

STEPS TO BUYING A HOME

Buying a home is a major undertaking. For most first time buyers it can be the single most expensive purchase of their lives. Your real estate agent and financial institution can help make this an easy process.

- 1. Prequalifying for financing** - Knowing your ability to finance can save the heartache you may suffer if you fall in love with a home that you cannot afford. On the other hand purchasing a home you can afford can be your stepping stone to getting the home of your dreams.
- 2. Pre-approval** – Your home lender can pre-approve the amount of loan you qualify for and provide you with a letter of commitment which can prove to be an invaluable tool when negotiating the purchase price of your home.
- 3. Realtor interview** – A real estate agent can be invaluable in helping you find the right home that meets your specifications and price range.
- 4. Shopping for your home** – Finding the home that is right for you and your family requires patience. Real estate agents are knowledgeable about the homes in the markets and have access to Multiple Listing Services which publish properties available in your market. It is important that you check out the school system, taxes, cost of utilities and the type of community services provided by the township your home is located in.
- 5. Purchase offer** – Your real estate agent will assist in preparing the offer and present it to the seller. He/She will also explain the importance of an earnest money deposit. At this point the seller will either accept, reject or make a counter offer.
- 6. Contract signing** – When both buyer and seller have agreed on the sale price, the sales contract must be signed. Your contract should include (a) purchase price (b) mortgage contingency's (c) type of title conveyed (d) date of possession (e) list of personal property included in sale (f) any inspection contingency's such as building, well and pest.
- 7. Loan approval** – If you have not been pre-approved you will have a required amount of time as determined by the sales contract to shop for a home mortgage. Your real estate agent is knowledgeable of lenders in the market and can be very helpful to you at this point of the sale. There are many different types of mortgages available. Your lender can explain them to you and help you select the one that fits your budget and lifestyle.
- 8. Closing** – Your closing agent will prepare the necessary documents required for closing such as title examination, payoff statements and deed. On the closing day you will sign all documents. The seller will be paid and you will receive the keys to your new home.