



CUMMINGS & Co.
REALTORS

Buyer Guide



A Guide to Finding Your Home

Buying with Cummings & Co.

At Cummings & Co., we are bringing together the world's sharpest, most creative Real Estate professionals who will assist you in finding your future home.

Since Cummings & Co.'s launch in 2006, we've aimed to simplify the real estate process, one market at a time. With agents and teams serving our vibrant communities, we are now among the east coast's largest owned independent brokerages with offices in:

- Bel Air
- Canton
- Columbia
- Federal Hill
- Perry Hall
- Roland Park
- Ruxton
- Shrewsbury, PA
- Timonium
- Westminster



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BALTIMORE SUN
MEDIA

Cummings & Co. is a 2022 Top
Workplace!
7 Years Running

Finding Homes, Not Just Houses.

Helping You Find Forever.



“Home” is more than just a building – it’s a feeling, an emotion, and a haven in which you will make memories for many years. It’s not always just about the bricks, but their history – not just about the windows, but the way the light flows in them at just the perfect time while you enjoy a chapter of your favorite book at noon. At Cummings & Co., we understand these neighborhoods. We have walked their streets, driven their roads, enjoyed the breeze on a cool, autumn evening as we celebrate and make memories with our friends. Every agent at Cummings & Co. will treat the buying process with the utmost professionalism. We understand the importance of a caring and comforting demeanor, and we know that our guidance may help you find that perfect place to call “home.”

Our agents want to give you more than just the data you can find on Zillow, Redfin, or any other simple listing syndication website – we want to help you to find those implicit things that you may not even know you’ve been searching for. Whether it’s the way the kitchen prep space faces the family room so you can be a part of the action while entertaining, or perhaps how the built-in

bookshelves border the perfect spot to curl up with a book. Every single agent wants to get to know you and understand those things that seem minor, but truly make a space more than just a space.

Once we understand you we can work out the details, everything including seeking lenders, scheduling showings, making lists, communicating with title companies, and touring places to find your new home. Perhaps one of the biggest benefits to working with an agent Cummings & Co. is the support you receive. You’re not working with just an agent, but an agent with access to administrative staff, an endless array of lenders and service providers, and problem solvers who can answer most any inquiry. We endeavor to alleviate the stress of the whole process, from the moment you begin to work with us and to the very end — when you have, in-hand, the keys to your brand new “home.” Those keys unlock the door to not just some building, but to opportunity, memory-making, and relaxing.

Reasons to Own a Home

01. Tax Breaks

The U.S. Tax Code lets you deduct the interest you pay on your mortgage, your property taxes, as well as some of the costs involved in buying your home.

02. Equity

Money paid for rent is money that you'll never see again, but mortgage payments let you build equity ownership interest in your home.

03. Savings

Building equity in your home is a ready-made savings plan. And when you sell, you can generally take up to \$250,000 (\$500,000 for a married couple) as a gain without owing any federal income tax.

04. Predictability

Unlike rent, your fixed-mortgage payments don't rise over the years so your housing costs may actually decline as you own the home longer. However, keep in mind that property taxes and insurance costs will increase.

05. Freedom

The home is yours. You can decorate any way you want and benefit from your investment for as long as you own the home.

06. Appreciation

Real estate has long-term, stable growth in value. While year-to-year fluctuations are normal, median existing-home sale prices have increased on average 6.5 percent each year and increased 88.5 percent over the last 10 years, according to the NATIONAL ASSOCIATION OF REALTORS®. In addition, the number of U.S. households is expected to rise 15 percent over the next decade, creating continued high demand for housing.

07. Stability

Remaining in one neighborhood for several years gives you a chance to participate in community activities, establish lasting friendships, and benefit from educational opportunities.

Let's Budget

The first step in getting yourself in financial shape to buy a home is to know exactly how much money comes in and how much goes out.

