



A-Z Guide To Home Buying

Have Your Credit Pre-Approved

Getting a credit pre-approval means you receive a loan commitment from your mortgage company before you have found a home, based on a review of your credit and finances. A credit pre-approval shows sellers that you're a qualified buyer and helps you establish a clear price range.

The Credit Pre-Approval Process

The process of applying for a credit pre-approval is the same as a typical mortgage application, except that it doesn't include information on the property you will purchase. Your loan officer collects information on your credit, income, assets, and debts, and sends this information through an underwriting system. If the underwriting process determines that you qualify for a loan, you receive a loan commitment for up to a certain amount, which is contingent on the property meeting certain criteria.

Contact A Real Estate Agent

A real estate agent will help you narrow down your home needs and wants in order to streamline the home search process. An automatic property search based on the desired criteria will be set up by the real estate agent in the MLS database so properties that are currently on the market will be emailed directly to you. A real estate agent will also be available to answer any questions you may have about the home buying process.

Choosing A Neighborhood

House-hunters should keep in mind the familiar adage about the three most important features of a home: location, location, location. That's because finding the right home for you and your family has as much to do with the neighborhood as with the home itself. In fact, you'll probably notice during your search that a home in one area costs much more than a similar home in another. Factors like safety, school quality, and proximity to shopping and entertainment all contribute to demand for homes in a given neighborhood. Beyond price, what you look for in a neighborhood probably has a lot to do with your personal situation. How far are you willing to commute to work? How close do you want to be to family and friends? Do you have young children who would enjoy a nearby playground? Picturing your day-to-day life in a certain neighborhood is a good way to predict whether you will feel comfortable there.

Considering Different House Styles

You may want to look beyond the traditional detached single-family home. Condominiums, town houses, and duplexes can be more affordable options, especially if you're looking in a densely populated area. These types of housing may not offer as much yard space or privacy as single-family homes, but those may not be as important to you as the chance to own a home in the neighborhood of your choice.

Writing An Offer

Once you have found your "home sweet home" it is time to write an offer. Your real estate agent will help you find an accurate offer price based on comparable properties that have sold in the neighborhood. When writing an offer and choosing an initial offer price, leave yourself some negotiating room. Know what your purchase price cap will be, so you do not go over it in negotiations. If you have questions or concerns during the negotiating process, ask your real estate agent.



Find A Real Estate Attorney

Once the offer has been accepted and the contract is signed by BOTH the buyers and the sellers, its time to send the contract to a real estate attorney for review. The best attorney for this job is one that solely works with real estate transactions. If you do not know a real estate attorney, ask your real estate agent. They usually have a list of competent attorneys they have worked with in the past for you to choose from.

Get a Home Inspection

Once the offer is accepted and the contract is signed by BOTH the buyers and the sellers, it is time to schedule a home inspection. When purchasing a home, it is ALWAYS a good idea to have the home inspected. This is performed within a certain timeframe. Listed in the contract. Once the home is inspected, and you decide what items, if any, you would like repaired, talk to your real estate attorney regarding these items. The attorney will then negotiate on your behalf with the seller's attorney regarding the inspection items.

Close The Deal

You've found your home, agreed on a price with the seller, had the home inspected, and now you're ready for the closing, where you will officially take ownership of the property. Welcome to the end of the home buying process, and the beginning of your homeownership journey.

What Happens At Closing

Despite all the new technologies that are streamlining the mortgage process, the closing phase remains very paper-intensive. You will have to review and sign a hefty stack of documents, some of them in duplicate and triplicate. You will also have to pay for any closing costs, including:

- Lender fees, such as an appraisal fee, credit report fee, origination points, and discount points
- Third-party fees for services not provided by your lender, which may include a settlement fee, title insurance, and attorney's fees
- Prepaid items that must be paid to your lender in advance, such as prepaid interest, hazard insurance, and deposits to set up an escrow account.

Move into Your New Home

So you're ready to start life in your new home, congratulations! Now all you have to do is get yourself, your family, and your belongings there intact. You can save time and energy by hiring a moving company, or save money by doing it yourself, it all depends on how much stuff you have, how far you're moving, and how much you can afford to spend.