



Steps to Buying – In a Nutshell

1. **Talk to a lender.** If you don't know a lender, I can give you some good names that are great and will educate you on their process. A lender will talk to you about your debt and your income. They will run your credit score (hint: credit Karma is not your credit score but it is a good indicator). They will be able to tell you, based on what you have told them, what you *may* qualify for. This is not written in stone because you will need to produce some documents. You need things like:
 - a. Income tax statements for the last 2 years
 - b. Bank statements for the last 2 months
 - c. Pay stubs for the last 2 weeks

There will be other things the lender will require but that is a start.

2. **Call your Realtor®.** Let's talk about what your housing needs may be. You should have been thinking about this but if not, I will help. What do you NEED in your new home? What do you WANT in your new home? What is a DEAL BREAKER? Where do you want to be – location – near work, school, family, highway? Here are some examples of possible needs:
 - a. Bathrooms – 2 full or will 1 ½ do? (We all know the tub is not the most important thing in the bathroom but if you absolutely MUST have 2 full, then we don't want to waste time looking at homes with out 2 full baths.
 - b. Bedrooms – how many do you have to have? Can you live with 2 if there is another room that can double as a bedroom? Can you do 3 if you can close in a carport to add a bath and bedroom?
 - c. Pet free or smoke free home? If you have severe allergies, that may be important. Sometimes we do not have this information but make sure you let your Realtor® know that is important and they will find out.
 - d. Location – within so many minutes from work. Distance to an airport?
 - e. Garage – will a carport be adequate or do you need a garage? Does it need to be detached and more of a shop where you can work on vehicles?
3. **Budget/Search.** Once you have your budget from the lender and you have talked with your Realtor® about your needs versus wants, it's time to look. If I am helping you, I will provide you with a mobile app MLS Client so that you can do your own searches and see the most recent listings in our MLS in real time. I will also look myself and send you what I find. If anything looks like it might be a fit, we will schedule a time convenient for you and the seller and go look at houses. **DO NOT MAKE ANY LARGE**

PURCHASES UNTIL AFTER CLOSING. DO NOT OPEN NEW CREDIT CARDS. DO NOT CLOSE CREDIT CARDS. DO NOT MAKE ANY LATE PAYMENTS.

4. **Visual Inspection.** Each house we look at, I will point out things that I see that may be a red flag or a cause of concern. For example, is the faucet dripping? That could be something needs to be tightened or it may be something more involved. Are there cracks in the foundation? They may be settlement cracks or if they are pretty large, they may be foundational (only a structural engineer can tell for certain). Is there a cracked window? Any peeling paint? Do we see any stains on the ceiling? This may indicate current or past roof leak(s) that we need to get more information about. I point this out not to devalue the house, but so you are not blindsided with surprises. No home is perfect so do not have unrealistic expectations.
5. **Offer Process.** Once you have found the house that meets your needs and you have mentally placed your furniture and arranged things in your head, that may indicate you need to make an offer on this one. We make the offer based on what the market is saying about the price. The list price is not necessarily the market price. That is what the seller would like to receive for the house. Once we decide on the terms and submit the offer we wait for the seller to respond. We may go back and forth a couple of times before reaching an agreement or we may not reach an agreement and we go back to looking. **DO NOT BE DISCOURAGED.** Buying a home is a process.
6. **Offer Acceptance.** The offer is accepted now what? Everyone has signed the Offer making it a contract and everyone has been notified that it has been signed. You can't breath a sigh of relief just yet. You have to make sure the lender has all the documents they need from you and now there are TWO negotiations.
 - a. The first negotiation is for the price and terms of getting under contract.
 - b. The second negotiation is repairs.

Once you are under contract, then we may have inspections done on the property. I strongly recommend a home inspection so you know what you're getting. A home inspector will not find every little flaw, but they will find enough to give you a good idea of the condition of the property. They look for roof leaks, crawl space issues, evidence of termites (then we can get a termite inspection), they go up in the attic if possible, check outlets, check water flow, dishwasher function and host of other things. Once we get the inspection report, if there are things that are a big concern, we have options:

- a. Ask seller to repair certain items
- b. Ask seller to come off the price
- c. Ask seller to pay more toward closing costs
- d. Pay half of repair costs

- e. Terminate the contract.
7. **Settlement/Closing.** Once we get to the closing date, the lender will have been in contact with the closing attorney and they will have gone back and forth with numbers and information. Three days prior to closing, you will receive a Closing Disclosure Statement. This gives you an indication of how much money you will need to bring to the closing table.

On closing day, you will show up at an attorney's office and sign documents. It shouldn't take more than an hour (unless there are questions, everyone is talkative or the lender needs something). You will either have already wired the funds to the attorney's office or will have a Certified Check for the amount you owe. You sign the documents. Give the attorney the check. Then you may or may not be given the keys. Sometimes, sellers want to wait until the documents are actually filed at the courthouse which officially CLOSES the transaction before they release the keys.

The attorney will file the necessary documents with the Clerk of Court and the house will officially be yours.

CONGRATULATIONS!!