



# Home Buyer's Guide

Follow Your Dream, Home









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# Engel & Völkers St Louis

Reinventing Real Estate    Global Reach · Local Expertise

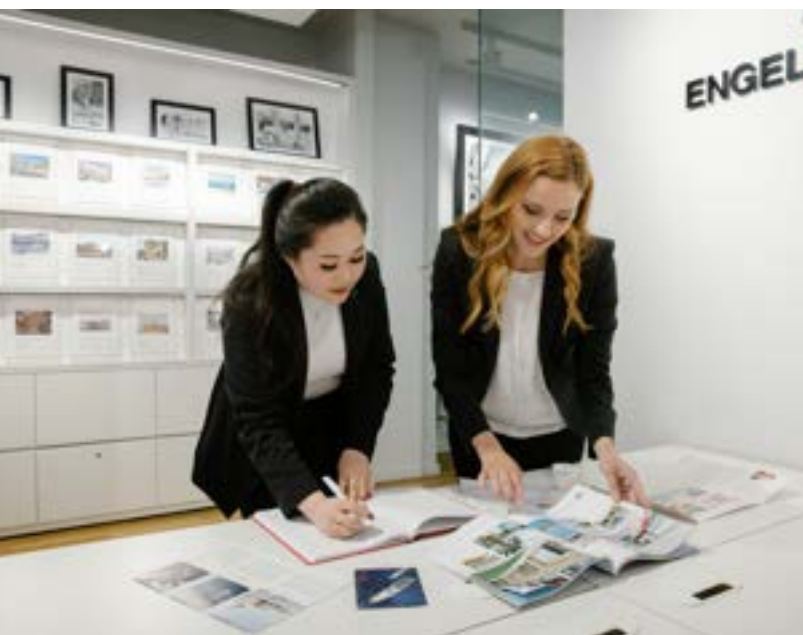
Let us introduce you to the global real estate brand the St. Louis area marketplace has been craving ... Engel & Völkers. We are an elite team of real estate advisors recreating the perceptions of this industry by exceeding your expectations and being a resource to you for life.

At Engel & Völkers St. Louis, we do more than provide great real estate services. We deliver excellence and we do it with passion.

Our founder and CEO, Christian Völkers said, "Quality product offerings, premium service and innovative thinking never seem to go out of style." We take that to heart. These ideals, as well as our own style and passion continue to be our daily motivation.

Simply put, we are a luxury service company whose advisors know and love the real estate industry.





## More Than Just Real Estate Agents

### Our Advisors Deliver Peace of Mind

Real estate agents help their clients buy and sell homes. Engel & Völkers Advisors offer guidance and insight in ways not every agent can. We designate our agents as “Advisors” to better define the higher level of service they provide.

Engel & Völkers maintains consistently high levels of service throughout the world, by managing performance at every level. We are highly selective of the advisors who join us, by only approaching top-performing advisors with proven track records and those who are well respected within the community. A deep understanding of client service is essential.

First and foremost, our advisors are experts in both the St. Louis area and real estate. They can recommend restaurants, events, financial institutions, etc. More importantly, they know how to get buyers into a home they want in their time frame and at the best price possible. Providing valuable insight that is relevant to each buyer's personal needs and seeing every detail throughout the process, so our buyers won't have to worry.



