



HOME PURCHASE CHECKLIST

- Before purchasing a home, examine the benefits of purchasing a home versus renting. Consider such factors as: maintenance costs, property taxes, insurance costs, etc.

- Examine your personal financial situation, and determine what sort of house you can afford. You may be able to attain a prequalification mortgage, in which a lending institution estimates how much you can borrow, but does not guarantee the loan. Or you may be preapproved for a mortgage, in which you are guaranteed by the lending institution to receive a certain amount of money. Obtain a copy of your credit report.

- Make a list of the characteristics you are looking for in a house, such as: location, age of home, number of bedrooms, etc. When looking for houses, take into account: property taxes, schools, traffic, crime levels, etc.

- Consider hiring a broker or real estate agent to help in your search for a home. Or, you may also consider shopping at auctions or foreclosure sales.

- If using a broker or real estate agent, agree to a fee arrangement (e.g. commission, hourly fee).

- When you have found the right house, submit a written offer. Consider using an attorney to examine your offer, because if accepted, the offer is binding. Some states also require a separate purchase and sale agreement that includes the terms and conditions of the sale. The buyer may accept the offer, reject the offer, or make a counter-offer.

- Hire an attorney or title specialist to conduct a title examination on the home. Title insurance may also be purchased to protect against title defects that were not discovered until after you became the owner of the property.

- Hire a professional home inspector to examine the property for structural, mechanical, and environmental problems.

- Search for a mortgage lender with the best terms and rates. Then, negotiate the terms of the mortgage agreement, and select the term and type of mortgage (e.g. fixed rate, variable rate, etc.). Set the amount of the down payment. If borrowing more than 80% of the home's purchase price, you may be required to purchase private mortgage insurance.

- Select the type of property ownership desired (e.g. joint tenancy, sole ownership, tenancy by the entirety, etc.).

- Before the closing, request a list of closing costs, attain homeowners insurance (and flood insurance, if needed) and do a final inspection of the house.

- Close the deal. Buyer transfers funds to seller. In return, seller transfers property ownership to buyer. Buyer may then move into property, as prescribed in the arrangement.

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