



Welcome

Based in Bronxville, Houlihan & O'Malley Real Estate is a full service agency that can provide you with the highest level of personal service. As a Boutique Real Estate Agency, we can help you buy or sell property throughout Westchester County, NY.

Our promise is simple: we give every client our undivided attention, regardless of the price of the home you are seeking to buy or sell. And we're here to help you make the smart decisions at every step in the process so that we produce the results you're after.

In this day and age, when technology is key, we have all the necessary tech tools as well as other resources at our fingertips to best serve you.

But technology alone won't be able to craft the best possible deal for you. Highly personalized service, market knowledge, and proven experience are what set us apart. Houlihan & O'Malley is hands on, every step of the way. In our world, you the client, come first.

Joseph Houlihan,
Licensed Real Estate Broker



To Buy or Not to Buy?

Considerations for First-time Home Buyers

Without question, owning a home comes with risks and responsibilities that you don't have to worry about when you rent, such as a mortgage, property taxes, homeowner's insurance, maintenance and repairs, to name a few. Even so, financial advisors and homeowners themselves say there are far more advantages to owning. Here's why:

- Data indicates that over time, you will lose money by renting instead of owning your own home. When you own, you build up equity instead of paying off your landlord's mortgage.
- Even though there are periodic market drops, over the long haul, owning a home is a good financial investment.
- As an owner, you can take advantage of many ongoing tax benefits, like deducting the interest on your mortgage and property taxes from your taxable income.
- Owning a home isn't just a good investment for financial reasons, it also provides a higher quality of life – particularly if you have a family or are planning one.
- There is a special pride in being an owner and maintaining a home that you won't experience with renting.
- At the end of the day, it just feels good to own your own home. You can decorate it any way you like, renovate, build additions, design your own landscaping. It's all a reflection of you.



Do you qualify to own?

There is only one way to find out if you are qualified: go to your bank and/or other lending institution and allow them to perform a credit check and analyze your financial situation. You might be surprised to know that there are many renters who financially qualify to own their own homes, but don't know it.

Once you have allowed a lender to run a credit report, ask for a copy of it. Word to the wise: too many requests for your credit rating in a short time-frame can have an adverse impact on your credit score. Do not have multiple lenders run your credit; do it once.

Note: If you have served in the armed forces, you may be eligible for loans insured by the Veterans Administration (VA).

Buying a home, step by step

If you are like most people, buying a home represents your single biggest investment – and your largest liability. So, it is not surprising that the buying process can be one of the most exhilarating but sometimes stressful experiences you undergo. This may be true whether you have bought many homes or you are looking to buy your first, or whether you are in the market for an investment property or that perfect weekend getaway.

There are many factors to consider and many decisions to make. That is why, when buying, it is crucial for you to have all the available resources necessary to make a well-informed decision.

When you enlist the help of one of Houlihan & O'Malley's trusted real estate professionals you can feel confident that you will receive the right advice during each step of the buying process.

1. Define your goals/research your options/make your plans

Before making your purchase, educate and prepare yourself as much as possible in advance. Determine what kind of home you are looking for, in which community, and why. And because buying and financing a home are so closely related, examine your current financial situation and project realistically how much you can afford. Then you will be in a better position to research your housing and financial options, as well as create an action plan and timeline for moving forward.

2. Contact a Houlihan & O'Malley real estate professional

With all the unique opportunities and potential pitfalls that the current market presents, it is really important for you to contact Houlihan & O'Malley. Our knowledgeable, professional agents will guide you through the property search, financing, negotiation, and transaction process.

3. Get pre-approved for a loan

Generally, it is recommended that you get pre-approved for a loan before you start viewing homes. The pre-approval process involves meeting with a lender and authorizing them to examine your current financial situation and credit history. On the basis of these findings, the lender will provide you with a document that details how much you can borrow to buy your home.

The benefits of a pre-approval:

- Having information about what you can afford so you can plan accordingly.
- Being taken more seriously as a qualified, motivated buyer when you make an offer on a home
- Knowing that lenders can tell you whether you qualify for any special programs, particularly if you are a first-time buyer

Real estate financing is available from many sources and an experienced Houlihan & O'Malley real estate professional will help guide you through the process as well as recommend lenders or mortgage brokers with a history of offering excellent mortgage products and services. For more information about the benefits of a pre-approval and the loan process in general, contact Houlihan & O'Malley today.

Houlihan & O'Malley offers a mortgage worksheet at the back of this guide. This is a useful tool that will help you determine how much money you can borrow.