## Our Partners



**Patrick McLafferty**  
Loan Officer  
314.288.8805  
Patrick@MOMortgageSolutions.com



**Jeff Okenfuss**  
Farmers Insurance & Financial Services  
800.375.6090 · 314.952.4152  
Jeff.RWolk1@Farmersagency.com



**Knox Mailhes**  
Integrity Title Solutions  
314.209.8100 · 314.322.5669  
KMailhes@IntegrityTitleSolutions.com



**Waterproofing & Basement Repair**  
Quackers  
636.281.3735  
Operation\_Man@MSN.com



**MaryJo Schaper**  
Achosah: Home Warranty  
314.448.5275  
MaryJoS@Achosahw.com



**Shelly Clark**  
Cardinal Surveying & Mapping  
636.922.1001  
Shelly@CardinalSurveying.com



**Wes Villhard**  
HouseMaster  
314.952.7007  
Wes.Villhard@HouseMaster.com



# Meet Your Advisor

## Damian Gerard

Damian Gerard serves as the Broker/Owner of Engel & Völkers St Louis. His primary work is in developing and coaching real estate advisors to achieve their highest level of professional satisfaction. Damian has been in and out of real estate sales since 1982. Brief sales and sales management interludes in other industries like offset printing, hardware and software technology, parts distribution, personal and professional insurance, and strategic partnerships have enabled Damian to communicate effectively across a broad range of clients at any level.



After several years with large national brokerages and as an owner of an independent boutique brokerage, Damian joined forces with the global luxury brand of Engel & Völkers. The primary reason for joining E&V is to bring the advantages of a global reach together with local expertise so buyers and sellers get the best luxury service available. The network of Engel & Völkers allows for regular contact with leading advisors from all over the world.

Under Damian's leadership, E&V St Louis developed a strong network of local professionals to supplement the luxury concept offered to clients. These carefully selected and constantly evaluated professionals deliver services in Mortgage, Title Insurance, Home Inspections, Home Repair, and much more.

With Damian's commitment to growth for his agents and the E&V brand, he invites you to a consultation to determine your real estate needs. And, if you are a full-time professional advisor looking for a path to becoming a trusted advisor, call Damian today.

## The Power of Having a Real Estate Advisor

### A Professional By Your Side



#### Contracts

An advisor helps with all disclosures and contracts necessary in today's heavily regulated environment.



#### Negotiations

We act as a buffer in negotiations with all parties throughout the entire transaction.



#### Pricing

An advisor helps you understand today's real estate values when setting the price of a listing or making an offer to purchase.



#### Understanding of Current Market Conditions

An advisor can simply and effectively explain today's real estate headlines and decipher what they mean to you. Only full-time advisors are able to understand the complexities and nuances of today's market. All Engel & Völkers St. Louis Advisors are full-time professionals.



#### Experience

An advisor is well-educated in real estate and has experience with the entire sales process.

# Buying a Home: Do you know the lingo?

## Home Buying Terms

### Appraisal

A professional analysis used to assign the market value of a home. A necessary step in validating a home's worth to you and your lender as you secure financing.

### Closing Cost

The fees required to complete the real estate transaction, typically 1.5% - 2.5% of the total purchase price. Paid at closing, they include points, taxes, title insurance, financing costs and items that must be prepaid or escrowed.

### Closing Disclosure

A final statement of loan terms and closing costs that the lender must provide to the borrower at least three business days before closing.

### Comps

Comparables (comps) are used in valuations where a recently sold homes are used to determine the value of a similar home. Your real estate advisor uses comps to help determine the best starting point and expected purchase price.

### Contingencies

A clause in a real estate contract that states there are certain conditions that must be met by either the buyer or the seller in order to continue to the next step in the contract. Commonly for financing, inspections and appraisal.

### Credit Score

A number ranging from 300 - 850 that's based on an analysis of your credit history. Mortgage lenders use the middle score from the 3 common reporting agencies.

### Debt-to-Income Ratio

Your monthly debt payments divided by your gross monthly income.

### Down Payment

Cash requirement of 3-20% of the purchase price of the home. Some 0% down programs are also available.

### Earnest Money

A deposit made to a seller that represents a buyer's good faith to buy a home. This money is applied to your down payment at closing.

### Home Owners Insurance Binder

An agreement between you and your insurance company that provides temporary proof of your homeowners insurance until you receive your actual policy.



## Inspection Notice

An addition to the real estate contract that tells the seller what remedies you would like to have made in regards to the home.

## Loan Commitment

A lender's promise to offer a loan or credit of a specified amount to a borrower that also includes all of the terms and conditions of the loan.

## Mortgage Rate

The interest rate you pay to borrow money to buy a home. The lower the rate, the better.

