



Buyer's Guide

Buyer's Guide Contents

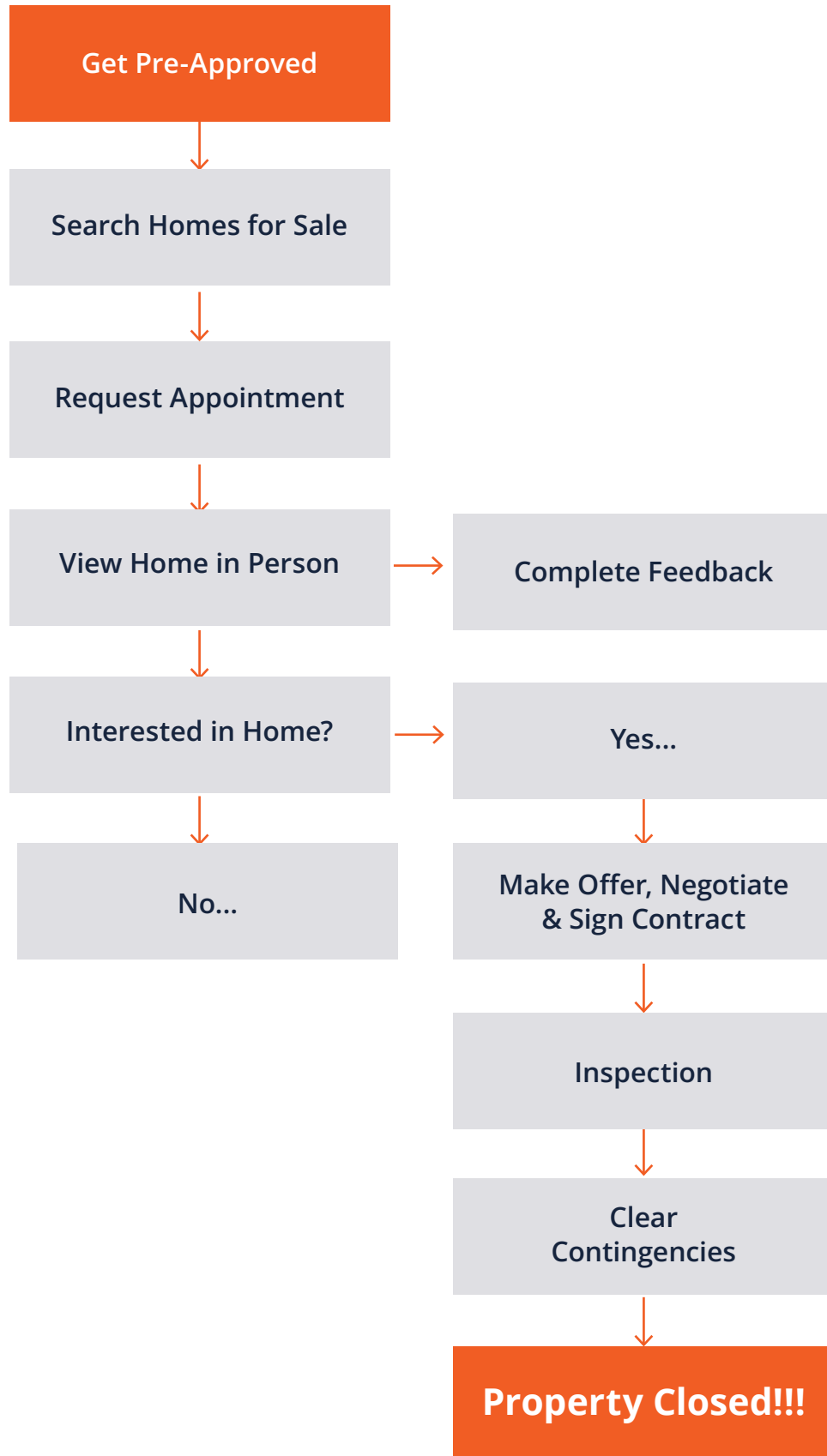
Searching for Homes!

