

10 Tip on the buying process

Buying a house requires a lot of time and effort, but these 10 steps can help make the home buying process manageable and help you make the best decisions possible.

Step 1: Find the Right Real Estate Agent

Real estate agents are important partners when you're buying or selling a home. Real estate agents can provide you with helpful information on homes and neighborhoods that isn't easily accessible to the public. Their knowledge of the home buying process, negotiating skills, and familiarity with the area you want to live in can be extremely valuable. **And best of all, it doesn't cost you anything to use an agent – they're compensated from the commission paid by the seller of the house.**

Step 2: Determine How Much House You Can Afford

Lenders generally recommend that people look for homes that cost no more than three to five times their annual household income if the home buyers plan to make a 20% down payment and have a moderate amount of other debt.

But you should make this determination based on your own financial situation.

Step 3: Get Prequalified and Preapproved for credit for Your Mortgage

Before you start looking for a home, you will need to know how much you can actually spend. The best way to do that is to get prequalified for a mortgage. A Real Estate Agent is a good source if you do not have a mortgage broker. They typically have several options. To get prequalified, you just need to provide some financial information to your mortgage banker, such as your income and the amount of savings and investments you have. Your lender will review this information and tell you how much we can lend you. This will tell you the price range of the homes you should be looking at. Later, you can get preapproved for credit, which involves providing your financial documents (W-2 statements, paycheck stubs, bank account statements, etc.) so your lender can verify your financial status and credit.

Step 4: Start Your Search

As soon as you have spoke with your mortgage banker, talk to your agent about your home wish list. Make a note of particular homes you are interested in. The agent will have access to homes that fit your wish list

Step 5: Shop for Your Home and Make an Offer

Start touring homes in your price range. It might be helpful to take notes on all the homes you visit. You will see a lot of houses! It can be hard to remember everything about them. Take as much time as you need to find the right home. Then work with your real estate agent to negotiate a fair offer based on the value of comparable homes in the same neighborhood. The buyer will provide the seller some sort of compensation to be held. This is often in a monetary form usually called an Earnest Money Check. The amount could be hundred's to thousand's of dollars. Depending on the price point of the house. Once you and the seller have reached an agreement on a price, the parties sign the offer.

Step 6: Get a Home Inspection

Typically, purchase offers are contingent on a home inspection of the property to check for signs of structural damage or things that may need fixing. Usually paid by the buyer. Your real estate agent usually will help you arrange to have this inspection conducted within a few days of your offer being accepted by the seller. This contingency protects you by giving you a chance to renegotiate your offer or withdraw it without penalty if the inspection reveals significant material damage.

You and the seller will receive a report on the home inspector's findings. You can then decide if you want to ask the seller to fix anything on the property before closing the sale. Before the sale closes, you will have a final walk-through of the house, which gives you the chance to confirm that any agreed-upon repairs have been made.

Step 7: Work with a Mortgage Banker to Select Your Loan

Lenders have a wide range of competitively priced loan programs and a reputation for exceptional customer service. You will have many questions when you are purchasing a home, and having one of our experienced, responsive mortgage bankers assist you can make the process much easier.

Every home buyer has their own priorities when choosing a mortgage. Some are interested in keeping their monthly payments as low as possible. Others are interested in making sure that their monthly payments never increase. And still others pick a loan based on the knowledge they will be moving again in just a few years.

Step 8: Have the Home Appraised

Lenders will arrange for an appraiser to provide an independent estimate of the value of the house you are buying. The appraiser is a member of a third party company and is not directly associated with the lender. The appraisal will let all the parties involved know that you are paying a fair price for the home.

Step 9: Coordinate the Paperwork

As you can imagine, there is a lot of paperwork involved in buying a house. Your lender will arrange for a title company to handle all of the paperwork and make sure that the seller is the rightful owner of the house you are buying.

Step 10: Close the Sale

At closing, you will sign all of the paperwork required to complete the purchase, including your loan documents. It typically takes a couple of days for your loan to be funded after the paperwork is returned to the lender. Once the check is delivered to the seller, you are ready to move into your new home!