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NEST REALTY BUYER'S HANDBOOK | SHENANDOAH VALLEY

Nest Realty is a full-service real estate brokerage specializing in residential, farm, and estate properties. We bring together the top agents, cutting-edge technology, and unparalleled service to help our clients buy and sell real estate.

Top-notch client representation is at the core of our business at Nest. We do not practice single-agent dual agency. In other words, as your buyer representative, you can be sure that your Nest Agent will not be representing the seller of the home that you want to purchase. Our sole focus on one side of the transaction is just part of our commitment to provide you with the best service and guidance.

We've developed our website, www.nestrealty.com, to be a tool to help you research homes for sale, discover our area, and understand the current local market. In addition to the website, your Nest Agent will be there to understand your goals and provide the right expertise and guidance so that you can purchase a home that you love and can afford.

With a team of only full-time Realtors®, you can be sure that you are receiving advice from an experienced agent who is working in the Shenandoah Valley real estate market each and every day. Because of that, we have a deep understanding of the local market, are on top of local market trends, and are up-to-date on the information that will affect your decisions.

In addition, you can be sure that your Nest Agent will be loyal to you, always be working with your best interests in mind, and keep all conversations confidential.

At any point in time, please let us know if you have any questions about the buying process. In the meantime, we hope that this Nest Realty Buyer's Handbook serves as a resource for you during this exciting time.

We look forward to working with you and we appreciate your trust in Nest Realty.

WHAT IS A BUYER'S AGENT AND WHY SHOULD YOU HIRE ONE?

Your Buyer's Agent is your wingman, your sidekick, your trusty steed. A personal advisor who guides you through each step of the home buying process. From house hunting to home inspections, and finally to closing paperwork, a Buyer's Agent offers you their experience and expertise during each phase of the process. Together you'll define the type of home that suits your needs, locate the perfect neighborhood, and establish a budget that matches current market conditions.

A Buyer-Agent Agreement (sometimes referred to as a Buyer's Agency Agreement) is a contractual agreement that establishes the commitment to work together towards finding your ideal home. This relationship goes beyond paperwork - acting as your trusted advisor, your Nest Agent will negotiate on your behalf and work hard to ensure that the overall process is less daunting and more enjoyable.

So why should you hire a Nest Buyer's Agent?

- A Nest Buyer's Agent helps identify the right property to fit your needs.
- A Nest Buyer's Agent keeps a finger on the pulse of the market and current market trends.
- A Nest Buyer's Agent has a network of trusted resources to recommend: plumbers, electricians, home inspectors.
- A Nest Buyer's Agent can direct you to a reliable lender and guide you through the mortgage process, etc.
- A Nest Buyer's Agent negotiates on your behalf to help you achieve your home purchasing goals.
- A Nest Buyer's Agent can advise you when to walk away.

GLOSSARY OF CONTRACT TERMS

We've compiled a list of some of the most commonly used real estate terms in our area. This is by no means a comprehensive list, so feel free to ask your Nest Agent if you ever come across a term or phrase with which you are not familiar.

Assessment

The value assigned to your property by the government for tax purposes. Your assessment is typically based on a combination of comparable or neighborhood sales within the last two years. The frequency of assessments varies by locale, check with your Nest Agent to verify but your home is typically re-assessed every year or two. In the Commonwealth of Virginia, State law mandates that homes be assessed at 100% of the market value. However, the government's definition of market value and a consumer's definition can vary greatly. Talk with your Nest Agent about the intricacies of assessments.

Appraisal

An estimate of a property's value by a licensed real estate appraiser. Appraisals are based on a variety of factors, including overall regional market conditions, neighborhood market conditions, recent comparable sales, how much it would potentially cost to replace the property, and what the investment or rental value of the property would be. When using recent comparable sales, appraisers typically only look at sales within the last six months. In the home buying process, the appraisal is ordered by the lender in order to determine if the property's value is greater than or equal to the purchase price.