Income

Take home pay (all family members)
Child support/alimony
Pension/social security
Disability/other insurance
Interest/dividends

Expenses

Rent/mortgage (include taxes, principal, and insurance)
Life insurance
Health/disability insurance
Vehicle insurance
Homeowner's or other insurance
Car payments
Other loan payments
Savings/pension contribution
Utilities (gas, water, electric, phone)
Credit card payments
Car upkeep (gas, maintenance, etc.)
Clothing
Personal
Groceries
Food outside the home (restaurant meals and carryout)
Medical / dental / prescriptions
Household goods (hardware, lawn, and garden)
Recreation/entertainment
Child care
Education (continuing education, classes, etc.)
Charitable donations



The Process

Pre-approval and Financial Considerations

Before you begin your search, you will need to get pre-approved. The lender you choose is vitally important. We have a handful of lenders we recommend based on your individual situation. Having a local lender who becomes “part of our team” is key. We want to make sure you have realistic expectations before we begin our house hunt. This will help us refine your search criteria so we can proceed with confidence, knowing your payments will be comfortable for you. In our current market, being armed with a pre-approval upfront will allow for decisions to be made quickly.

Solidify Buyer Representation

It is important to know that you will be represented and your rights will be protected through Buyer’s Agency. We like to begin with a brief consultation in the office or at a location convenient for you. We take the time to get to know your goals and timeline and will provide you with neighborhood information, mortgage resources and an overview of how we work as a team to make it all happen seamlessly.

National On-Line Listing & MLS Portals

We will send you listings from the MLS that meet your criteria through an online listing portal. You will be sent listings in real time as they hit the market, you can highlight, delete and send notes to your agent.

Home Search

We like to show properties that meet your search criteria and will schedule comprehensive tours of properties and their neighborhoods. Our philosophy is that we will show you as many properties as it takes until you find “the one”; we will never rush you or push you into making a decision.

Submitting Offer

Once we find a home you love, we will prepare your offer. We will review all necessary paperwork together in person or via DocuSign/ phone. Earnest money deposit will be included in the offer. For convenience, buyers can submit an online deposit of the EMD once the offer is accepted. There is no charge to the buyers for this service.

Negotiate

We will strategically negotiate the terms and price of your offer with the listing agent on your behalf. Once both parties reach a consensus and sign off on the Contract of Sale, it is considered fully executed.

Inspections

Per the contract, you will have a specified time period to perform and negotiate all inspections. We have professional inspectors we will be happy to recommend.

The Mortgage

You will immediately complete your mortgage application and submit all necessary documentation to your lender. The lender will provide us with a written mortgage commitment on the date we specify in the contract.

Title

The title company will order title on your behalf, unless you instruct us otherwise. We will review the report when it arrives and make the seller aware of any liens or judgments which he/she will clear prior to conveying the property to you. We assist, as needed, with resolving any issues which arise.

Homeowner’s Insurance

You will obtain a homeowner’s or hazard insurance policy to cover your home and personal possessions.

Contact Utility Companies/Post Office

You will contact electric, gas, oil, cable, Internet, etc. to have utilities switched into your name as of the date of settlement. You may also change your mailing address at the post office.

Pre-Settlement Walk-Through

We will accompany you as you perform a pre-settlement walk through just before settlement to assure that all agreed upon home inspection repairs have been completed and that the property is in reasonably the same condition it was in when you agreed to purchase.

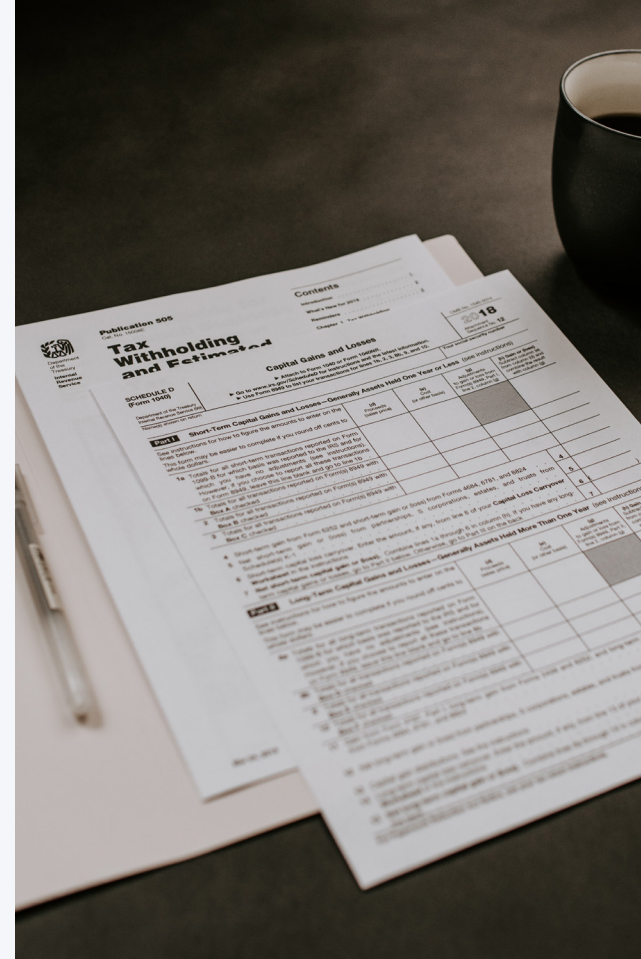
Settlement!

