

Home Buyers Checklist.

Step by step on how to get ready to buy your new home.



Buying a new house is one of the most (if not the biggest) investment that a person can make in their life. This can be extremely stressful.

We've compiled this checklist for you so that you can be in control every step of the way and feel confident in the process.

Here are the steps:

- 1. Building a Foundation**
- 2. The Financials**
- 3. Insuring Your Home**
- 4. Finding Your New Home**
- 5. The Home Stretch**

Building a Foundation:

Step 1: Know your Financials

- Compile and save all important financial documents.
- 2 months' worth of pay stubs & bank statements.
- 2 years of tax returns & W-2's or T4's
- Self Employed – 3 years tax returns. Explanation of big bonus or commissions.
- Maintain great credit.
- Pay off as much debt as you can before proceeding.
- If you know of any credit issues that need written explanation start now.
- Your lender will be pulling your credit in the future as a part of the pre-approval process so don't worry about that just yet.

Step 2: Let's find a Lender

- Compare different lenders to understand the benefits and advantages of working with each. Something as simple as a lower rate or term can save you thousands of dollars over the life of the loan.
- If you have a great working relationship with a large bank or credit union start there.
- Make sure to tell EACH LENDER not to pull your credit until you're fully committed to working with one.
- If your credit isn't where you want it to be, work on creating a plan with your chosen lender for a loan product.
- If you would like a few lending references feel free to reach out to me.
- Step 1 & 2 are extremely important because lending standards have tight guidelines and in order to get the best program for you (with no surprises) it is imperative to be prepared.

The Financials:

Step 3: Establish a Budget

- Saving up 20% of a home's purchase price as a down payment is suggested, but often hard to do in high-priced markets.
- If saving up 20% isn't feasible, work with your lender to create the best plan for your needs.
- The financial markets are full of programs that are tailor made for many different circumstances. Some are better for the short term & some are better for the long term.
- Remember that just because you're approved for a certain amount doesn't mean that you must spend that amount. Work with your lender and agent to establish a price point and monthly payment that you will be comfortable with.
- Many of the items that are not calculated in getting pre-approved is your discretionary income. Some things to keep in mind - If you like to vacation at the same spot every year or visit family out of state every year – be sure to put it in your budget.

Step 4: Getting Pre-approved by your preferred lender.

- Ask the lender if you qualify for any special loans, such as VA or FHA.
- Get Pre-Approved; this gives you, your agent, and the lender an estimate of how much you can afford based off your credit score and past financial documents.
- Work with your lender and real estate agent to determine if your file should be underwritten before submitting any offers. This will help to avoid any potential disappointments or delays during the transaction.
- Being fully approved by the underwriter will make you look like a cash buyer to a potential seller. This is highly recommended.

Finding your new home:

Step 5: The fun part.

- Meet with your chosen real estate agent to discuss your home buying wish list. Make sure to include:
 - Must have: bed/bath number, garage, etc.
 - Go through a very in-depth assessment of your home needs & desires.
 - Great listeners ask questions like: Why is this important? What would it look like?
 - Nice to have: pool, jacuzzi, smart home capabilities, etc.
- Bring along your pre-approval and lender contact information so you can discuss budget and have your agent connect with your chosen lender.
- Determine different communities/neighborhoods you might want to live in.
- Describe the community you desire and why?
- This should be like writing a Story on how you want your family's future to look like over the next x-number of years.
- Determine your preferred method to communicate on homes you view both online and offline.

Step 6: Find a Home.

- Keep your "Must Haves" checklist in mind.
- Keep a journal or guide of the different houses you're interested in.
- Take plenty of pictures to look back at.
- There is a lot of pretty and shiny homes but make sure its for you and what you truly need and desire.
- Stay within your price range!
- Provide your agent with ANY feedback regarding the properties that you view. Both positive and negative feedback can be very helpful for an agent to find exactly what you want.
- Nothing is set in stone and most home buyers start realizing what's most important as they go through the process.
- Trust the process. I promise that the right home for your family will become so clear when you meet.

Step 7: Making an offer.

- Work with your agent to establish a strategy to get the most from your offer and have the best chance of it getting accepted.
- Being prepared with all your financial documents pays big dividends now.
- Sign the offer and any additional documents.
- Have your agent explain all the contingency dates in order to keep you protected.
- Your agent will provide you a copy of every document you sign. Keep a copy of every document and ask questions of anything that is unclear.
- Ask your agent what's the strategy in presenting your offer with the information you have on the home's status. Multiple owners, sellers' circumstances, Multiple offers etc.
- Your agent will present the offer and keep you up to date on every detail.

Insuring your home:

Step 8: Do your Due Diligence.

- Find a reputable and thorough home inspector, feel free to reach out if you need suggestions.
- A good home inspector will help to ensure that you don't end up in a "money pit," for example, a property with lots of electricity, plumbing or foundation issues.
- An inspector will also report any issues found with the home that will allow you to ask for repairs during negotiations. It is usually an extensive 40-50-page report with specific details.
- If work is needed to be done on the property, strategize with your agent to submit a request for repairs.
- Review disclosures and paperwork with your agent.
- If you will be making any additions or construction to the property, such as adding a pool or solar panels, check with the city building department to ensure zoning allows for those upgrades.
- Review title report with title representative and agent to ensure that there are no unknown easements or liens on the property.

Step 9: Arrange for Homeowners Insurance.

- Search for a homeowner's insurance policy with great coverage at a reasonable cost. This is not required till the end of escrow but its best to shop rates and policies early.
- Some lenders require a year's worth of homeowner's insurance up front before approving a mortgage.
- Review the minutes in the Home Owners Association documents. This is important to see if any future assessments are on the books.

The Home Stretch:

Step 10: Finalizing with your lender.

- The lender will order an appraisal on the home to verify that the market value supports the purchase price.
- Double check that your interest rates and mortgage payments are what you agreed upon.

Step 11: The Final walk through.

- Go through the house with your agent to double check everything you agreed upon in your offer is present.
- Ensure that any repairs that were agreed upon in the transaction were completed.
- If repairs are difficult to visually inspect, call back your home inspector or a specialist to ensure the repairs were completed correctly.
- Turn on all lights and appliances to make sure that they still are in good working order.

Step 12: Closing Escrow.

- Bring everything you might need.
- Form of identification.
- Any additional payment you may need.
- Sign the mortgage documents!
- The loan usually is funded within 24 hours and escrow handles all the final accounting.
- Once accounting is complete the new grant deed is recorded at the county tax assessor and you are officially the new owner and escrow is closed.

Step 13: Move-in!

- Meet with your agent to get the keys to your new home.
- Celebrate! You now own your new home.

The home buying process can be confusing and stressful, but I am here to help! I strive to make the process as fun and exciting as possible as I guide you through the transaction from start to finish.

Respectfully,

Joe

