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BUYER CONGRATULATIONS BOOK



SPRINGS HOMES

719.388.4000

www.springshomes.com

Congratulations!

You are on your way to owning a new home. The following package of information will help you understand the process involved in seeing this transaction through to closing. Our office is set up to manage your transaction from start to finish. Since this is your transaction, we do need your cooperation. The first major checklist in this package consists of those items we need you to take care of. We will oversee the deadlines and details but need your help in completing these items.

Please read this guide carefully and refer to it frequently. Give us a call if you ever have any questions. [719.388.4000](tel:719.388.4000)

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Who to contact when you need assistance

Our office will manage your file through the closing of your real estate transaction. We will track and manage the day-to-day issues that arise during the course of a real estate transaction.



Springs Homes

5262 N. Nevada Ave #130-483

Colorado Springs, CO 80918

719.388.4000 (p)

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www.SpringsHomes.com

Buyer's Closing Checklist

- **Loan Application Deadline** – If you have not done so already, you will need to make written loan application with a Lender by the loan application deadline. These are lenders we have worked with in the past. They are professional and our clients have been very happy with their service.

Courtney Kline Caliber Home Loans Cell: 719.492.4092 Courtney.kline@caliberhomeloans.com	Heather Kunce Cobalt Mortgage 719.466.8707 heather.kunce@cobaltmortgage.com
Bobbie Moore First Bank 719.638.4151 bobbie.moore@efirstbank.com	Kevin Smith Homebridge Mortgage 719.231.3643 ksmith@homebridge.com
Annjie Williams Nova Home Loans 719.884.5509 annjie.williams@novahomeloans.com	

- **Home Inspection** – We will setup the home inspection in conjunction with your schedule.
- **Home Owner's Insurance** – If you are obtaining a loan, your lender will require that you insure their investment. You will need to setup a Homeowner's Insurance policy by the "Property Insurance Objection Deadline" in the contract. The purpose of this deadline is to make sure the home is "insurable". It is important to note that Colorado experiences more wind and hail than most states. Therefore, it is important to address roof coverage when purchasing your homeowner's policy. Many carriers "devalue" roofs. Devaluation is a practice where the insurance carrier factors the age and preexisting condition of the roof into the amount they payout if the roof needs to be replaced. This adjustment is in addition to the deductible.

- **Loan Objection** – Most lenders will resell your loan into the secondary mortgage market soon after it closes. They do this so they can turn around and re-loan that money to yet another homebuyer. The entities that buy these loans establish certain “conditions” borrowers must meet before they will buy the loans. After your initial loan application, your lender will most likely come back to you with a list of loan conditions. These conditions are required to obtain loan approval. Please promptly comply with your lenders requests for loan condition items.

- **Transfer Utilities** – Utilities should be transferred into your name at least one week prior to closing, effective the date of closing. Your Transaction Coordinator will notify you of the services you need to contact in order to transfer the correct services. *See enclosed utility list at the back of this publication.

- **Wire Transfer** – The easiest way to deliver “Good Funds” to the Title Company is to wire money directly from your bank. Once we have final numbers from the title company, we will contact you about setting up the wire transfer.

- **Photo ID** – Make sure you bring a valid photo ID to the closing (Driver’s License, Passport, Military ID, etc.)

- **Social Security Number**– Make sure you know your Social Security Number. You don’t need to bring the card, just know the number.

Having all of this done prior to closing eliminates the likelihood of problems at the closing. We want your closing to go as smoothly as possible so please complete this list prior to the deadlines and closing date.

Office Checklist for Buyer Closing

A large part of our responsibility is to monitor certain milestones once you are under contract on a property. We essentially walk the contract through to closing. Here is an abbreviated list of what we do to get your transaction closed.

