

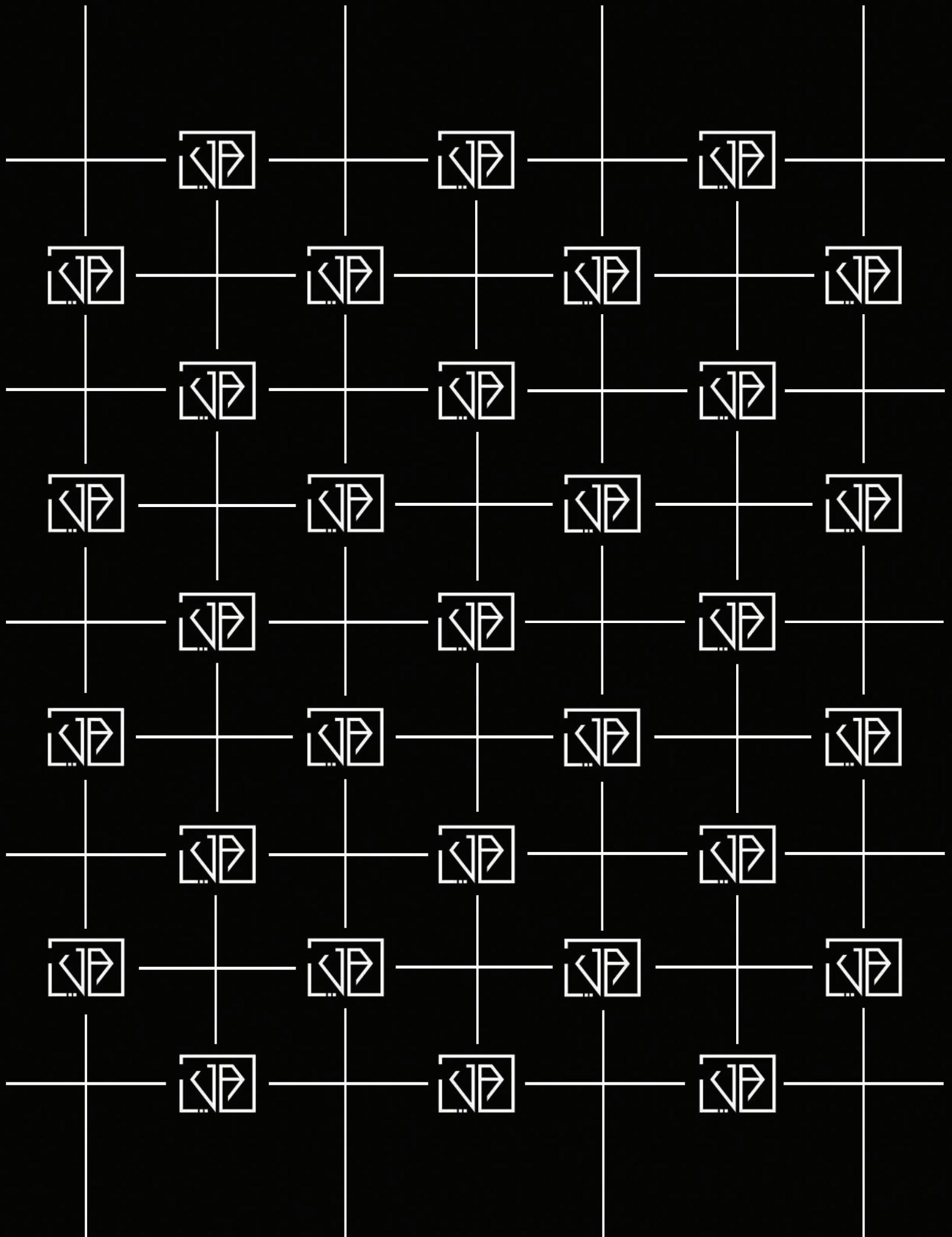
Move Beyond Your Expectations

BUYERS GUIDE



J ALEXANDER
GROUP

exp[®]
REALTY



welcome home

We know that finding your dream home is the most important part of this process, but we feel that having a well-qualified, experienced and knowledgeable team behind you is equally important. We will guide you through the home-buying process, assist you in finding the right place and help you come to satisfactory terms in your purchase agreement.

We will take your needs seriously and will use effective systems to help you find your new home. Together, we will develop a strategy for your home purchase. This is a well organized, time-saving approach to the home-buying process. With our systems, you will clearly determine how much you want to spend, establish a criteria for selecting homes, obtain information about houses and neighborhoods to help you make decisions, prepare for mortgage qualification and close on the home of your dreams.

Once you are under contract, you will have one of the most reputable teams in South Florida guiding you every step of the way.

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JONATHAN ALEXANDER



Jonathan has been a licensed REALTOR® since 2005 and has over 17 years of real estate experience as a consultant, investor and homeowner.

Jonathan has developed long-lasting relationships with buyers and sellers, many of whom become friends and referrals. With more than 850 sales under his belt, his track record remains spotless, a record he attributes to always placing his clients' interests ahead of his own, providing attentive one-on-one service and knowing the contracts and procedures extremely well. Jonathan is currently ranked in the top 1% of all Realtors in South Florida.