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The Home Buying **Process** for Buyers



Preparing for Buying **A Home**

Shopping for a new home has changed a lot over the past 20 years.

- Most buyers start their search online, finding the home they end up buying themselves.
- Tools and resources abound for information, previously exclusively in the hands of real estate agents.
- Where you once needed to engage a real estate agent to get across the threshold, now you contact the seller directly.
- The most experienced and informed person is now who gives you the tour, not the person who has never even been to the home before.

Despite the ease in searching for homes online, the process of buying and selling real estate has not changed dramatically. The main function of a today's real estate agent is to open the door for buyers who already found the home online. With Cribbed, we've eliminated the agent so you can do it yourself!

The first thing you should do in preparing to visit homes is to get pre-approved if planning to obtain financing. Don't waste your time or sellers in looking at homes that do not fit into your budget. Plus, you'll be ready to go when you find the home you love.



Your Buyer Portal

Your Buyer Portal is a very powerful tool, indeed. Never before have buyers been able to contact the seller directly with questions or appointment requests - agents couldn't even do that. You've also never had a place to keep upcoming and past appointment organized. Nor your paperwork all in one place.

Some of the highlights of your portal:

Home Search

This powerful tool allows you to search on homes that meet your criteria, narrowing down options with filters. Click on any home to see additional photos and learn more about the property.

Property-Specific Details

- Ask questions directly to the seller with the chat function
- Request appointments
- Save the home as a favorite
- Mark the home as one you do not want to see again
- Make an offer
- Save open houses
- Take notes that only you can see
- Report a home containing inappropriate content

Appointments

Here are your appointments at a glance, present and past. You can see the status of all outstanding requests, as well as complete post-showing feedback and view any notes you've made about the home.

Saved Searches

It's easy to set up individual searches based on criteria you've set.

Open Houses

Here you will see any upcoming open houses for homes where you have saved that information.

Timeline

Your timeline is a guide to help keep things moving on to the next step, all the way to closing. Once you are under contract, the title company largely kicks in and takes the ball across the goal line, with assists as required.

Requesting Appointments

1. Cribbed's appointment request calendar and text confirmations with add-to-calendar features make this so easy.
2. If a seller can't accommodate your request, they are required to provide feedback on why the timing isn't good, so you can re-frame your request.
3. The seller does not see your picture until the appointment is approved. It's a feature for their safety, so they know who is coming to their home.
4. It takes a lot of work to prepare a home for a showing, including picking up everyday mess and making arrangements for kids and pets. Please show up for your requested appointments. If you do not, the seller will indicate you as a "no show" which will affect your accountability rating. Being reliable opens doors on short notice.
5. Remember to fill out the feedback request you receive after each showing, every time. They help improve the experience all Cribbed users.

Request Showing Appointment from Seller

Monday 30 OCT	Tuesday 31 OCT	Wednesday 01 NOV	Thursday 02 NOV	Friday 03 NOV
8:00 am	8:30 am	9:00 am	9:30 am	10:00 am

Request Appointment

Your Accountability Rating - 100%
Being reliable opens more doors!

Visiting Homes for Sale

When you walk through a home for the first time, there is a lot to absorb. Some areas where you want to give particular attention:

1. Does the home seem well-maintained? If what's visible is not organized, it makes you question how well things like the mechanicals are being maintained.
2. Almost all homes need some updates or changes to make it your own. How much updating is required to make the home work for you? Remember, if it's only a poor choice of color, or outdated tones, that's easy!
3. How does the flow work for you? Can challenges be overcome with opening a wall or other fix?
4. How close is the home to area amenities -- schools, parks, waterfront, train, town, etc.
5. Are there noticeable auditory elements that would affect your quiet enjoyment of the home -- highway noise, dogs barking non-stop, train horns, sirens, airplane flight path, etc.? All fine as long as the house is priced accordingly. No doubt the current sellers have gotten used to it.
6. Ask the seller why they are moving. Some towns or neighborhoods are particularly transient with people moving into the town, up-sizing, downsizing, relocating for work, leaving as kids graduate, etc. The town where I raised my children was very active with real estate sales for these reasons.
7. How well do the neighbors take care of their homes?
8. Is there a home owner's association, and if so are there any restrictions that would have particular impact on your purchase decision?