- Stay in close contact with your Lender on your loan status, conditions and deadlines.
- Send copies to all involved parties: Lender, listing agent, and you our client.
- Coordinate inspection with agent, inspector, and listing agent.
- Track all the following deadlines:

_____ Loan Application and Objection

_____ Appraisal and Objection

_____ Record Title Deadline and Objection

_____ Owners Association Documents

- Deadline and Objection

_____ Off-Record Title Deadline and Objection

_____ Off-Record Matters Objection

_____ Seller's Property Disclosure

_____ Inspection Objection and Resolution

_____ Property Insurance Objection Deadline

- Review Title Commitments, request additional documentation and dispute any unnecessary exceptions and judgments (as necessary).
- After inspection, contact Buyer and discuss what repairs they would like to request. Prepare Inspection Objection and obtain signature(s). Forward notice to listing agent to present to Sellers.
- Follow up with listing agent to check status on inspection items before inspection resolution.
- Make certain all parties are in agreement in writing by the resolution deadline.
- Contact Lender weekly with status reports. Review and make sure Lender is on track to meet all deadlines.
- Track appraisal deadline.
- Track ILC deadline (if applicable)-Make sure Improvement Location Certificate is ordered, if required.
- Track Loan Objection Deadline.
- Check with Buyer that insurance has been ordered. Obtain insurance company, contact, phone number, and premium amount.
- Coordinate closing with all parties, to include seller, buyer, agents, lender and title representative.
- Contact Buyer to see if all parties will be at closing. If not, order a Power of Attorney or arrange for documents to be mailed. Get Buyer to notarize, send a copy to the Title Company and Lender. Keep the original in our file.
- Confirm Utilities have been put into the Buyer's Name.
- Coordinate walk through with Buyer and notify listing agent.

- Call closer 10 days before closing for final figures.
- One week before closing, call the listing agent, check status of inspection items and obtain receipts as necessary.
- Three days before closing, call the Lender and ask what department the file is in and when it will arrive at the Title Company. Continue to follow up until the Title Company receives the loan package.
- Contact closer to see if there are any final loan conditions to be met prior to closing.
- Once figures arrive, notify Buyer. If it is a wire transfer, money must be sent 24 hours prior to closing. Confirm the wire went out and call the Title Company to confirm it arrived. If funds are in the form of a cashier's check, be sure Buyer gets the check made payable to self to sign over to the Title Company at closing.
- Confirm walk through and closing with all parties.
- Gather final paperwork to be signed, necessary documents and closing folder.

Loan Application Checklist

After you choose a Lender, you will need to make loan application by the loan application deadline (see Buyer Checklist for deadline). Below is a list of documentation required before your loan package can be fully processed and submitted for loan approval. So...to expedite your loan, deliver all of the requested items to your Lender in a timely manner.

Documentation Required

- _____ Pay stubs – 30 days
- _____ W-2's or 1099's for the most recent two years
- _____ Recent Bank Statement on all account(s): 2 months, all pages
- _____ 2-year Residence Address
- _____ Divorce Decree AND Separation Agreement (if applicable)
- _____ Copy of Bankruptcy Petition and Discharge Papers (if applicable)
- _____ Money for Credit Report and Appraisal (often included in lender closing costs)

VA Loans:

- _____ LES Statement
- _____ Certificate of Eligibility (must be updated if over one year old)
- _____ VA Form 1880
- _____ VA Discharge (DD214) (non-active duty only)
- _____ Statement of Service (active duty)

Self Employed or Commission:

- _____ Most recent two years 1040 tax returns, signed and dated
- _____ Corporation return (1120) (if applicable)
- _____ Sub S Corp (1120S)
- _____ Partnership returns (1065)

Loan Process

A reputable Lender should be able to give you preliminary loan approval within minutes of your application. Credit is run instantly and the loan is analyzed based on the following:

1. Loan to value (the percentage of the price to the loan amount)
2. Assets for closing
3. Assets in reserve after closing
4. Credit scores
5. Income – all sources
6. Ratio of income to housing expense & monthly debt

The huge variety of loan products makes specific numbers or requirements impossible to define. Each case is considered on its own merit. Your lender will define the best situation for your needs. The contract is conditional upon Buyer determining whether the New Loan is satisfactory to Buyer, including its availability, payments, interest rate, terms, conditions, and cost of such New Loan. Buyer has the Right to Terminate under § 25.1, on or before Loan Objection Deadline (§ 3), if the New Loan is not satisfactory to Buyer, in Buyer's sole subjective discretion. If the seller is not in default and does not timely receive buyer's written notice to terminate, buyer's earnest money will be non-refundable, except as otherwise provided in this Contract (e.g., Appraisal, Title, Survey).