Jonathan holds a bachelor's degree in business and management, with an emphasis in finance and marketing, from Florida Atlantic University. An active member of the community, Jonathan volunteers his time when possible with organizations like Habitat for Humanity, Big Brothers Big Sisters and Hope for Paws.

Jonathan's passions include exercise, travel, reading, photography, movies, graphic design, sports and spending as much time as possible with his wife Lily, daughters Jade and Ruby and their 2 dogs Sumo and Kiwi.

FOUNDER | REALTOR
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OUR MISSION

CHANGE
THE LIVES
— OF —
THOSE WE SERVE
BY PROVIDING
WORLD CLASS SERVICE
FIRST CLASS MARKETING
EXPERT COUNSEL

CREATING EXPERIENCES THAT LAST

FOREVER

BUYING WITH THE J ALEXANDER GROUP

Deciding to buy a home is a big deal. For most of us, purchasing a home will be the biggest financial decision we'll ever make. As a buyer, you have a plethora of options when it comes to selecting the right Agent to represent you through the buying process. Here are 8 reasons why you are in great hands with the J Alexander Group.

WE KNOW THE MARKET

Our team of agents all love real estate, love where we live and know our cities and communities well. We eat, sleep and breathe real estate so it's our mandate to ensure that you're educated and informed on real estate trends throughout your buyer experience.

YOU DESERVE THE TRUTH

Your happiness is our priority and we intend to earn (and keep) your trust through the entire purchase process. We will keep you informed at all times. When our professional opinion is warranted, you can trust that we will provide it. We will not only keep you updated on current market conditions or changes, we will provide honest feedback on a particular property or neighborhood. This will ensure you're well equipped when it comes to making your final purchase decision.

YOU'LL NEVER HAVE TO WAIT ON US

Our goal is to ensure you get timely responses, always. While we might not always have the answer at our fingertips, we will let you know that we're on it and will be getting back to you right away.

AN EXPERIENCE WORTH TALKING ABOUT

Our job is to help ensure that this process is as easy and seamless as possible for you. We know it can be stressful, but with our help, it can also be really great too. We will do everything we can to make your experience a positive one. Over 75% of our business is referral based. That means our clients have had great experiences and recommend us or keep coming back. Our goal is to make sure you feel the exact same way.

WE'LL GET YOU THE BEST PRICE

We love negotiating and our track record proves that we are successful in getting our clients the best price and value possible. That's our goal, at all times. Our focus is on your experience, which we know will, in turn, create future opportunities for us to work for you and earn your referral business. So your savings today equals a longer-term reward for us down the road.

YOU HAVE A TEAM AT YOUR FINGERTIPS

Our team of experienced sales, administrative, marketing and client care are all committed to you. From your pre-approval and search process to your accepted offer and moving day (plus everything in between), our team is dedicated to working hard for you. It doesn't stop there, we also work with an extensive network of service partners that are devoted to our clients and operate at the same level of excellence and expertise as we do.

WE'RE TECH-SAVVY AND PAPERLESS

We use only the best tools and technology to assist with your search process and manage your purchase transaction. We can automate everything - you won't have to print or scan a single thing. Our buyers get instant property search updates and access to listings. Through our paperless systems, our buyers can complete agreements in minutes from anywhere and on any device.

IT'S FREE

There is no cost to you in working with the J Alexander Group to buy your home or condo. When you buy a home, we are compensated by the sellers.

200+ GOOGLE REVIEWS ABOUT WORKING WITH THE J ALEXANDER GROUP

The J Alexander Group is more than a group to us now, they are family. They sold our home in 3 days. Then assisted us in finding our Dream Home a short time later. We were blown away with their expertise, professionalism, wisdom, knowledge & passion for what they did time and time again. We are incredibly grateful for everything they have done for us through this amazing journey. We can truly say, they went the extra mile day after day to make sure we were always happy. Their honesty as well as their genuineness were paramount for us. We are believers in doing everything decently and in order and that's what Jonathan, Hannah and Franchesca executed the entire time. We would not be in our LOVELY home right now if it was not for the EXCELLENT SERVICE rendered by the J Alexander Group. Thank You! Thank You! Thank You!

- NATE & SHARON ADAMS

Brent and Franchesca did a great job for us. They provided us with all the information we needed. They anticipated problems before they became problems. They always responded to us in a timely manner. They were available all hours of the day. They were great.

- MIKE SCHLETER

Jonathan Alexander is a wonderful realtor! He made our move from out of state as easy as possible. He is extremely professional and took the time to explain everything involved in the home buying process. Following our purchase, he has even helped my husband and I find reliable companies to help us update our new Florida home. I would highly recommend working with Jonathan!

- ALLIE BIRCKETT

Jonathan and his team were consummate professionals. They provided us with the support we needed in navigating a sale of one home and purchase of another home. We received timely communication to all of our inquiries and a member of the the team was always available at the drop of a hat to see homes with us. Jonathan did a tremendous job on bringing serious buyers in for the sale of our home, allowing us to receive numerous offers to choose from. We would highly recommend Jonathan and his team for any and all real estate needs. This team is top notch and brings family values, honesty, understanding and patience to the table.