Contingency

A condition of the contract that must be fulfilled by the buyer or the seller prior to the home closing. If a contingency is not or cannot be satisfied prior to the agreed upon timeline set forth in the contract, the offer on the property may be terminated by one of the parties. Examples of some common contingencies include: financing contingency, home sale contingency, inspection contingency, and appraisal contingency.

Counteroffer

A type of offer made in response to another offer, which was seen as unacceptable. A counteroffer revises the initial offer, making it more appealing for the person making the new offer. Responding with a counteroffer allows a person to decline on a previous offer, while allowing negotiations to continue. When a counteroffer is made, by definition, the preceding offer is rejected.

Closing/Settlement

These terms are interchangeable and represent the close of a real estate transaction. Settlement occurs when the buyer, seller, and their designated representatives sign closing documents and exchange keys and money. The settlement is not official until after the transaction has been recorded at the local county office.

Closing Costs

Fees incurred from the purchase of your new home. While there are potentially fees incurred by the buyer throughout the entire real estate transaction process, closing costs are the fees specifically listed on the Closing Disclosure Form statement and paid at the closing table. Typical buyer closing cost fees include county and state taxes, lender processing fees, title insurance, and attorney fees, among others. Closing costs can vary widely based on the buyer's loan program and other factors.

Closing Disclosure Form

The official settlement document for the purchase and sale of real estate. The form is completed by the lender and lists all costs of the transaction for both the buyer and the seller, including the cost of the property, the real estate agent's fees, the lender's fees, the cost of title insurance, and the escrow agent's fees or attorney's fees. To avoid surprises and by law, lender or settlement agents must provide the Closing Disclosure form and have it signed by the buyers three days before closing. Any changes to the Closing Disclosure could require three additional business days before the closing can proceed.

Deed of Trust

A legal document filed with the county that documents the transfer of home ownership. This is a document the buyer signs when her deal closes and she will receive a copy once the original is recorded by the county. In many parts of the country, the document used is a mortgage; in Virginia, we use a deed of trust.

Discount Points

This is a type of mortgage fee that enables a buyer to lower his monthly interest rate by paying an up-front fee at closing. This is also referred to as buying down the interest rate.

Escrow/Earnest Money Deposit

A deposit that a buyer pays, per the terms of the contract, to show that he or she is serious about purchasing the property. Sometimes referred to as the EMD or Good Faith Deposit, this deposit is typically held by the purchaser's real estate brokerage or an attorney. This deposit is typically given to the buyer's agent at the time the offer is made and is deposited soon after

contract ratification. If the sale is completed, the earnest money becomes part of the buyer's down payment; if the sale does not close due to a contingency outlined in the contract, the buyer typically recovers the earnest money. If the buyer backs out for reasons not covered in any of the contingencies, the seller may be able to retain the earnest money, as well as pursue further damages.

Foreclosed Home/REO

Short for "real estate owned," REOs are foreclosed homes that are currently owned by banks or lending institutions. In some cases, REOs may be purchased below market value. However, there are additional risks that buyers take when they purchase foreclosed properties, including possibly having fewer opportunities for property due diligence.

Final Walk-Through

This is the final inspection of the home by the buyer prior to closing. At this time, the buyer and the buyer's agent will conduct a walk-through to ensure the property is in the agreed-upon condition and all requested repairs have been completed in accordance with the contract. The final walk through is typically scheduled anywhere between a few days, to a few hours prior to closing. It's typically better to do the final walk-through as early as possible so that if there are additional repairs that need to be completed, the seller has time to coordinate those repairs.

Home Inspection

This is widely considered one of the most important inspections or contingencies of the entire real estate transaction. An in-depth inspection of the property by a licensed inspector is meant to provide insight and knowledge about the current condition of the home. The inspection typically covers electrical, mechanical, structural, plumbing, major appliances, heating, and air conditioning, as well as some additional features of the house. In recent years, there have been more and more home systems beyond this standard list that are being evaluated closely. You will want to plan with your Nest Agent which evaluations are necessary for your particular purchase. The buyer pays for the home inspection at the time of inspection.

