

8 Steps to Buying a Home

Buyer Checklist

1. Prepare to Buy

- Begin process only when you're ready to make a purchase
- Resolve issues...*including, but not limited to:*
 - ♦ When do you need to be settled?
 - ♦ Who else needs to be involved in the decision?
 - ♦ Does your job play a part in the decision to move?
 - ♦ If renting, does your current lease need to be reviewed?
 - ♦ If already owning, should you buy first or sell first?
- Make sure all parties involved are committed
- Define your financial strengths and weaknesses

2. Meet with a Real Estate Agent

- Ask about agent's experience, affiliations, and designations
- Select and work with only one agent
 - ♦ Ask about Buyer Agency
 - ♦ Gain understanding of representation for your specific transaction
 - ♦ Sign a buyer representation agreement that outlines your rights and responsibilities
- Have the agent define and explain the buying process
- Help your agent get to know you, your needs and your lifestyle
 - ♦ Consider inviting them to your home
 - ♦ Ask a lot of questions
- If you're considering new construction, let your agent know so he/she can help

3. Establish Price Range and Financing

- Obtain a pre-approval letter
- Research and understand various financing options and their associated risks. *Examples include, but are not limited to:*
 - ♦ Fixed-rate mortgages
 - ♦ Adjustable-rate mortgages (ARMS)
 - ♦ Interest-only loans
 - ♦ FHA/VA loans
 - ♦ Balloon mortgages
- Watch the Financing Bonus Feature on the *8 Steps to Buying a Home* DVD for more details
- Use the Lender Questionnaire document provided on this DVD when interviewing lenders

4. Determine Your Housing Requirements

- Begin by examining your lifestyle and dominant motivations
 - ♦ *Motivations:* Achievement, Pride, Family, Security, Convenience, Comfort, Independence, Privacy, Love, Self-fulfillment, Social Acceptance/Friendship, Status/Recognition
 - ♦ *Lifestyle Descriptors:* Busy, Adventure, Travel, Entertain, Relaxing, Animal Lover, Gardener, Workaholic, etc.
- Translate your motivations to the physical requirements of the home
 - ♦ *Physical Requirements:* #Bedrooms, #Baths, Yard, Location, Proximity to Amenities, Fireplace, Basement, etc.
- Remember: you ultimately buy according to how you will feel in the home

Buyer Checklist [cont.]

5. Start House Hunting

- Use technology to define your search
- Preview homes via the Internet at sites such as:
 - ♦ Your agent's company site, MLS online and
 - ♦ Experience homes using online virtual tours
- Your agent will arrange showings
 - ♦ Imagine yourself living in the home
 - ♦ Mentally place furniture and family in rooms
 - ♦ Discuss your reactions with your agent
- Don't expect perfection with existing real estate; focus on permanent features and characteristics
- If you find a house that feels right, make your decision sooner than later
- If you choose to buy the house, hire a private inspection company to evaluate it



6. Complete the Purchase Agreement

- Your agent will serve as an advisor during this process; you ultimately make final decisions on elements of the agreement.
- The goal is to reach agreement and purchase the home; aim for a win-win transaction
- Read and understand the elements of your purchase agreement:
 - ♦ Earnest money
 - ♦ Personal property and fixtures
 - ♦ Price
 - ♦ Time: closing and possession dates
 - ♦ Financing terms
 - ♦ Other conditions (i.e. contingencies)
 - ♦ Taxes, assessments and escrow
- Remember: quality real estate will command market value. Don't make a low offer for homes priced at or near market value.

7. Present and Negotiate the Purchase Agreement

- Know the sellers options
 - ♦ Accept your offer
 - ♦ Reject your offer
 - ♦ Counter offer
 - ♦ If multiple offers, they may select a competing agreement
- Negotiate only the items that are most important

8. Close the Sale

- Work with agent and lender to provide all necessary items...*including, but not limited to:*
 - ♦ Credit report
 - ♦ Appraisal
 - ♦ Income and deposit verification
 - ♦ Finalize loan approval
 - ♦ Inspections
 - ♦ Title search
 - ♦ Homeowners insurance
 - ♦ Moving arrangements
- Pay the balance of down payment and closing costs
- Receive the keys to your NEW HOME!