- EILEEN TETTERIS

Jonathan is amazing! His team is amazing, my whole process from first conversation until closing day was so smooth that it really didn't feel like I was buying a house, and this is considering that I'm based in the DC area so most of the transaction occurred virtually. His team was on top of every single deadline way ahead of time and coordinated with all parties involved so there were no surprises during the whole process. I would highly recommend Jonathan and his agency!!!

- DOUG GIRMA

My experience with J Alexander Group was the best experience I've had with purchasing and selling a home. They were extremely professional, and took the time to understand what I wanted out of the process. They were consultative in the sale of the home and made recommendations to get the best return. When it was time to purchase they were just as consultative about the market, areas and features I could get depending on my budget. Once we established what I was looking for they were very helpful in showing me these homes and helping to compare the pros and cons to the different houses. They kept constant communication through the sale and purchase. Any time something came up they were very quick to act to make sure everything would go smoothly with the close of the sale and purchase. If you are looking for a realtor, J Alexander Group is the best team to work with in South Florida. I highly recommend that before you sign with another realtor, you have a meeting with this group first. You will be very impressed with the difference and the level of expertise J Alexander Group brings.

- TREY OUBRE

Jonathan and his group have helped us with 3 real estate transactions over the last 4 years. They care, are professional, and can't be beat getting the best offers for a buy or sell. I would rate them a 6 out of 5!

- DENNIS MAGARRELL

If I could give Jonathan's group 10 instead of 5 stars, I would. My husband and I had the pleasure to work with Jonathan, Franchesca, Hannah and Richard selling our home and purchasing two new houses. They are extremely professional, friendly, on top of everything, from beginning to end. Jonathan got our home under contract within the first 2 weeks and sold it for top dollar. Easy peasy. Thanks so much Jonathan and team! You are the best realtor ever!

- SANDY WEBB

No° 1

THE BUYING PROCESS

5 REASONS TO BUY A HOME

PRIDE OF OWNERSHIP

When you own a home versus renting, your monthly payments (mortgage) go toward building your own equity. In other words, you are actually working toward owning something rather than just paying for something that you are only using temporarily. Often when renting, you are just paying someone else's mortgage, or putting money in their pockets.

EQUITY

Money paid for rent is money that you will never see again, but mortgage payments let you build equity ownership interest in your home. You also have the potential to make money if you can sell it for more than you originally paid. This, of course depends on the market, which your real estate agent can help you address.

GREATER FREEDOM

The home is yours. You can make improvements and enjoy your investment for as long as you own the home -- and possibly add value at the time of sale. Keep in mind, homeowners associations may have certain restrictions.

TAX SAVINGS

When you own a home, you may be able to deduct a portion of the mortgage interest from your income taxes, you may also be able to deduct your real estate taxes, and there may be other benefits worth discussing with your CPA. But many people will find that these tax breaks mean owning costs them less, often a lot less, than renting.

SENSE OF COMMUNITY

Remaining in one neighborhood for several years gives you a chance to participate in community activities, allows you and your family to establish lasting friendships, and offers your children the benefit of educational continuity.

HOW MUCH CAN I AFFORD?

Before you begin to browse neighborhoods, the first essential step is to understand how much you can afford and are willing to spend on your home. If a mortgage will be necessary, getting pre-approved is your first call. The pre-approval is based on a review of credit, income and debt information only, and is not a commitment to lend. Identifying your price range helps you know what kind of home you can reasonably expect, and a buyer with pre-approval allows their agent to bring more power to the negotiation process.

You can complete your loan application with our lender partner, or your preferred lender, by phone, online or in person. To streamline the process, begin by gathering the following:

- Pay stubs from the last 30 days
- Federal tax returns and W2s or 1099s from the last 2 years
- Bank statements for checking, savings and investment accounts showing all pages from the last 2 months

LOAN TYPE	DOWN PAYMENT	DETAILS
CONVENTIONAL	3-20%	Primary, second home or investment property. Can pay as little as 3% down on loans backed by Fannie Mae or Freddie Mac. Minimum FICO score of 620 or higher often required. Debt-to-income ratio of no more than 43%. The most popular choice for homebuyers.
FHA	3.5%	Backed by the FHA. Minimum FICO score of 580. First time homebuyer loan. Credit requirements are more relaxed. It makes homeownership possible for borrowers without a large down payment or pristine credit.
VA	0%	Program for people who served in the military. No down payment required, mortgage insurance or a minimum credit score. VA loans charge a funding fee, a percentage of the loan amount which can be paid upfront at closing or rolled into the cost of the loan.
JUMBO	10-20%	These loans are for more expensive homes that are larger than the latest conforming loan limits. Down payment of at least 10% to 20% needed. FICO score of 700 or higher typically reequired. Debt-to-income ratio cannot be above 45%.

CLOSING COSTS

You will be required to pay fees for loan processing and other closing costs. These fees must be paid in full at the closing, unless you are able to include them in your financing. Typically, total closing costs will range between 4-6% of your mortgage amount.