APPRAISAL

The lender may arrange to have the property appraised. This is an upfront charge that the lender will collect at loan application. A professional, licensed appraiser will research the value of your home. If the property does not appraise for the purchase price, three options are available.

1. The amount of your mortgage would be smaller, resulting in a larger down payment.
2. The purchase price can be renegotiated.
3. The contract may be terminated.

INSURANCE

You will need to choose and approve your hazard insurance company (homeowner's insurance). You will discuss such things as amount of coverage and deductibles. The lender does not care who your insurance company is, but the amount of insurance must cover your loan amount. Please take care of your insurance selection as early as possible. The title company and lender cannot complete their figures for closing without final insurance figures.

LOAN CLOSING

Upon loan approval, the figures and closing documents are prepared and delivered to the title company. The title company "Closer" prorates taxes, insurance, interest and balances figures with the lender. The final figures are sent to both the selling and listing agents for final approval. Once the figures are approved and verified we will contact you with the final amount to bring to closing.

NOTE: YOU WILL NEED CERTIFIED FUNDS AT CLOSING

Title Insurance

The Title Company provides a current status on the title. This is usually where a flag will appear for any potential problems by notifying all parties what liens and/or judgments need to be paid at closing. The Title Company also provides a proposed commitment for your new title policy. This is where your lender will be listed as a lien holder.

Title companies must also provide covenants and Home Owners Association documents. The buyer has the opportunity to review and approve or object to all documentation.

ILC - IMPROVEMENT LOCATION CERTIFICATE

Improvement Location Certificates are certified by a licensed surveyor for the benefit of mortgage companies and title insurance companies, but are not surveys in the strict sense of the word. Before a mortgage or title insurance is issued, the interested parties want to have some assurance that the improvements on the subject property do not encroach onto adjoining properties, and that neighboring improvements do not encroach onto the subject property. In most cases an Improvement Location Certificate will be sufficient to show the relationship (location) of the structures (improvements) to the deed lines as described in the legal description. Distances from the major structures to the nearest deed lines will be shown. This information can show encroachments onto other properties or into areas reserved for easements.

The dimensions shown usually have a tolerance indicating that the measurements are not exact. The field methods employed for an Improvement Location Certificate are often not sufficient to precisely locate the deed line. If it is concluded that encroachments may exist but cannot be ascertained by an Improvement Location Certificate, a note suggesting the preparation of a monumented land survey or land survey plat to determine property line location may be included. Since the majority of properties clearly have no encroachments, the Improvement Location Certificate provides a way of meeting the needs of the Mortgage Company and Title Company without the expense of a monumented land survey. The seller must be able to provide, via the Title Company, a clear and merchantable title to the purchaser. The title company includes all parties in their research; so as a result, you will receive extensive paperwork throughout the transaction period.

Property Inspection

The Colorado Contract to Buy and Sell Real Property (CBS-1) contains specific language that affords buyers the opportunity to inspect the physical condition of any property, also known as “The Inspection Objection Deadline”.

The inspection is our time in the house with a trained professional, time to discover the true condition of the property you are about to buy. This is why the choice of an Inspector is an important one.

Property inspectors are not licensed or regulated but there are organizations that set guidelines, standards and promote general competence in the field. Organizations like The American Society of Home Inspectors ASHI, National Association of Home Inspectors NAHI, National Association of Certified Home Inspectors NAHCI, Additionally, personal referrals and past experiences can help find a skilled inspector.

