

# YOUR GUIDE TO BUYING A HOME

Move  
Confidently.



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# FIND YOUR PERFECT HOME WITH US

Discovering your dream home starts with understanding what “home” means to you. By defining your goals, timelines, and ideal lifestyle, we can streamline your search process and ensure its success.

Our proven process begins with a consultation to redefine the home search experience, making it personal and tailored to your new adventure. We focus on one thing—YOU. Our dedicated associates are passionate about finding your perfect home, making them among the best in the business.

We know a home is more than just a place to live—it’s where memories are made. That’s why our local market experts understand the market, negotiate effectively, leverage technology, and guide you through every step of the buying process.

We’re here to identify opportunities and stand by your side until you’re 100% confident you’ve found the perfect home. Start your journey with us today.







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# MOVE CONFIDENTLY.

It's our anthem and mantra. By choosing a Berkshire Hathaway HomeServices Chicago agent, you have someone on your side and looking out for your best interests. You can search and buy with confidence, knowing that we're with you at every step.

## **HomeServices is our Middle Name**

At our core, we're about simplifying your journey to homeownership. With in-house mortgage lending, insurance, closing, and title services, along with home warranty options, we make the potentially complex process smoother.

Our integrated approach means everyone works together seamlessly, sharing information efficiently and minimizing paperwork. By choosing to work with our partners alongside your agent, you're choosing the most efficient path to your new home—from mortgage pre-approval to receiving the keys.

# YOUR PATH TO HOMEOWNERSHIP

## 1. Build Your Homebuying Team

Your team matters. Your Berkshire Hathaway HomeServices Chicago agent will be by your side, connecting you with experts like lenders, attorneys, inspectors, and more so you can focus on your dream home.

## 2. Budget & Pre-Approval

Understand your finances and get pre-approved for a mortgage to shop confidently and make strong offers.

## 3. Home Wish List & Goals

Let's explore your dreams and needs. Where do you want to live? What's your timeline?

## 4. View Homes

We'll find properties and refine your wish list with market data for informed decisions.

## 5. Make an Offer

Craft a strong offer and negotiate with the seller to reach an agreement.

## 6. Home Inspection & Attorney Review

Schedule an inspection and negotiate repairs with your attorney's guidance.

## 7. Mortgage Application & Appraisal

Complete the mortgage process, including an appraisal and homeowners insurance.





## 8. Getting Ready to Move

Plan your move and transfer utilities while the seller completes repairs and the title company gets involved.

## 9. Clear to Close

Receive confirmation that your financing is ready, and the title company schedules your closing.

## 10. Final Walk-through & Closing

Do a final walk-through before signing mortgage paperwork and transferring ownership. Congratulations, you're a homeowner!

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# REPRESENTATION & RELATIONSHIPS

## **Buyer's Agent**

A Buyer's Agent has a fiduciary responsibility to represent only the home buyer's best interest throughout the home buying process.

## **Seller's Agent**

A Seller's Agent, also known as a listing agent, has a fiduciary responsibility to represent only the home seller's best interest through the home selling process. The listing agent is the seller's designated agent.

## **Dual Agent**

A Dual Agent represents both the buyer and seller ethically and honestly, safeguarding the confidentiality of both clients. An agent must have the seller's and buyer's permission to act as a Dual Agent.



Berkshire Hathaway HomeServices Chicago's reach extends beyond real estate to offer clients a full-service experience, with in-house lending, title and insurance partners and home warranty providers. Clients have the confidence of knowing that these affiliated companies share the same high level of commitment and customer service as Berkshire Hathaway HomeServices Chicago.



Listening to needs  
Finding solutions  
Competitive products  
Superior service

847.853.6655



Full service title services ensure  
a smooth closing

847.853.6000  
CustomerCare@FDTtitle.com



Full service agency  
Connections to leading  
providers and products  
Comprehensive range  
of coverage options

800.277.0013  
Insurance@HomeServices-ins.com



Protection, savings, convenience  
and peace of mind

AHS.com/RealEstate

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# HOME SEARCH IS ONLY THE BEGINNING

As a buyer's representative, your broker has the expertise to help you find the perfect home in the perfect location to meet your real estate goals. Using a blend of high-tech and high-touch tools, we make sure that you get timely information about properties along with local insight, and guide you through the process from offer to closing.



## ANALYSIS & SEARCH

- Needs Assessment
- Property Search
- MRED Private Listing Network
- Mobile App Search
- Broker Networking & Tours
- Showing Appointments
- Property Viewing & Feedback
- Open House List
- New Listing Alerts
- Updated Pricing Alerts



## LOCAL EXPERTISE

- Neighborhood Research
- Local Knowledge & Maps
- School Rankings
- Market Trends
- Community Reports



## NEGOTIATIONS & MANAGEMENT

- Contract Insight
- Disclosure Review
- Offer Strategy
- Present Offers
- Counter Offers
- Home Inspection
- Post-Contract Negotiations
- Coordinate with Attorney, Lender
- Closing Costs Estimate
- Reviews Inspection Repairs
- Closing



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# WHERE BUYERS FIND HOMES



## PRE-MARKET

Coming Soon Properties  
Private Listing Network  
InTouch Agent App



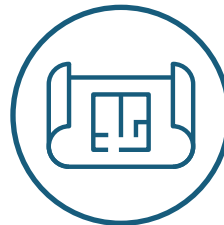
## INTERNET

Broker Websites  
Zillow & Real Estate Apps  
Open Houses



## FOR SALE BY OWNER

Co-Operating with Agent  
No Agent Co-Operation



## BUILDERS + DEVELOPERS



## SHORT SALES + FORECLOSURES

# The Prosperity Buyer Advantage®



## Buying a home? Get a step ahead.

Obtaining a mortgage preliminary approval is a great place to begin when buying a home. But if you want a home purchase offer to stand out to sellers, ask about the **Prosperity Buyer Advantage®**.<sup>1</sup>

By electing to participate, home buyers can get much of the home financing process out of the way and obtain a Commitment Letter before beginning to search for a home.



