

## AGENT REPRESENTATION

We will take the time to explain the different kinds of agency relationships you may enter into with your Koenig & Strey agent.



## UNDERSTANDING AGENCY RELATIONSHIPS

### BUYER'S AGENT

A buyer's agent represents the buyer during the home buying process. The buyer's agent has a fiduciary responsibility to represent *only* the home buyer's best interest in all aspects of the home buying transaction.

### SELLER'S AGENT

A seller's agent represents the home seller. They may assist the buyer, but do *not* represent the buyer and must place the interest of the home seller first. The buyer should *not* tell the seller's agent anything the buyer would not want the seller to know because a seller's agent *must* disclose to the seller any material information known to the agent. The listing agent is the seller's designated agent.

### DUAL AGENT

A dual agent has a responsibility to represent both the buyer and the seller ethically and honestly, safeguarding the confidentiality of both clients.



## BUYING PROCESS

The differences between a buyer's agent and a seller's agent are not that difficult to understand, but you need to make the right choice.

## ADVANTAGES OF A BUYER'S AGENT

Services Provided	Buyer's Agent	Seller's Agent
Facilitates Property Showings	Yes	Yes
Explains Home Buying Process	Yes	No
Facilitates Closing	Yes	Yes
Prepares a Comparative Market Analysis for the Buyer	Yes	No
Keeps Your Financial Situation Confidential	Yes	No
Negotiates the Best Price on Your Behalf, Unless Acting as Dual Agent	Yes	No
Negotiates the Best Terms on Your Behalf*	Yes	No
Discloses Known Adverse Factors Relating to Conditions of Homes Viewed	Yes	Yes
Relays Information that would Enhance Your Buying Position	Yes	No
Maintains Confidentiality About the Buyer	Yes	No

\*Unless acting as a dual agent.

Note: Even if acting as a dual agent, your agent will fully disclose all known information about the property condition and transaction that may affect your interest.



M O R T G A G E P R O C E S S

We think a good rule of thumb is that your total payment for mortgage, taxes, insurance and assessments, should not exceed 28-33% of your gross monthly income.

## HOW MUCH CAN YOU AFFORD?

The amount of mortgage payment you can afford may be limited by your monthly payments on other long-term debts (those that will take more than 10 to 12 months to pay off).

The total of your monthly payments on long-term debts plus your proposed mortgage payments should not be more than 36-40% of your gross monthly income.

Now use the following formula to determine how much home you can afford. Start with a purchase price equal to approximately 2-1/2 to 4 times your gross annual salary.

If the Total Monthly Mortgage Payment is more than line E, you should select a smaller loan amount. Recalculate until Total Monthly Mortgage Payment is less than line E.

A. Gross Monthly Income	\$ _____ x 0.33 =	\$ _____
B. Gross Monthly Income	\$ _____ x 0.40 =	\$ _____
C. Monthly Payments on long-term debt		\$ _____
D. Subtract line C from line B		\$ _____
E. Enter the Smaller of lines A and D		\$ _____
Purchase Price	\$ _____	
Down Payment	\$ _____	
Purchase Price Less Down Payment Equals Proposed Mortgage Amount		\$ _____
Monthly Principal and Interest Payment (See Interest Rate Factor Chart)		\$ _____
Monthly Mortgage Payment		\$ _____
Real Estate Taxes / 12 (Approximately 2% of purchase price)		\$ _____
Homeowners Insurance (Approximately \$2.50 per \$1,000 of sales price)		\$ _____
Mortgage Insurance / 12 (Approximately \$6 per \$1,000 of mortgage amount based on fixed rate, 90% LTV)		\$ _____
Total Monthly Mortgage Payment		\$ _____

