



## The 7 Steps To Buying A Home

### **Step 1: Start your research early.**

Find a buyer's agent professional who knows the Real Estate Market in the area you want to live and who will represent you when it is time to negotiate a contract. A buyer's agent is a very important partner when buying a home because they will provide the buyer helpful information on homes and neighborhoods that isn't easily accessible to the public. And best of all, it doesn't cost you anything to use a buyer's agent—they are compensated from the commission paid by the seller.

### **Step 2: Gather up your financial information for a lender to review so you can get pre-qualified.**

The mortgage lender will need to review your credit score, two years of tax returns, pay stubs, current W-2 statements, bank statements and your income to debt ratio before giving a pre-approval letter.

### **Step 3: Get pre-qualified by a lender to determine how much you can afford.**

Lenders generally recommend that buyers look for homes that cost less than three to five times their annual household income.

### **Step 4. Find your home and make an offer.**

Let your buyer's agent start showing you homes in your lender approved price range and desired area. It is helpful to take notes on all the homes you visit. If you take pictures or video you will need to get the seller's approval first. Take as much time as you need to find that right home. Then work with your buyer's agent to negotiate a fair offer based on the value of comparable homes in the same neighborhood. Once you and the seller have reached agreement on price, the house will then go under contract.

### **Step 5. Get a Home Inspection**

Typically, purchase offers are contingent upon a house inspection to check for structural damage or things that may need fixing. Your buyer's agent will arrange for the inspection usually within three days after the contract becomes binding. Review the inspection report and make a list of those repairs that you want done before the closing. Give the list and, optionally, the inspection report to the seller. Usually a day or two before the closing, you and your buyer's agent will do a house walk-through to make sure all agreed-upon repairs were done.

### **Step 6. Preparing for the Closing**

After the inspection and or all contingencies have been met, the lender will begin the process of getting your loan finalized. Lenders have a wide range of competitively priced loan programs to choose from. Every home buyer has choices in selecting a mortgage. Choose the one that best meets your needs. Usually within a couple of weeks before the closing your lender will arrange for the appraiser to provide an independent estimate of the value of the house you are buying. Just before the closing, the closing attorney will do a title search to make sure that the seller is the rightful owner of the house you are buying.

### **Step 7. Closing the Sale with a Real Estate Attorney**

At the closing attorney's office both the buyer and seller will sign all of the paperwork required to complete the purchase, which includes the buyer's loan documents. At the closing you will then receive the keys to your new home.