4. Do a search

Simply put, the key to the home search process is to know what you are looking for. That means distinguishing between "must-have" and "would-like-to-have." To help you target your search and define your home preference priorities, you can use Houlihan & O'Malley's Home Search Worksheet at the conclusion of this guide.

That said, here are a few facts about the search process that might put things in perspective:

- The typical buyer searches for 12 weeks and views 12 homes.
- 97% of buyers view real estate agents as useful in the home search process.
- 90% of buyers use online tools to search for homes.

There are many benefits to starting the search process on a real estate website such as HoulihanOmalley.com. You can view as many homes as you like, zero in.



You've found the perfect home, now what?

Once you have found the house you want to buy, it is time to make an offer. Your offer will be presented by your Houlihan & O'Malley Realtor® to the seller's Realtor.® Offers are often presented in writing, but sometimes they are made verbally.

5. Make an offer and negotiate

An offer consists of four components:

1. *The price you are willing to pay.*
2. *Your preferred closing date.*
3. *How you will finance the purchase, e.g. what percentage of the purchase price you will be borrowing.*
4. *The contingencies of your offer (most commonly inspections and mortgage approval).*

Financing the purchase:

If you plan to pay cash for the property, you should be prepared to provide the seller's Realtor® with a "proof of funds." In other words, you will need to provide copies of your bank or brokerage statements.

If you plan to borrow a portion of the purchase price from a bank, you will need to provide a copy of your pre-approval from your lender with the offer.

Counter offers:

Usually, your initial offer will be met with a counter offer. At this point you will find out, if you haven't already, the timing the seller is looking for and the seller's comfort level with the financing contingency that is part of your offer.

Successive counter-offers will be exchanged between you and the seller until a mutually satisfactory agreement is reached or the negotiations breakdown.

Accepted Offers:

When you and the seller have reached an agreement on price and terms, it is called an "accepted offer." This is a non-binding agreement that needs to be put into writing as soon as possible, i.e. a signed contract of sale. This is your "due-diligence" period – the time between accepted offer and a signed contract of sale.

Contracts are not subject to inspections, so the next thing you should do is set-up all the inspections that you would like to execute before you sign the contract of sale.

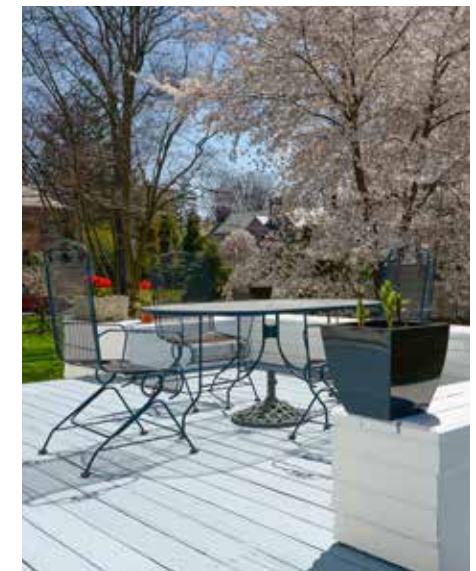
Typical inspections include:

- *Home inspection*
- *Termite inspection*
- *Radon testing*
- *Oil tank testing (if applicable)*

As soon as you have achieved an accepted offer, you need to provide your Houlihan & O'Malley agent with your attorney's information so that the seller's attorney can send your attorney the draft of the contract of sale.

Once all the terms of the contract have been negotiated, including any inspection items, the contract is ready to be signed. Typically you meet with your attorney to sign the contract and provide a check for the contract deposit, which is usually 10% of the purchase price.

After the buyer signs the contract, the seller signs, at which point you have a fully-executed Contract of Sale.



Financing & Closing

6. Secure your financing

Once you have a fully executed Contract of Sale, it is time to go back to your lender to formally apply for the mortgage. You will be provided with an extensive list of documentation that the lender needs to fully underwrite the loan. Pages 7 and 8 of this Guide provide more guidance about the process of selecting a lender and evaluating financing options.

The documents generally include:

- *Your last two years' tax returns*
- *Recent pay stubs*
- *Copies of divorce decrees or separation agreements*
- *Brokerage statements*
- *Social security and pension payments; and any alimony and child support documents*

(Note: not every one of these applies to every buyer)

As noted in the section on loan pre-approval, if you have already been pre-approved with a lender, this process should be fairly straightforward. Once you have applied for the loan and supplied a copy of the fully executed contract of sale, your lender will order an appraisal of the property. Your Realtor® will meet the appraiser at the property and supply the appraiser with appropriate comparable sales. Your lender will provide you with a Mortgage Commitment letter when the loan is fully underwritten. This generally takes four weeks from application.

