sold to pay the debt in the event of default.

FREDDIE MAC: Nickname for Federal Home Loan Mortgage Corp. (FHLMC), a federally controlled and operated corporation to support the secondary mortgage market. It purchases and sells residential conventional home mortgages.

GRADUATED PAYMENT MORTGAGE: Any loan where the borrower pays a portion of the interest due each month during the first few years of the loan. The payment increases gradually during the first few years to the amount necessary to fully amortize the loan during its life,

INVESTOR: the holder of a mortgage or the permanent lender for whom the mortgage banker services the loan. Any person or institution that invests in mortgages.

TENANCY: A type of ownership of property by two or more people with the right of survivorship. Requires the four unities of time, title, interest and possession.

LEASE PURCHASE AGREEMENT: Buyer makes a deposit for the future purchase of a property with the right to lease the property in the interim.

LOAN TO VALUE RATIO (LTV): The ratio of the mortgage loan principal (amount borrowed) to the property's appraised value (selling price). Example- on a \$100,000 home, with a mortgage loan principal of \$80,000 the loan to value ratio is 80%.

MORTGAGE: One type of document used to make property the security for the payment of a loan.

MORTGAGE INSURANCE PREMIUM (MIP): The consideration paid by a mortgagor for mortgage insurance either to FHA or a private mortgage insurance (PMI) company. This insurance protects the investor from possible loss in the event of a borrower's default on a loan.



MORTGAGEE: The lender of money or the receiver of the mortgage document.

MORTGAGOR: The borrower of money of the giver of the mortgage document.

NOTE: A written promise to pay a certain amount of money.

ORIGINATION FEE: A fee or charge for work involved in the evaluation, preparation and submission of a proposed mortgage loan.

PREPAYMENT PENALTY: A fee paid to the mortgagee for paying the mortgage before it becomes due. Also known as prepayment fee or reinvestment fee.

PRIVATE MORTGAGE INSURANCE (PMI): See Mortgage Insurance Premium.

PROMISSORY NOTE: A written contract containing a promise to pay a definite amount of money at a definite future time.

REALTOR: A member of local and state real estate boards that are affiliated with the National Association of Realtors (NAR).

RENT WITH OPTION: A contract that gives one the right to lease property at a certain sum with the option to purchase at a future date.

SECOND MORTGAGE/SECOND DEED OF TRUST/JUNIOR MORTGAGE OR JUNIOR LIEN: An additional loan imposed on a property with a first mortgage. Generally a higher interest rate and shorter term than a "first" mortgage.

SEVERALTY OWNERSHIP: Ownership by one person only. Sole ownership.

SURVEY: The process by which a parcel of land is measured and its area ascertained.

TENANCY IN COMMON: Ownership by two or more persons who hold an undivided interest without right of survivorship. (In the event of the death of one owner, his/her share will pass to his/her heirs).

TITLE INSURANCE: An insurance policy that protects the insured (Purchaser or lender) against loss arising from defects in the title.