Celebrate receiving the keys to your new home!

Pre-Approval

Below is a document checklist. Make sure you have everything in order before seeking pre-approval.

- ☐ W-2 forms — or business tax return forms if you're self-employed — for the last two or three years for every person signing the loan.
- ☐ Copies of at least one recent pay stub for each person signing the loan.
- ☐ Account numbers of all your credit cards and the amounts for any outstanding balances.
- ☐ Copies of two to four months of bank or credit union statements for both checking and savings accounts.
- ☐ Lender, loan number, and amount owed on other installment loans, such as student loans and car loans.
- ☐ Addresses where you've lived for the last five to seven years, with names of landlords if appropriate.
- ☐ Copies of brokerage account statements for two to four months, as well as a list of any other major assets of value, such as a boat, RV, or stocks or bonds not held in a brokerage account.
- ☐ Copies of your most recent 401(k) or other retirement account statement.
- ☐ Documentation to verify additional income, such as child support or a pension.
- ☐ Copies of personal tax forms for the last two to three years.



Pro-Tips — The Offer

How to negotiate a strong offer based on any market

01. We always want to present our offer in the most clear and concise way possible. Buyers often think that the seller is only interested in price but the terms and conditions of the offer can also play a huge role in getting it accepted. Settlement dates, inspection contingencies, and financing terms are sometimes just as important.
02. The lender you choose can make a difference (take our advice and use one of our recommended local lenders with a stellar reputation!) Showing a clear picture of financial strength through a strong pre-approval letter will strengthen your offer.
03. In a competitive situation, we are looking for any advantage that might make a seller accept your offer over a competitor's offer. Sometimes it just comes down to the final price. In a multiple offer situation, one strategy is to include a price escalation clause addendum. The escalation clause is a way to entice the seller into showing you the offer to beat and since we don't know what the other offers on the table are, it prevents you from essentially bidding against yourself. It allows you to offer to the seller the maximum price you'd pay for the home without starting there.
04. Always keep in mind that in a case of multiple offers, we may only get one shot. If all of the offers are drastically different in price, terms and conditions and one stands out as being significantly better, the seller may just select that offer. If all of the offers are similar, they may come back to all parties asking for our highest and best by a certain time. Just know that we may not be given that opportunity so we want to come in as strong as we can from the beginning.

The Inspection

Home inspections will vary depending on the type of property you are purchasing. A large historic home, for example, will require a more specialized inspection than a small condominium. However, the following are the basic elements that a home inspector will check. You can also use the list to help you evaluate properties you might purchase.

Structure

A home's skeleton impacts how the property stands up to weather, gravity, and the earth.

Structural components, including the foundation and the framing, should be inspected.

Exterior

The inspector should look at sidewalks, driveways, steps, windows, and doors. A home's siding, trim, and surface drainage also are part of an exterior inspection.

Roofing

A well-maintained roof protects you from rain, snow, and other forces of nature. Take note of the roof's age, conditions of flashing, roof draining systems (pooling water), buckled shingles, loose gutters and downspouts, skylight, and chimneys.

Plumbing

Thoroughly examine the water supply and drainage systems, water heating equipment, and fuel storage systems. Drainage pumps and sump pumps also fall under this category. Poor water pressure, banging pipes, rust spots, or corrosion can indicate problems.