## Occupancy Permit

A permit issued by the appropriate local governing body to establish that the property is suitable for habitation by meeting certain safety and health standards.

## Origination Fee

A fee charged by a lender on entering into a loan agreement to cover the cost of processing the loan.

## PMI

Private mortgage insurance, also called PMI, is a type of mortgage insurance you may be required to pay for if you have a conventional loan and make a down payment of less than 20% of the home's purchase price.

## Pre-Approval Letter

A letter from a lender indicating you qualify for a mortgage of a specific amount.

## Survey

The process of locating and measuring a property's boundary lines to determine the exact area of land that a homeowner owns.

## Title

The document that shows legal ownership to a property.

## Title Insurance

A lender required insurance policy that guarantees that the seller has the right to sell you the property, and that you and you alone own it after closing.

## Underwriting

The process by which real estate borrowers are evaluated to determine their viability and potential to repay a mortgage.

## Walkthrough

The last milestone prior to closing where the buyer inspects the property to ensure what they are buying is in the same condition as when they made their offer and the verify the completion of any negotiated repairs or corrections.



## The Power Of Investing in Ownership

Financial & Emotional benefits to owning a home.

### Home Equity

When you own a home, you are investing your money into your future. Home equity has the ability to increase each time you make your monthly mortgage payments, as well as when you make smart home improvements.

In a strong economy, home values can increase each year. The greater your equity, the more you can capitalize on your home's value over time.

### Fixed Costs

Seek professional advice from your tax consultants about your financing options (if you are financing) to tailor your investment commitment to your specific needs.





## Creative Freedom

Owning a property allows you to surround yourself with an aesthetic that reflects your personality and brings you joy. The possibilities can be endless when it comes to turning your home into your dream space.

## Stability

Your home is a place of comfort and happiness. Homeownership comes with a sense of security in an investment and a space where memories are made.



## Step by Step

### The Home Buying Process

Whether it's a first home, an investment property or a vacation home, Engel & Völkers St. Louis advisors will work with you to determine and achieve your real estate goals.


Following a consultation with one of our expert advisors, who will ask questions that will shape the service to follow, we will show you properties that best match your criteria. We will always work to find you the best value within your time frame while providing the highest level of service.







# Before The Search Begins

The reasons for buying a home are personal, so the first thing to consider is what you want to achieve in purchasing a home. Buying a home is filled with both strategic thinking and emotions. With ever-changing market conditions and other variables, various factors may affect the path you take in finding the property that’s right for you. As your consultant, an Engel & Völkers advisor helps you understand the market landscape and determine, based on your goals, if now is in fact the right time to buy and then identifying the correct approach.