## What are the benefits?

### Complimentary

Choosing to participate costs home buyers nothing additional.

### Distinguished

A Commitment Letter can set a home buyer's purchase offer apart from other offers a seller may be considering.

### Smooth

With much of the home financing process completed up-front, additional requirements or conditions can be identified to help prevent last-minute issues.

### Flexible

Home buyers may have the option of being more flexible with their closing date and also help ensure an on-time closing.

**1. Buyer Advantage® is not a final loan approval.** A Commitment Letter is based on information and documentation provided by you and a review of your credit report. The interest rate and type of mortgage used to approve you for a specified loan amount is subject to change, which may also change the terms of approval. If the interest rate used for credit approval has changed, you may need to re-qualify. Information provided by you is subject to review and all other loan conditions must be met. After you have chosen a home and your offer has been accepted, final loan approval will be contingent upon obtaining an acceptable appraisal and title commitment. Additional documentation may be required.



Stand out in today's market. **Ask for the Prosperity Buyer Advantage®!**



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NMLS State Licenses: IL, IN, MI



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# Refine Your Rate Guarantee

**BUY NOW.  
SAVE LATER.**

Apply for a purchase loan  
with Prosperity Home  
Mortgage on or before  
**06/30/2024.<sup>1</sup>**

**Then if interest rates  
go down, we will cover  
the cost of your loan  
origination fee  
(up to \$1,665) when you  
refinance your home with  
Prosperity by 12/31/2025.<sup>2</sup>**

1. This promotion is valid on purchase loan applications completed through Prosperity Home Mortgage, LLC on or before 06/30/2024. Loan must close within 60 days from the date of completed purchase loan application.

2. Borrowers may be eligible to refinance 180 days after purchase loan closes. Subsequent refinance loan must close with Prosperity Home Mortgage, LLC by 12/31/2025. Eligible borrowers will receive a lender credit toward closing costs on the Closing Disclosure of the refinance loan, secured by a first mortgage or deed of trust (New Loan), subject to qualification, approval and closing with Prosperity Home Mortgage, LLC. Loan must close within 60 days from the date of refinance loan application. Lender credit may not exceed \$1,665 or a borrower's out of pocket closing costs. Eligibility certificate must be presented at the time of application for refinance loan, and all eligibility requirements must be met no later than 2 days prior to the New Loan closing date. Only one lender credit permitted per New Loan. This lender credit is non-transferable, subject to the terms herein, and valid on complete applications. **By refinancing an existing loan, your total finance charges may be higher over the life of the loan. Not all borrowers will qualify.**

If you have a current lock-in agreement, this is NOT an inducement to transfer your loan. This promotion may not be combined with any other offers, discounts or promotions. Standard credit and collateral underwriting guidelines apply. This is not a commitment to lend. Prosperity Home Mortgage, LLC will be able to offer a loan commitment to qualified applicants upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal, and title report. See a mortgage consultant for details.



**Contact me** to discuss your home financing options!



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NMLS State Licenses: IL, IN, MI



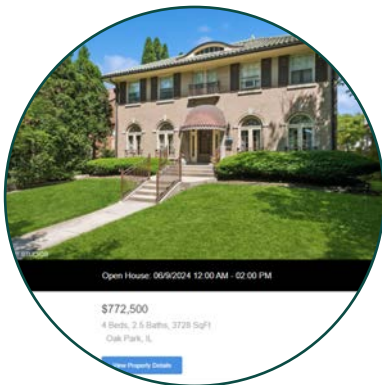
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# INFORMATION & INSIGHTS

Your BHHS Chicago agent has an array tools and systems to educate and inform you, as you search for your perfect home. Here are some of our favorites.



## Property Notifications

New listings, price changes and open house updates, on your schedule



## ZenList

Private listings and pre-market homes from participating brokers



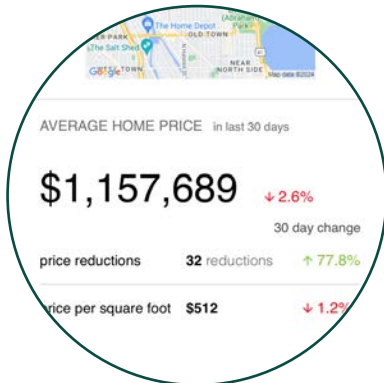
## InTouch Agent App

The BHHS Chicago exclusive app connects 1300 agents and opportunities



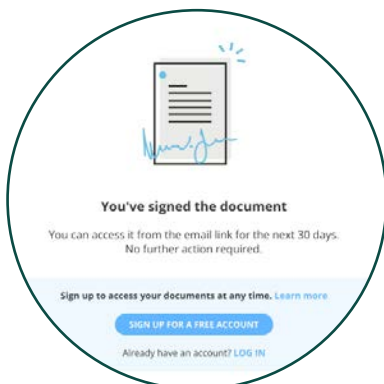
## Neighborhood Guides

Find out what makes a neighborhood great



## Market Activity Reports

Area insights, sales trends, and comparable property data



## DotLoop Digital Transactions

Sign anywhere. Faster and easier offers, contracts and paperwork

# OUR RELATIONSHIP AGREEMENT

A Buyer Representation Agreement spells out how we will work together. It is signed by the buyer(s), the agent and the brokerage.