EXAMPLES OF CLOSING COSTS (\$557,500 PURCHASE)

Loan Origination Fee - \$2,160	Title - Closing Fee - \$460
Underwriting Fee - \$995	Title - Lender's Title Insurance - \$550
Processing Fee - \$885	Title - Search Fee - \$341.25
Credit Report Fee - \$81	Recording Fees - \$191.20
Tax Service Fee - \$85	Transfer Tax - Intangible Tax - \$883
Prepaid Interest - \$755.99	Transfer Tax - Mortgage State - \$1,545.25
Property Taxes (5 months) - \$1,663.35	Survey - \$350
Restrictions, Encroachments (title) - \$341.25	



MAKING AN OFFER

Congratulations! Together with your agent, you have found the right home for you. Now, the purchase process will begin with making an offer. Realtors have standard forms (including Residential Purchase Agreements) kept up to date with the changing laws. Florida, like many other states, requires sellers of homes and other residential properties to provide disclosures to buyers about the property's condition and history. Be sure to ask your Realtor about compliance with disclosure rules, and any other questions you may have along the way.

After the offer is prepared by your Realtor and signed by you, your agent will deliver it to the seller's agent, who will present it to their client. Your purchase offer, if accepted by the seller, will become a binding sales contract - also known as a Purchase Agreement. It's important, therefore, the offer contains every element needed to serve as a blueprint for the final sale. Your offer will include the following:

- Address and a legal description of the property
- Purchase price, down payment, balance due at closing
- Terms - for example, this is an all-cash transaction, or the transaction is subject to obtaining a mortgage
- Seller's promise to provide clear title (ownership)
- Target date for closing (the actual sale)
- Amount of earnest money deposit accompanying the offer
- Provisions about who will pay for title insurance, survey, termite inspections and the like
- Type of deed that will be granted
- A provision for the buyer to make a final walk-through inspection of the property before the closing
- A time limit after which the offer will expire
- Contingencies (conditions that must be satisfied by a certain date prior to closing)

When an offer is provided, a seller can accept it exactly as it stands, refuse it, or make a counteroffer with the changes they desire. Your agent will then work with you and negotiate to reach satisfactory terms.

HOME INSPECTION

Your Realtor will discuss this process with you and be helpful recommending several licensed home inspectors and coordinating the process. Buyers should also be present for the inspection, as this is a vital step toward closing.

Should issues be found during the inspection, the vast majority may be repairable, and even a major problem doesn't necessarily mean you will not close on the home. Your Realtor will review the inspection and assist you in choosing the best course of action. If your offer was contingent on a successful inspection, you have a good basis to request that the current owners make repairs before closing. You'll want to get this in writing, along with provisions if the sellers fail to fix the problems.

Keep in mind, there may be no obligation for sellers to address the inspector's discoveries. If they aren't willing to shoulder the burden, you need to assess whether the cost is worth the reward. Your Realtor will be there for you to discuss your options.

THE INSPECTION WILL INCLUDE THE FOLLOWING:

- Appliances
- Plumbing
- Electrical
- Heating & Air Conditioning
- Roof & Attic (if accessible)
- Foundation
- General Structure
- Termite & Pest

GETTING AN APPRAISAL

You found the house you love, put in an offer, and it was accepted! If you have applied for a mortgage, your future home must undergo a comprehensive appraisal. Appraisals are not a requirement for cash transactions, but may be requested by the buyer. Appraisals can be a somewhat nerve-racking process, but remember that your Realtor is here to help - and the appraisal is for your protection as a buyer.

An appraiser will use many factors to determine a value for the property, including the condition, square footage, location, and any additions or renovations. Value will be based upon recent comparable home sales within the area, market condition and other factors.

After the appraiser's final assessment, they will give their report to the lender. The mortgage company is then required by law to give a copy of the appraisal to you.

Should the appraisal come in low and your contract with the seller was contingent on an appraisal, your Realtor will assist you in the additional paths you can pursue to make the transaction happen.

FINANCING YOUR HOME

If financing is needed, another necessary task during the contract-to-closing period is to transform your mortgage pre-approval into a final loan commitment. Pre-approval is a good indicator of your ability to afford a mortgage, but does not guarantee the loan. It simply states that you are generally qualified to purchase a home up to a certain amount based upon a preliminary examination of your personal financial qualifications.

A loan commitment, on the other hand, comes only after you've supplied thorough documentation to verify such items as your income, assets, employment history, credit status, the valuation and condition of the subject property; and clear title for the seller to transfer ownership to you. A timeframe of 60 days can be expected for this process to take place.

Even after you've been pre-approved for a home, there is a chance the loan could be denied. Denials most frequently occur when some aspect of your financial picture shifts between the time you are pre-approved and the time you apply for the actual mortgage (e.g., you lose your job or use a large portion of your savings).

Speak with your Realtor and mortgage specialist to ensure you are taking the right steps to secure financing.