Safety

At Cribbed we want you to be as safe and protected as possible when touring homes. Cribbed has implemented measures to help provide legitimate sellers:

- Seller registration and payment is required on Cribbed to have the ability to show a home.
- 2-Factor verification on emails and cell phones.

While home showing incidents are rare, you can minimize with some diligence. Consider the following safety tips while touring homes:

- Request seller to provide identification.
- Don't tour a home at night, especially by yourself.
- Don't provide personal, financial or confidential information to a seller until you submit a proposal for terms.
- Most importantly, like with anytime you visit a stranger's home, if something doesn't feel right trust your gut instinct.

Providing Feedback

After every showing you will be requested to provide feedback on how the showing went. This information just takes a minute to relay and is important for maintaining the independence the Cribbed experience affords.

Feedback is super important when selling a home. We get very myopic with our views of the home we love, and therefore, kind but honest feedback is helpful to a seller.

Whether positive or negative, feedback is processed collectively with other buyer feedback. While there may be elements it seems the seller can't change, hearing what you think does provide actionable steps, even if the change is a reduction in price so the value is aligned with the deliverable.

I don't recommend providing negative feedback as a strategy to get a lower price. If a home is a good value already, it will sell to someone else. A seller wants to sell their home to someone who really wants it, so if you like the home it's best to stay positive and gracious so the seller sees you as someone who is likely to get to closing.

Some tips when providing feedback:

- Your feedback should give the seller some direction as to whether to keep you on the radar or not. If you seem like you are disinterested then you might not hear news from the seller.
- Thank the seller for getting you in to see the home.
- Let the seller know things that you like about the home. The same as with anything or anyone, it's good to keep things positive.
- If the home doesn't work for you, relay to the seller what specifically does not work for you. Is it the flow? The level or quality of updates? The neighborhood? Not every home works for every person, so it's helpful to know where the home fell short for your needs.
- You can be complimentary without showing all your cards. But in a competitive situation with other buyers, it may be helpful to demonstrate to the seller that you are the buyer who wants it the most.

What Makes a Home **Appealing**



Effective communication of features and benefits	Professional photos	Well-priced
Great showing condition	Easy to get in to see it	Good experience during showings

Price is certainly an important component in purchasing a home, but **the rest are key as well.**

You're ready to make an offer!