Loan Application

Per the terms of the contract, the buyer is required to make a formal application with the lender within a specified timeframe. While the buyer is free to "shop" different lenders to make sure they are choosing the right lender, the formal loan application occurs when the buyer has made their final decision. Once the initial loan application is completed, the lender submits the application to underwriting to get the process started.

Loan Commitment Letter

A lender's promise to provide a borrower with a loan at an agreed upon

interest rate and terms over a certain period of time. Borrowers need to provide the sellers with this document within a certain time frame after they reach mutual acceptance on an offer to satisfy their financing contingency. Every loan commitment is different. There are many different levels of assurance in different bank commitments. Be sure to read through the conditions of your letter.

Loan Estimate Form

A lender-created document, the Loan Estimate form provides disclosure that will be helpful to buyers in understanding key features, the costs and fees, and the risks of the mortgage for which they are applying. The Loan Estimate must be provided to a buyer no later than three days after they submit a loan application. Once the lender has disclosed certain fees, those fees cannot change prior to closing without a valid change to the transaction. However, there are other fees that can change such as title insurance, escrow or settlement fees, and appraisal fees, but only by a maximum of 10% from those disclosed on the Loan Estimate without a valid change. Any change beyond 10% without a valid change would have to be paid for by the lender.

Multiple Listing Service/MLS

A suite of services that compiles a current and previous history of real estate for sale in a central database to enable real estate agents to research the previous history of properties and to provide a platform of cooperation among agents.

Offer

Often used interchangeably with the phrase “submit a contract,” the offer is merely that - an offer or proposal of terms to the seller. A contract is ratified when all parties have had a meeting of the minds, have signed the contract, and the contract has been delivered to all parties.

Pre-Qualification

This is an initial analysis of a buyer’s creditworthiness to give the buyer a general idea of their purchasing power. The pre-qualification is a less-formal process and the “pre-qual” letter is typically based on unverified information given from the buyer to the lender.

Pre-Approval

More in-depth than pre-qualification, the pre-approval process helps establish a more detailed snapshot of the buyer’s purchasing power. Lenders will verify credit, income, employment, and other assets when buyer gets pre-approved.

Ratification

This occurs when a written contract (and any related documents) have been agreed upon by all parties, signed by all parties, and delivered to all parties

involved. This is the date from which all following contract dates are based.

Short Sale

The term “short sale” is used to describe a sale where: (1) the liens against a property combined with the associated costs will exceed the purchase price of the property and (2) the seller will be asking the lien holder for a release of the lien on the subject property without a complete payoff.

If you are interested in making an offer on a short sale, you need to be aware that there are a lot of unknowns with short sales. Most notably, the timing of your closing is oftentimes up in the air until just a few days prior to the eventual closing. Even if a contract is ratified between the buyer and the seller, the lien holders (lender(s) or government agencies) must also approve the terms of the sale. This approval process could potentially take several months.

While you may be able to purchase a short sale at a “discount” to market value, there are many stressors that may also come along with the short sale purchase process. Please consult your Nest Agent to better understand the short sale process.

Title

This is a legal document that gives an in-depth overview of the ownership history of a particular property. A buyer’s attorney will typically conduct the title search to ensure that the seller has the legal right to sell the property, if there are any liens on the property, or if there are any easements or encroachments to be aware of.

Title Insurance

Title insurance protects against losses resulting from problems with the title. There are two types of title insurance: a lender’s policy protects the lender’s interest in the property, and the owner’s policy protects the buyer’s interest in the property. The cost of title insurance varies by market, price of the property, and the extent of the coverage. This is a one-time fee that is paid at closing and will be listed on the Closing Disclosure Form.

THE DOCUMENTS

You’ll see a lot of paperwork during the home buying process. Here’s a quick overview of some of the most common documents:

Residential Contract of Purchase

The Greater Augusta Association of Realtors® (GAAR) utilizes the standard

forms from the Virginia Association of Realtors® (VAR). These VAR forms are updated on an annual basis in July.