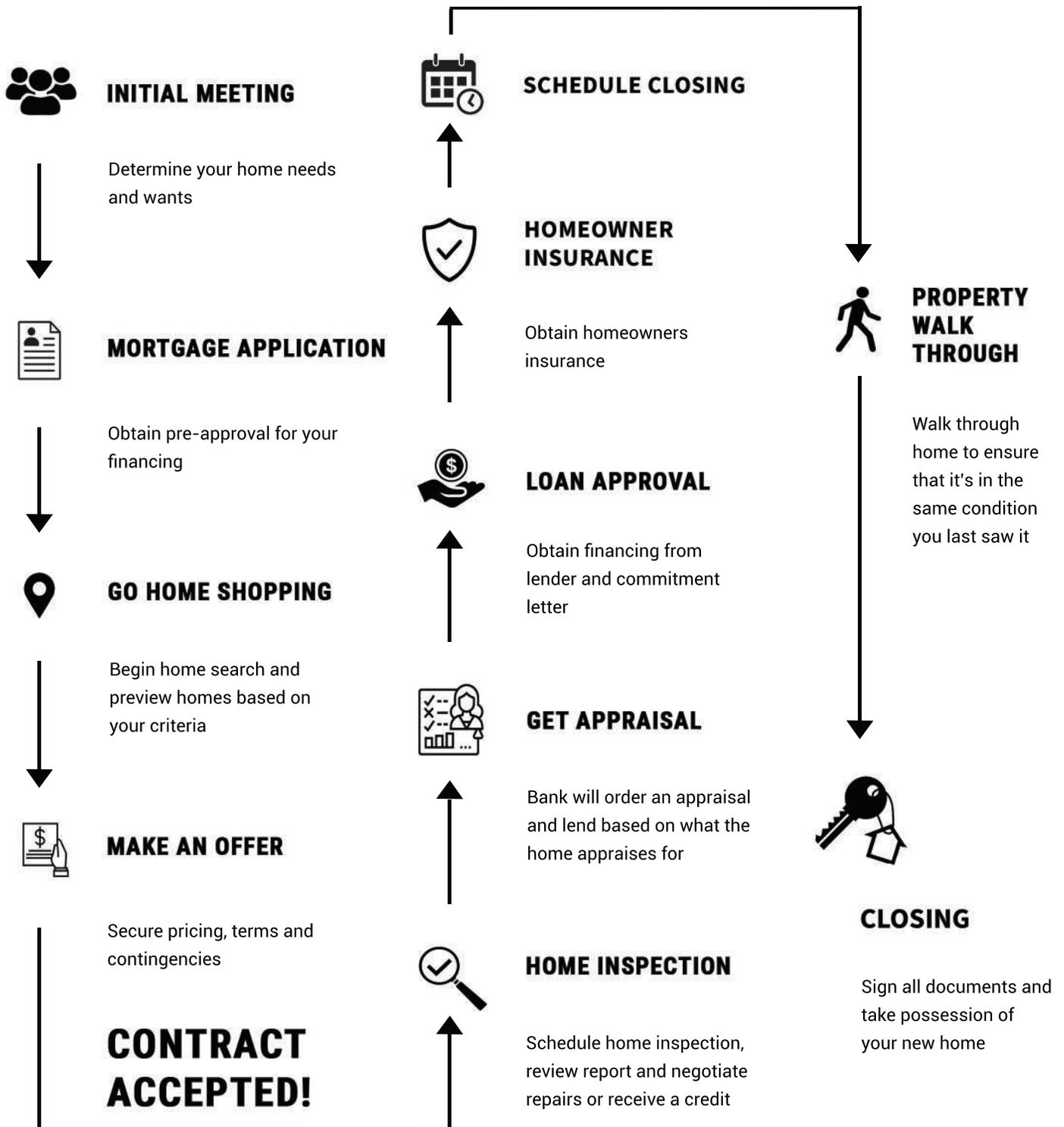


INSURING YOUR HOME

Knowing that your most valuable asset is protected in the event of a natural disaster, loss caused by theft, or an accident occurring on your property, is well worth the investment in home insurance. Many mortgage lenders, including banks, will not grant a home loan unless the property owner has homeowners insurance.

Reputable insurance companies work with homeowners to underwrite comprehensive home insurance policies that will mitigate the risks of loss. To ensure optimal coverage for your home, be sure to work with a team of experienced insurance agents and a company able to provide you with the comprehensive coverage you need.

BUYING PROCESS IN REVIEW





No° 2

THE CLOSING PROCESS



TITLE

Some of the most crucial aspects of a successful real estate transaction occur between the signing of a contract and the closing. With this in mind, we've established relationships with title companies who are local, experienced and offer full-service coordination. You may also choose an alternative title company.

Unlike other types of insurance which protect against future events, like car, health or travel, title insurance covers you for things that occurred in the past which may encumber the property. This could include things like another person claiming an ownership interest, improperly recorded documents, easements or fraud and forgery. When you buy a home, or any property for that matter, you expect to occupy and use the property as you wish, to be free from debts and obligations not created or agreed to by you, and to be able to freely sell or pledge your property in the future. Title insurance is designed to protect these rights.

Be sure to use an experienced team of escrow closers, processors and examiners who are dedicated to unparalleled service with every closing.

WHAT TO EXPECT

You are now in the home stretch of the home-buying process. Being fully prepared is critical, including making certain all contingencies stated in the contract have been satisfied by the required date.

BE SURE YOUR FINANCES ARE IN GOOD SHAPE

If you are closing with a mortgage, limit any significant financial activity after loan paperwork has been submitted for approval. Buying furniture, household amenities or making any large purchases, before your loan is closed, could lead to denial of your mortgage.

