

12 STEP GUIDE FOR HOME BUYERS



1 **WHAT DO YOU WANT?**

Decide what you're looking for. Some of these considerations include specifics of the home such as size of home (bedrooms, baths, square footage), style of home (2 story, one level, basement rancher), amount of land, location (if you're familiar with the area), distance to work and school, and any other special features you personally require. Sometimes, these special features can make or break a house search for your agent, so be sure to know which items are negotiable in your mind and which are non-negotiable. Try not to limit the search with too many specifics early on and keep a clear separation between actual NEEDS versus DREAM HOUSE features. There are many varied factors in choosing a home and we could not possibly cover them all in this article.

2 **PREQUALIFICATION:**

Contact a mortgage company for mortgage pre-approval. This will be imperative to structuring offers on homes that you choose to pursue. Will you prefer VA, Conventional or FHA loans? How much do you expect to pay in down payment funds? What loan amount can you afford? VV&W provides a handy [ONLINE CALCULATOR](#), but a mortgage company will compile a debt to income ratio and provide a prequalification letter that will support your ability to obtain financing. Many sellers will not even consider offers without this valuable information.

3 **PICK A REALTOR:**

Contact a trusted REALTOR to represent you. Often, agents referred by friends and coworkers can be the best choices because they are a "known entity." Your friends will have an idea of how well you will relate to the agent as well as being familiar with how the agent serves their clients. Provide the agent with the NEEDS list, the DREAM HOME list and the price range you have determined with your lender. Sometimes, it helps an agent to also hear what you like or dislike about your current home or neighborhood, too. The agent will then formulate options based on this data.

4 RESEARCH ALONGSIDE YOUR AGENT:

Do some research alongside your REALTOR. A great home search is a product of collaboration. In today's technology driven atmosphere, many buyers have great access to available home listings and data. Be cautious, however, to verify information with your agent because many details listed online are incorrect. Listing syndication (where third party sites glean information from MLS listings) makes errors fairly commonplace and many buyers make the mistake of not confirming details of sold data, square footage, numbers of bedrooms and baths, etc.

Also be aware that, when searches are conducted on websites of agents other than your own, some will phish your personal information and search criteria in order to prospect for your business. You may begin to receive "alerts" or "new listings" based on the searches you run on those sites. If you have a chosen REALTOR®, it is best to ask them the most reliable public data for MLS information or to use your REALTOR®'s website.

5 WORK WITH YOUR AGENT:

Always see properties with your own agent. Calling the listing agent will very rarely save you money and compromises your ability to have your own buyer agent represent you. If a listing agent (or any agent other than your own) shows a home to you and you subsequently make an offer, that agent can claim to be the "procuring cause" of the sale with full claim to the full realty fee. This is fine if you want to pay your agent fee out of your own pocket but, if the seller has agreed to pay a fee to a selling agent, WHY WOULD YOU?

Also, honor your agency agreement. If you are working with an agent, do not discuss your position with other agents nor with the general public. As with legal situations, anything you say can and will be used against you in an offering scenario. Your communication with your agent has protections that will serve your best interests - don't give your position away by speaking too freely with people who are not working for you.

6 FSBO - "FOR SALE BY OWNER":

If you are interested in a home for sale by owner, contact your agent first. Ask your agent to contact the seller to ascertain whether or not they are willing to work with a Buyer Agent and/or pay the Buyer Agency fee. If the seller will not work with an agent, you and your REALTOR can work out details that will honor the Seller's wishes while still maintaining your ability to have Buyer Representation.

7 THE DECISION

Once a home has been identified that you choose to pursue, your agent should provide paperwork, including a General Information for Buyers form that leads you through the common due diligence factors for a home purchase. Your agent can help you search tax rates, flood zones, HUB zones, school districts and more. A CMA (Comparative Market Analysis) will also be submitted for your information and an offer structured for presentation to a Seller.

8 THE OFFER

When the offer is negotiated and accepted, a homebuyer submits the completed paperwork to the mortgage company in order to lock in a loan rate and get the financing on track. A home inspection timeframe also begins upon acceptance of an offer, so this must be scheduled immediately.

9 INSPECTIONS & REPAIRS

A home inspector will come to the home and inspect interiors, exteriors, attics and crawlspaces. A report is submitted to the buyer, who then reviews defective items or concerns of health and safety in order to make a list of items they require repaired by the Seller prior to closing. The list is then negotiated with the seller to relieve the inspection contingencies on the sale.

10 FINANCING

Financing procedures will call for buyer to obtain homeowners insurance while the mortgage company orders appraisals, underwriting and title work necessary for the buyer to obtain the loan. The mortgage company works in cooperation with the agent (for access to the home) and finally submits all information to a closing attorney. The closing attorney assembles all the parts to the closing from the lender, agent, repair people, etc. and verifies clear title before preparing a deed and closing statement.

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FINAL INSPECTION

Final inspection takes place within a few days of closing to verify that all repairs are made and the condition of the home is satisfactory to the buyer with no further obligation by the seller. Buyers will arrange to have their utilities, cable, internet and phone connected at the home.

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CLOSING

Closing generally takes place at the offices of the closing attorney. All the parties meet with their agents to review the paperwork, sign forms and finalize the negotiations. Both parties will be expected to bring identification (multiple types are helpful) as well as ALL FUNDS in the form of CASHIER'S CHECKS. Closing attorneys do not accept personal checks for large sums of money nor will they ever accept cash. Keys and any pertinent homeowner information are transferred and the buyers move in!

Your VV&W agent will lead you through these steps, but we hope that this guideline offers a basic understanding of the home buying process.

**Feel free to contact us at
www.historicandfinehomes.com
or [256-539-0505](tel:256-539-0505)
with any questions.**

