

How the Buying Process Works

- **Contact lender to get a Pre-Approved loan** - please note the difference between getting pre-qualified VS getting pre-approved. A pre-qualification is merely a lender telling you how much your mortgage would be based on how much you make VS how much you owe monthly. It is very important to get a pre-approval to insure a smooth transaction. A pre-approval is where the lender will gather your last income tax statement, 3 to 6 months of wage slips, verify your income, verify down payment, and run a credit check. In today's market, this needs to be done before you even start to house hunt. The lender will issue a Pre-Approval letter, will inform you of how much you can afford. This will aid with getting your offer accepted by a seller.
- **Find a Realtor**-Read the following chapters on how to select a Realtor and the differences in Realtors.
- **Decide your home criteria**-The purchase price, area, size etc
- **Schedule an appointment with your Realtor**-Set a convenient time to look for a home with your Realtor.
- **Negotiate purchase agreement**-Price, who pays closing cost, inspection report time limit, closing date, closing attorney, occupancy time, contingencies. This is another function that your Realtor will help you with
- **Schedule inspection of property** by professional of your choice, this should be done as soon as there is an accepted offer. Beware that some inspectors will give you a very detailed report. Don't be scared by this, it is the inspectors job to point out every possible thing that is not new or in the same condition it was when it was new. There are no perfect homes, not even a new home.
- **Give written report to seller**-requesting desired repairs to be made by seller.
- **Seller agrees or disagrees.**
- **Lender orders Appraisal**-Your Lender/bank has a team of professional appraisers. The appraisal should be ordered within one week of the satisfactory inspection report.

- **Realtor contacts closing attorney or escrow company**-and purchase agreement is faxed, and time of closing is schedule as per buyer and sellers request.
- **Walk through inspection is scheduled**-this is usually scheduled the day before closing, particularly if there are seller repairs to be made.
- **Closing is scheduled**-This is the grand finale, you get the keys to your new home. Be sure to get your homeowners insurance in advance, you will also need your driver license at the closing. You will need a cashiers check for your down payment and your closing costs. Your lender will be able to give you a close estimate as to how much you will need. The estimate doesn't have to be down to the penny because you will be able to write a check for the difference up to \$2500.