



Meg Leech
REAL ESTATE

SELLER'S GUIDE

A COMPLETE HANDBOOK TO THE HOME SELLING PROCESS.



ABOUT ME

Thank you for the opportunity to introduce myself.

With over 13 years experience as a realtor in the Spokane market, I gained a unique appreciation and perspective for individuals challenged by the 2008 housing crisis. This experience gave me the realization that there is nothing that I would rather do for a career than to help guide people through the emotional process of buying or selling a home. Whether it's helping people on the first steps of home ownership, facilitating the transition to your next home, or expanding your real estate portfolio, I want to be part of your journey.

My role as a trusted advisor is to educate my clients so they feel empowered in their decision making, during what can be an emotional process. My experience, competency, drive, and tenacity all play a crucial part in my ability to ensure that my clients succeed in reaching their real estate goals. I work closely with my network of industry professionals, giving my clients access to a wealth of resources before, during and after the transaction.

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Born and raised in Spokane, I have watched it go from a sleepy town to a thriving city that has become one of the most desirable places to live in the nation. It takes no time at all for visitors to quickly realize the beauty and culture that Spokane has to offer. From the incredible four seasons of outdoor activities to our gorgeous neighborhood parks to a thriving downtown full of amazing shopping and restaurants, Spokane has it all. These are just a few reasons why I love to call Spokane home.



MEG LEECH

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WHAT THEY ARE SAYING

“

Karen and I began looking for a new home 10/2020, just on a whim... Meg looked at new listings daily for us and sent them for review. Over the following 10 months we looked at 10-12 homes... Fast forward to 8/2021, we found another home, it was exactly what we were looking for and made a run at it and got it YAY!... We then listed our home 2 weeks later... it sold on day 1.”

The Wilcox Family
Buyers & Sellers



”

Meg was very professional and very respectful of our feelings through the process. She gave her opinion without pushing us, she gave us the control with her professional guidance. She made all of our decisions much easier.

The Davis Family
Buyers & Sellers



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We recently sold our home of nearly 20 years and purchased another back to back... What a blessing (Meg) was throughout both transactions... She was always one step ahead, keeping us posted on what needed to be accomplished when, and what was coming up next... Meg is thoughtful, patient, and above all honest. We appreciated her frankness on all matters. In closing we can tell you from experience that Meg is more about service to her clients, than she is about closing the deal.”

The Goulding Family
Buyers & Sellers



MARKETING SERVICES & BENEFITS

Along with the services listed, I may use additional marketing strategies depending on your home's showings and interest. Every home is different and I will cater to those needs.

INTERNET MARKETING & SPOKANE MLS

In today's world, over 90% of buyers look for a home online at some point in their search. I will utilize this powerful tool to maximize your home's exposure. Your home will be on the Spokane MLS. This allows REALTORS® to find information about the listing and get it to their clients. Your house will also be listed on every real estate website and will come up on real estate "app" searches such as Realtor.com, Zillow, Trulia as well as my website.

HIGH QUALITY PHOTOS

The first step in attracting a buyer to your house by creating an interest and desire to see the home. By providing very high quality professional photos, your house will look better than ever!

VIRTUAL TOUR

Virtual Tour is a personal website designed specifically with photos of your house. Buyers can navigate through a large number of high quality photos and experience the house prior to visiting it. Your virtual tour website will be linked to Realtor.com and the MLS. A hot sheet with new listings are also emailed out every week to people that have subscribed.

WINDERMERE YARD SIGN & FLYERS

Yard signs have a powerful effect on getting the word out about your house. Neighbors who see the sign will tell friends, or buyers targeting your neighborhood will see it when driving by. A flyer is also designed by a marketing professional and is specifically created to grab the attention of buyers they will be left in the house for showings or in a box on the yard sign.





KEY SERVICES

The home buying process can be overwhelming, but it doesn't have to be.
That's where I come in.

HOW I CAN HELP YOU

PRELIMINARY TITLE COMMITMENT

I will organize a title company to pull preliminary title prior to listing the home. This will ensure there are no clouds on title and you have a transferable title. By doing this ahead of time, we can eliminate potential future surprises.

LOCKBOX

I will install a lockbox on your home for REALTORS® to conveniently bring buyers into the house. Lockboxes are secure and connected directly to my phone, that way I can keep track of the qualified agents that are entering your home.