- What I will do for you and my responsibility to you.
- How information is provided throughout your home search and offer.
- Communicating with and working with other agents.
- Our agreed-upon compensation for buyer's agent services.

**BERKSHIRE HATHAWAY** | CHICAGO  
**HOMESERVICES**

**Exclusive Buyer Representation Agreement**

Thank you for choosing Berkshire Hathaway HomeServices Chicago ("BHHS Chicago") to represent you. BHHS Chicago is a full service real estate company offering the services you need for a successful transaction. This Exclusive Buyer Representation Agreement ("Agreement") explains our relationship between you, as Buyer, and BHHS Chicago, as Broker, and how we function under Illinois law.

**YOUR DESIGNATED AGENT:** BHHS Chicago has designated as your "Designated Agent" \_\_\_\_\_ who is the only BHHS Chicago agent who represents you. If your Designated Agent is unavailable to work with you, BHHS Chicago will arrange for another agent to represent you. If at any time you wish to change Designated Agents, please contact the Managing Broker.

**YOUR DESIGNATED AGENT'S COMMITMENT TO YOU:** Your Designated Agent will:

1. Work with you to identify properties that meet your specifications;
2. Represent your interests;
3. Arrange for and show you properties;
4. Advise you on the value of properties you are interested in;
5. Prepare a contract for purchase under your direction;
6. Accept delivery of and present to you all counteroffers, assist you in developing, communicating, negotiating, and presenting counteroffers and notices until the purchase agreement is signed, all contingencies are satisfied or waived, and the property is closed;
7. Answer your questions about offers, counteroffers, notices, and contingencies, or if need be, refer you to someone for answers;
8. Safeguard your confidential information;
9. Disclose to you any information known to your agent that would materially affect your purchase decision;
10. Assist you in securing financing, title services, insurance and other services you need.

**YOUR COMMITMENT TO YOUR DESIGNATED AGENT:** You agree to work exclusively with your Designated Agent in the area served by Midwest Real Estate Data, LLC, our multiple listing service. You also promise:

1. To make inquiries on properties in the area served by our multiple listing service only through your Designated Agent;
2. That you are not currently a party to an exclusive representation agreement with another broker;
3. That you will not enter into an exclusive agreement with another broker as long as this Agreement is in effect;
4. To obtain a mortgage pre-approval. As a service to you, your agent will facilitate this process through Prosperity Home Mortgage, LLC. Your Loan Consultant is \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_
5. To comply with the payment terms below.

**COMPENSATION:** If you or any other person acting on your behalf purchase or lease in the area served by our multiple listing service, you agree to compensate BHHS Chicago as follows:

1. **Retainer:** You agree to pay BHHS Chicago as a Retainer a fee of \$ \_\_\_\_\_ when you sign this Agreement. Upon closing, if you pay the commission or if BHHS Chicago accepts compensation from a seller, landlord or another broker, BHHS Chicago shall return the Retainer to you. BHHS Chicago shall keep the Retainer if you do not purchase a property before the end of this Agreement or if you agree to purchase a property before the end of this Agreement without the services of your Designated Agent.
2. **Commission for a Purchase:**
  - a. BHHS Chicago expects to receive a percentage commission from seller's broker at closing, at time of possession in an installment contract, or upon final execution of a lease. If seller's broker does not pay BHHS Chicago \_\_\_\_\_ % of the purchase price as percentage commission, you agree to pay this amount to BHHS Chicago. If that party offers less than the amount set forth here, you agree to pay BHHS Chicago the difference. If that party offers more than the amount set forth here, you authorize BHHS Chicago to accept that amount as its compensation.
  - b. No commission is due if the sale is not closed due to seller or landlord's default. Any change in the amount or the time of payment of commission shall not be binding unless made in writing and signed by both parties.
3. **Commission for a Lease:** If you decide to rent instead of purchase a property, and if BHHS Chicago is not compensated by landlord's broker in the amount of at least one-half (1/2) of one (1) month's rent for the first lease year and one-quarter (1/4) of one (1) month's rent for each additional year and/or period of leased extension, you agree to pay this amount or the difference.
4. **Protection Period:** If, within 180 days after the end of this Agreement, you enter into an agreement to purchase or lease property shown to you by your Designated Agent during the term of this Agreement, you agree to pay the commission as set forth above. If after termination of this Agreement, you enter into an exclusive representation agreement with another real estate broker, no commission will be due to BHHS Chicago. However, if you enter into an agreement to purchase a property you heard through your Designated Agent, within one (1) year of the execution of the lease, you agree to pay the purchase commission set forth herein.

**HOME WARRANTY:** A home warranty protects your home and provides you peace of mind. Check here to receive information on a home warranty: \_\_\_\_\_

**INDEMNITY:** You agree to indemnify and hold us harmless from all claims, disputes, litigation, judgments, and costs (including reasonable attorney's fees) arising from any incorrect information or misrepresentations supplied by you or from any material facts, including latent defects, that are known to you that you fail to disclose.

Agreement - Exclusive Buyer Representation-BHHS/BHHS Chicago Page 1 of 3 02062024

**DISCLAIMER:** You understand that your BHHS Chicago and Designated Agent are not responsible for personal injuries. Designated Agent functions as your real estate professional only, not as your home inspector, property condition expert, attorney, tax advisor, lender, mortgage broker, appraiser, surveyor, structural engineer, environmental consultant, architect, contractor, or other service provider. Your Designated Agent may refer you to these other service providers at your request and expense. Neither your Designated Agent nor BHHS Chicago shall be liable for or act as a guarantor of such services. Neither BHHS Chicago nor Designated agent are responsible for any representation or investigation of square footage, room dimensions, unknown latent defects, lot size, zoning, variations or use restrictions.