Membership in one of the above organizations should be a minimum requirement. Inspectors generally follow a specific routine as well as a set of standards or guidelines when they perform an inspection. The inspection usually begins with the roof and exterior and then progresses in towards the center of the home. The inspection should address all of the major systems of the home as well as any structural, health and safety issues.

It’s important to note the home inspector is a generalist. When there are serious structural, mechanical or electrical issues, the inspector should recommend further evaluation by a licensed specialist.

Buyer Inspection Rights

As a home buyer, you have the right to have your new home inspected and/or tested for possible issues. Here is a list of items you should consider doing, prior to closing.

- Home Inspection – to determine the condition of your home. One usually runs \$300-\$400. Price is based on age and size of home.
- Radon Test - to determine if your home has unsafe levels of Radon gas inside. Usually runs \$130.
- Sewer Line Scope - to see if sewer lines are obstructed or working properly. Usually runs \$150-\$250.
- Lead-Based Paint Assessment - to determine if the home contains lead-based paint (applies to anything built prior to 1978). Usually runs \$300.
- Meth Lab Test - to test if your home has ever had methamphetamine in it. Usually runs \$1000 for whole house or \$600 for specific area.
- Mold Test - to see if your home contains dangerous mold. Usually runs \$300.
- Well Test - to determine the condition of the well pump, well flow speed and volume, and bacteria test on the water. This set of tests usually runs \$350-\$750.
- Septic Inspection - to determine the condition of the septic tank and if it needs to be pumped. Usually runs \$300-\$400. This is a required inspection.
- Trees - to determine the health of trees on the property. Usually runs \$100-\$400 depending on the size of the lot and abundance of trees.
- Soils and Percolation Test - For new construction on acreage. Both tests together can be \$1000.

Buyer

Buyer

Radon

WHAT IS RADON AND HOW DOES IT AFFECT YOUR HOME?

Radon is a colorless, odorless, radioactive gas. Radon forms through the natural breakdown of uranium in soil, rock and water. Radon moves up through the ground to the air above and into your home through cracks and other holes in the foundation. Homes trap radon inside, where it can build up and be inhaled by the inhabitants. Any home may have a radon problem, new and old homes, well-sealed and drafty homes, as well as homes with or without basements.

WHY IS RADON A PROBLEM?

Radon gas decays into radioactive particles that can get trapped in your lungs when you breathe. As these particles break down further, they release small bursts of energy. This can damage lung tissue and potentially lead to lung cancer over the course of your lifetime.

The EPA estimates that radon is responsible for approximately 20,000 deaths from lung cancer every year. Not everyone exposed to elevated levels of radon will develop lung cancer and the amount of time between exposure and the onset of the disease may be many years.

Believe it or not radon is a controversial topic and there are actually those that don't even believe it exists, or that it can be harmful. On the other hand, here is a list of organizations that state Radon is a health threat:

- U.S. Surgeon General
- American Medical Association
- American Lung Association
- Centers for Disease Control
- National Cancer Institute
- Environmental Protection Agency
- National Academy of Sciences

IS THERE ANYTHING I CAN DO?

Absolutely, radon reduction systems work and they are not too costly. Some radon reduction systems can reduce radon levels in your home by up to 99%.

Even very high levels can be reduced to acceptable levels. It is not unusual to see tests in homes with mitigation systems come in below the level of the outside air.

HOW DOES THIS WORK WHEN BUYING A HOUSE?

In Colorado Springs, we generally treat radon as an inspection issue. This means that we test for radon during the property inspection. If radon levels are high (4 pCi/L or higher), the installation of a mitigation system becomes a negotiable item. We will discuss inspections in another section.

The cost of a Radon mitigation system can range from \$1,500 to \$3,000, depending on the state of the existing foundation of the home. Systems for newer homes tend to cost less because modern building code requires builders to install perimeter or French drains around the base of a home's foundation. This drain is intended to keep water away from the foundation but also allows for easier installation of the radon mitigation system.

