

Buying A House

Research Area

Use resources like Zillow and realtor.com

Desired Properties Found

Contact Realtor for that area. Should be listed in the resource used.

Request Walkthrough of the Property

Find out how other bids are taking shape

If everything is the the buyers satisfaction, inform the realtor

Acquire Pre-Approval from a bank for credit

Pre-approval in-hand, return to the realtor and put down a bid.

This can technically be done before speaking with the realtor, but the pre-approval has a limited 90-day window, so it is best to seek it only after engaging the realtor of the property buyer wishes to purchase.

If bid is accepted, buyer is under contract and no other bids for property can be offered by other parties.

If bid is rejected, either make a higher bid or exit this process. Realtor is not obligated to tell the buyer the values of competing bids.

Loan Application

WARNING: THIS PROCESS WILL LAST THROUGHOUT THE ENTIRE LOAN AND SALE APPLICATION PROCESS.

THE BANK WILL REGULARLY REQUEST SPECIFIC INFORMATION FROM THE BUYER. THESE QUESTIONS CAN USUALLY BE ANSWERED FROM MEMORY AND WILL VARY WIDELY

Contact a mortgage broker, credit union, or buyer's bank of choice (preferably the bank already in use)

If buyer's credit is sufficient — receive "conditional approval" for mortgage

Conditional Letter will contain key items of mortgage: estimated down payment, escrow*, interest, principal.

Conditional Letter will also contain certain conditions and request specific documents:

Providing the bank with fully-executed purchase contract made between buyer and property real estate agent.

Provide proof of income (pay stubs)

Acquire Home Owners Insurance

Pay for an inspection. The Bank will need a 4-point inspection. However, getting a more thorough inspection is available but costs more.

The benefit is that, if the property is in good condition, the home-owner's insurance premiums may be reduced.

Provide the bank with 4-point inspection document.

If the property is in a flood plain then flood insurance will also need to be purchased (ask realtor if cannot determine)

Buyer will need to pay a fee for bank to perform their own inspection. This redundancy is a result of the housing-market crash. Many steps are now verified by two independent third parties. Unfortunately, this added cost is often pushed on to the buyer.

Closing and Move

Once the bank is ready to provide a loan to the designated Title Company, meet with said Title Company on closing day to sign over paper work.

Provide the bank with 4-point inspection document.

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Starting Fresh