The VAR residential contract of purchase is the main contract that is used for re-sale purchases throughout the area. If you are purchasing land or a new construction home, then different contracts will be used.

Home Inspection Addendum

We highly recommend having a licensed professional inspect your home. The Home Inspection Addendum is a form that allows you to have a home inspection of the property. This contract form also outlines the timelines for the inspection period and defines the type and scope of inspections that will be done.

Home Inspection Removal Addendum

This is the form that will be used to define any applicable repairs or work, based on the home inspection results that the seller will complete for you.

Addendum to the Contract of Purchase

An addendum is an additional contract form that is not part of the main contract. A standard addendum is used to state any terms that may not be part of the standard contract. Addendums are used prior to a contract being ratified.

Amendment to the Contract of Purchase

An amendment is an additional contract form that is not part of the main contract and is used to change or add to the previously agreed upon terms of a ratified contract. For example, if a contract has been ratified and the closing date needs to be changed, then an amendment would be used.

Radon Contingency Addendum

The Radon Contingency Addendum is a document that informs the seller that you are going to have the home tested for radon and clearly defines the steps the seller must take if there are elevated radon levels.

Virginia Residential Property Disclosure Statement

The Virginia Residential Property Disclosure Act governs the information that owners must disclose to residential purchasers prior to contract ratification. The first thing to know about the disclosure is that Virginia is a “caveat emptor” (Let the Buyer Beware) state. That basically means that while sellers can’t lie outright or actively conceal a problem, and must honestly answer prospective buyers questions when asked, they aren’t obligated to point out the home’s flaws or defects to buyers. Because of that, the main onus of the property investigation falls on the purchasers. The disclosure statement has changed over the years, but in reality, there’s not much that the owner is required to disclose to prospective buyers.

The disclosure statement (Code of Virginia §55-519) gives notice to the buyer that the seller:

- makes no representations or warranties about the condition of the property or its attachments
- makes no representations regarding adjacent parcels
- makes no representations about whether historic district ordinances affect the property
- makes no representations regarding whether property is protected under the Chesapeake Bay Preservation Act
- makes no representations about nearby registered sexual offenders
- represents that there are no undisclosed pending actions under the Uniform Statewide Building Code, or zoning violations that have not been fixed
- makes no representations about whether the property is in a dam break inundation zone
- makes no representations regarding whether any storm water detention facilities are on the property, and makes no representations about the presence of any wastewater system on the property.

A builder selling a new home for the first time is not required to complete the disclosure form. The builder does, however, need to provide the buyer with written disclosure of any known defects that are in violation of the building code.

For more information, please visit: <http://1.usa.gov/1rjYswb>

Summary of Rights and Obligations

The VAR Summary of Rights document defines the buyer and seller obligations pertaining to the Residential Property Disclosure Act. It reiterates many of the details outlined in the Residential Property Disclosure statement, and goes into additional information pertaining to some local and county specific laws, as well as some additional disclosure scenarios.

Appraisal Report

When conventional financing is involved, the appraisal is usually ordered through the buyer's lender and is delivered directly to the lender by the appraiser. Aside from estimating the value of the property, the appraisal may

indicate various conditions that could affect the value of the property. The appraisal may contain three different approaches to value:

1. The cost approach - This is sometimes referred to as the replacement value approach. In this method, the appraiser estimates the total cost to replace the equivalent home on the current land.
2. The sales comparison approach - In this method, the appraiser analyzes the property's characteristics with those of comparable properties that have recently sold in similar transactions.
3. The income approach - This approach is used to value income or investment properties using projected cash flow to determine an investment value of the property.

If the buyer pays for an appraisal of the property the buyer has the right to receive a copy of the appraisal. Unless explicitly stated in the contract, the seller does not have the right to receive a copy of the appraisal.

Appraisers are regulated by the Virginia Department of Professional and Occupational Regulations: <http://1.usa.gov/11QK16i>

Covenants, Conditions and Restrictions / CC&Rs

The CC&Rs or deed restrictions are recorded against the property and generally empower a developer or homeowner's association to control certain aspects of property use. These aspects may include architectural standards, landscaping, RV and camper parking, play equipment, satellite antennas, pets, and other common amenities.