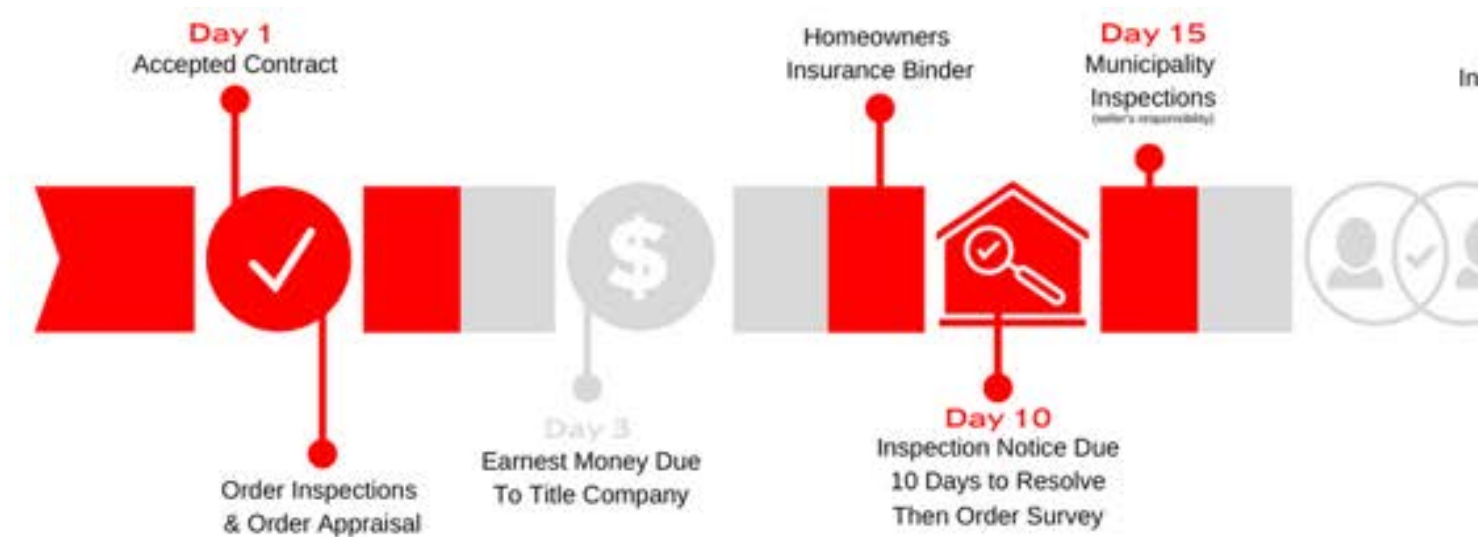
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**YOUR BUYING POWER:** It’s important to identify what you are able to afford when it comes to a home and how much a lender is willing to loan based on key factors such as income, debt, expenses etc. Your advisor can help you work within that budget and take into account other considerations as it relates to the property you seek.
- 

**YOUR MUST-HAVES:** It’s important to identify what you are able to afford when it comes to a home and how much a lender is willing to loan based on key factors such as income, debt, expenses etc. Your advisor can help you work within that budget and take into account other considerations as it relates to the property you seek.
- 

**LOCATION, LOCATION, LOCATION:** This is one of the most important factors to consider when you’re looking for your new home because unlike structures, paint colors, and flooring, the location of your home cannot be changed. Beyond the physical location of the home within the city or town, you should also think about its location in the neighborhood, community, and/or the building, as this too will have an impact on your home’s value.

## The Closing Timeline





## Viewing Properties

As you begin searching for a new home, pay attention to what makes one different from another to help you make better decisions in the end. Take notes of the homes you visit and stay organized so you can easily compare the information.

Things to consider:

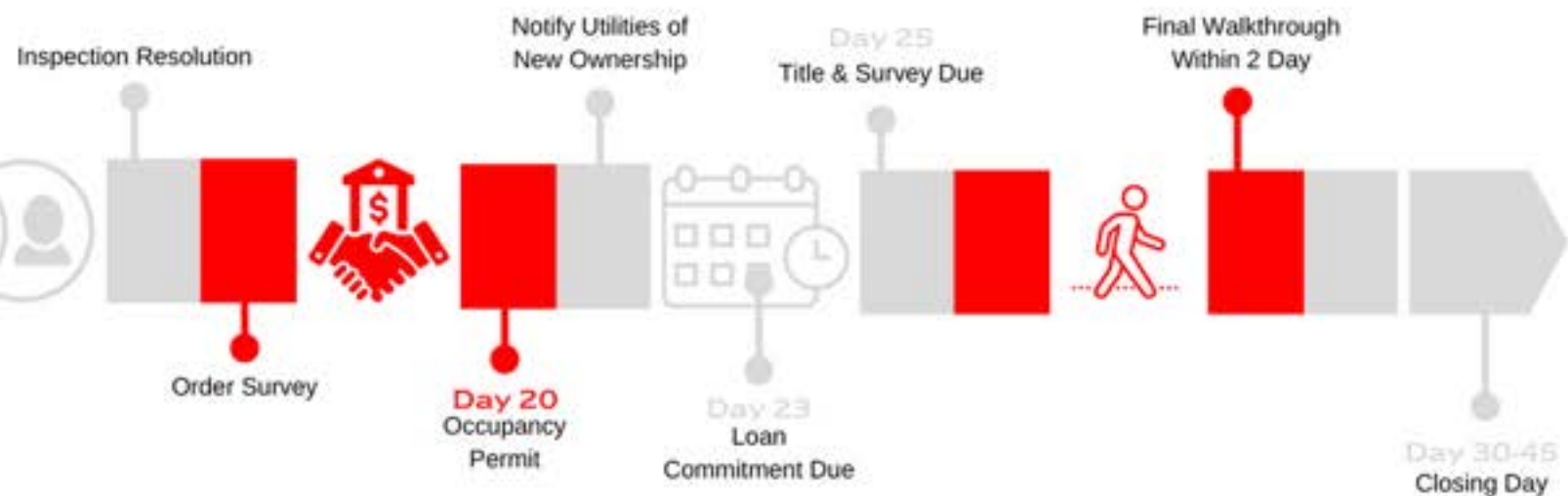
Style of homes, location, condition of the home you would accept (new home, older home, renovation required, etc.), resale value, number of beds/baths, school district, etc.