7. Close the deal!

The moment has finally arrived. Here are the key steps to closing the deal:

Title search

This is a historical review of all legal documents relating to ownership of the property. It will ensure that there are no claims against the title of the property. Your attorney will select a title company and will "order title" after the contract is fully executed.

Obtain a homeowner's insurance policy.

Before closing, you will need to purchase a homeowners policy which includes both liability and fire coverage. If you are taking out a mortgage, your lender will require that you provide them with the policy before the closing. If you are purchasing without financing, it is still necessary for you to have an insurance policy in effect as of the closing date.

New York State "Mansion" Tax

New York State has a 1% tax on homes selling for \$1 million or more. The tax is paid by the buyer at the closing. There is no tax if the price is less than \$1 million.

Do a final walkthrough.

Prior to the closing (usually within 48 hours), you will be given the chance to look at the home one last time. Your Realtor® will go to the walkthrough with you. This is the time to make sure that there are no roof leaks, that all sinks, tubs and toilets operate properly and that none of the seller's personal items were left in the house. You want to avoid any "surprises."

The Actual Closing:

On the closing date you, your attorney, and your Realtor® will go to the lender's lawyer's office to verify and sign all the paperwork required to complete the transaction. The sellers and their attorney also attend. The closing will include paying your closing costs, legal fees, property adjustments, and transfer taxes. At that point, you will receive the property title and copies of all documentation pertaining to the purchase.

Final tips:

Get the keys! In most cases, the house will be vacant at the time of closing and you will take possession immediately. But in some cases, a "post-possession" agreement will be entered into, which allows the seller to stay at the property for a brief period. In such cases, the seller pays you a per diem fee, which should cover your costs.



The Loan Process

Financing your home purchase

Unless you are one of the rare few able to pay cash to purchase a home, you will need to find the right lender and the right mortgage product.

There are many different kinds of lending institutions that offer a wide range of loans and special programs. You should diligently research your options and shop around for a mortgage with as much care as you would take when searching for a home.

Here are the main steps to securing a mortgage that's right for you

1. Educate yourself about your options.

There are myriad loan types and programs available through thousands of banks, finance companies, credit unions, and other assorted lenders. Not surprisingly, there are just as many sources of information about mortgages. Websites like Realtor.com, as well as books, news articles, seminars, mortgage brokers, lenders, and knowledgeable real estate professionals all can be of help. Make use of them and get more than one opinion.

2. Be realistic about your financial situation.

Ask yourself how much mortgage and down payment you can really afford. What do you have to give up, not just every month, but maybe for years and years by increasing your debt? Be sure to carefully weigh the risks and opportunities.

Along these lines, Realtor.com provides you with a variety of loan calculators that will help you determine your regular monthly payment based on your projected down payment, the loan principal, the interest rate, the mortgage term, and so on. Additionally, be sure to factor in all related taxes, insurance, improvements, homeowner fees and all other potential costs into the equation.

Note: some lenders will qualify you for the maximum they are willing to lend which may be more than you can truly afford, given all your other responsibilities.

- *Make a list of your monthly expenses*
- *Project your other financial commitments during the life of the mortgage*

When shopping for a loan you should consider two main sources: direct lenders and mortgage brokers.

Direct lenders have the money available and make the decisions, but they have a limited number of in-house products to offer.

Brokers are intermediaries who charge the lender a fee, who can provide you with loan options from many sources, and can often save you money overall. Either way, consult your real estate professional for advice and perhaps some beneficial connections.



The Loan Process

Financing your home purchase

3. Check out your mortgage options

Generally, there are two ways you can go: a fixed-rate mortgage with an interest rate that remains the same for the life of the loan, or an adjustable-rate mortgage (ARM) with a rate that adjusts up or down, depending upon economic trends.

Fixed Rate Mortgages

The advantages of a fixed-rate mortgage – particularly if you lock in at a low rate – are:

They protect you against the risk of rising interest rates.

Their stability can make it easier for you to plan and budget your short and long-term expenses. If shorter-term, such as a 15-year mortgage, you will pay less interest over the life of the loan; although your monthly payments will be higher than, say, a 30-year fixed-rate mortgage.

The downside of a fixed-rate mortgage is generally they have a higher rate than ARMs at any given time, and by locking in, you run the risk of being trapped at a relatively high rate if interest rates fall.