FOLLOW UP AFTER SHOWINGS

Following up with agents who show your home is very important. This gives me feedback on the listing and gives me an opportunity to answer any questions. I always do this within one business day.

WEEKLY CONTACT

I will always stay in close communication with you. We will always connect weekly to discuss the activity and the current market.

TRANSACTION MANAGEMENT

Your transaction will always be a priority to me. I will manage it with professionalism and expertise.

EXPERTISE

If you are unclear about anything along the way I'm able to answer your questions, give advice or direct you to some great sources for clarification.

REPAIR & CLEANING CHECKLIST

EXTERIOR:

- ☐ Remove peeling and chipped paint; replace with a fresh coat.
- ☐ Fix loose trim and fencing.
- ☐ Clear gutters and downspouts.
- ☐ Make sure there is good exterior lighting and all walkway lights and front-door lanterns work.
- ☐ Clean and repair the roof as needed.
- ☐ Clear garage of clutter and tidy shelves.
- ☐ Inspect chimney for cracks and damage.

YARD:

- ☐ Mow and trim grass; re-seed and fertilize where necessary.
- ☐ Prune all overgrown trees and shrubs.
- ☐ Weed flower beds. Remove or replace dead or diseased plants, shrubs and trees.
- ☐ Clean grease and oil stains from driveway.

DECKS/PATIOS:

- ☐ Paint or stain worn areas on wood decks.
- ☐ Remove grass growing in concrete cracks; sweep off debris from shrubs and trees.
- ☐ Clean all deck rails and make sure they're secure; replace missing slats or posts.
- ☐ Clean outdoor furniture.

ENTRY:

- ☐ Clean entryway floors and area rugs.
- ☐ Downsize clutter in the entry and entry closet to give the appearance of spaciousness.
- ☐ Double-check entry lighting to make sure it works.

FRONT DOOR:

- ☐ Polish or replace the door hardware so it shines.
- ☐ Add a fresh coat of paint to get rid of nicks.
- ☐ Clean the glass on the storm door; secure screen.
- ☐ Make sure the doorbell operates properly.

WINDOWS:

- ☐ Clean all windows inside and out.
- ☐ If needed, add a fresh coat of paint to the window trims and sills.
- ☐ Make sure all windows open and close easily.
- ☐ Replace cracked windowpanes and those with broken seals.
- ☐ Make sure window screens are clean and secure; replace any screens with holes or tears.

KITCHEN:

- ☐ Make sure countertops, grout, and sinks are clean and stain-free. Replace grout as needed.
- ☐ Fix dripping faucets.
- ☐ Organize pantry and cupboards so they appear clean, neat and spacious.
- ☐ Make sure the refrigerator and freezer are defrosted and free of odors.
- ☐ Clean the oven and cook-top thoroughly.
- ☐ Set the table.

LIVING/FAMILY/DINING ROOMS:

- ☐ Give rooms a fresh coat of paint as needed.
- ☐ Repair cracks and holes in ceiling and walls.
- ☐ Make sure all wallpaper is secure.
- ☐ Repaint any woodwork that is worn or chipped.
- ☐ Clean or replace draperies and blinds; open them to maximize light.
- ☐ Make sure draperies and blinds open and close.
- ☐ Steam-clean carpets. Clean rugs and wood flooring, and remove any stains or odors.
- ☐ Position the furniture to showcase the size and space of the room.
- ☐ Remove and replace any attached items, such as chandeliers and draperies, that you wish to move with you.
- ☐ Put away toys and hobby supplies; remove extra magazines and books from tables.



BEDROOMS:

- ☐ Repair cracks in ceiling and walls.
- ☐ Apply a fresh coat of paint if necessary.
- ☐ Clean draperies and blinds; open them to maximize light.
- ☐ Put away toys, clothes, and clutter.
- ☐ Neatly make up the beds.

BATHROOMS:

- ☐ Make sure sinks, tubs, showers and countertops are clean and free of stains.
- ☐ Repair any leaky faucets.
- ☐ Remove grout and soap stains from tile.
- ☐ Replace any missing or cracked tiles or grout.
- ☐ Make sure all joints are caulked.
- ☐ Make sure all fixtures, including heat lamps and exhaust fans, are operating.
- ☐ Install a new shower curtain and buy matching towels.
- ☐ Store all supplies, such as toilet paper, shampoo bottles and cleansers, out of sight.

