

What to Expect When Buying

Buying a home is the usually the largest single transaction in which most people become involved, thus the most important thing anyone can do is **be prepared**. I first recommend that you speak with a mortgage lender of your choice. If you have a regular banking relationship, that is a good place to start. When speaking with this person, it is of utmost importance that you be completely honest. Almost everyone can get a mortgage loan. The more accurate information you can give the loan officer, the better job he or she can do with matching you with the right mortgage loan. Keep in mind, if your credit history is less than stellar, you can expect to pay a higher interest rate and other conditions may be placed on the loan.

The lender must give you a good faith estimate of the costs involved in securing your loan. Below are some, but not necessarily all of the costs that you may expect to incur.

- Down payment
- Origination Fees
- Discount Points
- Appraisal
- Credit Report
- PMI (Private Mortgage Insurance)
- Hazard Insurance (Premium plus escrow)
- Property Taxes (Escrow)
- Recording Fees
- Title Insurance
- Survey
- Inspection Fees

The lender will usually either “pre-qualify” or “pre-approve” you for a certain amount. Keep in mind that “pre-approval” is stronger than “pre-qualified,” and will have a more positive impact when your offer is presented to a Seller.

Once you are pre-approved or pre-qualified, it is time to contact me. We will discuss confidentially your financial situation, your time line, and your desires for a home. I will probably ask you to sign a “Buyer’s Agency Agreement” that will allow me to work as an extension of you to find the right property, help you negotiate the purchase, and walk you through inspections and the closing process.