

# Welcome to the First-Time Homebuyer Presentation

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# Overview of the Home Buying Process

- **Step 1:** Determine Your Budget and Get Pre-Approved for a Mortgage
- **Step 2:** Find a Real Estate Agent
- **Step 3:** Search for a Home
- **Step 4:** Make an Offer and Negotiate
- **Step 5:** Secure Financing
- **Step 6:** Closing the Deal
- **Step 7:** Move-In!



# **Step 1: Determine Your Budget & Get Pre-Approved**

- **Why Pre-Approval Matters:** Strengthens your offer and gives you an idea of your purchasing power.
- **Key Documents for Pre-Approval:** Income verification, credit report, debt-to-income ratio.



## Step 2: Find a Real Estate Agent

- **Why Use an Agent?:** Helps navigate the home-buying process, negotiate on your behalf, and ensure legal compliance.
- **Agent's Duties:** Fiduciary duty to represent your best interests, help with contract negotiations, and advise on market conditions.
- **MA Law:** Agents must be licensed by the Massachusetts Board of Registration of Real Estate Brokers and Salespersons.



## Step 3: Search for a Home

- **Factors to Consider:**

- Location (school districts, transportation, safety)
- Property features (size, condition, amenities)



## Step 4: Make an Offer & Negotiate

- **Offer Price:** Based on comparable homes (CMAs), and market conditions.
- **Earnest Money:** A deposit made to show seriousness about the offer. Typically held by a third party (agent or escrow company).  
(\$500 to \$1000)
- **Negotiation Tips:** Be prepared for counteroffers and understand contingencies.



# Step 5: Secure Financing

- **Types of Loans:**

- Conventional Loans
- FHA Loans
- VA Loans (for veterans)
- MassHousing Loan Programs (State-specific options)



# Step 6: Closing the Deal

- **What Happens at Closing:**

- Final walkthrough of the property.
- Signing the closing documents, including the deed, mortgage, and title transfer.
- Payment of closing costs (attorney fees, recording fees, title insurance).

- **MA Law:** Massachusetts is an "Attorney State," which means you are required to have an attorney involved in the closing process.



## Step 7: Moving In!

- **Get Your Keys:** After all documents are signed and funds transferred.
  
- **Change the Locks:** For security reasons, change the locks as soon as possible.





# Commonwealth of Massachusetts

## BOARD OF REGISTRATION OF REAL ESTATE BROKERS AND SALESPERSONS

<http://www.mass.gov/ocabr/licensee/dpl-boards/re/>

### MASSACHUSETTS MANDATORY LICENSEE-CONSUMER RELATIONSHIP DISCLOSURE

#### THIS IS NOT A CONTRACT

This disclosure is provided to you, the consumer, by the real estate licensee listed in this disclosure.

#### THE TIME WHEN THE LICENSEE MUST PROVIDE THIS NOTICE TO THE CONSUMER:

All real estate licensees must present this form to you at the first personal meeting with you to discuss a specific residential property. If there is no personal meeting between you and the licensee, this form must be presented electronically or through some other means before the licensee enters into a contract with a consumer. Residential property is defined as land with a building intended for use as a one to four-unit residential dwelling or the purchase or sale of land on which a building is intended to be constructed for use as a one- or two-unit residential dwelling. In the event this relationship changes an additional disclosure must be provided and completed at that time.

#### CONSUMER INFORMATION AND RESPONSIBILITY:

If you are a buyer or seller, you can engage a licensee to provide advice, assistance and representation to you as your agent. The licensee can represent you as the seller (Seller's Agent) or represent you as the buyer (Buyer's Agent) or can assist you as a Facilitator.

All real estate licensees, regardless of the working relationship with a consumer must, by law, present properties honestly and accurately, and disclose known material defects in the real estate.

The duties of a real estate licensee do not relieve consumers of the responsibility to protect their own interests. If you need advice for legal, tax, insurance or land survey matters it is your responsibility to consult a professional in those areas. Real estate licensees do not and cannot perform home, lead paint, or insect inspections, nor do they perform septic system, wetlands or environmental evaluations.

Do not assume that a real estate licensee works solely for you unless you have an agreement for that relationship.

For more detailed definitions and descriptions about real estate relationships, please see page 2 of this disclosure.

#### THE SELLER OR BUYER RECEIVING THIS DISCLOSURE IS HEREBY ADVISED THAT THE REAL ESTATE LICENSEE NAMED BELOW IS WORKING AS A:

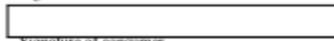
Check one:  Seller's agent  Buyer's agent  Facilitator

If seller's or buyer's agent is checked above, the licensee must complete the following section:

Check one:  Non-Designated Agency  
The real estate firm or business listed below and all other affiliated agents are also working as the agent of the  
 Seller  Buyer

Designated Agency  
Only the licensee named herein represents the  
 Seller  Buyer (designated seller agency or designated buyer agency). In this situation any other agents affiliated with the firm or business listed below do not represent you and may represent another party in your real estate transaction.