BASEMENT:

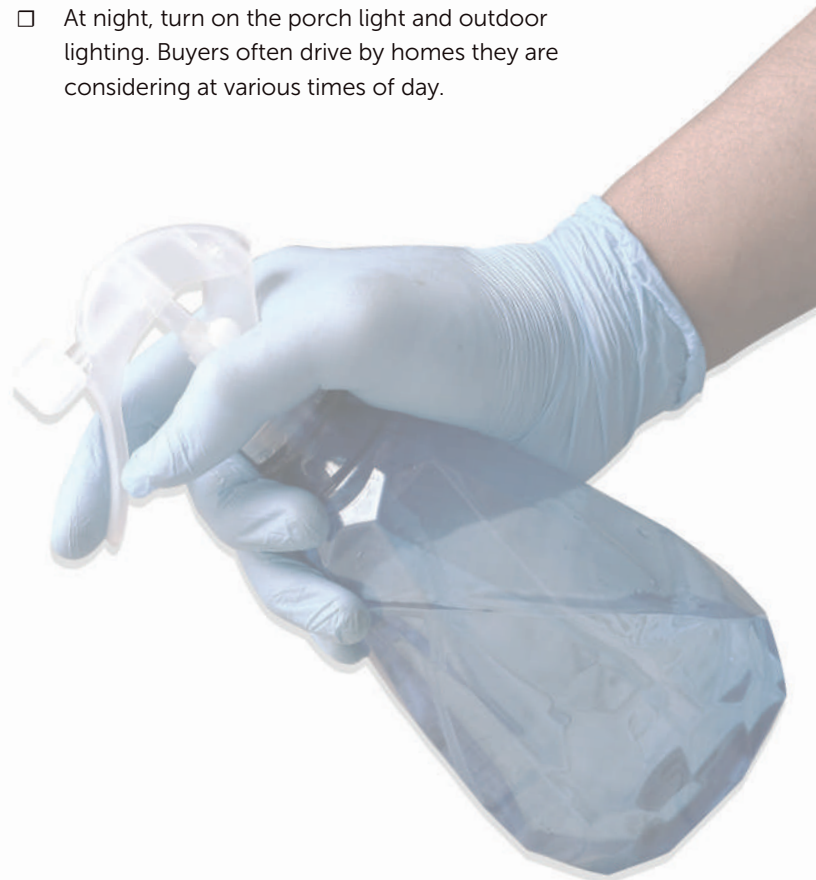
- ☐ Check for water penetration or dampness; call for professional repairs if necessary.
- ☐ Get rid of musty odors.
- ☐ Clean furnace, hot water heater, and drains.
- ☐ Make sure light fixtures work.
- ☐ Arrange storage area in a neat and organized manner.

THROUGHOUT:

- ☐ Clean all floors, carpets, walls and trim.
- ☐ Replace burned-out light bulbs.
- ☐ Empty trash.
- ☐ Remove family photos, valuables, & prescription drugs.

TIDY EXTRAS:

- ☐ Use air fresheners or bake treats to make the house smell good.
- ☐ Plant flowers to brighten a walkway and enrich the entry.
- ☐ Remove all "fixer" cars, campers and boats from the property.
- ☐ Discard the clutter of magazines on the coffee and end tables.
- ☐ Tidy and declutter all closets.
- ☐ Store pet supplies.
- ☐ At night, turn on the porch light and outdoor lighting. Buyers often drive by homes they are considering at various times of day.



SHOWING YOUR HOME

Before showing your home here are a few steps you might take:

- Remove pets. Take them with you or keep them penned in the yard or garage.
- Open shades and curtains to let in light.
- Turn on enough lights so the home is well-lit.
- Remove clutter from tables and bookshelves.
- Neatness makes rooms seem larger.
- Put away items in the yard such as garden tools, bicycles and toys.
- Turn on gas fireplaces to create a cozy atmosphere.
- Grind up part of a lemon in the disposal to add a fresh smell to the kitchen.
- Keep radios and TVs off, or on low volume.
- Keep money and other valuables, as well as prescription drugs, locked up.

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The Davis Family
Buyers & Sellers



HOME WARRANTY

A home warranty which will cover the major systems of your home including appliances, plumbing, heating and cooling systems from the time of listing through the first full year of the buyer's ownership. By providing coverage for major systems and appliances, the home warranty can give some much needed 'peace of mind' to potential purchasers.