**COMPLIANCE WITH FAIR HOUSING LAWS:** You and BHHS Chicago agree not to discriminate against any person on the basis of race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental handicap, military status, sexual orientation, gender identity, unfavorable discharge from military service, familial status, source of income or any other class protected by Article 3 of the Illinois Human Rights Act. You agree to comply with all applicable federal, state, and local fair housing laws.

**TERM AND CANCELLATION:** This Agreement terminates one (1) year from the date below but may be canceled by either of us after 180 days by 30 days' written notice.

**MAINTENANCE NOTICE:** BHHS Chicago and its affiliated HomeServices of America family of companies are providing this Notice. BHHS Chicago has title insurance, mortgage, personal lines insurance and home warranty affiliates that are committed to the highest quality of service. To enable you to receive information from these excellent companies, BHHS Chicago makes your contact information available to them. First assured we do not share your financial information with anyone. If you choose, however, you may limit these companies' marketing their products or services to you unless and until you tell us to change your choice. To limit marketing offers, contact us at [SalesContact@BHHSChicago.com](mailto:SalesContact@BHHSChicago.com).

**ATTACHMENTS:** Please review and sign the three important disclosure forms attached to this Agreement and made part of it, the Dual Agency Disclosure, BHHS Chicago Affiliated Business Arrangement Disclosure and the Anti-Fraud Disclosure.

**By signing this Agreement below, I/We acknowledge our acceptance of its terms and our receipt of an executed copy and the attached Disclosures.**

Accepted and Agreed as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Print Buyer Name _____	Print Managing Broker Name _____
Print Buyer Name _____	Managing Broker Signature _____
Buyer Signature _____	Print Designated Agent Name _____
Buyer Signature _____	
Buyer Email _____	Phone Number _____
Buyer's Address _____	

Agreement - Exclusive Buyer Representation-BHHS/BHHS Chicago Page 3 of 3 02062024





# What a Buyer's Agent Does for You

A buyer's agent represents your best interests at all times. As your buyer's agent, I will give you personalized guidance and insight. Beyond showing homes, I will provide you with market knowledge about home pricing, guide you through seller negotiations and use my expertise to help you write a strong offer.

# ESTIMATE OF BUYER CLOSING COSTS

**BERKSHIRE  
HATHAWAY**  
HOMESERVICES

CHICAGO

## ESTIMATE OF BUYER'S CLOSING COSTS

This document is intended ONLY to provide an initial overview and estimate of potential costs related to a residential real estate transaction. It is not a substitute for or related to a Loan Estimate or any part of a mortgage application. You should discuss all closing costs with your mortgage brokers, lenders and attorneys. Please do not rely on mortgage rates or product information contained in this document. To learn about currently available mortgage rates and products, and transaction costs, please consult your lender and attorney.

PURCHASE PRICE	\$125,000	\$250,000	\$500,000	\$750,000	\$1,000,000
LOAN AMOUNT (based on 80% loan)	\$100,000	\$200,000	\$400,000	\$600,000	\$800,000
<b>ESTIMATED LENDER COSTS</b> (All lender costs estimates per Prosperity Home Mortgage)					
Appraisal	\$450-\$1,200	\$450-\$1,200	\$450-\$1,200	\$450-\$1,200	\$450-\$1,200
Origination	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449
Credit Report	\$86-\$172	\$86-\$172	\$86-\$172	\$86-\$172	\$86-\$172
Flood Certification	\$12	\$12	\$12	\$12	\$12
Tax Service	\$75	\$75	\$75	\$75	\$75
Technology Platform Service	\$87	\$87	\$87	\$87	\$87
<b>TOTAL ESTIMATED LENDER COSTS</b>	<b>\$2,159-\$2,995</b>	<b>\$2,159-\$2,995</b>	<b>\$2,159-\$2,995</b>	<b>\$2,159-\$2,995</b>	<b>\$2,159-\$2,995</b>
<b>ESTIMATED TITLE COSTS</b> (All title cost estimates per Fort Dearborn Title)					
Settlement Services	\$1,750	\$1,750	\$1,950	\$2,150	\$2,350
Mortgage Policy Insurance	\$575	\$575	\$575	\$575	\$575
Chain of Title	\$250	\$250	\$250	\$250	\$250
APLD Certification	\$75	\$75	\$75	\$75	\$75
Endorsements (EPA,ARM,Condo,etc.)	\$185	\$185	\$185	\$185	\$185
Policy Update (per update)	\$150	\$150	\$150	\$150	\$150
Record Deed and Mortgage	\$112-\$214	\$112-\$214	\$112-\$214	\$112-\$214	\$112-\$214
State of IL Policy	\$3	\$3	\$3	\$3	\$3
Closing Protection Letter	\$50	\$50	\$50	\$50	\$50
Misc.	\$200	\$200	\$200	\$200	\$200
<b>TOTAL ESTIMATED TITLE COSTS</b>	<b>\$3,350-\$3,452</b>	<b>\$3,350-\$3,452</b>	<b>\$3,550-\$3,652</b>	<b>\$3,750-\$3,852</b>	<b>\$3,950-\$4,052</b>
<b>ESTIMATED ADDITIONAL BUYER'S COSTS</b>					
Home Inspection	\$400-\$500	\$400-\$500	\$400-\$500	\$400-\$500	\$400-\$500
Radon Inspection	\$150-\$500	\$150-\$500	\$150-\$500	\$150-\$500	\$150-\$500
Attorney Fees	\$500-\$800	\$500-\$800	\$500-\$800	\$500-\$800	\$500-\$800
<b>TOTAL ESTIMATED ADDITIONAL COSTS</b>	<b>\$1,050-\$1,800</b>	<b>\$1,050-\$1,800</b>	<b>\$1,100-\$1,800</b>	<b>\$1,450-\$2,250</b>	<b>\$1,650-\$2,350</b>
<b>ESTIMATED COSTS BEFORE PRE-PAIDS, TAXES &amp; CREDITS</b>	<b>\$6,559-\$8,247</b>	<b>\$6,559-\$8,247</b>	<b>\$6,809-\$8,447</b>	<b>\$7,359-\$9,097</b>	<b>\$7,759-\$9,397</b>

