

# Buyer's Guide



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# WELCOME TO YOUR BUYER'S GUIDE



## MY NAME IS MEREDYTH MORRIS...

And I'm thrilled to have you here! Buying a home is the biggest purchase of your life, and it deserves to be handled with great care and responsibility. I have dedicated my work towards helping others achieve their dreams of buying a home or an investment property, and I am grateful for the experience it has given me. But this entire process is about YOU.

So tell me, what do you want to achieve? What memories are you wanting to make? What is pushing you towards this beautiful yet stressful process of buying? I'm not here to just sell you a property; I'm here to understand what makes a place truly feel like home for you. Being an Oklahoma local has its perks. I've wandered around every corner, explored every café, and strolled through the parks. Think of me as your local buddy, here to share tips and insights that only locals know.

Now, I know the world of real estate can be overwhelming. Contracts, negotiations – it's like a whole new language. Don't worry, I've got your back. I'm your advisor, your problem solver, and your cheerleader throughout this process. Your dream home isn't just walls and a roof. It's where life unfolds, where you laugh, where you create. My goal? To make that dream a reality. Let's join forces and get started...

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# BUYER AGENT LOYALTY

In most transactions, sellers are receiving services by a listing agent who manages the details for them and acts in their best interest. As a buyer, it's important to hire a professional Realtor® to provide services to you and advocate for YOUR best interests throughout the process.

## I WILL....

**LISTEN** to your wants and needs.

**SPEND TIME AND EFFORT** searching for a home that meets your specific criteria.

**REPRESENT YOUR BEST INTERESTS** when negotiating the contract.

**PROVIDE COST ESTIMATES** based on purchase price and terms of the contract.

**COMPARATIVE MARKET ANALYSIS** of your potential home to determine the true market value.

**KEEP YOU INFORMED AND UPDATED** throughout the transaction so you are fully aware of timelines, expectations, and buying process.

**COMMUNICATE WITH YOUR LENDER** to make sure all loan requirements are met, and closing happens on time.

## YOU WILL....

**CALL OR TEXT ME** when you want to look at a house.

**ARRIVE ON TIME** to showing appointments, or let me know in advance if your schedule changes.

**ALLOW ME** to submit any written or verbal offers on your behalf.

**TRUST MY EXPERTISE.** Please defer any questions to me before going to Google.

**COOPERATE WITH THE LENDER** to provide any necessary documents promptly, so as not to delay the contract and closing process.

**NOT WORK WITH OTHER REALTORS** during our brokerage relationship time period.

**LET ME KNOW** if you have any concerns about the home buying process, my service to you, or anything else that might come up.

# WHY SHOULD YOU WORK WITH A REALTOR?

- **Market Expertise:** Leverage the knowledge and experience of a seasoned realtor to navigate the market with confidence.
- **Negotiation Skills:** Gain an upper hand in negotiations, ensuring you secure the best possible deal.
- **Access to Exclusive Listings:** Tap into a network of off-market properties, giving you an edge in finding your dream home.
- **Legal Guidance:** Navigate complex contracts and legal processes with ease, minimizing risks.
- **Time Efficiency:** Save time and effort by letting your realtor handle the legwork of property searches and paperwork.
- **Property Valuation:** Receive accurate assessments of property values, ensuring you pay a fair price.
- **Customized Search:** Enjoy a tailored search experience that matches your preferences and needs.
- **Local Area Knowledge:** Benefit from insights into neighborhoods, schools, amenities, and future developments.
- **Transaction Management:** From offer to closing, your realtor will manage every step of the transaction, ensuring a smooth process.
- **Financial Guidance:** Receive expert advice on financing options and budgeting strategies.
- **Risk Mitigation:** Identify and mitigate potential risks associated with your purchase.
- **Emotional Support:** Lean on your realtor for guidance and reassurance throughout the home buying journey.
- **Professional Network:** Gain access to a network of trusted professionals, including lenders, inspectors, and contractors.
- **Due Diligence:** Your realtor will conduct thorough research to verify property details and disclosures.
- **Investment Analysis:** Evaluate potential investment properties and explore opportunities for future appreciation.
- **Open Communication:** Enjoy transparent and timely communication, ensuring you're always in the loop.
- **Strong Advocacy:** Your realtor will serve as your advocate, ensuring your best interests are represented at all times.
- **Attention to Detail:** Leave no stone unturned with meticulous attention to detail in every aspect of the transaction.
- **Follow-Up Support:** Even after closing, your realtor will provide ongoing support and assistance as needed.
- **Peace of Mind:** With a top-producing realtor by your side, embark on your home buying journey with confidence and peace of mind.