By purchasing a property governed by CC&Rs, the buyer agrees to be bound by the rules, restrictions, and guidelines. Thus, the CC&Rs form an enforceable contract. The homeowners association or individual homeowners can enforce the contract. It is essential that the buyer review and agree to these restrictions prior to purchasing a home. You might find some of the CC&Rs are very strict, particularly if the subdivision is governed by a homeowner organization.

You can learn more about CC&Rs here: <http://www.realtor.com/advice/basics-homeowners-associations/>

Homeowners Disclosure Packets and Association Governing Documents

In addition to CC&Rs, Homeowners Associations may be governed by Articles of Incorporation, Bylaws, Rules and Regulations, and often architectural control standards.

The homeowners association (HOA) is in place to enforce these rules and to preserve the value of homes in the community.

If you are purchasing a home governed by a homeowners association, the buyer should review and approve the homeowners association documents. In a standard purchase contract, the seller is obligated to provide the buyer with a full HOA disclosure packet. Once received, the buyer has a minimum of three days to cancel the contract and be fully released from their obligations.

Home Warranty Policy

A home warranty may be part of the sale of the home. If a home warranty is not offered in the sale of the home, you may want to consider purchasing one. You should read the home warranty document for coverage and limitation information. There are several different types of home warranties - consult your Nest Agent for advice if you are interested. However, please be aware that preexisting property conditions are generally not covered under these policies.

Lead-Based Paint Disclosure Form

If the home you are purchasing was built prior to 1978, the seller must provide the buyer with a lead-based paint disclosure form. Your Nest Agent will provide you with a packet with more information regarding lead-based paint.

You can learn more about lead-based paint here: <http://www.epa.gov/lead> or <http://www.hud.gov/offices/lead/>

Home Inspection Report

When you have a ratified contract on a home, we highly recommend that you have a home inspection completed by a licensed home inspector. A home inspection is a visual examination designed to identify material defects in the home. The inspection typically covers electrical, mechanical, structural, plumbing, major appliances, heating, and air conditioning, as well as some additional features of the house. The home inspector will generally provide the buyer with a report detailing information about the home's current condition, as well as potential problems to be aware of. Please review this report carefully with your inspector and your Nest Agent. Ask your Nest Agent for recommendations on local inspectors.

Home inspection costs can range in cost, depending on the size of the home. You can expect to pay between \$400 - \$600 for a standard home inspection. Additional information on inspections may be found at the American Society of Home Inspectors website: www.ashi.org. Guidance on hiring a home inspector and more information may be found at <http://bit.ly/11rmVsL>

Buyer Agency Agreement/Exclusive Right to Represent the Buyer

In July of 2012, new agency laws took effect in Virginia which require Realtors to have written agency agreements with the clients that they represent. At Nest, we utilize the VAR Exclusive Right to Represent the Buyer form. This contract between you and your Nest Agent and defines the scope of services that you will be provided, the fees associated with those services, and the timeline of the agreement.

DUE DILIGENCE AND PROPERTY INVESTIGATIONS

Every buyer and every home is different, so the physical property conditions requiring investigation will vary. In addition to a standard home inspection, you and your Nest Agent will collaborate to see if there are additional due diligence items that you should investigate. Here is an overview of some due diligence items to consider when you are investigating a property to become your new home.

Termites and Other Wood Destroying Organisms

Termites are fairly common throughout Virginia. In the standard purchase contract, the seller is obligated to have a termite and wood destroying organism inspection within 30 days prior to the closing. The inspection must be done by a licensed pest control company. The report will be delivered to the attorney's office prior to closing.

