



[REAL ESTATE]

buying a home checklist

So you've had some big changes in your life and you're ready to jump into homeownership. Here is a map to get you where you need to go.

□ **find an agent**

Interview three if you can and remember there are real estate companies that work for just sellers, some that work for sellers or buyers, some that try to work for both at the same time, and others that just work for buyers. The latter companies are called Exclusive Buyer Agent Companies (EBA), and it is worth making sure one of your interviews is with an EBA. Visit NAEBA.org for more info.

□ **obtain a preapproval**

If you will be getting a mortgage, a preapproval will help make you more comfortable with what a mortgage payment would be like. A good agent will typically have recommendations for credible lenders. Choose a lender based on their proven ability to get the job done correctly first, then consider the costs. Be careful if the lender is associated with the real estate company; it sometimes creates a conflict of interest.

□ **start looking at homes**

Often you can visit eight or ten homes in a well-planned day with a well-prepared real estate agent. Open houses typically are not the best use of time because they are usually only a small indication of the inventory of available homes.

□ **narrow down your choices**

Start cutting down your list to a target group of two or three homes. Then make a second visit to do a "detailed" viewing. This way, you will always be aware of your best alternative if your top pick doesn't work out.

□ **research purchase contracts**

Don't wait till the day you need to sign a contract to look at one. Your agent should be reviewing the documents, the processes, and the local customs for negotiations and contingencies with you while you are still searching for a home. You'll be much more confident when the time comes to "sign on the bottom line."

□ **find an attorney**

If one is needed in your area (the process varies by state and local custom), make sure you find an attorney who specializes in residential real estate.

□ **start negotiating**

Once you decide on a specific home, make an offer immediately. Your negotiating position gets dramatically worse if another buyer starts negotiating on the same home before you have a contract signed.

□ **check comps**

If you haven't already seen comparable sales data by now, this is the time you need to be reviewing it to know how much you should be paying for the home. If the market values are stagnant or dropping, you also need to consider market inventory and absorption rate.

□ **negotiate to contract status**

If you and the seller can find common ground, then you can sign a contract and move forward. If you can't come to an agreement that makes sense for both of you, start looking at other homes and hope for better luck with the next negotiation.

shop for a mortgage

Now that you have a contract, you can shop for the best mortgage deal. Remember, focus first on the lenders that you know will get the job done, then make cost comparisons to find the best deal.

REMEMBER TO HOLD THESE THINGS CONSTANT:

- The loan type including your credit profile
- The loan amount
- The lock period (which will be determined by the closing date)
- The date and time of the quote (Rates usually change daily, sometimes they will change multiple times in the same day.)

get the home inspected

Make sure to have your place checked out for lead, termites, radon, and/or other concerns. See our "Home Inspection Checklist" for more details.

apply for homeowner's insurance

YOU WILL NEED:

- Address, county, year built, and type of construction
- Type of roof
- Type of heat (and any form of alternate heat, such as a woodstove)
- Distance from house to fire department
- Distance from house to fire hydrant
- Type of locks
- Type of electrical service
- Square footage of home

interview for board approval

If the home is part of a co-op, you will need to set up an interview with the board for final approval.

HAVE THIS INFO READY:

- Three years' worth of tax returns
- Full financial disclosure (pay stubs and bank statements; and 401(k), mutual fund, and stock statements)
- Three letters of recommendation
- Verification of current employment and employment history

set a closing date

Pick a day when you, your lawyer, your Realtor, and the seller's crew can be there. This may already be determined by the purchase contract terms.

FOR CLOSING MAKE SURE YOU:

- Review closing papers 24 hours before you have to sign them.
- Do a final walk-through of the home.
- Go to the closing with home insurance information, house inspection documents, your down payment funds, and your driver's license.

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