Maryland is a Buyer Beware state. There are additional inspections you can include to understand the condition of your future home. Radon testing, wood destroying insect inspection (termite), sewer line inspection, asbestos, lead based paint, etc. Consult with your agent about your concerns. If you are purchasing a home with well and septic, you may want to perform a well yield test, potability analysis and septic inspection.

Electrical

Safe electrical wiring is essential. Look for the condition of service entrance wires, service panels, breakers and fuses, and disconnects. Also take note of the number of outlets in each room.

Heating

The home's heating system, vent system, flues, and chimneys should be inspected. Look for age of water heater, whether the size is adequate for the house, speed of recovery, and energy rating.

Air Conditioning

Your inspector should describe your home cooling system, its energy source, and inspect central and through-wall cooling equipment. Consider the age and energy rating of the system.

Interiors

An inspection of the inside of the home can reveal plumbing leaks, insect damage, rot, construction defects, and other issues. An inspector should take a close look at walls, ceilings and floors, steps, stairways, and railings, countertops and cabinets and garage doors and garage door systems.

Ventilation/Insulation

To prevent energy loss, check for adequate insulation and ventilation in the attic and in unfinished areas such as crawl spaces. Also look for properly secured insulation in walls. Insulation should be appropriate for the climate. Excess moisture in the home can lead to mold and water damage.

Radon test and wood destroying insect inspection.

Closing Costs

You are responsible for a variety of fees and expenses that you and the seller will have to pay at the time of closing. Your lender must provide a good-faith estimate of all settlement costs when you apply for your loan. Typical closing costs equal between 3.5-4.5% of the purchase price. With some loan programs, you may ask the seller to provide concessions to help defer a portion of these costs, known as “seller’s assist”.

1. Points, or loan discount fees, which you pay to receive a lower interest rate
2. Transfer tax and recordation taxes will vary by county. Typically, these are split equally between buyer and seller.
3. Insurance escrow for homeowner’s insurance, if being paid as part of the mortgage
4. Property taxes escrow, if being paid as part of the mortgage. Lenders keep funds for taxes and insurance in escrow accounts as they are paid with mortgage, then pay the insurance and taxes for you.
5. Private mortgage insurance premium if applicable
6. Loan origination
7. Appraisal
8. Credit report
9. Deed recording
10. Title insurance policy premiums
11. Notary fees



A note about prorations: Because such costs are usually paid on either a monthly or yearly basis, you might have to pay a bill for services used by the sellers before they moved. Proration is a way for the sellers to pay you back or for you to pay them for bills they may have paid in advance. For example, the HOA usually sends a bill each month for the HOA dues. If you buy the home on the 6th of the month, you would owe the HOA for only the days from the 6th to the end for the month. The seller would owe for the first five days. The bill would be prorated for the number of days in the month, and then each person would be responsible for the days of his or her ownership.



With more than 150 combined years of experience, Cummings & Co's in-house title company offers convenience without sacrificing on quality. We are confident that our professionals can help make your transaction flawless and stress-free. Although you are welcome to work with a title company of your choosing, we would love and appreciate the opportunity to earn your business with our in-house team!



Testimonials

E.C: "Mark was by far the best agent we have ever worked with. He is detailed minded and thoroughly professional. He was sympathetic and patient with all of our needs and sold our home in 2 days! His expertise and local knowledge shone through. Thank you Mark!!"

T.W: "I rarely write reviews. However, our experience over the last few months compelled me to write, for no other reason than it is such a rare occasion that one receives the kind of service, support and professionalism that Mark provided when we purchased our home. From the initial conversation, to the advice we received on submitting a competitive offer on our new home, the service was outstanding. Mark is experienced, knowledgeable, professional and efficient. He worked tirelessly on our behalf, juggling every aspect of the purchase, from simply helping to alleviate our stress, to expertly negotiating repairs with the sellers, while always keeping everyone informed throughout the entire process. He was readily available whenever we needed information and always, always, in a professional friendly manner. I cannot recommend Mark more highly. I know that I would not use anyone else. Thank you to Mark for helping our family find our forever home - you really are AMAZING and truly WONDERFUL."



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Office: 410-823-0033

Web cummingsrealtors.com