Septic Inspection

A septic system is a sewage system that is installed on properties that are not connected to a public sewer system. There are three main components to a septic system: a holding tank, distribution pipes, and a drainfield. Full, detailed septic inspections are not done by home inspectors - this is an additional inspection that must be done by a certified septic company. This test involves pumping out the tank and removing the dirt that covers the top of the tank and distribution line. Mirrors or video cameras are then lowered into the tank so that it can be thoroughly inspected. At a cost of several hundred dollars, this test isn't cheap, but it's the only way to determine the condition of the holding tank, lines, and the distribution box. Since a new septic system can run as much as \$15,000, this test is worth the cost.

Oil Tank

If there is an oil tank on the property (underground or above ground), it is wise to conduct some due diligence to ensure that the tank is safe, functioning, and not leaking oil. The first step is to determine whether the tank is still active and in-use, or if it has become abandoned. If the tank has been

abandoned, the owners may have a certification that the tank was properly abandoned and is not leaking. If not, then the owners may be required to do this prior to the closing.

If the tank is still active, a tank inspection will let you know as to some intricate and important details including: location, size, orientation, contents, and the status of the tank with regard to leakage. Leakage is evaluated through testing of soil recovered via borings below the depth of the tank.

Well/Pump Inspection/Water Quality

Any property that is not connected to public/municipal water will have a well on the property somewhere. If you are not familiar with wells, a well is an excavation or structure created in the ground by drilling or boring to access to groundwater. The water is drawn to the home by a pump. Wells can vary in depth and water volume. Well systems can be fairly complex and definitely need to be maintained and tested over time.

A well test can reveal a few key factors about the well: the amount of water (typically gauged by a gallons/minute reading), the quality of the water, and the effectiveness of the systems (mainly the well pump). A full well inspection can take a few hours, depending on the amount of water and the accessibility of the systems.

Wifi/Internet/Mobile Phone Coverage

In today's world, connectivity matters. However, sometimes certain properties aren't as connected as we would like for them to be. If internet speed and mobile phone coverage is important to you, it is recommended that you do a few things to ensure the coverage and availability of phone and internet services is sufficient for you:

- First, have your Nest Agent double check with the listing agent and property owner to see what type of internet connection is available.
- Second, you should always test your phone coverage when you are previewing the home. Make a phone call, send a text message, and check your email on your phone to test different levels of connectivity.
- Third, check with your phone service provider to see if they have a coverage map available online.

Typically, rural properties are the most cause for concern when it comes to coverage issues. However, it is wise to double check these issues even if you are purchasing a home in a more urban area.

Swimming Pool Inspections

Home inspectors are not pool experts. In fact, many home inspectors exclude pool, spa, and hot tub inspections from their general inspections. We recommend engaging a professional pool service company, preferably a Certified Pool Builder to conduct a thorough inspection. There are quite a number of moving parts to pools. Beyond the actual pool, which needs to be solid and leak-free, the pumps, heaters, liners and filters need to be checked for proper operation. The electrical equipment needs to be inspected, as does the plumbing. Decking surfaces, safety covers, and the hardware that secures them should be evaluated for condition and longevity.

Square Footage

Please be aware that the square footage on the MLS printout sheet, the internet listing, the listing agent's marketing sheet or even as stated by the assessor's tax records is often only an estimate and generally should not be relied upon for the exact square footage of a home. An appraiser or architect can measure the home's size to verify the square footage.

Survey

A property survey confirms the accuracy of the description of the property, the accuracy of the land area, and the existence or absence of encroachments onto the property or onto a neighboring property. Done by a licensed surveyor, the survey drawing shows the precise measurements, amount of land, location of structures, boundaries, easements, improvements, and right of ways on a particular property. In many cases, a lender/mortgage company requires that the property is surveyed prior to closing to ensure any issues with easements or encroachments are documented on the title and resolved before closing.

Mold

Believe it or not, it is relatively rare that a home does not have some traces of mold. However, over the past few years, a certain type of mold has been identified as a possible contributor to illnesses. Allergic individuals may experience symptoms related to mold in the home. Mold growth can be found underneath materials where water has damaged surfaces, or behind walls. Your home inspector will keep an eye out for mold, but home inspectors are typically not mold experts. If a home inspector suspects mold or you would like to have a mold test done, a formal mold inspection should be performed at this stage of the home inspection process.