You've found your dream home. The one that has the features you wanted, in the location you want, and with an expected value that fits your budget. It's time to make an offer.

Your Engel & Völkers advisor will help you create a winning strategy to get you that house. Through analysis of comparable home sales, available alternatives, market conditions, inclusions and exclusions and more, your advisor will help you establish a winning starting point and an expected purchase price.

Additional elements of the offer include earnest money amounts, expected repair or improvement costs, home sale contingencies, closing dates and more. Each of these can impact your purchasing success.

This is where it gets real! Your documents closer will review all financial and legal documents of the transaction with you. Your mortgage loan officer will review the loan terms. When all terms of the contract and the mortgage are to your satisfaction, your signature will finalize your new home purchase.



# Common Mortgage Questions

## What's my first step?

The first step in the mortgage process is a simple phone call to a loan officer. We recommend that you engage with one or two lenders that have local Loan Officers, underwriters and processors. Be prepared to share information on your income, debt level, cash position and credit score. Your goal is to get a mortgage pre-approval that tells you how much you can likely borrow, an expected interest rate and lender fees.

## How much can I afford to borrow?

Everyone has a unique borrowing profile. The elements mentioned above (income, debt level, cash position and credit score) will tell you your borrowing power, but only you know about your borrowing comfort. They won't lend you more than you can afford, but don't borrow more than you are comfortable with. Two rules of thumb for the average borrower: (1) you can borrow about 3x your annual income and (2) every \$10,000 in loan amount will cost you about \$40 in principal and interest (your monthly payment)..

## How much do I need for a down payment?

Your down payment requirements will depend on your lender, the type of home loan you choose and the type of property you are buying. Your required down payment can range anywhere from 3% - 20% of the home's purchase price. Lenders offer a variety of different loan programs and each program has different rules regarding the down payment required.





## How long does it take to buy a home?

With guidelines designed to simplify and consolidate some of the required loan disclosures, it changes the timing of some activities in the mortgage process. The normal timeline is 30-45 days, but each situation is different.

## What other fees can I expect?

Generally speaking, you should expect closing costs and expenses to total to about 2.5% of your purchase price. There are many factors that affect each expense amount. Every transaction is unique, but you should expect to pay at or before closing for title insurance, homeowner's insurance, lender fees, inspections, appraisals, etc.

## What are the closing costs?

Closing costs include items such as appraisal fees, title insurance fees, attorney fees, prepaid interest and documentation fees and are typically 1.5 - 2.5% of the total purchase price. These items are different for each home buyer due to differences in the type of mortgage, property location, etc. You will receive an estimate of your closing costs in advance of your closing date.

Your Engel & Völkers Advisor is the expert to help you navigate. Ask for help in the understanding not just the amount, but also the reason behind each cost. If cash is tight, ask your advisor if you are able to build any of these fees into your purchase price.



