

Buyers 10 Steps You Need to Know

#1 Getting Ready To Buy

So, you are ready to build the “American Dream?” Preparing to buy a home can be exciting and terrifying at the same time. Luckily, a Jim Maloof/Realtors® agent can lead you in the right direction toward the home for your dreams. You first may want to ask yourself:

- What are you looking for in a new home?
- Do you have enough money to purchase a new home?
- How does your credit look?

You may want to make a list or brainstorm about the features and amenities that you find most appealing in a new home.

#2 Finding a Realtor

When choosing a real estate agent, feel free to ask them the following questions:

- How many years of experience do you have in this industry?
- What is your selling experience in my community?
- What professional certifications do you hold (ex. Certified Residential Specialist–CRS)?
- What services will you provide for me as my agent?
- How will you represent me as a buyer?
- Can you provide as much information as I need about homes in the area that fit into my price range?
- What is the fee for your services?
- Can you provide all of the different scenarios with the sale of property I may purchase? (as far as commissions and fees)
- Explain the paperwork that I need to sign
- What is my contracted timeframe for using you as my agent?

Once you have chosen an agent, it is important to establish specific goals that you would like to meet. It is very important to communicate with your real estate agent and that, in turn, your real estate agent communicates with you.

#3 Starting the Loan Process

It is important as a buyer that you establish some kind of financing before you make any kind of serious offer. The “pre–approval” process allows lenders to take a look at your finances and credit history in order to make a general assumption about your loan amount.

The pre–approval process is when a lender looks at all of your finances and determines the amount of money you could afford for a mortgage.

In order to get pre-approved for a loan, you need to contact a lender. Your Jim Maloof/Realtors® agent can help you help you find a lender that you feel comfortable with and that offers programs best suited to your needs.

#4 Starting Your Search

Now, it is time to start the exciting search for homes! You may want to narrow down your search by asking yourself the following questions:

- Where do I want to live?

- What is the neighborhood like?
- What is the crime rate?
- Would I be moving into a good school district?
- Are there any zoning restrictions?
- How far is this home from my job?
- What is my price range?
- How many bedrooms and bathrooms do I want?
- What style of house are you attracted to?
- What amenities do you desire (ex. pool, fenced-in yard, etc.)?
- Does this home have potential to increase in value?
- Is there room to expand if we would like to build an addition?

Searching for a home is becoming easier than years ago. We now have the Internet as a powerful “home finding tool”, as well as the MLS (Multiple Listing Service) and print advertising.

#5 Finding Your New Home

Beginning the search for your new home can be a great feeling. It is important that you directly communicate what you desire in a home to your real estate agent.

You may want to first begin by making a list of the features and benefits that are most important in your pursuit of finding a home. These could be:

- Location
- Affordability
- Size
- Style
- Design
- Amenities

Looking for a home in an area where you feel comfortable is key. Instruct your real estate agent to look in specific areas that you have designated.

#6 Making an Offer on a Home

Selecting a home should be relatively easy once a home falls somewhere in your criteria and the property is desirable for purchase.

You will want to inform your real estate agent what you like about the house and make a list of your likes and dislikes with the property.

There are three steps in selecting a home: accept the seller's asking price and have your agent write up the contract, reject the seller's asking price and have your agent make a different offer, or agree to different terms and have your agent write an offer. This is all a part of the negotiation process.

Communicating about the house and how it makes you feel is important when making this decision. It is also important to be realistic when it comes to how much you can afford when selecting “your” home.

#7 Financing

Doing your homework about loans will save you time and money. There are thousands of loans out there to choose from, but it is important to keep in mind several key factors that will help you along the way:

- How much money should I put down?
- How is your credit?
- Is this your first home?

Receiving a loan requires completion of a loan application and specific financial documents, including pay stubs, rental checks and/or tax returns. You can receive a loan from a number of different financial institutions, namely: commercial banks, credit unions, mortgage bankers, mortgage brokers, savings and loan associations, mutual savings banks and insurance companies.

#8 Insurance

Insuring your home is like making an investment in your future. You work hard to have a home and homeowners insurance protects you and your family from someone or something from taking it all away.

There are many different forms of insurance:

- Title Insurance – which protects you in the event that the title on your property has a lien, unpaid taxes, or other legalities that would make it invalid.
- Homeowners' Insurance – which protects your home from fire, theft and other liable coverage.
- Flood Insurance – which protects your home from flood damage.
- Home Warranty – which offers buyers and sellers the piece of mind that should anything unexpected happen (due to normal, every day wear and tear) of the home's appliances, heating, air conditioning, plumbing, and electrical systems, it will be repaired (or replaced in some cases) for you without costly fees.

#9 Closing Procedures

The closing process is always changing. It is even referred to “settlement” or “escrow” in different parts of the county. With increased technology, most closings are completely automated and both parties do not have to be present at the same time to sign.

Closings usually take about 30 days to complete. This mainly depends on the buyer's financing availability, successful home inspection completion, and various lender conditions (ex. title search, title insurance, termite inspections, surveys and appraisals).

The closing process is the transfer of the title of the property from the buyer to the seller. The buyer will receive the keys to the home or the deed to the land, while the seller receives payment for the property. The amount the seller receives is based upon the amount that is still owed on the mortgage, any outstanding fees or taxes and any additional closing costs. All legal papers are filed with the local record office.

It is this step where the buyers and sellers do very little. It is important as the seller to take a final walk through the property to make sure the property's condition is not changed. It is equally important for both the buyer and seller to make sure the paperwork they are signing reflects the agreement of the original sale.

#10 Settling In

You have unpacked boxes, arranged your furniture and feel complete with your moving task. What's next? There is always an adjustment period when you move. It is important to understand that what you, your spouse and/or children may be feeling is completely normal.

Here is a list of a few things that may help:

- Urge everyone to talk about how they are feeling.
- It is important to get outside and tour the neighborhood or take a drive and visit some new places around the community.
- E-mail old friends and neighbors to let them know about your new home and community.
- Start a list about what they like about:
 - Home
 - School
 - Neighborhood
 - Community
 - Church
 - Friends
 - Teachers