By signing below, I, the real estate licensee, acknowledge that this disclosure has been provided to the consumer named herein:

	Kethiasy Sithan	9564030	<input type="checkbox"/> Broker <input checked="" type="checkbox"/> Salesperson	_____
Signature of Licensee	Printed name of Licensee	License #		Today's Date
Lamacchia Realty	8405			
Name Real Estate Brokerage Firm	Brokerage Firm License #			
			<input checked="" type="checkbox"/> Buyer <input type="checkbox"/> Seller	_____
Signature of consumer	Printed name of consumer			Today's Date
			<input type="checkbox"/> Buyer <input type="checkbox"/> Seller	_____
Signature of consumer	Printed name of consumer			Today's Date

**CONTRACT TO PURCHASE REAL ESTATE #501** (Page 1 of 3)  
(With Contingencies)



(BINDING CONTRACT. IF LEGAL ADVICE IS DESIRED, CONSULT AN ATTORNEY.)

<b>From: BUYER(S):</b>	<b>To: OWNER OF RECORD ("SELLER"):</b>
Name(s): _____	Name(s): _____
Address: _____	Address: _____
_____	_____
_____	_____

\_\_\_\_\_ affiliated with \_\_\_\_\_  
(Name of Licensee) (Name of Brokerage)

duly licensed in the Commonwealth of Massachusetts, is operating in this transaction, pursuant to a separate agreement as:  
 BUYER'S Agent  SELLER'S Agent  Facilitator  Dual Agent  
on behalf of \_\_\_\_\_  
(Name of Client – Buyer or Seller)

*(This provision does not eliminate the requirement to have a signed Massachusetts Mandatory Real Estate Licensee-Consumer Relationship Disclosure but acts to satisfy Standard of Practice 16-10 in the REALTOR® Code of Ethics.)*

The BUYER offers to purchase the real property described as \_\_\_\_\_  
\_\_\_\_\_ together with all buildings and improvements thereon (the "Premises") to which BUYER has  
been introduced by \_\_\_\_\_ upon the following terms and conditions:

- Purchase Price:** The BUYER agrees to pay the sum of \$ \_\_\_\_\_ to the SELLER for the purchase of the Premises (the "Offer"), due as follows:
  - \$ \_\_\_\_\_ as a deposit to bind this Offer  
 and delivered herewith to the Seller or Seller's agent  
 or to be delivered forthwith upon receipt of written acceptance
  - \$ \_\_\_\_\_ as an additional deposit upon executing the Purchase and Sale Agreement;
  - Balance by bank's, cashier's, treasurer's or certified check or wire transfer at time for closing.
- Compensation to Buyer Broker.** *(Delete if Waived)* the BUYER'S obligations under this agreement are subject to SELLER'S agreement to pay  \_\_\_\_\_ % of the gross selling price of the Premises or  a flat fee of \$ \_\_\_\_\_ dollars to \_\_\_\_\_, the "BUYER'S BROKER" at the time of closing. (check one of the following):  
 This compensation is independent of and in addition to \_\_\_\_\_ (\$/%) offer of compensation made by the the LISTING BROKER to the BUYER'S BROKER.  
 There is no offer of compensation made by the LISTING BROKER to the BUYER'S BROKER or that offer was rejected.
- Duration of Offer.** This Offer is valid until \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_ by which time a copy of this Offer and attached Addenda, if any, shall be signed by the SELLER, accepting this Offer, and returned to the BUYER, otherwise this Offer shall be deemed rejected and the money tendered herewith shall be returned to the BUYER. Upon written notice to the BUYER or BUYER'S agent of the SELLER'S acceptance, the accepted Offer shall form a binding agreement.  
**Time is of the essence as to each provision.**
- Purchase and Sale Agreement.** The SELLER and the BUYER shall, on or before \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_ execute the Standard Purchase and Sale Agreement of the MASSACHUSETTS ASSOCIATION OF REALTORS® or substantial equivalent which, when executed, shall become the entire agreement between the parties and this Offer shall have no further force and effect.
- Closing.** The SELLER agrees to deliver a good and sufficient deed conveying good and clear record and marketable title at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_ at the \_\_\_\_\_ Registry of Deeds or such other time or place as may be mutually agreed upon by the parties.

**SELLER'S REPLY**

SELLER(S): (check one and sign below)

- (a) ACCEPT(S) the Offer as set forth above at \_\_\_\_\_ a.m./p.m. on this \_\_\_\_\_ day of \_\_\_\_\_.
- (b) REJECT(S) the Offer.
- (c) Reject(s) the Offer and MAKE(S) A COUNTEROFFER on the following terms:

This Counteroffer shall expire at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_ if not withdrawn earlier.