## What to Avoid After Applying For a Mortgage

Once you've applied for a mortgage, there are some key things to keep in mind while you're going through the home-buying process. Before you make any large purchases, move your money around or make any major life changes, consult with your lender - someone who will be able to tell you how your financial decisions will impact your home loan.

- 1 DON'T DEPOSIT CASH INTO YOUR BANK ACCOUNT:** Lenders need to source your money, and cash is not easily traceable. Before you deposit a large amount of cash into your accounts, discuss the proper way to document your transactions with your loan officer.
- 2 DON'T MAKE ANY LARGE PURCHASES:** New debt comes with new monthly obligations. New obligations create new qualifications. People with new debt have higher debt-to-income ratios. Higher ratios make for riskier loans, potentially compromising a buyer's loan qualification status.
- 3 DON'T CO-SIGN OTHER LOANS FOR ANYONE:** When you co-sign, you're obligated. With that obligation comes higher ratios as well. Even if you swear you won't be the one making the payments, your lender will have to count the payments against you.
- 4 DON'T CHANGE BANK ACCOUNTS:** Remember, lenders need to source and track your assets. That task is significantly easier when there is consistency with your accounts. Before you transfer any money, speak with your loan officer.
- 5 DON'T APPLY FOR NEW CREDIT:** It doesn't matter whether it's a new credit card or a new car. When you have your credit report run by organizations in multiple financial channels (mortgage, credit card, auto, etc.), your FICO score will be impacted. Lower credit scores can determine your interest rate and potentially your eligibility for approval.
- 6 DON'T CLOSE ANY CREDIT ACCOUNTS:** Many clients believe that having less available credit makes them less risky and more likely to be approved. Wrong. A major component of your score is your length and depth of credit history (as opposed to just your payment history) and your total usage of credit as a percentage of available credit. Closing accounts may have a negative impact on both of those determinants of your score.
- 7 BOTTOM LINE:** Any blip in income, assets or credit should be reviewed and executed in a way that ensures your home loan can still be approved. If your job or employment status has changed recently, share that with your lender. The best plan is to fully disclose and discuss your intentions with your loan officer before you do anything financial in nature.





# Home Inspections

## What to Expect When You're Inspecting

Picture it ... you just scored the home of your dreams and got an accepted offer. You're feeling excited and happy, but also a little bit of anxiety and nervousness. Maybe you're worried that you missed some hidden defects in the home. There is safety protection in your offer that will protect you. This is known as the inspection period.

## What are the closing costs?

You have a 10-day window from the day your contract was accepted to order any and all inspections, and your advisor will help you every step of the way. The most common inspections include a bundle of 5: a standard home inspection, sewer lateral inspection, gas, and mechanical systems inspections, pest and termite inspection, and a radon gas inspection. The inspectors will evaluate every physical aspect of the home, from exterior to interior, and all systems in-between.

## The Inspection Notice

After the inspections have been completed and you've received all the reports, your professional real estate advisor will create a formal inspection notice. On this notice, you will tell the seller what remedies you would like to have made in regard to the home.

**1** **OPTION 1:** You're happy and satisfied with all the inspection reports and want to move forward with the contract.

**2** **OPTION 2:** You're not very comfortable or satisfied with your findings and you decide to terminate the contract.

**3** **OPTION 3:** You're not very comfortable or satisfied with your findings and you decide to terminate the contract.

You find a handful of items that are concerning to you, but you're open to negotiating with the seller to remedy the items in the form of either the seller making the repairs, offering a monetary credit at closing, or reducing the total purchase price of the home in lieu of repairs.

Once you and the seller have reached a happy medium and have an agreement, you now have what's called a formal resolution and you may proceed with the next step in the home-buying process.



# Moving Checklist

## For an Organized Move



**STRATEGIZE:** A smooth and successful move is only possible with a plan. Select a moving day to work toward. Identify and engage a moving company as soon as possible – Engel & Völkers is happy to make a local recommendation.