RADON INFILTRATION IS A SERIOUS CONDITION.

Even if you don't think it's harmful, chances are the next person to buy your home will. The time to address radon is before you close, not when you sell.

Radon is an additional test that is performed at the property inspection. The test takes up to 48 hours and requires multiple trips to the property, therefore the radon test is an additional charge (see inspection fee schedule).

Mold and Mildew

Molds are part of the natural environment. Outdoors, molds play a part in nature by breaking down dead organic matter such as fallen leaves and dead trees, but indoors, mold growth should be avoided. Molds reproduce by means of tiny spores; the spores are invisible to the naked eye and float through outdoor and indoor air. Mold may begin growing indoors when mold spores land on surfaces that are wet. There are many types of mold, and none of them will grow without water or moisture.

Our generally arid climate makes mold related issues a rarity here in the Pikes Peak region. This doesn't mean we aren't concerned with mold, it's just not as prevalent here as it is in more humid climates.

The property inspector looks for mold on the inspection, if mold is suspected, the inspector will recommend further evaluation by a certified professional. We can assist with procuring the appropriate professionals.

Inspection Report and Notice

The inspector will create a written report as to the condition of the property. We have included a sample copy of an inspection report in the Buyer Contract book you previously received from us.

After the inspection you should discuss the results with your Agent. Together you will produce a list of “unsatisfactory conditions”. These conditions are submitted in writing to the Sellers Agent. The Seller has until the “Resolution Deadline” to respond. Should the Seller agree to perform the items on our list, we are still “Under Contract”. Should the Seller reject our list or propose an alternative resolution we have the option to walk away with your earnest money intact or accept the Sellers response and proceed to closing. Either way, all parties must be in agreement, in writing, by the inspection resolution deadline.

We will do a final walk through of the property prior to closing to ensure that the property is in acceptable condition, verify that all inclusions from the contract are still with the house and confirm that all inspection items have been completed.

Utilities and Other Important Contacts

You will need to arrange to have the utilities transferred to your name at least one week prior to closing. The effective date will be the date of closing.

TELEPHONE SERVICE

Century Link

Residential Customer Service:

(800) 475-7526

Residential Repair Service:

(800) 573-1311

www.centurylink.com

ELECTRIC COMPANIES

Colorado Springs Department of Utilities

(Gas, Water, Wastewater & Electric)

111 S. Cascade Ave.

PO Box 1103

Colorado Springs, CO

Customer Service (local): (719) 448-4800, (800) 238-5434

www.csu.org

Intermountain Rural Electric Assn.

800 Highway 67

Woodland Park, CO

Customer Service (local): (719) 687-9277, After hours: (800) 332-9540

Mountain View Electric Association

1140 E. Woodmen Road

Falcon, CO

Customer Service: (719) 495-2283

Fountain

(Electric, Sewer & Water)

(719) 382-5604

GAS COMPANIES

Black Hills Energy

Customer Service: (800) 303-0752

www.blackhillsenergy.com

WATER/SEWER COMPANIES

Academy Water and Sanitation

1755 Spring Valley Dr.

Colorado Springs, CO

Customer Service: (719) 481-0711

Cherokee Metropolitan District

1335 Valley

Colorado Springs, CO

Customer Service: (719) 597-5080

Colorado Center Metropolitan District

4770 Horizonview Dr.

Security, CO

Customer Service: (719) 390-7003

Donala Water Sanitation District

15850 Holbein Dr.

Monument, CO 80132

Customer Service: (719) 488-3603

Forest View Acres Water District

16695 Von Neuman Dr.

Monument, CO

Customer Service: (719) 488-2110

Global Water Systems LLC

Monument, CO

Customer Service: (719) 488-3258

Highland Lakes Water District
3136 Blue Mesa Dr.
Divide, CO
Customer Service: (719) 687-7937