The United States Environmental Protection Agency website contains valuable information about mold at <http://1.usa.gov/1xNH88U>. More information about mold, the problems it may cause, and how it may be removed can be found at the Center for Disease Control: <http://1.usa.gov/1C6UzVm>

Radon

Radon is a colorless, odorless gas that comes from the natural (radioactive) breakdown of uranium in soil, rock, and water and gets into the air you breathe. While radon can be harmful to you and your family, there is also a simple solution to fix elevated radon levels. In fact, installing a radon mitigation system in your home could reduce radon levels by 99%. The price of radon mitigation varies depending on many factors, but you can reasonably expect to pay \$1,000-\$1,500.

If you are interested in testing a home for radon, ask your Nest Agent for a licensed radon professional. Most home inspectors are licensed for this. It is also important to note that while some areas are more prone for radon, radon levels can vary widely from house-to-house and street-to-street. So, just because your neighbor's home tested with low levels doesn't mean that your home will necessarily have similar results.

For more information on radon, you can visit: <http://www.epa.gov/radon/>

Flood Plain

If the property is in a flood plain, an additional annual insurance premium may be required. A flood plain is an area adjacent to a stream, river, or other water source that may be more apt to experience flooding. If the property is in an area deemed high risk, the buyer may be required by the lender to obtain flood hazard insurance through the National Flood Insurance Program.

You can learn more basic information on flood zones here:
<http://1.usa.gov/1uSbuGp>

For specific information on an address, you can visit The Federal Emergency Management Association's (FEMA) Flood Map Service Center:
<https://msc.fema.gov/portal>

Homeowner's Insurance

Sometimes referred to as hazard insurance, homeowner's insurance combines various personal insurance protections. This can include losses occurring to one's home, its contents, loss of use (additional living expenses), or loss of other personal possessions of the homeowner, as well as liability insurance for accidents that may happen at the home or at the hands of the homeowner within the policy territory. Many factors affect the availability and cost of homeowner's insurance. Depending on the insurance company, these factors may include past insurance claims filed on the home being purchased, past insurance claims filed by the buyer on previous homes, and possibly the buyer's credit score.

Some insurance companies use a database known as the Comprehensive Loss Underwriting Exchange (C.L.U.E.) in their underwriting practices to track the insurance claim history of a home and of the person applying for insurance coverage. These companies may use this information to cancel a buyer's homeowner's insurance policy after close of escrow. To reduce the risk of homeowner's insurance cancellation, a buyer should ask their insurance agent about the company's underwriting practices, and request that their insurance agent confirm in writing the availability and cost of homeowner's insurance early in any real estate transaction.

Although a buyer cannot directly obtain the claims history of a home, a buyer may ask the seller to provide a copy. However, be aware that obtaining a claims history or C.L.U.E. report on a home will not give a buyer all the necessary information to determine insurability, since not all insurance companies use this information or use it in the same manner. Homeowners may request a 5-year claims history from their insurance agent or purchase a C.L.U.E. report online at www.choicetrust.com.

For more detailed information on homeowner's insurance, you can also read this document: <http://bit.ly/1tf5XFh>

Crime Statistics

There are a variety of resources to learn about crime statistics within a certain area, zip code, or county.

For more information, please visit: <http://www.crimemapping.com/map/va/>

Sexual Offenders

Megan's Law, the federal law requiring a public registry of known sex offenders, was enacted in 1996. In the standard purchase contract, there is a disclaimer that notifies the buyer that the seller does not need to disclose any knowledge they have about registered sexual offenders living in or around their home. As a purchaser, we recommend that you exercise whatever due diligence you feel is necessary with regards to information on sexual offenders.

You can visit www.vsp.state.va.us for more information.

ADDITIONAL RESOURCES

There are plenty of additional resources out there to help with your due diligence. Here are just a few...

Schools

Although there is no substitute for an on-site visit to the school to talk with principals and teachers, there is a significant amount of information about Virginia schools on the internet.