### BUYER WORKSHEET

Purchase Price \$ \_\_\_\_\_

Plus Broker Compensation \$ \_\_\_\_\_

Plus Estimated Closing Costs \$ \_\_\_\_\_

Plus One-Year Homeowner Insurance Policy \$ \_\_\_\_\_

Plus Pre-Paid, Taxes and Transfer Stamps \$ \_\_\_\_\_

Less Loan Amount (\$ \_\_\_\_\_)

Less Earnest Money Deposit (\$ \_\_\_\_\_)

Less Other Credits (\$ \_\_\_\_\_)

**TOTAL ESTIMATED CASH TO CLOSE = \$ \_\_\_\_\_**





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# HOW BUYERS' BROKERS GET PAID

## Understanding The Options

You and your agent will agree on how much they will get paid in the event that you purchase a home. The amount of compensation may be a percentage of the purchase price or a flat dollar amount. This is paid to the buyer's agent's brokerage, usually at the time of closing.



### By the Buyer

A buyer may pay the compensation directly.



### Through Sales Contract Negotiation

Terms of the sales contract may require the seller to pay compensation to the buyer's agent even if it was not offered initially.



### By the Seller

When listing a home, the seller may offer compensation that would pay the buyer's agent, fully or partially.

A seller may also offer a concession that can be used as a credit for any closing costs, including buyer's agent compensation.



In the past, many buyers have not paid their agent's compensation directly. It has been a common misunderstanding that buyer agent services were “free” to buyers.

My highest priority is helping you find and purchase a home that meets your goals. I will present all homes that match your desired criteria, location and budget. If one of your criteria is whether the seller is offering buyer broker compensation or a closing concession, you can tell me to identify:



- Seller offers of concessions on a property, which may be used for any closing costs, including buyer broker compensation.
- Seller offers of buyer broker compensation for a property, which may be equal to or less than what we have agreed that I will be paid.







# SAMPLE COMPENSATION ADDENDUM

A Compensation Addendum may be added to the sales contract to ask the seller to pay the of the buyer broker compensation.

 **CHICAGO ASSOCIATION OF REALTORS®**   
**ADDENDUM TO MULTI-BOARD RESIDENTIAL REAL ESTATE CONTRACT 7.0**  
**SELLER AGREEMENT TO PAY BUYER'S BROKERAGE COMPENSATION**

1 This Addendum is made a part of and incorporated into that certain Multi-Board Residential Real Estate  
2 Contract 7.0 (hereinafter referred to as "Contract") regarding the purchase and sale of real property known as  
3 \_\_\_\_\_ (hereinafter referred to as "Real  
4 Estate"), entered into by \_\_\_\_\_ (hereinafter referred to as "Buyer"), represented  
5 by \_\_\_\_\_ (hereinafter referred to as "Buyer's Brokerage") and  
6 \_\_\_\_\_ (hereinafter referred to as "Seller"), represented by  
7 by \_\_\_\_\_ (hereinafter referred to as "Listing Brokerage").  
8 For and in consideration of the mutual promises and undertakings set forth in the Contract and in this  
9 Addendum, it is further agreed as follows:  
10 1. In the event of any conflict between the terms of the Contract and the terms of this Addendum, the  
11 provisions of this Addendum shall control.  
12 2. Seller and Buyer agree and understand that the amount or rate of real estate brokerage compensation  
13 (including fees and commissions) is determined by a separate contract between the real estate brokerage and  
14 its client and may be negotiated between the respective parties.  
15 3. Buyer represents and warrants that Buyer has entered into a buyer brokerage agreement requiring  
16 compensation to the Buyer's Brokerage.  
17 4. Buyer acknowledges that Seller has offered \_\_\_\_\_ as compensation to Buyer's Brokerage in the  
18 Multiple Listing Service. Seller further agrees to increase Buyer's Brokerage compensation by:  
19 [CHOOSE ONLY ONE]  
20 a) ☐ \_\_\_\_\_ % of the Purchase Price; or  
21 b) ☐ \$ \_\_\_\_\_.  
22 For a total compensation to Buyer's Brokerage of:  
23 [CHOOSE ONLY ONE]  
24 c) ☐ \_\_\_\_\_ % of the Purchase Price; or  
25 d) ☐ \$ \_\_\_\_\_.  
26 All other terms of the Contract shall remain in full force and effect.  
27 Accepted this \_\_\_\_\_ day \_\_\_\_\_, 20\_\_\_\_.  
28  
29 Buyer's Name [PRINT] \_\_\_\_\_ Seller's Name [PRINT] \_\_\_\_\_  
30  
31 Buyer's Name [PRINT] \_\_\_\_\_ Seller's Name [PRINT] \_\_\_\_\_  
32  
33 Buyer's Signature \_\_\_\_\_ Seller's Signature \_\_\_\_\_  
34  
35 Buyer's Signature \_\_\_\_\_ Seller's Signature \_\_\_\_\_