# DOES IT COST MONEY TO WORK WITH A REALTOR?

As a licensed professional, I do charge a fee for my services.

That fee can vary depending on the client and their objectives, as well as the type of property they purchase. We will review the Buyer Broker Agreement, and discuss your purchasing objective (owner/occupant, rental investor, flip investor, development, ect). Once your objective has been established, we will decide on terms of payment.

In most cases, the majority (if not all) of my fee will be paid by the seller at closing. Which means the buyer does not have to pay anything.

This is because when a seller lists their home with a professional Realtor<sup>®</sup>, that agent uploads the house on our local MLS so other Realtors<sup>®</sup>(like me) can bring their buyers (like you) to see it, in hopes that they will buy it. The listing agent offers compensation to the Realtor<sup>®</sup> who brings a buyer for that home.

Therefore, the buyer does not incur any fees when working with a professional Realtor<sup>®</sup>.

In the event you see a home that is For Sale By Owner, I am still able to advocate for you and protect you in the transaction. But because that seller is not working with a professional to put their home on the MLS, the buyer will be responsible for paying my compensation.

SECRET TIP.... I can almost always negotiate for a FSBO seller to pay my commission, so that you don't have to. But to ensure this happens, I have to be the first point of contact with the seller.

## OTHER FACTORS THAT COULD AFFECT A BUYER'S COST ARE:

- Compensation amount offered in MLS
- Properties under \$100,000



# SEARCHING FOR HOMES... WHERE DO I START?



**ONLINE:** I will create a custom property portal that links directly to our local Multiple Listing Service (MLS). This automatic search will produce the most real-time, accurate results that match your specific criteria. Results will be directly emailed to you every day.

**DRIVING NEIGHBORHOODS:** Sometimes sellers will put a “Coming Soon” sign in the yard before the property hits the market. If you see something you like, take a photo of the sign and text me the property address. I can usually get us an early showing before it goes active on the market.

**OPEN HOUSES:** Feel free to visit open houses on your free time! Be sure to let the agent at the house know that you are working with an agent. If you see something you like, call me and we can set up a private showing.

**WHY WE DON'T USE ZILLOW:** Other online resources do not have reliable data like our local MLS. You may find a home listed “for sale” that has already sold months ago. Scammers often use Zillow to trick people into wiring money for a property that may not actually be for sale. *\*If it sounds too good to be true, it probably is!*

# FINANCING YOUR HOME

## Standard Types of Loans

### GOOD FAITH ESTIMATE...

Sometimes when shopping for homes on the internet, you'll see a monthly payment listed next to a house that looks fabulous! However, these payment estimates usually don't include taxes, insurance, or PMI (Private Mortgage Insurance). A good lender will review your credit history and provide you with a fair accounting of all your costs. Each lender is required by law to provide you with a Good Faith Estimate (GFE) and you can use the GFE to compare different loan options

### FHA

- 3.5% minimum down payment
- First time buyers
- People with fair credit
- PMI for life of the loan
- Down payment assistance programs available
- Interest & PMI subject to higher rates if borrower has low credit score

### CONVENTIONAL

- 5% minimum down payment
- People with good credit
- PMI drops after 20% loan value paid
- Interest & PMI can be lower with higher credit score

### HUD 184 NATIVE AMERICAN LOAN

- 2.25% minimum down payment
- Can qualify with low-moderate credit
- Very low PMI
- Lower interest rates

### 203k FHA RENOVATION LOAN

- For experienced flippers/remodelers
- Borrower must qualify for the final loan amount = sales price + budget amount for renovations
- Ask your mortgage lender for more information

### VA (Veterans Only)

- 0% minimum down payment
- Can qualify with low- moderate credit
- NO PMI
- Lower interest rates regardless of credit score

## Why Pre-approval Before House Hunting?

Financial considerations and preparations are central to any home purchase. In addition to helping you make better decisions about what kind of home you can afford, a buyer who already has financing in place is in a better negotiating position when it's time to make an offer to a seller.