1. It's a best practice to negotiate in good faith, providing timely responses and updates.
2. Everything is negotiable. If you have an item agreed upon, know that item may still be up for debate if used to offset a different term. There is a saying...until all things are agreed upon, nothing is agreed upon.
3. Not everything is about price. Consider what else is of value to you or the seller. Does an earlier or later closing date save you money or work better for your move? Or maybe you are flexible and can focus on other terms.
4. Even if a seller doesn't give back a lot in their counter-offer, keep negotiating until you are either in agreement, or at an impasse. It may seem like you are worlds apart, but more often than not, even in those situations, it comes together. If a seller does not respond at all, or outright rejects, try to find out why.
5. Make sure your accompanying documentation for payment (proof of funds for a cash transaction, or a pre-approval letter if obtaining financing) will account for the price you are offering - the platform won't let you offer more than the maximum on your documentation. Same if your offer increases.
6. If you present a "highest and best" offer, the seller might still respond with a counter offer, negotiating price or other terms that help offset a better price. It's better they do this than just outright rejecting.
7. Know what items are non-negotiable to you and the seller, and communicate. It's important to understand those, so you can give on things that are less important to you but may have more significance to the seller.
8. If you present a low offer, give some basis for it so the seller can understand where it is coming from. It's better to do it in a nice way versus offending the seller with everything that's wrong with the home. If that's all your budget allows, say that. If the house needs updating and you feel this price accounts for the condition compared to other homes you've seen, say that in a nice way. There is still something about this home you like more than others so it's worth some premium to you without overpaying.
9. Be cautious in making an offer sight-unseen. You will seem like a less solid buyer -- the chance for fraud is higher to the seller, and the likelihood of backing out is higher with someone who hasn't seen what they are buying. If you can't see it in person, try to send a representative to take you through it on a video call.
10. Before making an offer, research the seller thoroughly and verify they are the legitimate owner of the property. If unable to verify the person or business, seek advice from an attorney before moving forward.
11. **DO NOT INCLUDE ANY** personal property on a contract containing financing - banks will typically finance only the home itself, not contents. In that event use a separate bill of sale.
13. Be concerned with sellers who offer money upfront, ask for money upfront, or that circumvent the Cribbed system. Like with showings, trust your gut to further investigate or to skip this home.

What to Factor into Offer Price

Location. Location. Location.

This is the most important criteria in pricing (and selecting) a home, as it's the one thing that can't be changed.

- How close is the home to desired amenities? Can you walk to high-value features like a beach, town, train?
- What is nearby that influences price -- is the home across from a park, or across from a gas station? How well do the neighbors take care of their homes?
- Highway, train or flight path traffic noise impacts price. While the seller be used to it, and likely you would get accustomed to it as well, it needs to be taken into consideration.
- If the house has an encumbrance that affects price, consider that you will likely pay less to acquire the home, and then similarly get less when it comes time for you to sell -- it's relative.

Physical features of the property

- Curb appeal
- Size of home and lot
- Floor plan/flow
- Architectural style
- Updates and upgrades – if the home is dated, it's not the same price as if it were a fully-updated home. Kitchens and baths are big items.

Market Conditions

- Buyer demand
- Inventory levels
- Seasonality

The Competition

- Get comfortable with similar homes on the market -- you've probably seen a lot of what's out there. Assess the plusses and minuses against other homes.

Over-Priced Properties

Overpriced Homes...

1. Fail to compete with others on the market. Buyers look at many properties and eliminate by comparison. An over-priced home ultimately helps sell other homes.
2. Don't meet expectations. Certain things are expected within a particular price range.
3. Can remain unsold for extended periods, causing buyer concern and fatigue. Buyers can become immune to the existence and may disregard completely if they feel the home has issues.
4. Can ultimately cause a monetary loss with carrying costs.
5. An overpriced home often carries the stigma the seller is unrealistic or unreasonable.

Perhaps ask the seller if they have flexibility with price. If they are aware they are priced too high they may encourage you to present a reasonable offer. If they are not aware you can try making the seller aware of other comps.

The nature of Cribbed results in homes with motivated sellers. However, if they appear otherwise, unless you are okay overpaying, you should move on.



Disclosures

Sellers are not usually required to proactively seek out issues that may or may not exist. A seller who genuinely doesn't know there is an issue is responding honestly even if an unknown issue is detected.

If asked questions about potential defects, or potential stigmatization (e.g., it's haunted, a murder or suicide took place, etc.), sellers should respond truthfully, whether the item is on the disclosure forms or not.

While some disclosures are provided through the Cribbed site, the ultimate responsibility for knowing the requirements of your specific state falls on the buyer and seller. If this key information is not provided in a timely manner the deal could be marginalized.

Federal Disclosures

1. According to the EPA, homes built before 1978 are more likely to have lead-based paint. Here is a link to the EPA website addressing lead in the home.