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 **NORTH SHORE - BARRINGTON ASSOCIATION OF REALTORS® (NSBAR)**   
**COMPENSATION AGREEMENT**

Seller: \_\_\_\_\_ Seller: \_\_\_\_\_  
Buyer: \_\_\_\_\_ Buyer: \_\_\_\_\_  
Property Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ County \_\_\_\_\_ Zip \_\_\_\_\_  
Date of Offer \_\_\_\_\_, 20\_\_\_\_  
Buyer's Brokerage Firm: \_\_\_\_\_  
Seller's Brokerage Firm: \_\_\_\_\_

This Agreement is attached to and made a part of the **Multi-Board Residential Real Estate Contract 7.0**  
("Contract") dated \_\_\_\_\_, 20\_\_\_\_. Buyer hereby conditions the Contract as follows:  
**COMPENSATION** shall be paid by SELLER to Buyer's Brokerage Firm, on behalf of Buyer, in the amount of  
\_\_\_\_\_ % of the sales price, or \$ \_\_\_\_\_, as an adjustment at Closing to facilitate the  
transaction. This amount is in addition to compensation, if any, offered by the Seller's brokerage firm through  
a local MLS or other means.  
Said compensation shall be paid at the Closing of the sale of the Property noted above, and Seller agrees to  
direct the closing company to deduct that amount from SELLER's proceeds at Closing.  
**ALL OTHER TERMS AND CONDITIONS OF THE CONTRACT REMAIN IN FULL FORCE AND EFFECT.**

Buyer Signature: \_\_\_\_\_ Seller Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_ Date: \_\_\_\_\_  
Buyer Signature: \_\_\_\_\_ Seller Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_ Date: \_\_\_\_\_

NSBAR Compensation Addendum to Regional Contract 120523

 **MAINSTREET ORGANIZATION OF REALTORS®**   
**ADDENDUM TO MULTI-BOARD RESIDENTIAL REAL ESTATE CONTRACT 7.0**  
**SELLER AGREEMENT TO PAY BUYER'S BROKERAGE COMPENSATION**

1 This Addendum is made a part of and incorporated into that certain Multi-Board Residential Real Estate  
2 Contract 7.0 (hereinafter referred to as "Contract") regarding the purchase and sale of real property known as  
3 \_\_\_\_\_ (hereinafter referred to as "Real  
4 Estate"), entered into by \_\_\_\_\_ (hereinafter referred to as "Buyer"), represented  
5 by \_\_\_\_\_ (hereinafter referred to as "Buyer's Brokerage") and  
6 \_\_\_\_\_ (hereinafter referred to as "Seller"), represented by  
7 by \_\_\_\_\_ (hereinafter referred to as "Listing Brokerage").  
8 For and in consideration of the mutual promises and undertakings set forth in the Contract and in this  
9 Addendum, it is further agreed as follows:  
10 1. In the event of any conflict between the terms of the Contract and the terms of this Addendum, the  
11 provisions of this Addendum shall control.  
12 2. Seller and Buyer agree and understand that the amount or rate of real estate brokerage compensation  
13 (including fees and commissions) is determined by a separate contract between the real estate brokerage and  
14 its client and may be negotiated between the respective parties.  
15 3. Buyer represents and warrants that Buyer has entered into a buyer brokerage agreement requiring  
16 compensation to the Buyer's Brokerage.  
17 4. Buyer acknowledges that Seller has offered \_\_\_\_\_ as compensation to Buyer's Brokerage in the  
18 Multiple Listing Service. Seller further agrees to increase Buyer's Brokerage compensation by:  
19 [CHOOSE ONLY ONE]  
20 a) ☐ \_\_\_\_\_ % of the Purchase Price; or  
21 b) ☐ \$ \_\_\_\_\_.  
22 For a total compensation to Buyer's Brokerage of:  
23 [CHOOSE ONLY ONE]  
24 c) ☐ \_\_\_\_\_ % of the Purchase Price; or  
25 d) ☐ \$ \_\_\_\_\_.  
26 All other terms of the Contract shall remain in full force and effect.  
27 Accepted this \_\_\_\_\_ day \_\_\_\_\_, 20\_\_\_\_.  
28  
29 Buyer's Name [PRINT] \_\_\_\_\_ Seller's Name [PRINT] \_\_\_\_\_  
30  
31 Buyer's Name [PRINT] \_\_\_\_\_ Seller's Name [PRINT] \_\_\_\_\_  
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33 Buyer's Signature \_\_\_\_\_ Seller's Signature \_\_\_\_\_  
34  
35 Buyer's Signature \_\_\_\_\_ Seller's Signature \_\_\_\_\_

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# REAL ESTATE TERMS

**A/I Contingency** – An MLS status for a property that is under contract subject to attorney review and/or inspection.

**Appraisal** – An expert judgment or estimate of the value of real estate, made by an appraiser, generally for the purpose of establishing fair value in order to obtain a real estate loan.

**CLOSING - Closing (or settlement)** is the legal process of transferring ownership of a home from one person to another.

**Closing Costs** – All fees and charges paid at closing for services including the lender or mortgage broker, and certain other fees paid to third parties for services that the lender, state, county or municipality require the borrower to pay.

**Contingent Offer** – An offer to purchase that is dependent on another event, such as obtaining financing.

**CMA, Comparative Market Analysis** – This report shows prices of recently listed or sold homes similar to your target property. The sold prices, known as comps, can help homeowners determine how much their home is worth in the current market.