# ADDITIONAL LENDING TIPS AND GUIDANCE



## USE SOMEONE LOCAL

It's extremely important that you use a local lender. In my experience, with many different mortgage companies, not all lenders are the same. I have been able to cultivate a list of excellent lenders that give top notch service. This is one of the most important factors when purchasing your home. And depending on which lender you use, can be a deal breaker for some sellers. I will help you find the right lender with the best terms that work for your specific needs. Once they review your financial information, they will provide you with a letter that tells the seller you have been pre-approved for a loan.

## DETERMINE YOUR CREDIT STATUS

It's wise to verify your credit status before beginning your home search. Even if you're sure you have an excellent record, there may be blemishes in your history that you don't even know about. Identifying and resolving any credit problems to improve your rating will provide benefits, such as preferred rates from mortgage lenders and home insurance.



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# BEFORE COMMITTING TO A LENDER...

**BEFORE YOU OFFICIALLY BEGIN** your home search, I always recommend to begin with talking to a lender and getting pre-approved. A lender will be able to answer all of your questions regarding finances and give you a clear understanding of the exact price range you will be pre-approved for and an estimate of the expenses to expect.

## QUESTIONS TO ASK...

- **What is the best type of loan for me?**
- **Do I qualify for any special discounts or loan programs?**
- **What interest rate can you offer?**
- **When can you lock in my rate?**
- **What fees can I expect from you?**
- **What are my estimated closing costs?**



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# LAST OF FINANCING

**THERE ARE MANY DIFFERENT FACTORS** that the lender will use to calculate your pre-approval. It's always best to be prepared, so here are a few of the documents you can begin to gather together and can expect to be requested:

**Tax Returns**

**W-2 Forms**

**Pay Stubs**

**Bank Statements**

**List of Monthly Debt**

# MAKING AN OFFER

## GREAT HOMES MOVE FAST

Great homes and great deals don't last long. A well built, well maintained, and well priced home will often sell within a week of being listed, even in a slow market. There are buyers looking for homes in the OKC metro every single day and when a darling home shows up on the market, Realtors® are quick to show it to their prospective buyers. If the home is priced right it will sell quickly, often attracting multiple offers. To win these types of homes requires decisive action. You need to have your financing pre- approved and be ready to make a strong offer.

## COMPARABLE MARKET ANALYSIS

Before making any offers, I will perform a comparable market analysis (COMPS) of the property to determine the true market value. We do this to ensure that the home is not overpriced, or in some cases, under value. Knowing comps of similar properties in the area will help us determine the best strategy when preparing your offer.

## LOW-BALL IS NO BALL

Lowball offers just don't work. Sellers are knowledgeable about their home's value, especially if they are working with a Realtor.® Sellers typically are not willing to sell their property under value. Low ball offers can often insult the seller, causing them to either not respond, or worse yet, refuse to cooperate at all. Negotiating a fair and reasonable price for a home takes delicate skill. The goal is to reach a mutual agreement that is satisfactory for both parties.



## MAKING AN OFFER

# CONTINUED...

### **EARNEST MONEY**

Also known as “Good Faith Deposit,” earnest money is collateral that shows the seller you are serious. Typically, seller’s expect buyers to provide earnest money of at least 1% of the purchase price, which is held in escrow until the contract either closes or is cancelled. If all goes well, the buyer will have their earnest money credited back to them at closing. If the contract is cancelled, there are procedures that must be followed for the buyer to get their earnest money back. If the buyer breaches the contract and does not follow the correct procedures, the earnest money could default to the seller. It is my job as your Realtor® to follow the correct procedures, and ensure that you do not unnecessarily lose your earnest money.

### **BUYER’S COST ESTIMATE**

Before submitting your offer, we provide a buyer’s cost estimate to determine your monthly payment and how much you will have to bring to closing. If there are any changes during the contract period, we will provide you an updated cost estimate. While estimating a buyer’s cost is not an exact science, we are usually very close to the final numbers.

Once you have a fully executed contract, your mortgage lender will provide you with a more detailed estimate. Because the lender has more information about your financial situation, their estimates will be more accurate.