<https://www.epa.gov/lead/protect-your-family-sources-lead>

2. Radon – according to the EPA, "Radon is a naturally-occurring radioactive gas that can cause lung cancer. Radon gas is inert, colorless, odorless." It's only inside, where the gas can be confined, it is considered a danger to your health. It enters a home through cracks or veins in the earth and foundation. Testing is the only way to measure radon test levels in the home. The radon testing company will inform you at what levels they recommend remediation. The solution for removing the gas is common, effective, and not crazy expensive (which the seller normally pays for). Many municipalities require all new construction to have a radon remediation system installed when the home is being built. Here is a link to the EPA website addressing radon in the home.

<https://www.epa.gov/radon>

State and Local Level Disclosure Examples, Among Others

Most states, but not all, have additional disclosure requirements of some kind. Some more than others. These can be property disclosures, mold, environmental disclosures, registered sex offenders, to name a few.

Regardless of whether the documents are completed by the seller or someone responsible for the home/estate, they need to be completed honestly regarding any knowledge of the items in questions – if you know, you know.

Financing Contingency

1. Financing typically takes 30 - 45 days for final approval. Buyers should complete a mortgage application expeditiously after going under contract.
2. Before signing an offer contingent upon financing, the homeowner is advised to contact the lender to get a better understanding as to the depth of the your credentials. Lenders are agreeable to answering certain personal questions specific to the pre-approval letter. It's to your advantage for the seller to have confidence in the pre-approval.

Typically, the seller will ask the lender if they have:

- Pulled credit.
- Personally seen a buyer's documentation vs just discussed (W2s, check stubs, tax returns).
- Put the buyer through an automated underwriting process.

The seller will get a decent idea as to your ability to get across the finish line based on the depth of knowledge your lender possesses on your situation, Their confidence will depend on the level of your lender's confidence.

3. Lenders usually, but not always, require an appraisal to be ordered, at the buyer's expense. That appointment is coordinated through the seller to gain access. The buyer does not usually appear at that appointment. The seller should provide the appraiser with a listing sheet along with any comps, updates and upgrades that add value to the home. You want the home to appraise out.
 - Sometimes the appraisal isn't ordered until after the home clears the inspection period.
 - If the home happens to appraise for more than the contract price, you might want to keep that information to yourself and just let the seller know it appraised out.
4. Monitor the financing dates.
5. It's not uncommon for a lender to need more time to complete the financing approval. If you receive a request to extend the contingency date, find out why and communicate with the seller. Most often it's a reasonable procedural request and typically granted by the seller, but it's best to reduce any concern. If it seems like there is more to it, try to gain understanding as to why they need additional time.

Home Sale Contingency

When a buyer has a home to sell, they can make an offer contingent upon finding a buyer for the home, or upon the home's actual successful closing, by a deadline.

1. A home sale contingency can be appealing to guarantee you do not carry two overlapping mortgages for any length of time. However, they are not as attractive to a seller as an offer not contingent upon your home sale.
2. The buyer goes through the process, including inspection and resolution, the same as for a non-contingent sale.
3. The house is flagged as Contingent/Home Sale. The home may still be shown, and the seller may continue to receive and negotiate other offers. They may also accept another offer contingent upon release of this contract.
4. The contingency remains until you have either fulfilled the contingency on your current home OR if you release the contingency due to the seller presenting a contingency-free offer from another buyer.
5. The contract could be canceled if you are unable to fulfill the contingency by the agreed upon date, or if the seller obtains a contingency-free contract from another buyer and you are not in a position to release yours.

First and foremost, if you find yourself in this situation, you should consider contacting an attorney for advice on your legal options and responsibilities.

