

10 Key Questions Every Home Buyer Should Ask Themselves!

Buying a home can be a stressful experience, and considering it will most likely be the largest single purchase of your life, it's smart to be educated about the process. The following are the 10 key questions any home buyer should ask themselves:

1. How Much House Can I Afford?

As a home buyer, it's important to have an accurate idea of how much home you can afford and how much you are qualified to borrow. Few things are more frustrating than falling in love with a home only to discover that it is out of your price range. But, how do you know what you can afford? Sit down with your local lender. After answering a few questions your lender will be able to determine just how much house you can afford.

2. Should I Get Pre-Approved or Pre-Qualified?

These terms have a tendency to confuse potential home buyers. When a borrower submits income information and their credit report is checked, a preliminary loan amount is given by the lender based on that information. However, the borrower may find a house, only to later learn that the amount they were "pre-qualified" for wasn't what they could actually afford. So to fully approve a borrower, your lender will complete the application process by pulling credit and verifying income and assets. If you are fully approved before you shop for a home, you're in a better position to negotiate because the seller knows that your financing is in place and that your offer is solid. It also saves you time because you already know how much you can spend and don't waste time looking at homes outside your price range.

3. What Is My Credit Score?

Before applying for a home loan, home buyers should obtain a copy of their credit report and review it. If there are errors or issues that need to be fixed, it's easier to address them before a house has been found, rather than dealing with it when trying to close on the loan. If there are a few blemishes on your credit report, you should seek advice from your lender on how best to rectify the blemishes.

4. What Kind of Loan Options Are Available to Me?

For most home buyers, standard mortgage lingo can be a bit confusing and overwhelming. Ask your lender a lot of questions. Your lender will ask you lots of questions to become familiar with your financial situation and your specific needs so that they can fit you with the most appropriate home financing options and explain the process in a way you can understand.

5. What Documentation Do I Need to Have? To make the loan process faster and easier, you should have these items available when you're ready to complete your application: W-2s, pay stubs, bank statements, and written verification documenting where your down payment will come from.

6. I Have Found My Dream House! How Do I Know What Is a Reasonable Offer?

When deciding how much to offer, you should weigh several factors: asking price vs. comparable home sales, market conditions, other potential offers, the home's condition and whether or not you're approved for a loan. Your local real estate professional can be very helpful in deciding

how much you should offer.

7. What Is a Purchase Agreement?

This document indicates the amount of your offer and may also include details that stipulate, for example, which appliances stay and when you'd like to take possession of the house. The seller or selling agent will need you to sign a purchase agreement and put down "earnest money." Earnest money is a deposit showing that you're willing and able to buy the home; it's usually a small percentage of the asking price and later applied as part of your down payment. It is a check written to the seller that your agent holds until the offer has been accepted. Title companies can also prepare a purchase agreement.

8. Should I Have the Home Inspected?

Yes, you should. You have a right to inspect the home you've made an offer on, and most purchase agreements are contingent upon inspection. Hire a qualified professional to inspect the home—it's the best way to ensure the home is in good condition.

The home inspector should check everything and leave you with a very detailed report listing the condition of each item, as well as recommended repairs. If problems are found during the inspection, don't panic. Most inspections of older

homes can reveal a number of items that aren't quite right. It's up to you to decide whether to deal with the problems, renegotiate with the seller, or resume your house hunting.

9. Do I Need Homeowner's Insurance?

Yes, you'll need homeowner's insurance before you close on your home. Once your home is inspected and you've decided to go ahead with the purchase, the loan processing will go forward. It's at this time you'll need to show proof of homeowner's insurance.

10. What Are Closing Costs?

This is one of the most asked questions by home buyers. Lenders are required by law to disclose in writing your estimated closing costs and fees. This is known as a "good faith estimate." Additional costs might apply depending on your state, loan and down payment amount. For instance, title companies handle most closings, but there are some states that require an attorney to conduct the closing. In those states, borrowers are not required to pay a title company closing fee.

Before your closing, you'll receive a document that outlines the costs you'll pay at closing. You'll be asked to bring a valid picture ID, a certified check (if applicable) and any other additional documents that your circumstances may require. It's also customary to make a final walk through of the property shortly before the closing to make sure the home is in the condition you expect it to be.

