

BUYING YOUR HOME

So you're looking to buy a home? Congratulations! Let's take a look at the steps involved in purchasing a home, from start to finish.

1

What Do I Have?

- **What is your credit score?** This number will be important when you get approved.
- **How much did you make each year for the last three years?** If you are married both incomes count.
- **What is your worth?** Add up all of your assets and then subtract your debts. Everything from cars to retirement accounts.
- **How much cash can you put towards a down payment?** Don't forget about any equity you may be able to liquidate.



2

What Can I Afford?

- Use a mortgage calculator (on-line or app) to help estimate your monthly payments based on down payment, interest rate, length of loan, taxes, and insurance.
- Most lenders recommend not spending more than 28% of your gross monthly income on your total housing expenses.
- Doing this ahead of time will help you find the home that's right for you and your budget.



3

Will I be Approved?

- Get pre-approved for a loan so you don't have to worry if you can afford a home you love or not.
- The mortgage lender will take the info you prepared in step 1 and approve you up to a certain amount.
- Now you have a better idea of what homes you can look at purchasing.
- Sellers take you more seriously when you are pre-approved
- Don't make any major financial changes after being pre-approved, like changing jobs or taking out a new loan.



4



What Kind of House Do I Want?

- Make a list of features and amenities you can live with and those you can live without.
- How many bedrooms and baths? Are you looking for one floor living, or perhaps a finished basement? What about being close to schools or parks?

5

Choose a Real Estate Agent

- Ask friends or family for referrals, do research online and contact agents you are interested in to set up an appointment to meet with them.
- Once you find an agent you'd like to work with, they will take the info you've provided, find listings that meet your requirements, and schedule showings to take you through the houses.



6

Make an Offer on the Home

- Once the time comes where you have found the perfect home it's time to make an offer. This is another area where your real estate agent will be invaluable.
- Your agent will go over all aspects of drawing up an offer, including setting the purchase price and listing any terms or stipulations that you require, and then submit the offer to the other party.
- From that point, the offer can either be declined, accepted, or a counter-offer can be made in which you can deliberate with your agent and they will then negotiate on your behalf.



7

Choose the Right Mortgage Lender and Mortgage Type for You

- After the offer on your home has been accepted, it's time to start looking at your mortgage options. At this time it may be a good idea to compare a few lenders to see which is the best fit, whether it's the lender that pre-approved you or a new lender.

Conventional Adjustable Rate mortgages are more suited for people who are not planning to live in the home for a long time and/or for people who are looking for a lower payment and interest rate.

Conventional Fixed Rate mortgages are generally for people who plan to live in the home for a long time and who want to pay a fixed and predictable amount.

FHA (Federal Housing Administration) loans have more flexible lending standards and are a good option for those with poor credit and/or little down payment, with the trade-off being higher mortgage insurance premiums and interest rates.

VA loans are available for most active-duty and veteran military members.

Your mortgage lender can help you decide the type of mortgage loan that is best for you.



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Get a Home Inspection

- It's important to get your new home inspected to make sure it is safe and up to your standards.
- Knowing the condition of your home will be worth the money you invest to get an inspection.
- Don't worry if any issues arise during the home inspection. You can ask your Realtor to negotiate with the seller for them to fix the issues or reduce the price so you can fix yourself.



9

Obtain Insurance

- Getting insurance on your new home is a great way to protect your investment, but it's also required by your lender as they have a financial interest in your home.
- Not only does homeowners insurance provide protection for your home and it's contents, it also provides coverage in the case of someone getting injured on your property.



10

Close on Your Home

- Finding and setting a specific date to close on your home is one of the final steps in the home buying process.
- Remember to set a date that works for you and for the other party involved.
- Your mortgage lender will provide you with a preliminary HUD statement that will have all of those costs laid out before you sign and will explain what type of payment method is accepted at the closing.



11

Move into Your New Home!

- Congratulations! You have completed the home buying process and now it is time for you to move into your new home.
- Remember to switch your utilities over to the new address and get your official address changed.
- The last step is to unpack and enjoy your new home!