ADVANTAGES:

- Warranted homes sell up to 60% faster than non-warranted homes.
- Homes with a warranty sell for about 3% more on average *Business Week.
- Reduced chance the seller will be asked to reimburse the buyer for a breakdown of a covered component.
- Better chance that the closing won't be delayed by a malfunctioning warranted item.
- It provides the buyer with a full year of coverage on the home's major systems and appliances after they move in.
- In the event that something covered breaks down, only a deductible is paid and the warranty company pays the remainder.
- You will also benefit from coverage during the listing term. So if the furnace or water heater breaks down prior to sale, it will be fixed or replaced for you!



PURCHASE & SALE AGREEMENT

Once you've found a buyer for your home, I will work with you through the purchase and sale agreement. This is the contract in which you and the buyer outline the details of your property transfer. The purchase and sale agreement usually consists of the following:

- Earnest money receipt
- Financing addendum
- Optional Clauses
- Title Contingency
- Home Owners Insurance Addendum
- Inspection Response Addendum

The above contingencies vary depending on Buyer's offer or Seller's acceptance or counter of the offer.

SEPERATE OF THE PURCHASE AND SALES AGREEMENT, THE FOLLOWING IS INCLUDED:

- Seller's Disclosure
- Agency Disclosure
- Pertainable area disclosures





WALKTHROUGH INSPECTION

Once a buyer has decided to make an offer on your home, it will usually be contingent upon a professional inspection of the entire property including improvements. The home inspector looks beyond the cosmetics to make sure that the home's general systems operate properly. The inspector will also look for large repairs that are needed and report on the condition of the home.

THE INSPECTION PROCESS

The standard home inspector's report will review the conditions of the home's heating and cooling systems; interior plumbing and electrical systems; the roof, attic and visible insulation; walls, ceilings, floors, windows and doors; foundation, basement and visible structure. The inspector will also look for cracks in concrete walls, water stains that indicate leakage, and any indication of wood rot.

A home inspection also points out the positive aspects of a home, as well as the maintenance that will be necessary to keep it in good shape. As the seller, you can also elect to hire an inspector to evaluate your home prior to putting it on the market. Many times an inspector can point out major or minor issues with your home that you may be unaware of and that may affect its value.

As your Windermere agent, I'm familiar with home inspection services and can provide you with a list of names from which to choose. Another good way to find a home inspector is to ask a friend, or perhaps a business acquaintance, who has had a home inspection and can recommend a home inspector they were satisfied with.

Remember, no home is perfect. If major problems are found, I will help you negotiate through the process.

SETTLEMENT & CLOSING

During the negotiation stage of the transaction, a mutually agreed-upon date for closing is determined. "Closing" is when you and the buyer sign all the paperwork and pay your share of the settlement fees, and the documents are recorded. Settlement obligations vary widely due to specific contract language, local laws and customs. Prior to closing, the closing agent (usually an escrow or title company or attorney) will complete a detailed settlement statement for both buyer and seller. As your Windermere agent, I can help you understand which of the following typical settlement fees apply to you.

THE SELLER RECEIVES:

- Utility deposits held by gas, electric, cable, telephone and other companies.
- Prorated portion of pre-paid property taxes.
- Prorated mortgage interest from payments made during the current month.
- Fuel rebate for oil or propane remaining in storage tank.
- Net proceeds after seller's share of expenses is paid.

THE SELLER PAYS:

- Brokerage commission (the sum or percentage of the sale price previously agreed upon by the seller and real estate agent).
- One-half of escrow or legal fees paid to the attorney or escrow company for preparing the closing, unless otherwise negotiated.
- Document preparation fees, if applicable.
- Recording and notary fees, if applicable.
- Title search and title insurance (paid by either the seller or the buyer).
- Local transfer taxes, if applicable.
- Washington State Excise Tax
- Repairs or inspections, if any, seller has agreed to pay for.

HOW MY SERVICES ARE PAID:

During most transactions in Spokane County, the Seller pays the Listing Agent (Seller's representative) and the Buyer's Agent a commission to be paid upon closing of the property. This is a pre-negotiated amount between the Seller and the Listing Agent and that amount is then published in the MLS stating what Seller has agreed to pay Buyer's Agent.