**DECLUTTER AND DONATE:** Before you begin packing up boxes, take inventory of your furniture and other belongings to decide what to keep and what to purge. If it's not worth the effort of packing, moving and unpacking, consider donating, selling or discarding these items.



**PACK:** Purchase your moving supplies including boxes, moving labels, bubble wrap, etc., and begin packing items that won't be needed between now and your move date. These include things like decorations, photos, and off-season clothing. Then, schedule time for how and when to pack the remaining items based on room or other categories to make it easy to unpack.



**CHANGE YOUR ADDRESS:** Make sure to not only update your address with friends, family, and service providers, but also any mailing clubs and subscriptions, government agencies (IRS, DMV, etc.), and utility companies for both ending and starting service at your new address.



**FINAL PREPARATIONS & MOVING DAY:** This is the day when your moving strategy pays off and your focus can be on saying goodbyes and enjoying the exciting elements of your new home. Once you get into your new home one of the first things you should do is to have new locks installed and extra sets of keys made.



**WHAT TO EXPECT AT CLOSING:** As long as you have everything in order, the closing process should be simple and straightforward. The closing day typically happens four to six weeks after the sales and purchase contract is executed and includes the buyer and seller, along with their respective agents, a representative from the title company, a closing agent, and sometimes an attorney and lender. The closing process is where the buyer and seller execute and sign all remaining legal documents and pay closing costs and escrow items. Be sure to bring two forms of identification, certified funds for any remaining costs, and any additional documents requested by the lender. Once all paperwork is executed you will receive the keys to your new home and then all that's left to do is celebrate!



A large, modern kitchen with a white countertop and a dark island. Four orange bar stools with black metal frames are tucked under the island. The kitchen features white cabinetry, a stainless steel sink, and a gas cooktop. Three black pendant lights hang over the island. A window with a black frame is visible in the background.

## Bespoke Experience

It means handcrafted attention to every detail, expert knowledge, and insight, and meticulous white-glove service tailored discreetly for you.

Whether buying or selling a home, Engel & Völkers ensures an experience of the highest caliber.

Sophisticated systems and smarter strategies are just starting points. Our standard of service exhibited by all of our real estate advisors and license partners sets us apart...and our standards are high.

A modern kitchen with white cabinetry and a stainless steel refrigerator. A chandelier hangs from the ceiling. A large window is visible in the background. A vase with dried flowers sits on a white surface in the foreground.

## Live Your Luxury

At Engel & Völkers, we believe in clients for life. Not only during, but well after the purchase of a home, our advisors connect you with experts to help you continue making the most of the walls and community that surround you. Luxury is found in the little moments that when combined create the essence — and the intangible qualities — that make a house, “home.”

# Net Sheet

## Organize Financial Details

Use this Net Sheet to organize all the financial details of your real estate transaction for both the sale of your current home and the purchase of your new home.

### Home Sale

Selling Price \$ \_\_\_\_\_  
Less RE Fee @ 6% \$ \_\_\_\_\_  
Less Loan Balance \$ \_\_\_\_\_  
Less Closing Costs \$ \_\_\_\_\_  
Net to Invest \$ \_\_\_\_\_  
Return of Escrow \$ \_\_\_\_\_  
Cash Total \$ \_\_\_\_\_

### Current

P&I \$ \_\_\_\_\_  
RE Tax \$ \_\_\_\_\_  
HO \$ \_\_\_\_\_  
Monthly \$ \_\_\_\_\_

### Home Purchase

Purchase Price \$ \_\_\_\_\_  
RE Fees \$ \_\_\_\_\_  
Downpayment @ 20% \$ \_\_\_\_\_  
Closing Cost: \$ \_\_\_\_\_  
Inspections \$ \_\_\_\_\_  
Survey \$ \_\_\_\_\_  
Appraisal \$ \_\_\_\_\_  
Title Insurance @ .25% \$ \_\_\_\_\_  
Recording Fees \$ \_\_\_\_\_  
Lender Fees \$ \_\_\_\_\_  
3 MO Taxes \$ \_\_\_\_\_  
@ 1%/monthly  
1 Year HO Insurance \$ \_\_\_\_\_  
@ .5%/montly  
Total: \$ \_\_\_\_\_