Adjustable Rate Mortgages (ARM)

An adjustable-rate mortgage is commonly based on the U.S. Treasury index for one-year Treasury Bills, although it may also be geared to other indexes. Generally, lenders add 2-4% to the index rate to get their ARM rate. Initially, the rate is lower than the fixed rate by a quarter point to two points or more. This rate will periodically adjust within set limits or “caps” that are specified by the terms of the loan.

Finally, it must be reiterated that the loan you ultimately qualify for will depend on your credit status. The best rates and terms are only available to those with solid credit, so, if possible, pay off your credit cards and pay all other bills on time.

4. Apply for a mortgage

Once you have a fully executed contract of sale, you will have all the details you need to formally apply for a mortgage. When you meet with your chosen lender to complete the application you will need to provide information – if you didn’t during the pre-approval process – about your household income, job tenure and stability, assets and existing debt, and regular expenses. This may take the form of pay stubs, bank and investment statements, tax returns and other documentation.

The lender will also check your credit status. During the application process, you will discuss the different loan options and programs for which you qualify, as well as finalize the size of your down payment. If you put less than 20% down, the lender may require the mortgage to be guaranteed by a third party such as the Veterans Administration (VA), the Federal Housing Administration (FHA) or a private mortgage insurer (PMI).

Because there are so many considerations and so much at stake, make sure you bring all your questions to the table, and this includes asking the lender to explain all the terms of the mortgage. You may find that having a trusted and knowledgeable real estate professional by your side to explain every aspect of the mortgage contract will increase your peace of mind.

Lastly, if you qualify for the loan you are seeking, the lender will have the home you are buying professionally appraised to ensure that it is worth the purchase price.

MORTGAGE CALCULATORS

Our website, HoulihanOmalley.com, features a mortgage calculator. While this calculator is a useful tool, speaking candidly with a mortgage professional is the best way for you to know what you can afford and what makes sense.

Every situation is different and while you may be able to “afford” something based on a quick mortgage calculation widget, mortgage professionals know the hidden costs associated with home ownership and will be able to give you a better idea of what is truly affordable.



You're in Good Hands with Your Houlihan & O'Malley Real Estate Agent

Our agents are buyer specialists who focus on helping you to successfully find and buy the homes you've always dreamed about. One of the many advantages of working with Houlihan & O'Malley is that you will hear about listings either before or at the moment they come on the market.

We provide you with comprehensive, high-quality buyer's service. So when you decide to buy a home, or if you hear that any of your family and friends are looking to buy, be sure to take advantage of the knowledge, experience, and professionalism Houlihan & O'Malley offers.

Purchasing or selling a home is a major step for every single Houlihan & O'Malley client. It is our privilege to be your Realtor®. We look forward to a beneficial relationship.

When our agents work for you they will:

- Educate you about Buyer Agency, outlining their professional responsibilities to you
- Help you explore your financing options and, if needed, refer you to some excellent mortgage professionals so you can make the best possible mortgage decision
- Save you time by diligently searching the market for affordable homes that meet your criteria
- View homes with you and provide a comparative analysis
- Refer you to expert home inspectors who will provide in-depth analysis and advice
- Provide sound advice with respect to your offer to purchase a home, with all terms approved by you
- Negotiate the best possible price and terms for you
- Keep you fully informed about all activities that lead to the transaction closing
- Assist you, if necessary, in finding any home-related services you need



Buyer's Worksheet

This exercise will help your Houlihan & O'Malley Realtor® identify specific homes to show you. If you have other needs or desires be sure to list these and discuss them with your Realtor.®

Prioritizing Home Features

Ideal Price \$ _____

Minimum Number of Bedrooms _____

Minimum Number of Bathrooms _____

Garage - Number of Cars _____

Lot Size _____

Age of House _____

Square Feet of House _____

Style of House _____

Number of Floors _____

Type of Neighborhood _____

Determining What You Need Versus Want

Rate the features below on a scale of 0 to 10, with 0 being the things you don't want and 10 being the things you must have