REVIEW YOUR CLOSING DISCLOSURE FORM

If you are getting a loan, one of the best ways to prepare is to thoroughly review your ALTA settlement statement. The ALTA settlement statement outlines your exact mortgage payments, a loan's terms (such as the interest rate and term) and additional fees you will pay, called closing costs. Compare your ALTA to the good-faith estimate your lender gave you at the outset; make sure they're similar and ask your lender to explain any discrepancies.

Due to new regulations put in effect in October 2015, you will receive your Closing Disclosure three days before closing so that you have ample time to review and ask any questions.

DO A FINAL WALK-THROUGH

A buyer's contract usually allows for a walk-through of the home 24 hours before closing. First and foremost, you're making sure the previous owner has vacated (unless you have allowed a lease-back arrangement where they can stay for a period of time before moving). Second, make sure the home is in the condition agreed upon in the contract. If you had a home inspection done earlier and it had revealed problems that the sellers had agreed to fix, make sure those repairs were made.





ON CLOSING DAY

You have finally reached closing day! Here is what you need to bring with you, and what to expect:

ALL OF YOUR PAPERWORK

You will want to bring proof of homeowners insurance, a copy of your contract with the seller, your home inspection reports, and a government-issued photo ID.

CASH TO CLOSE

You will already know from your HUD-1 settlement statement exactly how much your closing costs will be. A personal check will not be accepted, so be sure to ask before closing whether you should wire transfer those funds or if you will need to bring a cashier's check. If you use wire transfer and receive an email, do not send any money until the communication has been verbally confirmed with the closing agent. Always authorize the instructions over the phone and ensure you are sending money to the proper recipient.

PEOPLE PRESENT

Your agent may attend the closing with you. You may also expect the home seller, the seller's real estate agent, a representative from a title company, and, occasionally, a representative from the lender. Mail-away closings are also normal occurrences in our market. Please allow time for mailing.

SIGN ON THE DOTTED LINE

There will be many legal documents to sign in order for you to officially become the owner of your home. You will eventually leave your closing with a stack of documents to keep and the keys to your new home. We highly recommend changing the locks on your new home.

CONGRATULATIONS!

You may now enjoy all the benefits of home ownership.

No° 3

MOVING CHECKLIST

MOVING-OUT TIPS

SEVERAL WEEKS BEFORE

- Hold a garage sale to dispose of unwanted items.
- Donate unwanted goods and get receipts for tax deductions.
- Get written estimates from moving companies.
- Arrange utilities transfer.

PRIOR TO MOVING DAY

- Make a "Survival Box" with paper, pens, tape, scissors, tape measure, screwdriver, cleaning supplies, paper cups, zip lock bags, freezer bags, garbage bags, paper towels, plates, plastic utensils, tissue paper, toothpaste and brushes, flashlight, bottled water, spare keys, snacks, drinks.
- Get packing tape, bubble wrap, and boxes, boxes, boxes!
- Color code boxes for easy identification or importance
- Label boxes by which room you want them placed by movers.
- Pack "Open First" boxes, the ones you'll need during the first few days in your new home.
- Take photos of electronic hookups.
- Drain fuel from lawn mowers and other machinery.
- Confirm with movers the date and time of their arrival.
- Notify necessary parties of your change of address.
- Plan care needs for children and pets on moving day.

MOVING DAY

- Organize the order that boxes should be loaded on the truck. Load items first that you need the least. The last items to be loaded should be your "Open First" boxes.
- Have a camera handy to document any damage that may occur from movers.
- Hand carry jewelry, checkbooks and all important documents like birth certificates.
- Set the thermostat in your home to a comfortable setting.
- Leave keys and garage door openers for the new owner.

MOVING-IN TIPS

MOVING DAY

- Make sure to be present at your new home to accept delivery from the movers.
- Post a floor plan at the entry to help movers place furniture.
- Set up the children's rooms first. It helps them to settle in.
- Change locks and make multiple keys for your new home.
- Introduce yourselves to your new neighbors.



MOVING FORWARD

There will be many items to check off your list as you start enjoying life in your new home, including heading to the Department of Motor Vehicles to update your address, registering your pets, activating appliance warranties and filing for homestead exemption.

WHAT IS HOMESTEAD EXEMPTION?

A major financial benefit of living in Florida, the Homestead Exemption offers permanent residents the opportunity to save hundreds of dollars in property tax bills. As a key provision of the law, every person who owns and resides on real estate property in Florida on January 1 of the year you claim the exemption - and declares the property their permanent residence - is eligible to receive a homestead exemption. Remember, you must file for the exemption by March 1st, possess title to the property, and have a Florida driver's license or Florida ID card.



GLOSSARY

Buying a home can be a daunting process for even seasoned home-buyers. Knowing basic vocabulary and terminology can greatly aid communication. Here are some common real estate terms to know when getting ready to buy a home.

Acceptance: Agreeing to the terms of an offer, thereby creating a contract. As soon as the seller signs your purchase offer, you are in contract for the purchase of the house.