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The Goulding Family
Buyers & Sellers

CALCULATING NET PROCEEDS

Your net proceeds, simply put, equal the sale price of your home minus any disbursements you make during the closing process. As your Windermere agent, I can help you determine the following costs:

Existing home loans	\$ _____
Other liens	+ \$ _____
Standard title insurance ¹	+ \$ _____
State excise tax	+ \$ _____
Loan discount	+ \$ _____
Escrow	+ \$ _____
Brokerage/service fees	+ \$ _____
Proration of interest	+ \$ _____
Recording	+ \$ _____
Inspections	+ \$ _____
Miscellaneous	+ \$ _____
TOTAL ESTIMATED DISBURSEMENTS	= \$ _____
Sale price of home	\$ _____
Est. disbursements	- \$ _____
ESTIMATED NET PROCEEDS ²	= \$ _____

¹- Many title companies will offer a discount to sellers who have a copy of the title report received when purchasing or refinancing a property. Let me know if you have a copy at the time of the listing, and I will request a discount.

²- This figure is an estimate based on our experience and reflects current rates and charges. Actual proceeds will be calculated by the escrow officer and will vary according to the specifics of the final sales transaction.

MOVING DAY

The following is a checklist of items that you may want to have handy for the first day at your new home and some items to make the whole process easier.

FIRST DAY BOX

- ☐ Scissors
- ☐ Utility knife
- ☐ Coffee cups
- ☐ Teakettle
- ☐ Instant coffee or tea, soft drinks
- ☐ Pencil and paper
- ☐ Soap
- ☐ Bath towels
- ☐ Trash bags
- ☐ Shelf liner
- ☐ Paper plates
- ☐ Snacks
- ☐ Toilet paper
- ☐ Children's toys/books

MOVING ESSENTIALS

- ☐ Furniture pads
- ☐ Handtruck or dolly
- ☐ Packing tape
- ☐ Bubble wrap
- ☐ Newspapers or packing paper
- ☐ Labels
- ☐ Felt-tip markers
- ☐ Plenty of boxes
- ☐ Blankets for mirrors
- ☐ Tarp for rain
- ☐ Bungee chords
- ☐ Tie down straps.

MOVING TIPS

SIX TO EIGHT WEEKS BEFORE:

- Use up items that may be perishable or expire.
- Get estimates from professional movers or truck rental companies.
- Once you've selected a mover, discuss insurance, packing, loading, delivery, and the claims procedure.
- Decide what you want to keep, sell & donate. Record serial numbers on electronic equipment, take photos of all of your belongings and create an inventory list.
- Obtain a change of address packet from the post office.

TWO TO FOUR WEEKS BEFORE:

