



Step #1—Ask Your Lender About Available Mortgage Programs: An experienced mortgage company should be able to work with you one-on-one to determine exactly which mortgage programs will meet your individual needs and what you can qualify for based on your personal information. Applicants with higher credit ratings and/or higher levels of financial reserves generally receive more competitive mortgage rates. But with hundreds of available mortgage programs, there is usually one to meet the needs of almost any homebuyer. For those with excellent credit, there is even a way to get a mortgage with 0% down. Of course, [William E Wood at the Mall](#) has a list of preferred lenders whom we've worked with for sometime, but you are more than welcome to use your own.

Step #2—Research the Terms of the Mortgage: Different mortgage lenders have varying price structures that can affect the amount that you pay for your home. An annual percentage rate (APR) includes the actual interest rate on the loan, as well as certain fees and costs associated with the loan. Because a customer may be paying points and other closing costs, the APR disclosed may appear to be higher than the actual interest rate quoted for the loan. Not all lenders calculate APR identically; however, it does give customers a relatively fair method of comparing price on their potential loans.

Step #3—Get a Pre-Qualified Loan Commitment: Even before the house hunting begins, homebuyers need to determine how much they can afford. Mortgage companies or other lending institutions provide pre-qualified loan commitments. Sellers often don't take an offer seriously unless the prospective first-time buyer has some assurance of creditworthiness from a mortgage company.

Step #4—Do Your "Home-work": Be sure to go online to sites such as [My Website](#) and [My MLS](#) to check for listings, neighborhood information, current mortgage information and home ownership services. The right amount of research will help you to better understand the marketplace and homes available in your price range when you're ready to get started looking at homes.

Step #5—Make a Checklist: To help make the home buying process a little easier, homebuyers should create a checklist of the important features they want in a home. Location and the number of bedrooms and bathrooms are usually important. Other important questions to answer: What will the commute to work be like? Are there shopping centers, parks, and schools located near the home?



Step #6—Find a Buyer's Broker: Real estate agents would say that the more you tell them, the better they can negotiate on your behalf. However, the degree of trust you have with an agent may be dependent upon their legal obligation. An agent working for a buyer has three possible choices regarding agency representation. The agent can represent the buyer exclusively, called single agency, or represent the seller exclusively, called sub-agency, or represent both the buyer and seller in a dual agency situation. Some states require agents to disclose all possible agency relationships before they enter into a residential real estate transaction. Here is a summary of the three basic types:

1. In a traditional relationship, real estate agents and brokers have a fiduciary relationship to the seller. Be aware that the seller pays the commission of both brokers, not just the one who lists and shows the property, but also to the sub-broker, who brings the ready, willing and able buyer to the table.

2. Dual agency exists if two agents working for the same broker represent the buyer and seller in a transaction. A potential conflict of interest is created if the listing agent has advance knowledge of another buyer's offer. Therefore, the law states that a dual agent shall not disclose to the buyer that the seller will accept less than the list price, or disclose to the seller that the buyer will pay more than the offer price, without express written permission.



3. A buyer also could hire his or her own agent who will represent the buyer's interests exclusively. A buyer's agent usually must be paid out of the buyer's own pocket but the buyer can trust them with financial information, knowing it will not be transmitted to the other broker and ultimately to the seller.

Step #7—Make an Offer: Once we find you the right house, make an offer. Make sure that your offer is contingent on two items:

- 1) You're able to obtain adequate financing (if you haven't done so already), and
- 2) You can pull out if the property doesn't pass the home inspection, and the owner can't come to terms about how to fix the problem.

Be prepared for counter-offers from other buyers and some negotiation with the seller. Make an earnest money deposit, which is a check that you'll give your agent to indicate that you're serious about buying the house. The check will apply toward the sales price if the deal goes through; if not, you get it back. You should also set a time limit with your agent that the offer you've made is good for three days. If an offer is accepted, it goes to the contract phase.

Step #8—Hire A Home Inspector: Making an offer contingent on an inspection by a registered home inspector can save thousands of dollars by avoiding unseen problems. Inspectors will check the house for any structural damage. In the contract with the seller, it should state any necessary repairs that must be made before closing on the house. Prior

to closing, I will walk through the house with you to help you ensure that such repairs have been completed.

Step #9—Buy Homeowners Insurance: Lenders require homeowners insurance to protect the new homebuyer's interests as well as their own. There are many providers so shop around for the best rates.

Step #10—The Closing: This is where the seller and buyer sign settlement-closing papers to transfer the ownership of the home and all transactions are finalized.

Congratulations, you have made one of the most important decision in your life... and have now invested in your future!!!