**Contract (Sales Contract)** – The written agreement between two parties for the purchase of a property.

**Earnest Money** – Earnest Money is a showing of commitment from the buyer to the seller. The buyer will entrust a dollar amount, usually 5% of the asking price, to a neutral party. If the seller rejects the buyer's offer, the buyer will get their money back. If the seller accepts the offer and the buyer backs out for any reason, the buyer loses that money.

**Escrow** – Property or money held by a third party until the agreed upon obligations of a contract are met.

**Escrow Account** – Monies collected from the borrower's installment payments for the purpose of paying property taxes and insurance. An escrow account is typically required when the loan is more than 80% of the property value.

**Home Inspection** – A professional inspection of a home to determine the condition of the property. The inspection should include an evaluation of the plumbing, heating and cooling systems, roof, wiring, foundation and pest infestation.

**Homeowner's Insurance** – A policy that protects you and the lender from fire or flood, which damages the structure of the house; a liability, such as an injury to a visitor to your home; or damage to your personal property, such as your furniture, clothes or appliances

**Lien** – Legal document used to create a security interest in another's property. A lien is often given as a security for the payment of a debt. A lien can also be placed against a consumer for failure to pay what is owed.

**Market Value** – The worth of something determined by a willing buyer and seller in an open market. Market value can fluctuate depending on supply and demand and other market forces.

**PITI** – Refers to the combined monthly amount of Principal, Interest, Taxes and Insurance paid in the financing of real estate.



**Pre-qualification** - A mortgage lender has reviewed your financial records and believes you will qualify for a loan.

**Pre-approval** - A conditional commitment from a lender that they will lend you the money for a mortgage.

**Private Mortgage Insurance (PMI)** - Loans with smaller down payments involve greater risk for the lender, who requires protection in case the loan goes into foreclosure. Anything less than 20% down payment usually requires PMI.

**Property Taxes** - The annual real estate taxes charged to property owners based on the assessed value of the property.

**Survey** - A precise measurement of a property by a licensed surveyor, showing legal boundaries of a property and the dimensions and location of improvements.

**Title** - The right to, and the ownership of, property. A title or deed is sometimes used as proof of ownership of land.

**Title Insurance** - Protects the lender or owner against loss in the event of a property dispute. Lenders often require title insurance.

**Walk-Through** - A common clause in a sales contract that allows the buyer to examine the property being purchased at a specified time immediately before the closing, for example, within the 24 hours before closing.

# 2024 HOME BUYER REFERENCE GUIDE



## 2024 LOAN LIMITS

Loan Type	Conforming Limits	High Balance Limits
Conventional	\$766,550	\$1,149,825
FHA	\$498,257 <sup>†</sup>	\$1,149,825 <sup>†</sup>
VA	\$1,500,000 <sup>††</sup>	
USDA	No Limit	

All loan limits listed are for 1-unit properties only.  
<sup>†</sup> FHA loan limits vary by county. Some county loan limits may be higher. Contact your mortgage consultant for details.  
<sup>††</sup> VA allows up to \$1.5 million for VA borrowers with full eligibility.

## Closing Costs vs. Prepaids

**Closing costs** are paid by borrowers in connection with the closing of a mortgage loan. This may include an origination charge, discount points, and fees required for third party services, taxes and government recording fees.

**Prepaids** are costs related to a mortgage loan which are also collected at closing, including per diem interest and initial deposits of monthly escrows of taxes and insurance.

## VA FUNDING FEES (PURCHASES)

Military Service	Down Payment	First-Time Use	Subsequent Use
Active Duty**, Reserves, & National Guard	None	2.15%	3.30%*
	5% or more	1.50%	1.50%
	10% or more	1.25%	1.25%

Contact us for a list of borrowers who may be exempt from paying the funding fee.  
\* If the Veteran's only prior use of entitlement was for a manufactured home loan, the higher subsequent use fee does not apply.  
\*\*Active service includes Reserves and National Guard ordered to active service that meets the eligibility requirements for their era of service. Active service does NOT include active duty for training or Active Guard Reserve.

## THE VA HOME LOAN ADVANTAGE

We proudly salute the commitment of servicemembers, veterans, and military families who have supported and defended our nation.

With many veterans in need of housing within the communities we serve, we offer not only the advantages of a VA home loan, but also an additional benefit to help lower the cost of purchasing a home:

★ **No loan origination fee** (up to \$1,665 value) through Prosperity Home Mortgage, LLC

Prosperity Home Mortgage, LLC is not affiliated with or endorsed by any government agencies.

## COMMON MORTGAGE TERMS

**Closing Disclosure** – A form used at closing that provides a statement of final loan terms, projected payments, closing costs and a summary of the transaction.

**Loan Estimate** – A form provided when applying for a home loan that outlines the terms, projected payments, and estimated closing costs of the loan.

**Loan-To-Value (LTV)** – The ratio between the amount of a given mortgage loan and the lower of sales price or appraised value.

**Mortgage Insurance Premium (MIP)** – The consideration paid by a mortgagor (borrower) for mortgage insurance -either to the FHA or to a private mortgage insurer.

**Re-Casting a Loan** – Allows eligible clients to 're-cast' or 're-amortize' their mortgage after making a large payment toward the principal balance. This can lower their monthly mortgage payment because they will retain the existing loan term and interest rate.

### LOW & NO MONEY DOWN LOAN OPTIONS

- All products listed are for primary residence financing only.
- Low down payment options may not be the best option for all borrowers.
- ‡ Borrowers must meet first-time home buyer requirements.