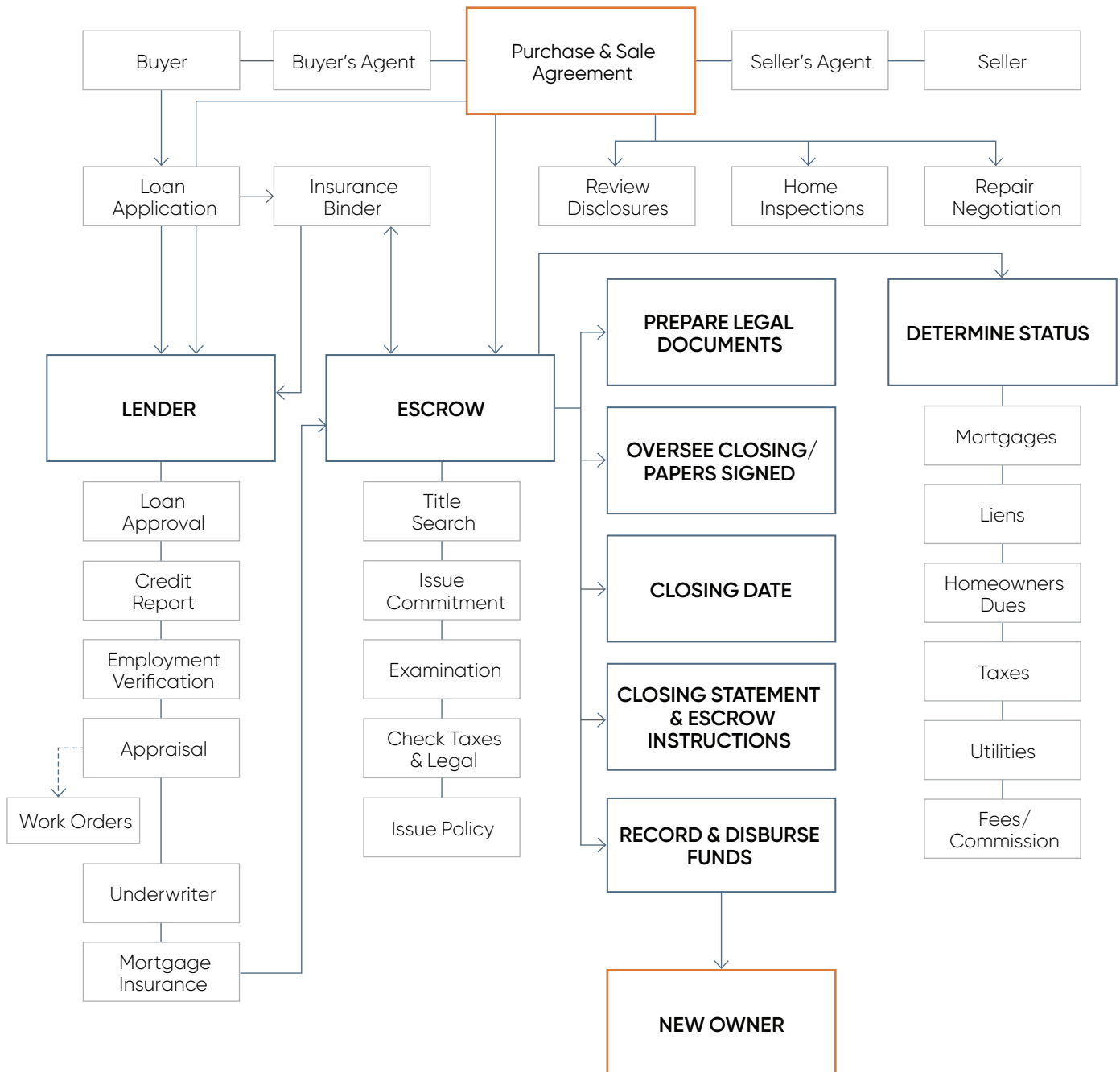
- If you're moving to a new community, contact the Chamber of Commerce and school district for info.
- Begin packing nonessential items. Arrange for storage, if needed.
- Transfer your bank accounts to new branch locations.
- Make special arrangements to move pets, and consult your veterinarian about ways to make travel comfortable for them.
- Have your car checked and serviced for the trip.
- Defrost your fridge and freezer.

TWO TO THREE DAYS PRIOR:

- Pack your belongings.
- Label each box with the contents and the room where you want it to be delivered.
- Transfer your utilities, including phone, internet and power.
- Set aside legal documents and valuables that you do not want packed.
- Pack emergency clothes and food.
- Give your travel itinerary to a close friend or relative so they can reach you.

COORDINATING THE CLOSING

Closing is the most exciting part of the process.
It's my job to ensure all of the below takes place
to get you there!



SPOKANE SERVICED DIRECTORY

The following is a list of resources that may help make your move a little more convenient when transferring bills and setting up new services.

CITY OFFICES

Spokane	509.625.6374
Sewer/Waste/Water	509.625.6000
Refuse	509.625.7878
Building Services	509.625.6100
Spokane Valley	509.921.1000
Airway Heights	509.244.5578
Cheney	509.498.9200
Deer Park	509.276.8802
Fairfield	509.283.2414
Latah	509.286.3471
Liberty Lake	509.755.6700
Medical Lake	509.565.5000
Millwood	509.924.0960
Rockford	509.291.4716
Spangle	509.245.3260

SCHOOL DISTRICT

Central Valley.....	509.228.5400
Cheney.....	509.559.4599
Deer Park.....	509.464.5500
District 81.....	509.354.5900
East Valley.....	509.924.1830
Liberty.....	509.624.4415
Mead.....	509.465.6008
Medical Lake.....	509.565.3100
Nine Mile.....	509.466.5512
Orchard Prairie.....	509.467.9517
Riverside.....	509.464.8201
West Valley.....	509.924.2150

SPOKANE COUNTY OFFICES

Appraisers.....	509.477.5783
Assessors.....	509.477.3698
Building Permit.....	509.477.3675
Dept of Licensing.....	509.477.2222
Treasurer/Taxes.....	509.477.4713
Utilities.....	509.477.3604

