

10 TIPS TO MAKE THE HOME BUYING PROCESS GO SMOOTHLY

Buying a home can be a time consuming and stressful process but if you follow the tips below it will help make the process much smoother.

1 GET YOUR TEAM IN PLACE:

Realtor - while many people start by doing an online search, most buyers end up using a realtor. The seller typically pays the fee so it's a mistake to do it alone. Pick someone you enjoy working with and trust - You may be spending a lot of time with this person. Let me know if you need a referral.

Attorney: If your friend, relative or neighbor offers to "do you a favor" and represent you it's probably a bad idea. – I strongly encourage you to use a LOCAL attorney who specializes in real estate transactions. Many towns have unique customs and rules that an outsider may not be familiar with. When the buyer's attorney and seller's attorney have a good working relationship it usually helps to make the transaction go smoothly.

Banker – Selecting the right professional to assist with your financing is critical. Everyone wants the lowest rate but it is important to select a banker who understands your situation and get the product that fits your needs. I would be pleased to provide a list of recent clients, or you can search Zillow reviews.

2 TELL ME EVERYTHING. We want to get your loan closed smoothly and the best way is to avoid surprises. If you own another property, pay alimony, have a tax lien, received a gift from a friend or have an outstanding parking ticket we are probably going to find out about it. Tell me EVERYTHING upfront so we can address it.

3 PRE- APPROVAL – If you are going to need a mortgage, getting "Pre-Approved" is a great FIRST STEP. The underwriting process is extremely thorough these days. If you are planning to make an offer on a home shortly, you should consider getting a full Credit Approval (Call me for details).

4 LIQUIDATION OF FUNDS – Many home buyers need to liquidate investments, transfer money from other countries or obtain a gift. Sometimes this is easy, other times it's not. Before you make an offer, make sure you have ALL the funds you need, liquid, and in a US banking institution. If you plan to move funds around, you will need a clear paper trail of all accounts involved and you should discuss this with your mortgage professional **BEFORE** taking action.

ALL FUNDS NEEDED TO CLOSE MUST BE IN YOUR ACCOUNT AT LEAST 30 DAYS PRIOR TO CLOSING. ANY LARGE DEPOSITS THAT DO NOT APPEAR TO BE FROM YOUR EMPLOYER WILL NEED TO BE EXPLAINED (AND DOCUMENTATION WILL NEED TO BE PROVIDED)

- 5 **DOCUMENTATION** - Make sure you have your documents ready to go. Documentation requirements vary based on the loan program and your specific situation. Some items are obvious such as Tax Returns, Pay Stubs, and W-2's but others are not such as cancelled rent checks for 12 months and a year-to-date Profit & Loss statement for self-employed borrowers. Always send full PDF statements. Redacted documents are not allowed.
- 6 **CREDIT** – If you plan to get a mortgage your credit report will be extremely important. Your scores are important but there is a lot of other information that can impact your ability to obtain financing. Have your credit run and reviewed BEFORE you are ready to look for a home. With advanced notice there are many things we can do to improve /correct the information on it. **Note: A consumer credit report you obtain online will likely show a higher score than the one used by banks.**
- 7 **EMPLOYMENT** – If you are contemplating a job change, reduction of hours, retirement, or maternity leave make sure to discuss this with me in advance to see if it will impact your financing.
- 8 **GIFTS** – Many lenders allow a buyer to obtain gift funds to be used for the down payment of a home but, the rules vary depending on the loan size and investor. Try to get gift funds transferred BEFORE you submit an offer and make sure you understand the regulations and tax implications of accepting a gift. You should consult a tax professional (see gifts document).
- 9 **ESTATE PLANNING** – Do you have a will? If you are buying a home this might be a good time create one. Do you plan to hold title to the home jointly? Do you want to have title to the property held in an LLC? Your accountant/attorney can explain pros/cons. It's important to know the answer before you move forward with your home purchase.
- 10 **TIMING** – There are many factors that impact the timing of a closing. Some of them are beyond your control (Snowstorms, injuries, pipes burst, health issues etc.). The best way to reduce stress is to expect the unexpected. Don't plan to move, have your floors refinished or the house painted the day after closing. Leave a little cushion to reduce stress.