### **CONTINGENCIES**

Sometimes buyers need to sell their current home before they can purchase another one. This could result in a contingency situation. It is strongly advised that buyers do not start looking at homes in person until their home is actively listed for sale. This is to eliminate any heartache that comes with potentially losing out on the home of your dreams if your house is not ready. Once your home is on the MLS, you can begin your home search and even submit a “contingency” offer. The ideal time to submit a contingency offer is when your current home is already under contract.

# INSPECTIONS



Oklahoma real estate law gives every buyer the right to perform inspections on the property they are purchasing. Inspections are not required, but it is strongly recommended that you get one, even if buying new construction or investment properties that you plan to flip.

## GENERAL HOME INSPECTION

A licensed professional home inspector will evaluate dozens of items in a home such as the roof, plumbing, A/C unit, furnace, foundation, windows, appliances, lighting fixtures, electrical, and structural systems. The inspector will provide you a written report of problems they have found. You can then choose to have further specialty inspections if necessary. A general home inspection is not meant to predict what might happen to your home in the future. They are there to give you an overview of the current condition of the house.

Home inspectors are hired by, and working for you as the homebuyer. Therefore it is the buyer's responsibility to pay for the home inspection regardless if the property successfully closes or not. The inspector is performing a service for the buyer, and must be paid accordingly. Your Realtor® will have a list of several reputable home inspectors to choose from.

## TERMITE INSPECTION

There is a saying in Oklahoma; "It is not a matter of IF, but WHEN a house will get termites."

Termite treatment is just a fact of life with homeownership. Before buying your home you should have a licensed pest inspection company check for termites (and other wood-destroying organisms.) If termites are found, or evidence of a past infestation is observed, it is not the end of the road. The key is treatment.

If there are active termites, the home will need to be treated by a licensed professional. If no termite activity is found, no treatment is required, but it is important to maintain your warranty with a yearly inspection. As long as your warranty is current, most termite companies will do a free treatment if future activity is discovered.

Bait systems are not a reliable source of treatment for termites. If your home needs a termite treatment, ask your Realtor® for a reputable pest control company.

# SPECIALTY INSPECTIONS

## SPECIALTY INSPECTIONS

Buyers may perform further specialty inspections if necessary. Keep in mind that all inspections must be done within the allotted time period. Other inspections may include but are not limited to:

- Plumbing
- Electrical
- HVAC units
- Duct Scope
- Roof
- Structural Engineer
- Pool/Spa
- Environmental Risks
- Hazard Insurance (insurability)
- Psychologically Impacted Property & Megan's Law



## TRR (aka: Treatments, Repairs, & Replacements)

The home inspection report is not meant to be a complete list of repairs for the seller to do. It is simply for your own knowledge. It is up to you to decide what items on the inspection report are important enough to walk away from. Big-ticket repairs can be negotiated between buyer and seller on a TRR form. However, minor cosmetic items should be taken into account when making your initial offer on the home. If there are any repair items you want to request the seller to fix, they must be submitted on a TRR form before the Time Reference deadline. Once the TRR is submitted, the seller will have the opportunity to get price quotes for the listed repairs. This begins a negotiating period for buyer and seller to agree on which repairs will be done, if any.

## CONTRACT OPT-OUT

There are 2 opportunities for the buyer to opt-out of the contract. First, if the investigations and inspections of the home are not satisfactory, the buyer can submit a "Notice of Cancellation." This must be done prior to the Time Reference deadline. Second, if buyer and seller cannot reach a signed agreement regarding repairs, the contract automatically expires and becomes void on the 7th day after the TRR is submitted. In both of these scenarios, the buyer is entitled to a full refund of their earnest money without penalty. However, if the Time Reference date expires, or if repairs have been agreed upon in writing, the buyer's right to cancel the contract has expired. The buyer could be held liable for breach of contract if they cancel after the Time Reference deadline, and risks losing their earnest money.

# GETTING TO THE CLOSING TABLE

IT'S NOT OVER UNTIL EVERYONE SIGNS THE PAPERWORK

## APPRAISAL...

Not to be confused with a general home inspection, an appraisal is ordered by your mortgage lender to determine the actual dollar value of the home, and inspect for any safety repairs that may be required. The appraisal assures the bank that they are not lending more money than the home is actually worth. If you are getting a loan, an appraisal is required. The cost varies between approximately \$400-550. If you are not getting a loan (buying a home with your own cash) an appraisal is not required, but still suggested. A Realtor®'s comps can provide similar results to an appraisal, although they are not always the same.