### New Mortgage

Loan Amount \$ \_\_\_\_\_  
@ 30 Years 4%  
Monthly PMI \$ \_\_\_\_\_  
RE Taxes @ 1% \$ \_\_\_\_\_  
HO @ 1/2 of 1% \$ \_\_\_\_\_  
Total Monthly \$ \_\_\_\_\_  
Investment

\*ACTUAL COSTS WILL VARY, ALL NUMBERS ARE PURELY ESTIMATES





## Utilities

### St Louis County

Ameren

800-552-7583

Spire Energy

314-342-0500

Kirkwood Electric Co & Water Division

314-822-5843

Missouri American Water

866-430-0820

### St Louis City

Ameren

800-552-7583

Spire Energy

314-342-0500

Veolia Energy

617-849-6600

St. Louis Water

314-633-9000

### St Charles County

Spire Energy

314-342-0500

Cuivre River Electric Coop

800-392-3709

Public Water District Supply 2

636-561-3737

Missouri American Water

866-430-0820

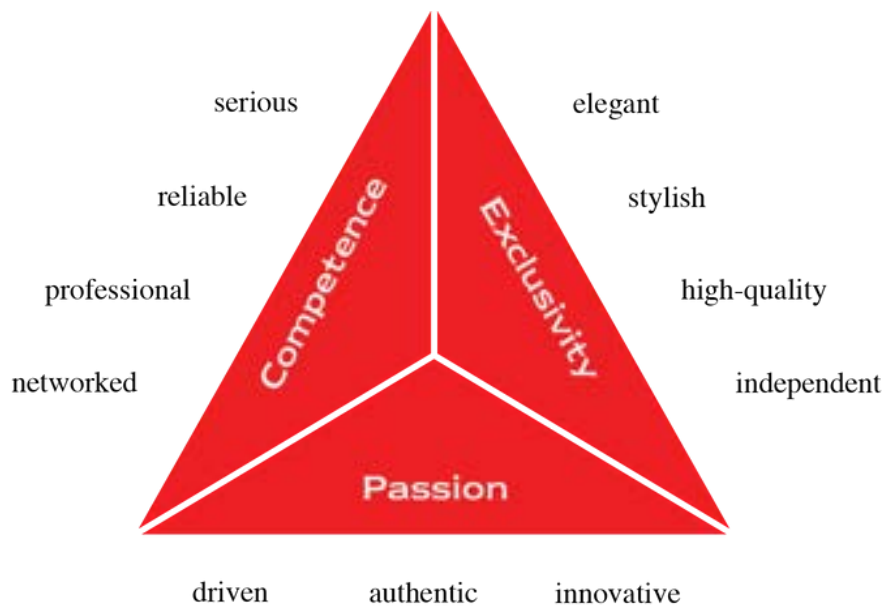
St Charles City for Water

636.949.3200

# Why Engel & Völkers

## The core values that define us...

There is a single vision shared by the thousands of professionals who represent Engel & Völkers worldwide. It is to link together the aspirations of discerning individuals around the world, be it in a private or business context -- with total passion. To achieve this vision, we have established a set of core values. These values help to maintain our high level of service quality worldwide and reinforce the meaning of our brand for each and every Engel & Völkers advisor.



Our training, marketing capabilities, and international network ensure that our advisors can competently meet your real estate needs. They will develop a customized strategy and provide specialized services that will work exclusively for you. And they will do it with total passion.

**Engel & Völkers St Louis proudly partners with Missouri Mortgage Solutions**

**CALL TODAY TO GET YOUR PERSONALIZED QUOTE FOR A HOME PURCHASE OR REFINANCE TODAY!**



### Patrick McLafferty

Loan Officer

NMLS #1989607

Patrick@MoMortgageSolutions.com

314.288.8805

MoMortgageSolutions.com