- While many transactions with this contingency successfully close, there are additional risks that add complexity and hurdles to the sale – ones that are completely out of your control. And the risk is 100% on the seller's end.
- If your home is not yet on the market, a lot of factors and variables are outstanding, reducing the likelihood to close, making it riskier to the seller.
- The further along your sale is in the process, and the more hurdles it has cleared, the less risk the seller takes on. *Ideally, your home sale has cleared inspections.*
- The seller is encouraged to read your home sale contract. It provides them with a view of that situation and buyer – *just like with you, the seller should contact that lender and ask the same questions.*
- It would be unlikely for the seller to accept a home sale contingency where their buyer's buyer ALSO has a home sale contingency. That's a lot of dominoes to fall. *(For the same reason, if they accept an offer with a home sale contingency, they then would have limited success at also making an offer also with a home sale contingency.)*
- If their activity is slow going, if you love the house, you need to move, or you can make up for this hurdle with other terms of their offer, and your deal is solid, it might be a good option for the seller.

Under Contract!

Congratulations! You found a home that works for you!

Your buyer portal timeline will help take you through to closing. The seller also has a timeline, with instructions that relate to the sales side of the transaction.

Next Steps:

1. Submit the agreed-upon earnest money payment to the title company performing the closing.
2. Send paperwork (contract, signed disclosures, earnest money receipt) to the lender, if applicable.
3. Schedule the inspection, confirming the day/time works for the seller.
4. After the inspection has been completed, and any outstanding items resolved, the path is mostly cleared, and contingent only upon other remaining elements such as financing.

Some states require using attorneys in the closing process. Although, even if not required or even customary, you can and should hire a real estate attorney regardless. It may be worth the price to protect you in a complicated situation or from things you haven't considered.

With an attorney and/or title company you are passing the football to the quarterback who will cross the end zone for the touchdown. You may have to do blocking and tackling as requested to provide documentation or pay fees as instructed.

As a general word of caution, be wary of any requests for wiring money, expected or unexpected, and be sure they are coming from a trusted source, such as the title company.

The Inspection

The inspection period is probably the most nail-biting part of the process. The buyer wants to ensure it is a solid purchase, and the seller hopes the evaluation and any repair requests are reasonable.

All due-diligence is the responsibility of the buyer and is performed at their expense. You are working against a contractual deadline, as well as a tight inspector schedule. It can take anywhere from 3 to 4 hours, depending on the size, age and condition of the home.

Confirm with the seller all the utilities are turned on so the inspector can properly assess the home and insure working order of all material components.

The inspector evaluates the condition of the home from top to bottom, inside and out. This allows the buyer to get to know their new home, learn how to maintain it, and what to budget for deferred maintenance. The inspector evaluates the structural, mechanical, appliances, etc., noting any material defects, safety issues, or environmental concerns.

In addition to a general inspection, a buyer might order other inspections as appropriate. Some of these may be conducted by the general inspector, or the inspector may schedule someone else to conduct them.

1. Pool
2. Sewer Scope
3. Septic System
4. Well
5. Radon



Follow-up evaluations are also common if a general inspection turns up the need for further exploration by a specialist. This can extend the inspection contingency period.

Examples of the some typical types of follow-ups:

1. Basement/Foundation/Structural
2. HVAC
3. Fireplace/Chimney

Sellers are traditionally not present during the inspection, providing privacy for you to learn about your new home. If the seller chooses to be present, try to have your conversations with your team quietly and privately.

An electronic report is usually available within 24 hours, although the buyer will have immediate feedback as well.

Resolving Inspection Issues

I have found sellers get very discouraged with buyers who send a laundry list of inspection items. The best way to hold a deal together is to treat the seller like you would like to be treated.

I guided my buyers to try to focus on:

- 1) Safety issues
- 2) Items marketed as features but aren't working
- 3) Actively failing mechanicals, roof or foundation issues

Put yourself in the seller's shoes in terms of what you'd perceive as a fair resolution to uncovered issues. As an agent we were trained that if a mechanical is aging, but still actively working, it is impractical to ask for something working to be repaired -- it could last another 5 years.