Adjustable Rate Mortgage (ARM): A mortgage loan with an interest rate that fluctuates in accordance with a designated market indicator - such as the weekly average of one-year U.S. Treasury Bills - over the life of the loan. To avoid constant and drastic fluctuations, ARMs typically limit how often and by how much the interest rate can vary.

Annual Percentage Rate (APR): A yearly interest rate that includes upfront fees and costs paid to acquire the loan, calculated by taking the average compound interest rate over the term of the loan. Mortgage lenders are required to disclose the APR so that borrowers can more accurately compare the actual cost of different loans with different fees.

Appraisal: A determination of the value of something, such as jewelry, stock, or, in this case, the house you plan to buy. A professional appraiser - who should be a qualified, disinterested specialist in real estate appraisals, with expertise in the local geographic area - makes an estimate by examining the property and comparing it with recent sales of similar property. Your lender will require the appraisal in order to ascertain the worth of the house for lending purposes.

Closing Costs: All settlement or transaction charges (above and beyond the actual cost of the property) that home buyers (or sellers, depending on negotiations) must pay at closing. These typically include lender's fees and points or prepaid interest, a prorated share of the property taxes, transfer taxes, credit check fees, homeowners' and title insurance premiums, deed filing fees, real estate agent commissions, inspection and appraisal fees, and attorneys' fees. Some closing costs are tax-deductible.

Common Area: Facilities and space, such as recreation facilities, parking, courtyard or green spaces in a neighborhood or building. These areas are not individually owned by the residents, but shared by percentage interest or owned by the homeowners or condominium association.

Condominium: A type of real property ownership in which each owner holds title to his or her individual unit and shares ownership jointly of common areas such as driveways, parking, elevators, outside hallways, recreation and landscaped areas. A homeowners' association typically manages the common areas and oversees the covenants, conditions, and restrictions that apply to the property.

Contingency: A provision in a contract stating that some or all of the terms of the contract will be altered or voided by the occurrence of a specific event, usually by specific dates leading up to the closing.

Counteroffer: The rejection of an offer to enter into a contract, where the rejecting party includes a different offer that changes the terms of the original offer in some way. For example, if you offer \$350,000 for a house, and the seller replies that he wants \$375,000, the seller has rejected your offer and has made a counteroffer. The legal significance of a counteroffer is that it completely voids the original offer.

GLOSSARY

Credit Report: A written account of a consumer's credit history prepared by a credit reporting agency. Credit reports generally include purchase and payout history on loans, credit cards, and other bills and accounts, as well as a record of the consumer's addresses and employers.

Credit reporting agency: A private company that collects and sells information about a person's credit history. Banks and mortgage lenders are among those who use the information to screen applicants. There are three major credit reporting agencies - Equifax, Experian, and TransUnion - and they are regulated by the federal Fair Credit Reporting Act. You can receive free copies of your credit report at www.annualcreditreport.com.

Credit Score: Numerical calculation that creditors use to evaluate the creditworthiness of someone applying for credit, such as a mortgage. High credit scores (over 700) indicate less risk that you will default on payments, and low scores (under 400) indicate potential problems.

Disclosure: A document provided by a home seller that outlines known issues with a property.

Earnest Money Deposit (EMD): A partial payment (deposit) demonstrating commitment in a contractual relationship, and commonly made in real estate transactions at the time of making the purchase offer.

Escrow: The holding of funds or documents by a neutral third party prior to closing your home sale.

Escrow Agent: An entity or company that handles escrow arrangements. Also sometimes called a title agent.

Escrow Instructions: Instructions, acknowledged by the buyer and seller, telling an escrow agent what needs to happen before the transaction closes. If a buyer uses wire transfer for their cash-to-close, all wire instructions need to be verbally confirmed between the buyer and closing agent to ensure accuracy. Never reply directly to emailed instructions until confirmed via telephone.

Fixed Rate Mortgage: A mortgage loan that has an interest rate that remains constant throughout the life of the loan, usually 15 or 30 years.

Hazard Insurance: A type of insurance found in homeowners' policies, which protects against physical damage to the property caused by unexpected and sudden events such as fires, storms, and vandalism. Your mortgage lender will require you to purchase hazard insurance, in order to protect its collateral from decreases in value.

Homeowners' Association: An organization made up of property owners concerned with managing the common areas of a subdivision or condominium complex. These associations collect monthly dues and take on issues such as garden, pool, and fence maintenance, noise abatement, parking area upkeep, repairs, and dues. The homeowners' association is also responsible for enforcing any covenants, conditions, and restrictions that apply.

House Closing: The final transfer of the ownership of a house from the seller to the buyer, which occurs after both have met all the terms of their contract and the deed has been recorded.

Multiple Listing Service: A computer-based service, commonly referred to as MLS, that provides real estate professionals with detailed listings of most homes currently on the market.

GLOSSARY

PITI: Abbreviation for the major expenses that make up a mortgage payment: principal (the amount borrowed), interest, (property) taxes, and (homeowners') insurance.

Prepayment Penalty: A fee imposed on a borrower who pays off a mortgage before its due date. Lenders impose this kind of fee to encourage borrowers to hold a debt - and keep paying interest on it - for the whole term of the loan.

