

Home-Buying Basics

There are nine basic steps that can make becoming a homeowner easier. These steps may be common knowledge to experienced or inexperienced homebuyers; however, learning one new tip may help you avoid hassles and mistakes along the way.

Obtain Mortgage Pre-Approval instead of a Pre-Qualification*

Before you begin house hunting, identify the price home you can afford with the help of a reputable lender or mortgage broker (goodmortgage.com.) This makes you a more knowledgeable buyer and gives you a stronger bargaining position with sellers and shows that you're a serious bidder.

***What's the difference? Pre-Approval** = actual financials are analyzed by underwriting
Pre-Qualification = approximation is made from estimated figures without consulting underwriting

1

Choose a Real Estate Agent.

Select a reputable professional, willing to listen to your needs and with whom you feel comfortable. Your mortgage lender may provide recommendations or you may ask agents for references from former clients.

2

Find the Right Home.

Determine your own needs and discuss home options with your family members who will be living in the house. Create a wish list of features you would like to have and take detailed notes as you look at homes.

3

Make an Offer.

Your real estate agent presents your offer to the seller. It is accepted, countered or rejected. When the price is settled, you and the seller sign a Purchase Agreement, defining the terms of the sale.

4

Finalize Loan Selection.

After you find a home, its time finalize your loan details, lock your interest rate. Then you'll sign the formal mortgage application and provide additional or updated income and asset documentation.

5

Have the Home Inspected.

Hire a professional home inspector after the offer has been accepted. A good home inspection provides an in-depth look at the basic systems of the house to reveal any safety hazards and give you a chance to reconsider the deal.

6

Home Appraised By Lender.

An appraisal, usually required by your mortgage lender, is a formal, written estimate of the home's current market value. Typically, the appraisal costs several hundred dollars, but it could keep you from overpaying for your home.

7

Final Underwriting Approval.

All loan conditions are submitted by your loan processor, approved by the underwriter. If any clarifying information is needed, this is when your processor will ask.

Finally, your loan is "clear to close."

8

Close on Your New Home.

Ownership of the property is transferred. A closing agent coordinates and distributes all the paperwork and funds, according to the terms agreed upon. You become the proud owner of your new home.

9