MISCELLANEOUS

DirecTV.....	800.595.6043
Dish Network.....	877.505.5508
PostalService.....	800.275.8777
Spokesman Review.....	509.459.5000
Xfinity.....	800.934.6489

ELECTRIC UTILITIES / WATER

Avista Utilities.....	509.489.0500
Or.....	800.227.9187
Consolidated.....	509.924.3655
Inland Power & Light.....	509.747.7151
Liberty Lake.....	509.922.5443
Moab Irrigation District.....	509.226.0545
Modern Electric Water.....	509.928.4540
Stevens Cty Public Utils.....	509.233.2534
Sunshine Disposal.....	509.924.5678
Vera Water & Power.....	509.924.3800
Waste Management.....	888.964.9751
Water District 1.....	509.926.6072
Water District 3.....	509.536.0121
Whitworth.....	509.466.0550

THE LIFE OF AN ESCROW

THE BUYER

1. Chooses a real estate agent.
2. Gets pre-approval letter from lender and provides to real estate agent.
3. Makes offer to purchase. Upon acceptance, opens escrow and deposits earnest money.
4. Finalizes loan application with lender. Receives a Loan Estimate from lender.
5. Completes and returns opening package from the title company.
6. Schedules inspections and evaluates findings. Reviews title commitment/preliminary report.
7. Provides all requested paperwork to lender (bank statements, tax returns, etc.) All invoices and final approvals should be to the lender no later than 10 days prior to loan consummation.
8. Lender (or escrow officer) prepares CD and delivers to buyer at least 3 days prior to loan consummation.
9. Escrow officer or real estate agent contacts the buyer to schedule signing appointment.
10. Buyer consummates loan, executes settlement documents, and deposits funds via wire transfer.
11. Documents are recorded and the keys are delivered!

THE SELLER

1. Chooses a real estate agent.
2. Accepts buyer's offer to purchase.
3. Completes and returns opening package from the title company, including information such as forwarding address, payoff, lender contact information and loan numbers.
4. Orders any work for inspections and / or repairs to be done as required by the purchase agreement.
5. Escrow officer or real estate agent contacts the seller to schedule the signing appointment.
6. Documents are recorded.

ESCROW OFFICER

1. Upon receipt of order and earnest money deposit, orders title examination.
2. Requests necessary info from buyer and seller via opening packages.
3. Reviews title commitment/preliminary report.
4. Upon receipt of opening packages, orders demands for payoffs. Contacts buyer or seller when additional information is required for the title commitment / preliminary report.
5. All demands, invoices, and fees must be collected and sent to lender at least 10 days prior to loan consummation.
6. Coordinates with lender on the preparation of the CD.
7. Reviews all documents, demands, instructions and prepares settlement statements and any other required documents.
8. Schedules signing appointment and informs buyer of funds due at settlement.
9. Once loan is consummated, sends funding package to lender for review.
10. Prepares recording instructions and submits docs for recording.
11. Documents are recorded and funds are disbursed. Issues final settlement statement.

THE LENDER

1. Accepts buyer's application and begins the qualification process. Provides buyer with loan estimate.
2. Orders and reviews title commitment/preliminary report, property appraisal, credit report, employment and funds verification.
3. Collects information such as title commitment / preliminary report, appraisal, credit report, employment and funds verification. Reviews and requests additional info for final loan approval.
4. Underwriting reviews loan package for approval.
5. Coordinates with escrow officer on the preparation of the CD, which is delivered to buyer at least 3 days prior to loan consummation.
6. Delivers loan documents to escrow.
7. Upon review of signed loan documents, authorizes loan funding.

WINDERMERE SALES & GIVING BACK

Windermere Ended the 2021 Year leading the Industry and doing more in sales than Synergy, Century 21, 4 degrees, Re-Max & Kelly Right combined.



GIVING BACK

The Windermere Foundation has donated a portion of the proceeds from every home purchased or sold using a Windermere agent towards supporting low-income and homeless families in our communities.

In 2022 alone we were able to raise more than \$68,000 for local charities including:

- North East Youth Center
- 2nd Harvest
- Truth Ministries
- At the Core
- Cheney Outreach Center
- Jewels Helping Hands

NOTE: All sales reports published January 2021 based on data available at the end of December 2021. All reports presented are based on data supplied by the Spokane MLS. Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Associations or their MLSs may not reflect all real estate activities in the market. Information deemed reliable but not guaranteed.