Augusta County: <http://bit.ly/1uxxDoq>

City of Staunton: www.staunton.k12.va.us

City of Waynesboro: www.waynesboro.k12.va.us

Rockbridge: www.rockbridge.K12.va.us

Rockingham: www.rockingham.K12.va.us

Harrisonburg: www.harrisonburg.K12.va.us

Albemarle County: <http://bit.ly/1xNloZO>

City of Charlottesville: <http://www.ccs.k12.va.us>

Nelson County: <http://bit.ly/1xUK19f>

Fluvanna County: <http://bit.ly/1uSbWVa>

Louisa County: <http://bit.ly/1pg30YM>

Orange County: <http://www.ocss-va.org>

Greene County: <http://bit.ly/1vGjs70>

Another resource is Great Schools: <http://www.greatschools.net>

Zoning/Planning/Neighborhood Services

If you are interested in zoning or planning issues, information relating to the various counties may be found at:

Augusta County: <http://www.co.augusta.va.us>

City of Staunton: www.staunton.va.us

City of Waynesboro: www.waynesboro.va.us

Rockbridge: <http://www.co.rockbridge.va.us/165/Planning-Zoning>

Rockingham: <http://www.rockinghamcountyv a.gov/index.aspx?NID=290>

Harrisonburg: <https://www.harrisonburgva.gov/planning-zoning>

Albemarle County: <http://www.albemarle.org>

City of Charlottesville: <http://www.charlottesville.org>

Nelson County: <http://www.nelsoncounty-va.gov>

Fluvanna County: <http://fluvannacounty.org>

Louisa County: <http://www.louisa-county.com>

Orange County: <http://orangecountyva.gov>

Greene County: <http://www.gcva.us>

County or City Assessor's Tax Records

The county assessor's records contain a variety of valuable information including the assessed value of the property for tax purposes and some of the physical aspects of the property. Information is on county websites:

Augusta County: <http://bit.ly/1rk1tg7>

City of Staunton:
<http://www.staunton.va.us/directory/departments-a-g/city-assessor>

City of Waynesboro: www.waynesboro.va.us/158/Real-Estate-Assessor

Rockbridge County: <http://www.co.rockbridge.va.us/407/Real-Estate-Tax>

Rockingham County:
<http://www.rockinghamcountyva.gov/index.aspx?NID=295>

Harrisonburg: www.harrisonburgva.gov/real-estate-info-system

Albemarle County: <http://bit.ly/1vGbtr3>

City of Charlottesville: <http://bit.ly/1xNJU7N>

Nelson County: <http://www.nelsoncountygis.org>

Fluvanna County: <http://fluvannacounty.org/services/commissioner>

Louisa County: <http://bit.ly/1tf6qaK>

Orange County: <http://bit.ly/1uxxPUB>

Greene County: <http://bit.ly/1xUKzfq>

OTHER METHODS TO OBTAIN INFORMATION ABOUT A PROPERTY

Talk to the Neighbors

Neighbors can provide a wealth of information. We recommend that a buyer always talk to the surrounding neighbors about the neighborhood and the history of the home the buyer being considered for purchase.

Drive Around the Neighborhood

A buyer should always drive around the neighborhood, preferably on different days at several different times of the day and evening, to learn more about the neighborhood and surrounding areas.

FAIR HOUSING LAWS

The Fair Housing Act and other federal and state laws have been enacted to guarantee equal housing opportunities for all Americans. These laws prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, age, disability, and familial status.

For information regarding fair housing laws, visit the following sites:

- National Fair Housing Advocate: www.fairhousing.com
- HUD's Fair Housing: <http://1.usa.gov/1FkAfMP>
- HUD in Virginia: <http://1.usa.gov/15g1pJK>

WRAP-UP

Nest Realty provides the personalized service of a boutique firm with the resources and reach of a full-service brokerage.

So whether you know exactly what you're looking for, or need a little help figuring out what kind of home is right for you, we have the people, the technology, and the experience to find exactly what you're looking for.

Put Nest Realty to work for you, and Live Where You Love.