In most cases, the appraisal lands at or near the agreed sales price in the contract. Occasionally, the appraised value will be higher than the contract sales price, which means instant equity for the buyer. But sometimes the appraised value lands below the agreed contract price, in the event of a low appraisal, you and your Realtor® will need to re-negotiate the terms of the contract with the seller.

The Oklahoma Real Estate Commission contract allows the buyer to cancel and get a refund of earnest money IF the appraisal comes in below the contract sales price. As the buyer, you are still responsible to pay for the appraisal even if you do not move forward in the purchase of the house.



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# FINAL STEPS...

## FINAL WALKTHROUGH

Before closing, typically the day before, we schedule a final walk through of the property to check that repairs have been done and seller has moved out their personal belongings. This is your final opportunity to see the house in its as-is state before signing paperwork accepting the home in its current condition. At this point, all repairs should have been completed, seller should be completely moved out, and house should be clean and ready for you to move in.

## CLOSING DISCLOSURE & SETTLEMENT STATEMENT

The Real Estate Settlement Procedures Act, also known as RESPA, requires that your mortgage lender send you a closing disclosure at least 3 business days before final closing. This will be a breakdown of your monthly payment, and will show you the exact dollar amount needed to bring to closing.

In most cases, your closing disclosure will be very similar to the Cost Estimate Sheet that your Realtor® provides at the beginning of the transaction. Differences may arise if you choose to put more/less money down. Final numbers will also depend on how much your insurance premium is.

Your Realtor® will provide several Cost Estimate Sheets throughout the transaction, so that there are no surprises when it comes time to close.





# WHY CHOOSE ME?

- ✦ **FULL TIME AGENT:** I am a full service, full time real estate agent dedicated to giving you the attention you deserve when making one of the biggest purchases of your life. This Is not a part time job for me, I am in it for you 100%.
- ✦ **HAPPY CLIENTS = HAPPY REFERRALS:** I do not spend tons of money on leads. My business relies exclusively on referrals from friends, family, and past clients. Which means It Is my #1 priority to give exceptional service to every client, In every price point. I want you to be so Impressed that you send your loved ones to work with me.
- ✦ **EXPERTISE MATTERS:** I maintain an up-to-date knowledge of the market and its trends. I understand the home buying and selling process, and have the ability to provide sound advice on pricing and negotiations. I pride myself on having extensive knowledge in my field, and being the neighborhood expert.
- ✦ **TEAM WORK MAKES THE DREAM WORK:** I have strong connections in the industry, including lenders, title companies, contractors, and other professionals. I use these contacts to get my clients the best possible deal and to make the home buying process as smooth as possible.
- ✦ **TECH SAVVY:** I am nearly 100% paperless. By utilizing the latest technology available, I am able to Increase our productivity and reduce down-time when every step Is time sensitive. Electronic signatures, secure online file management and real-time video tours allows me to work with any client whether local or overseas.

# MOVING CHECKLIST

- Order Home Insurance (before closing)
- Order Utilities at New Address (before closing)
- Schedule Moving Company or Decide on DIY Move
- Change of Address with USPS
- Update Banking Info
- Register New Address with Schools
- Update Medical, Dental, and Pharmacy Info
- Register with New Vet & Obtain Pet Records
- Keep Daily Essentials Easily Accessible on Moving Day: Bathroom Toiletries, Scissors, Screwdriver, Measuring Tape, Trashbags
- File Homestead Exemption or Property Tax Exemption with County Assessor if Qualified
- Register New Address with IRS for Taxes
- Change Locks & Make Copies of Keys
- Update Driver's License
- Update Voter Registration
- Update License Plate on Cars (if moving from out of state)

# BUYER'S ROADMAP...

This is a brief summary of the timeline for purchasing your home. Remember, as your Real Estate Agent, I will be there to be sure you feel confident during each step of this process.





NOW LET'S GET STARTED ON  
YOUR HOME SEARCH!!

# LET'S CONNECT...

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