

# BUYER REPRESENTATION AGREEMENT

Before we start seeing properties, I ask clients to sign this agreement that allows Compass and me, as your agent, to legally and exclusively represent you and your interests. It establishes a formal relationship between us and outlines the terms and conditions under which I will represent you with your property search.

## Essential Components of the Buyer Representation Agreement:

**1. Scope of Services:** Defines the services I will provide you including property search, property showings, negotiation, and assistance with the purchase process.

**2. Property Type and Location:** The agreement may include details about the type of property you are interested in (e.g. single family, condo, commercial property, etc.) and the geographic area where you are looking to purchase.

**3. Duration:** The agreement specifies the period during which you are committed to working exclusively with me (typically 6 months).

**4. Compensation:** The agreement specifies how Compass will be compensated as it relates to your representation. We can have a conversation at the start of your search to discuss payment scenarios so we can memorialize it in writing in this agreement. Commissions are negotiable.

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We will review the agreement together before I ask you to sign anything.

# 50 THINGS A BUYER'S AGENT DOES TO ENSURE A SUCCESSFUL TRANSACTION

01. We will meet for a buyer consultation.
02. Align on the best communication plan throughout the entire process.
03. Encourage you to reach out to a lender for pre-approval and provide recommended lenders (at least 3) if requested.
04. Collect market data and recent comparables in neighborhoods you're interested in.
05. We will complete a buyer questionnaire to understand your needs and objectives.
06. If necessary, I will research off-market opportunities for you to find additional suitable inventory.
07. Create a 'Collection' so you're aware of listings that fit your criteria.
08. Select properties to show you based on your criteria.
09. Pull market trend data to understand what's happening within the broader region.
10. Coordinate showing appointments to gain access to desired listings.
11. Learn relevant details and attributes of the properties shown, including number of bedrooms, bathrooms, square footage, acreage, etc.
12. Attend broker tours to view other available properties on the market.
13. Stay connected to local buyers, sellers, and other agents to maintain a constant view of what drives the market.
14. Reach out to agents with similar listings to understand traffic and buyer demand.
15. Provide objective advice and help you evaluate the pros and cons of different properties.
16. Prepare a Comparative Market Analysis (CMA).
17. Understand the current condition of the property for negotiation purposes with the assistance of experts.
18. Advise you on potential offer strategies that reflect current market conditions.
19. Help you obtain HOA documents if needed.
20. Review all transaction documents with you in advance of writing any offer.
21. Review all forms in the disclosure package.
22. Coordinate additional access to the property, if necessary.

23. Join you while you meet with experts about desired improvements including landscaping, painting, fixture updates, minor and major renovations, etc.
24. If requested, recommend at least three vendors to you on your specific request.
25. Maintain consistent communication to provide market updates.
26. Monitor any changes in the market to refine offer strategy and make needed updates (revising price, terms, etc.) accordingly.
27. Explain the offer process, timeline, and recommended preparation.
28. Align on offer strategy and prepare the offer on your behalf.
29. Notify the listing agent you are submitting an offer.
30. Advise and strategize with you on counteroffer response.
31. Negotiate terms as needed with the listing broker and seller in writing
32. Notify you when terms are agreed upon.
33. Assist with the review of the final contract, disclosures, pre-qualification letter, and wiring instructions, if applicable.
34. Coordinate the signing of the final agreement.
35. Facilitate deposit of earnest money and down payments.
36. Create and execute closing timeline and transaction review.
37. Stay in close contact with all relevant parties through next steps.
38. Share estimated timeline and all documents with client and Attorney(s), if applicable.
39. Coordinate and confirm inspection.
40. Coordinate and confirm appraisal has been received.
41. Confirm loan approval has been received.
42. Coordinate final walk-through and address issues that may arise by communicating with the seller's agent.
43. Remind you to order home warranty (if applicable).
44. Remind you to order homeowners insurance and set up utilities.
45. Request final closing figures from the closing agent (attorney or title company).
46. Advise you to carefully review closing figures with settlement service provider.
47. Facilitate closing for you and the seller.
48. Confirm recording of deed, if applicable.
49. Transfer of keys and property access.
50. Welcome you to your new home!

# KEY TERMS TO KNOW

## **Adjustable Rate Mortgage (ARM)**

A mortgage with an interest rate that changes over time in line with movements in the index. ARMs are also referred to as AMLs (Adjustable Mortgage Loans) or VRMs (Variable Rate Mortgages).

## **Adjustment Period**

The length of time between interest rate changes on an ARM. For example, a loan with an adjustment period of one year is called a one-year ARM, which means that the interest rate can change once a year.

## **Amortization**

Repayment of a loan in equal installments of principal and interest, rather than interest-only payments.

## **Annual Percentage Rate (APR)**

The total finance charges (interest, loan, fees, points) expressed as a percentage of the loan amount.

## **Assumption of Mortgage**

A buyer's agreement to assume liability under an existing note that is secured by a mortgage or deed of trust. The lender must approve the buyer in order to release the original borrower (usually the seller) from liability.



## **Balloon Payment**

A lump sum principal payment due at the end of some mortgages or other long-term loans.

## **Cap**

The limit on how much an interest rate or monthly payment can change, either of each adjustment or over the life of the mortgage.

## **Certificate of Reasonable Value (CRV)**

A document that establishes the maximum value and loan amount for a VA guaranteed mortgage.

# KEY TERMS TO KNOW

## **Closing Statement**

The financial disclosure statement that accounts for all of the funds received and expected at the closing, including deposits for taxes, hazard insurance, and mortgage insurance.

## **Condominium**

A form of real estate ownership where the owner receives title to a particular unit and has proportionate interest in certain common areas. The unit itself is typically a separately owned space whose interior surfaces (walls, floors, and ceilings) serve as its boundaries.

## **Contingency**

A condition that must be satisfied before a contract is binding. For example, a sales agreement may be contingent upon the buyer obtaining financing.

## **Conversion Clause**

A provision in some ARMs that enables you to change an ARM to a fixed-rate loan, usually after the first adjustment period. The new fixed rate is generally set at the prevailing interest rate for fixed-rate mortgages. This conversion feature may cost extra.

## **Cooperative**

A form of multiple ownership in which a corporation or business trust entity holds title to a property and grants occupancy rights to shareholders by means of proprietary leases or similar arrangements.

## **Earnest Money / Escrow Deposit**

The portion of the down payment delivered to the seller or escrow agent by the purchaser with a written offer as evidence of good faith.

## **Escrow**

A procedure in which a third party acts as a stakeholder for both the buyer and the seller, carrying out both parties' instructions and assuming responsibility for handling all paperwork and distribution of funds.

## **FHA Loan**

A loan insured by the Insuring Office of the Department of House and Urban Development; the Federal Housing Administration.

# KEY TERMS TO KNOW



## **Federal National Mortgage Association (FNMA)**

Popularly known as Fannie Mae. A privately owned corporation created by Congress to support the secondary mortgage market. It purchases and sells residential mortgages insured by the FHA or guaranteed by the VA, as well as conventional home mortgages.

## **Fee Simple**

An estate in which the owner has unrestricted power to dispose of the property as they wish, including leaving by will or inheritance.

## **Finance Charge**

The total cost a borrower must pay, directly or indirectly, to obtain credit.

## **New Development**

If you visit new construction communities on your own, please remember to register your agent. This will provide you with support from both the realtor and the developer through the building process.

## **Open House**

A convenient way for listing agents to show a property. Typically Saturday and Sunday afternoons.