Sellers may also do their own follow-up inspections to more effectively understand issues and to obtain a benchmark repair/replacement costs.

If defects are uncovered that affect your interest in the home, and/or affects the value for the price paid, the following options are the most common resolutions:

1. Repair request
2. Closing cost credit
3. Renegotiate the price
4. Any combination of the above

In most cases, a credit at closing is safer than repairs as it reduces confusion and liability about what constitutes a satisfactory repair or how much was spent on the repair. Some environmental items (e.g., mold, radon, asbestos), however, may require being addressed on the seller's side of the closing line.

Keep in mind:

- If you do agree upon a seller credit, make sure you discuss this with your lender to ensure it is done properly.
- A credit at closing usually cannot exceed total closing costs. Check with your lender to make sure closing credits don't exceed your expected closing costs.
- I have found that lenders will not underwrite a home where defects are specified in writing, no matter how minor. Same if there are projects or renovations in progress when the appraiser comes out.

From Inspection until Closing

1. Hire movers and packers.
2. Notify your insurance company of the purchase.
3. Check with your local municipality, attorney or title company, regarding any transfer taxes you are required to pay.
4. Set up utilities effective the day of closing.
 - Electrical Service
 - Gas
 - Water Meter
5. Check with your local municipality, attorney or title company, regarding any transfer taxes you are required to pay.
6. Start services at your new address (and cancel at your current):
 - Telephone (if you have a home phone)
 - Cable TV
 - Internet
 - Pest control
 - Home security monitoring
 - Landscaping services
7. Complete a change of address with post office, which can be done online, and contact the following to change your address directly with them.
 - Magazines/newspaper subscriptions
 - Bank accounts
 - Credit cards, car loans
 - Insurance companies
 - Health care providers
 - School records
 - Place of Employment
 - Family and friends

Final Walk-Through

The buyer typically conducts a final walk through just prior to closing (usually the morning of) to make sure the home is in the same condition as last seen. Any damage occurring between the walk-through and closing tends to fall on the buyer since it could be difficult to prove if it happened before or after closing.

- Property should be completely empty including closets, refrigerator, cabinets, garage, attic, storage locker, etc.
- Make sure everything agreed to as conveying with the home remains on the property (window treatments, mirrors, etc.).
- Test gas and electric to make sure it is turned on.
- If there are particular items of concern that are agreed to as part of the transaction, consider conducting two walk throughs to ensure time for any incomplete items to be remedied.
- Damages to the home and property occurring after the inspection which can't be fully corrected with a repair should have been disclosed. Anything not operational or in existence from inspection should have been replaced with an item of similar value or otherwise agreed. A new stove may be good news, but if a tree fell on the shed, a solution should have been discussed.
- If the sign hasn't come down, notify the sign company or Cribbed to arrange to have it removed.

Closing

Once all contingencies have been satisfied, the closing is scheduled. If obtaining financing, once the mortgage commitment has been met the lender will issue what is called a “clear to close”.

The attorney or title company will work with the parties to arrange a convenient time and location. This might take place at a title company office, an attorney’s office, a residence, or even possibly online.

You will be asked to wire funds for the amount you are personally funding. These need to be there to successfully close. Make sure you are sending them to a legitimate source. Often lenders have you wire more than you need in case of small math changes. If there is an overage have you leave with a check, since personal checks are often not taken at a closing.

The closing could take anywhere from less than an hour for a cash transaction, to several hours with financing.

In some cases, depending on preferences and local customs, sellers are able to sign their minimal paperwork in advance and don’t attend the closing. Otherwise, sellers attend the same closing as the buyers, in person or virtually, wherever the wherever it is occurring.

Bring to Closing

- Identification for anyone signing paperwork
- Checkbook, just in case

Obtain at Closing or Walk-through

- Keys to property (extras may be at the house)
- Garage door openers included in the sale
- Security alarm code
- Receipts for agreed-upon repairs