Any number of people may attend the closing—you, your lender, the seller, the seller's mortgage holder, respective attorneys, the real estate agents, the transfer agent (if it's a co-op), the managing agent (if it's a condo) and the title company representative. Once everyone signs the appropriate documents and the checks are exchanged, you'll be given the keys to your home and that's it!

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Selling? 6 Ways to Increase Curb Appeal!

The home buying season is sometimes very competitive. If you're in the market to sell, it may be time to think about ways to improve the "curb appeal" of your home. With all the recent activity in the real estate market and with long-term rates still at near historic lows, now may be a good time to buy or sell. If there is a surplus of homes available for sale on the market, home buyers may take their sweet time choosing which home they like best. That's why you need to get a competitive edge over other home sellers in your area by making your home look better than the rest.

There are six things you can do to your home to make it look more appealing to buyers that won't cost you a fortune and could make the difference in your home being sold versus your neighbor's.

Paint the House/Fence

A new coat of paint can go a long way to making your home look a bit newer. Bold colors can reflect your personal taste, so make sure you choose a neutral color that will appeal to the most number of people.

Clean the Yard

Take the time to clean up the yard. Rake the dead leaves and grass and put away any tools or equipment that may be lying around. If buyers see a mess in your yard, they'll think twice about wanting to see the inside of the house as it may be an indication of what else may await them.

Plant New Flowers and Trees

Another easy and inexpensive way to improve the look of your home is to plant some new flowers and/or trees. Adding some new color can make a big difference in brightening up your home's appearance and make it look more cheery to prospective buyers.

Enhance Your Walkway

You can boost your home's look by adding a brick- or stone-paved walkway to the front of your house. Dress it up even more by adding some solar-powered walkway lights. The lights will make your home more inviting by adding more ambiance.

Replace Your Front Door

You may think it wouldn't make a difference, but changing the front door can change the entire look of your home. Replace that stale and plain-looking door with a nice wooden one with a decorative, beveled window.

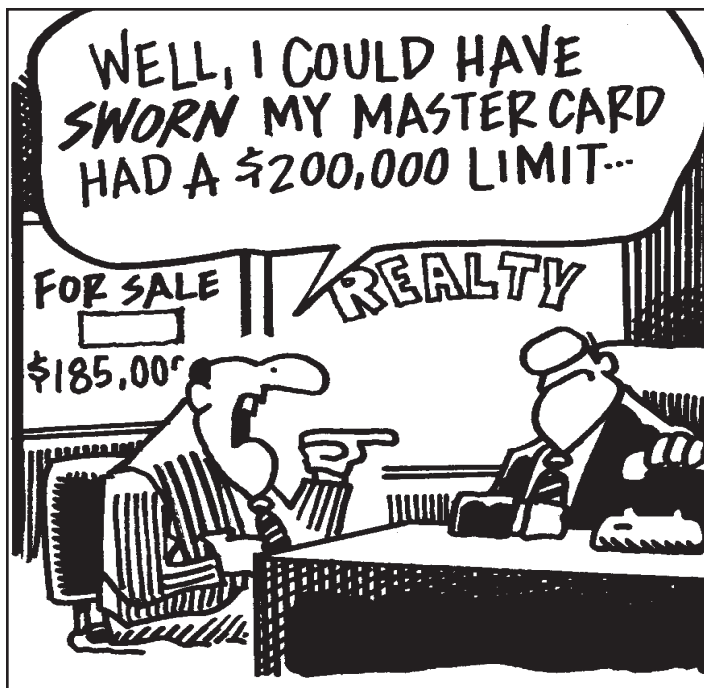


Add Window Treatments

They say windows can be the soul of your house, so it's important to dress up your home by dressing up your windows. Add some decorative shutters to keep your home from looking plain and boring. Adorn them even further by adding some plant boxes. You'll be amazed at how much a simple thing can improve your home's appeal.

The easiest way to get a competitive edge over other home sellers in your neighborhood is by sprucing up the overall look of your home. Luckily, adding to your home's curb appeal doesn't have to set you back financially. Adding some color and a few adornments will go far in helping you sell your home faster.

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