Eat-in Kitchen	1	2	3	4	5	6	7	8	9	10
Separate Dining Room	1	2	3	4	5	6	7	8	9	10
Fireplace	1	2	3	4	5	6	7	8	9	10
Family Room	1	2	3	4	5	6	7	8	9	10
Finished Basement	1	2	3	4	5	6	7	8	9	10
Homeowner Association	1	2	3	4	5	6	7	8	9	10
Amenities	1	2	3	4	5	6	7	8	9	10
Pool/Spa	1	2	3	4	5	6	7	8	9	10
Patio/Porch	1	2	3	4	5	6	7	8	9	10
Yard	1	2	3	4	5	6	7	8	9	10
View	1	2	3	4	5	6	7	8	9	10
_____	1	2	3	4	5	6	7	8	9	10
_____	1	2	3	4	5	6	7	8	9	10
_____	1	2	3	4	5	6	7	8	9	10

Mortgage Worksheet

1. Calculate Your Total Monthly Pretax Income

Your Annual Salary/wages _____

Other Annual Income (Dividends, child support, alimony, etc.) _____

Total Annual Income _____

Divide Total Annual Income by 12 months _____ /12

Total Monthly Pretax Income _____

2. Calculate Your Total Monthly Debt

Car Payment(s) _____

Student Loan Payment _____

Child Support/Alimony _____

Credit Cards _____

Other Long-term Debts _____

Total Monthly Debt _____

3. Maximum Monthly Mortgage Payment

(Includes principal, interest, tax and mortgage insurance at 28% of pretax income, 29% for FHA)

Total Monthly Pretax Income from Step 1 _____

Multiply by .28 (FHA Mortgages .29) _____ x .28 or .29

Maximum Monthly Mortgage Payment _____

(36%, 41% FHA & VA)



Maximum Monthly Debt Including Mortgage Payment

Total allowable monthly debt should equal approximately 36% of pretax income, 41% for FHA and VA mortgages.

Maximum Monthly Mortgage Payment

Total monthly mortgage payment (principal, interest, taxes and mortgage insurance) should equal no more than 28% of pretax income, 29% for FHA mortgages.

A Family Tradition

Bronxville's Boutique Real Estate Agency

Houlihan & O'Malley Real Estate Services is a family run real estate business owned by Joe and Dan Houlihan, who can trace their family's involvement in real estate back to their great-grandparents, Daniel and Margaret Houlihan. Immigrants from Ireland, they founded the Daniel Houlihan Corporation in 1891 and began buying and selling building lots in Manhattan and the Bronx.

Three of Daniel and Margaret's sons joined the business and pioneered the development of the Woodlawn and Wakefield sections of the Bronx, building private homes, apartment buildings, theaters, and other commercial buildings. During the Great Depression, they managed and sold hundreds of foreclosed properties for life insurance companies and banks and later expanded into property appraisal and mortgage brokerage.

Joe and Dan's dad, Daniel, entered real estate in the 1950s and, together with his cousin Jim, were the third generation to continue in the family business, under the mantle of Houlihan Parnes Realtors now located in White Plains. Continuing the tradition, Joe and Dan founded Houlihan & O'Malley Real Estate Services in 1984. Subsequently, two of their seven other siblings, Gerry Houlihan and Liz Genovese, have joined the firm. Joe heads up the company's Residential Sales Group and Dan runs the firm's other divisions.

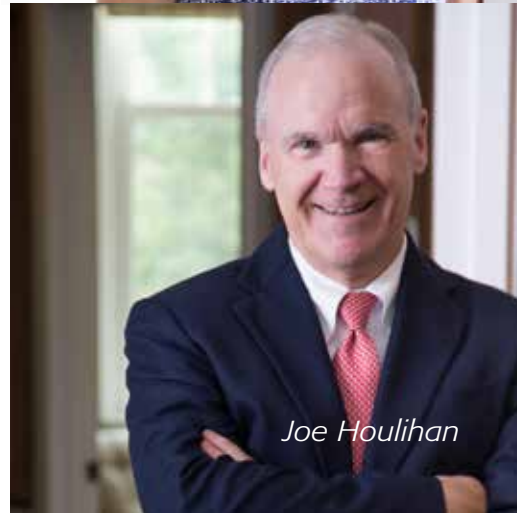
The Residential Sales Group at Houlihan & O'Malley represents both buyers and sellers in real estate transactions throughout Westchester County. They are committed to a tradition of real estate excellence combined with new approaches that take advantage of the latest technology, offering clients professional expertise, personalized service, and unwavering focus. The firm's agents, true extensions of the Houlihan family, are knowledgeable, involved, and dedicated; they embody the company's motto of "Excellence on Your Side."



Dan Houlihan



Liz Genovese



Joe Houlihan



Gerry Houlihan



Buyer's Guide

HOULIHAN & O'MALLEY

REAL ESTATE SERVICES