SELLER, or spouse	Date	SELLER	Date	

**(IF COUNTEROFFER FROM SELLER) BUYER'S REPLY**

The BUYER: (check one and sign below):

- (a) ACCEPT(S) the Counteroffer as set forth above at \_\_\_\_\_ a.m./p.m. on this \_\_\_\_\_ day of \_\_\_\_\_.
- (b) REJECT(S) the Counteroffer.

BUYER	Date	BUYER	Date	

**RECEIPT FOR DEPOSIT**

I hereby acknowledge receipt of a deposit in the amount of \$ \_\_\_\_\_ from the BUYER this \_\_\_\_\_ day of \_\_\_\_\_.

	Escrow Agent or Authorized Representative

# Important Legal Documents!!!!

- **Purchase & Sale Agreement:** The legal contract between buyer and seller.
- **Title Report:** Provides information on the property's ownership history and any liens or claims.
- **Closing Disclosure:** Provides a final breakdown of the costs associated with your mortgage.



# Tips for First-Time Homebuyers

- **Don't Skip the Inspection:** It can uncover costly repairs or safety hazards.
- **Understand Your Monthly Payment:** Factor in taxes, insurance, and home maintenance costs.
- **Work with Professionals:** A good team (realtor, attorney, loan officer, inspector) can make all the difference.



# **Important Change for Homebuyers: New Law** **Effective August 17, 2024**

**As of August 17, 2024, a new law has been enacted in Massachusetts that will impact how real estate transactions are handled, particularly when it comes to working with a buyer's agent. This change is designed to create more transparency and ensure both buyers and agents understand their responsibilities. Here's what you need to know:**



## **1. Buyers Are Now Required to Sign a Buyer Agreement Before Touring Homes**

**Under the new law, buyers will be required to sign a formal buyer agency agreement with their real estate agent before the agent can show them homes.**

- **Why is this change being made?**
  - **This agreement formalizes the relationship between you and your agent. It clearly defines the scope of the agent's services, what you can expect, and the obligations of both parties.**
  - **It ensures that agents are working exclusively for you, giving you confidence that your interests are prioritized throughout the home-buying process.**



- **What does the Buyer Agreement include?**

- **Exclusive Representation:** By signing, you're agreeing to work with that specific agent for a certain period (usually 3-6 months). This means they'll be your main point of contact for all home searches, negotiations, and offers.
- **Agent's Duties:** The agent will assist you in finding homes that meet your criteria, negotiating offers, and navigating the closing process.
- **Termination Clauses:** The agreement usually includes terms for ending the agreement early if you choose to work with a different agent or no longer need representation.



## **2. Paying the Buyer's Agent Commission**

**A significant change also involves who is responsible for paying the buyer's agent commission.**

- **Traditionally:** In most real estate transactions, the seller pays the commission for both the seller's and buyer's agents. This has been the standard practice in Massachusetts for years.
- **What's Changing?**
  - **Under the new law, if the seller does not offer to pay the buyer's agent's commission, you, as the buyer, may be required to pay that commission directly to your agent.**



- **Why is this important?**
  - **In some cases, sellers may decide not to offer to pay the buyer's agent commission (perhaps because of the nature of the sale or other factors). If this happens, the buyer could be responsible for covering the commission costs directly, which could add to your out-of-pocket expenses.**
  
- **What does this mean for you?**
  - **When you sign the buyer agreement, you'll have a clearer understanding of what your agent's commission will be and who is responsible for paying it. If you're asked to pay it, you'll be informed ahead of time, so there are no surprises.**
  
  - **You and your agent will also have an opportunity to discuss how the commission will be structured and what it will cost you if the seller isn't offering to pay it.**



- **How is the Commission Determined?**
  - **The commission amount will typically be a percentage of the home's sale price, though it can vary. Your buyer agent will go over the specific terms with you when you sign the agreement.**



### **3. How Does This Affect the Home Buying Process?**

- **Transparency:** This law change ensures that both parties (the buyer and the agent) are on the same page from the beginning. There are no surprises when it comes to representation or commission.
- **Clear Expectations:** You'll understand your agent's duties and what is expected of you, making the process smoother.
- **Flexibility:** If a seller refuses to pay the commission, you'll have the option to negotiate or come up with an agreement with your agent to cover the cost.



# Key Takeaways:

- **Before you can tour homes, you'll need to sign a buyer agreement with your agent.**
- **You'll agree on the terms of the commission in advance, including the possibility that you may need to pay your agent's commission if the seller doesn't.**
- **This law ensures more clarity and accountability for both you and your agent.**



## Final Thoughts

**While these changes may feel like an added step in the process, they are designed to protect you as a buyer and ensure that you have the support and guidance you need throughout the home-buying journey. It's always a good idea to ask any questions you have about the buyer agreement or commission structure before you sign anything, so you fully understand your rights and obligations.**

**If you have any questions or concerns about how this new law affects you specifically, feel free to reach out, and I'll be happy to explain further!**



## Thank You!

- **Congratulations on Taking the First Step:** We hope this presentation has provided you with valuable information to get started on your journey to homeownership!

