

## The Home Buying Checklist

Buying a home is a daunting task, whether you are new to the experience or you have done it before. If it is your first time, you may not have a clear idea of what needs to be done to get you from renting to owning.

Here is a quick list of things you will need to do, to get you into a new home.

- **Figure out how what your budget is.** Consider all your sources of income, and estimate the total cost of your monthly mortgage, taxes, homeowner's insurance, and city utilities. Generally, monthly housing costs should equal about 28% of your income.
- **Check your credit report.** A good or bad credit report will affect a mortgage provider's desire to give you a loan.
- **Use a mortgage calculator.** This will help you figure out how much you can borrow.
- **Shop around.** Have a look around, and see which lender you are most comfortable with. After all, you will be doing business with them for a long time.
- **Get pre-approved.** By getting pre-approved for a mortgage, you won't waste time looking at houses you can't afford. Also, an approval letter will give you an edge in the bidding process.
- **Find a real estate agent.** The agent you choose will be paid by the seller. Having an agent on hand will make the house hunting and buying process a lot less stressful.
- **Choose your neighborhood.** When you buy a home, you are also buying a neighborhood. If the house suits your needs, but the neighborhood doesn't feel comfortable, you will never feel truly at home there.
- **Make a list of your needs and wants.** With a list to work from, your agent will better be able to find the right home for you.
- **House hunt.** Consider all your needs and wants, when you are looking for your new home.
- **Have the property appraised.** Your lender will hire an appraiser for you. Make sure they have a copy of sales contract, so they know what the chattels and fixtures are in the house.

- **Make an offer.** Ask your agent to provide a list of prices for comparable homes in the area... these figures will help you make your initial offer.
- **Be clear.** Both parties should be clear about what is being included in the sale (lights, appliances, curtains, etc.).
- **Get the home inspected.** Your real estate agent will be able to refer you to a good home inspector. The inspector's report will allow you to identify any problems in the house, and ask the seller to make the repairs before signing the contract.
- **Get the seller to buy a home warranty.** If they don't have a home warranty, you should ask them to get one. If something in your house fails after you sign the contract, you will not have to worry about getting it fixed.
- **Shop for title insurance.** Having title insurance will ensure that you suffer no financial loss if there ends up being a problem with the title of your home.
- **Consult a lawyer before signing the contract.** Although consulting a lawyer is not always necessary, it can come in handy for tricky sales like foreclosures.
- **Lock in your interest rate before you close the sale.** At least 30 days before closing the sale, you should lock in your interest rate with your lender. That way, you will not get any surprise interest hikes right before closing.
- **Do a final walk-through.** Take a stroll around the house and property before signing the contract. Look for things like plumbing that doesn't work, mold and pests, faulty heaters, faulty air conditioners, outlets that don't work, and faulty smoke detectors, and so on.
- **Negotiate a closing credit if anything is broken.** If something in the home is not functioning, bring it to the attention of the seller. That way, they can have it repaired before you take the keys.
- **Sign the contract.** After everything is done to your satisfaction, sign the contract!

Buying a home is an often stressful event, whether it is your first time or not. As such, it helps to have a plan of action to reduce your stress level, and this is where a home-buying checklist comes in handy.