Private Mortgage Insurance: Insurance that reimburses a mortgage lender if the buyer defaults on the loan and the foreclosure sale price is less than the amount owed the lender (the mortgage plus the costs of the sale). A home buyer who makes less than a 20% down payment will most likely have to purchase private mortgage insurance, commonly referred to as PMI.

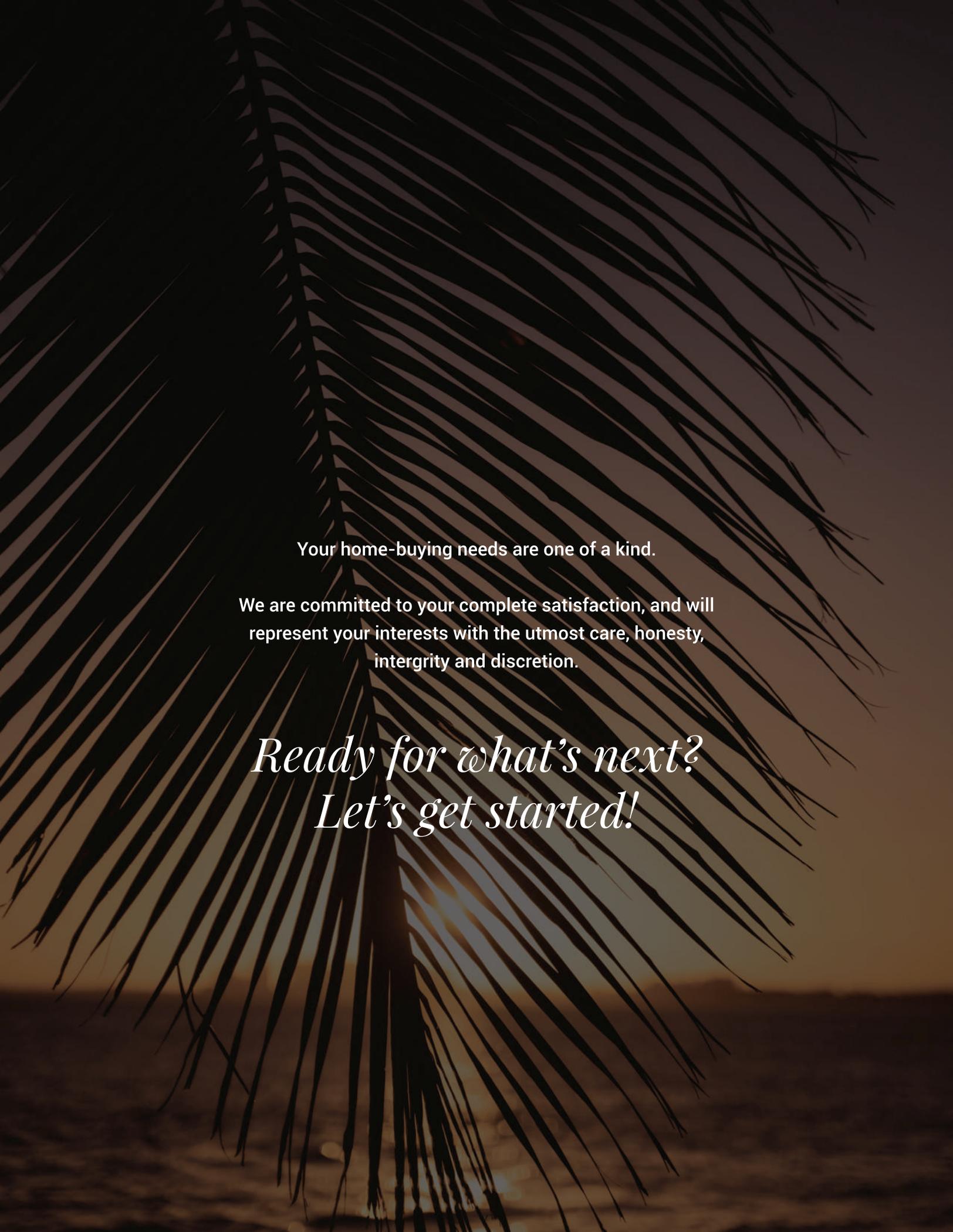
Real Estate: Land and things permanently attached to it, such as buildings, houses, stationary mobile homes, fences, and trees. Real estate is also called real property. Anything that isn't real estate is personal property.

Real Estate Agent: A real estate agent is an individual who is licensed to negotiate and arrange real estate sales under the supervision of a real estate broker. This includes, but is not limited to, showing property, listing property, preparing contracts, listing agreements, and purchase contracts.

Real Estate Broker: A real estate professional licensed to negotiate the purchase and sale of real estate for a commission or fee. In Florida, a broker is one step up from a real estate agent, having more training and the power to supervise agents.

Title: Ownership of real estate. Title is evidenced by a deed (or other document) recorded in the county land records office.

Title Report (Commitment): The written analysis of a real estate title search, including a property description, names of titleholders and how title is held (joint tenancy, for example), tax rate, encumbrances (mortgages, liens, easements, deeds of trust, recorded judgments), and real estate taxes due. A title report is needed before a lender will agree to finance the purchase of the property. A title report is prepared by a title company, an abstractor, an attorney, or an escrow company, depending on local practice.



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