Mountain Mutual Water Co.
4338 Timber Lane
Cripple Creek, CO
Customer Service: (719) 689-2527

Pikes Peak Water Co.
90 S. Cascade Ave. Suite 950
Colorado Springs, CO
Customer Service: (719) 442-2376

Rock Creek Mesa Water District
180 Rock Creek Mesa Road
Colorado Springs, CO
Customer Service: (719) 576-0746

Stratmoor Hills Water & Sanitation district
1811 B Street
Colorado Springs, CO 80906
Customer Service: (719) 576-0311
After hours: (719) 576-1200

Tranquil Acres Water Supply
923 Blossom Rd.
Woodland Park, CO
Customer Service: (719) 687-1821

Sunset Metropolitan District
90 S. Cascade Ave. Suite 950
Colorado Springs, CO
Customer Service: (719) 442-2376

Triview Metropolitan District
174 S. Washington
Monument, CO
Customer Service: (719) 488-6868

Westwood Lakes Water District
391 Rampart Range Road
Woodland Park, CO
Customer Service: (719) 687-0761

Widefield Homes Water Co.
37 Widefield Boulevard
Widefield, CO
Customer Service: (719) 390-7111
Emergency: Water Division: 392-5534
Sewer Division: 392-8848

Woodmen Hills Metropolitan Water District
11720 Woodmen Hills Road
Falcon, CO
Customer Service: (719) 495-2500

Woodmoor Water & Sanitation District
1845 Woodmoor Dr.
Monument, CO
Customer Service: (719) 488-2525

CABLE SERVICE & INTERNET

Century Link
Residential Customer Service:
(800) 475-7526
Residential Repair Service:
(800) 573-1311
www.centurylink.com

Comcast
(Internet & Cable)
213 North Union Blvd.
Colorado Springs, CO 80909
(800) Comcast, (800) 266-2278

Falcon Broadband
102 S. Tejon Street
Colorado Springs, CO 80903
(719) 471-0117

Woodland Park
US Cable
(800) 480-7020

TRASH REMOVAL SERVICES

US Waste
7770 Palmer Park Blvd.
Colorado Springs, CO
Residential Customer Service:
(719) 591-5000

Waste Management
80 E. Chambers
Colorado Springs, CO
(719) 632-8877
www.wm.com

Bestway Disposal
PO Box 1207
Colorado Springs, CO
Customer Service: (719) 633-8709
www.bestwaydisposal.com

Tri Lakes Disposal
(719) 495-8652
www.trilakesdisposal.com

MAIL SERVICE

You should change your address with the post office about 2 weeks before your move.

You can complete this process online at <http://moversguide.usps.com>

You can use this site to:

1. Locate the closest Post Office to your new home.
2. Change your address, so your mail is waiting when you get there

School Districts

<p>Academy #20 (719) 598-2566 https://www.asd20.org/</p>	<p>Harrison #2 (719) 579-2000 http://www.hsd2.org/</p>
<p>Calhan RJ-1 (719) 347-2541 http://www.calhanschool.org/</p>	<p>Lewis-Palmer #38 (719) 488-4700 http://lewispalmer.org/</p>
<p>Cheyenne Mountain #12 (719) 475-6100 http://www.cmsd.k12.co.us/</p>	<p>Manitou Springs #14 (719) 685-2024 https://www.mssd14.org/</p>
<p>Colorado Springs #11 (719) 520-2000 http://www.d11.org/</p>	<p>Peyton 23-JT (719) 749-2330 www.peyton.k12.co.us</p>
<p>Ellicott #22 (719) 570-6038 http://www.ellicottschoools.org/</p>	<p>Widefield #3 (719) 391-3000 http://www.wsd3.org/</p>
<p>Falcon #49 (719) 495-3601 http://www.d49.org/</p>	<p>Woodland Park RE-2 (719) 686-2017 http://www.wpsdk12.org/</p>
<p>Fountain/Ft. Carson #8 (719) 382-1300 http://www.ffc8.org/</p>	