USDA – No Money Down  
VA – No Money Down  
Conventional – 3% Down<sup>†</sup>  
HomeReady – 3% Down  
FHA – 3.5% Down  
Jumbo – 5% Down

## Appraisal Requirements

Conventional	Expires after 120 days
FHA	Expires after 180 days
HELOC	Expires after 90 days
USDA	Expires after 120 days
VA	Expires after 182 days

This information is for real estate professionals only and is not intended for distribution to consumers. This information is for illustrative purposes only and is subject to change at any time without notice.



**Contact me** for more information.



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## DEROGATORY CREDIT EVENT WAITING PERIODS

	Conventional		FHA		VA		USDA	
Credit Event	Waiting Period	Waiting Period, Extenuating Circumstances	Waiting Period	Waiting Period, Extenuating Circumstances	Waiting Period	Waiting Period, Extenuating Circumstances	Waiting Period	Waiting Period, Extenuating Circumstances
Bankruptcy Ch. 7	4 years	2 years	2 years	12 months	2 years	12 months	3 years	12 months
Bankruptcy Ch. 13	DISC: 2 years DISM: 4 years	DISC: 2 years DISM: 2 years	12 months under bankruptcy pay-out		12 months under bankruptcy pay-out		12 months under bankruptcy pay-out	
Foreclosure	7 years	3 years	3 years	12 months	2 years	12 months	3 years	12 months
Deed-In-Lieu	4 years	2 years	3 years	12 months	2 years	12 months	3 years	12 months
Short Sale	4 years	2 years	3 years	12 months	2 years	12 months	3 years	12 months

DISC = Discharge Date; DISM = Dismissal Date

### Pre-Qualification

VS

### Preliminary Approval<sup>1</sup>

A pre-qualification simply estimates how much you may be able to borrow to buy a home based on unverified information you provide to your mortgage consultant. This step can help you determine a price range with which you are comfortable but may not be accepted by home sellers when submitted with a purchase offer.

A preliminary approval, or pre-approval, estimates how much you may be able to borrow to buy a home based on a preliminary review of your credit information and your verified income and assets. A preliminary approval letter shows home sellers that you are a serious buyer, which can elevate your home buying status and strengthen your home purchase offer.<sup>1</sup>

### MAXIMUM SELLER CONTRIBUTION

Property Type	Down Payment	Allowable Seller Paid Costs
Conventional Loans		
Primary or Secondary Home	<10% Down	3.0%
	10%–25% Down	6.0%
	>25% Down	9.0%
Investment	≥20% Down	2.0%
FHA Loans		
Primary	3.5% Down	6.0%
VA Loans		
Primary	0% Down	4.0% excluding normal discount points & borrower's closing costs
USDA Loans		
Primary	0% Down	6.0%

#### CONVENTIONAL MORTGAGE INSURANCE (MI)

- + Monthly, Annual, & Single Premium Plans
- + Lender & Borrower Paid Options Available

#### FHA MORTGAGE INSURANCE PREMIUM (MIP)

- + 1.75% upfront MIP for all mortgages
- + Annual MIP based on the following chart ▼ ▼ ▼

30 Year Loan Term	Base Loan Amount	Loan-to-Value (LTV)	Annual MIP	Duration
	Less than or equal to \$625,500	≤ 90%	0.50%	11 years
		> 90% but ≤ 95%	0.50%	Loan term
		> 95%	0.55%	Loan term
	Greater than \$625,500	≤ 90%	0.70%	11 years
		> 90% but ≤ 95%	0.70%	Loan term
		> 95%	0.75%	Loan term

15 Year Loan Term	Base Loan Amount	Loan-to-Value (LTV)	Annual MIP	Duration
	Less than or equal to \$625,500	≤ 90%	0.15%	11 years
		> 90%	0.40%	Loan term
	Greater than \$625,500	≤ 78%	0.15%	11 years
		> 78% but ≤ 90%	0.40%	11 years
		> 90%	0.65%	Loan term
		> 90%	0.65%	Loan term

### PROSPERITY BUYER ADVANTAGE®

Stand out in today's real estate; ask about the Prosperity Buyer Advantage®.<sup>2</sup>

By electing to participate, clients can get much of the home financing process out of the way and obtain a Commitment Letter before beginning to search for a home.

#### What are the benefits?

- **Complimentary** – Choosing to participate costs nothing additional.
- **Distinguished** – A Commitment Letter can set a client's home purchase offer apart from other offers a seller may be considering.
- **Smooth** – With much of the home financing process completed up-front, additional requirements or conditions can be identified to help prevent last-minute issues.
- **Flexible** – Clients may have the option of being more flexible with their closing date and also help ensure an on-time closing.

**This information is for real estate professionals only and is not intended for distribution to consumers. This information is for illustrative purposes only and is subject to change at any time without notice.**

1. A preliminary approval is based on our preliminary review of credit information only and is not a commitment to lend. We will be able to offer a loan commitment upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal, and title report. Preliminary approvals are subject to change or cancellation if a requested loan no longer meets applicable regulatory requirements. Preliminary approvals are not available on all products. See a mortgage consultant for details.

2. **Buyer Advantage® is not a final loan approval.** A Commitment Letter is based on information and documentation provided by you and a review of your credit report. The interest rate and type of mortgage used to approve you for a specified loan amount is subject to change, which may also change the terms of approval. If the interest rate used for credit approval has changed, you may need to re-qualify. Information provided by you is subject to review and all other loan conditions must be met. After you have chosen a home and your offer has been accepted, final loan approval will be contingent upon obtaining an acceptable appraisal and title commitment. Additional documentation may be required.

#23100 Expires 09/30/2024



# Move Confidently.