GLOSSARY

ADJUSTABLE-RATE MORTGAGE (ARM) interest rates on this type of mortgage are periodically adjusted up or down depending on a specified financial index.

AMORTIZATION a method of equalizing the monthly mortgage payments over the life of the loan, even though the proportion of principal to interest changes over time. In the early part of the loan, the principal repayment is very low, while the interest payment is very high. At the end of the loan, the relationship is reversed.

ANNUAL PERCENTAGE RATE the actual finance charge for a loan, including points and fees, in addition to the stated interest rate.

APPRAISAL an expert opinion of the value or worth of a property

ASSESSED VALUE the value placed on a property by a municipality for purposes of levying taxes. It may differ widely from appraised or market value.

BALLOON PAYMENT a large principal payment due all at once at the end of some loan terms.

CAP a limit on how much the interest rate can change in an adjustable-rate mortgage.

CERTIFICATE OF TITLE a document, signed by a title examiner, stating that a seller has an insurable title to the property.

CLOSING the deed to a property is legally transferred from seller to buyer, and documents are recorded.

CLOSING COSTS see "settlement" or refer to "Settlement and Closing" in this guide.

COMMISSION a fee (usually a percentage of the total transaction) paid to an agent or broker for services performed

COMPARATIVE MARKET ANALYSIS (CMA) a survey of the attributes & selling prices of comparable homes on the market or recently sold; used to help determine a correct pricing strategy for a seller's property.

CONTINGENCY a condition in a contract that must be met for the contract to be binding.

CONTRACT a binding legal agreement between two or more parties that outlines the conditions for the exchange of value (for example: money exchanged for title to property)

DEED a legal document that formally conveys ownership of a property from seller to buyer.

DOWN PAYMENT a percentage of the purchase price that the buyer must pay in cash and may not borrow from the lender

EARNEST MONEY money placed with a holder by a prospective buyer of residential real property to show a good-faith intention to perform pursuant to an executed purchase and sale agreement. "Holder" means the party holding the earnest money pursuant to an executed purchase and sale agreement. In most cases the Closing Agent, who is a neutral third-party, is the holder of the earnest money.

EQUITY the value of the property actually owned by the homeowner: purchase price, plus appreciation, plus improvements, less mortgages and liens.

ESCROW a fund or account held by a third-party custodian until conditions of a contract are met

FIXED-RATE MORTGAGE interest rates on this type of mortgage remain the same over the life of the loan. Compare to "adjustable-rate mortgage"

FIXTURE a recognizable entity (such as a kitchen cabinet, drape or light fixture) that is permanently attached to a property and belongs to the property when it is sold.

HAZARD INSURANCE compensates for property damage from specified hazards such as fire and wind.

INTEREST the cost of borrowing money, usually expressed as a percentage rate.

LIEN a security claim on a property until a debt is satisfied.

LISTING CONTRACT an agreement whereby an owner engages a real estate company for a specified period of time to sell a property, for which, upon the sale, the agent receives a commission.

MARKET PRICE the actual price at which a property sold.

MARKET VALUE the price that is established by present economic conditions, location and general trends.

MORTGAGE security claim by a lender against a property until the debt is paid.

MULTIPLE LISTING SERVICE (MLS) a system that provides to its members detailed information about properties for sale.

ORIGINATION FEE an application fee(s) for processing a proposed mortgage loan.

PITI principal, interest, taxes and insurance, forming the basis for monthly mortgage payments.

POINT one percent of the loan principal. It's charged in addition to interest and fees.

PREPAYMENT PENALTY a fee paid by a borrower who pays off the loan before it is due.

PRINCIPAL one of the parties to a contract; or the amount of money borrowed, for which interest is charged

PRORATE divide or assess proportionately.

PURCHASE & SALE AGREEMENT a contract between buyer and seller that outlines the details of the property transfer; or refer to "Purchase and Sale Agreement" in this guide.

SETTLEMENT all financial transactions required to make the contract final. See "Settlement and Closing" in this guide.

TITLE a document that indicates ownership of a specific property.

TITLE SEARCH detailed examination of the entire document history of a property title to make sure there are no legal encumbrances.



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