



The Home Buying Process:

If you're like most people, buying a home represents your single biggest investment – and debt. The home buying process can be one of the most exciting, but sometimes also stressful, experiences you ever go through. This may be true whether you've bought many homes or you're looking to buy your first, whether you're in the market for a new primary residence, or an investment property. Never has the real estate market offered more great opportunities, or been fraught with more risks, than now.

There are many factors to consider and many decisions to make. That's why it's crucial for you to have all the available resources necessary to make a well-informed decision, together with the time required to make complete use of them. That's also why you should enlist the help of Kelly Warren & Associates, trusted Realtors who'll be able to provide you with expert consultation at each step of the buying process. Generally, finding and purchasing a home includes the following steps, which are explained throughout this guide.



Define Your Goals, Research Your Options, Make Your Plans

The home buying process is a big step, it's important for you to educate and prepare yourself in advance. This means clearly determining why you're buying and what kind of home you're looking for. Think about your needs vs. wants in a home– some things

like the right number of bedrooms may be a need that you can't live without. While other things like a swimming pool may be a want that you would like to have, but could survive without if the home met your other criteria. And, because buying and financing a home are so closely related, it also means examining your current financial situation and projecting how much you can afford. Once you've answered these questions, you'll be in a better position to research your housing and mortgaging options, as well as create an action plan and timelines for moving forward.

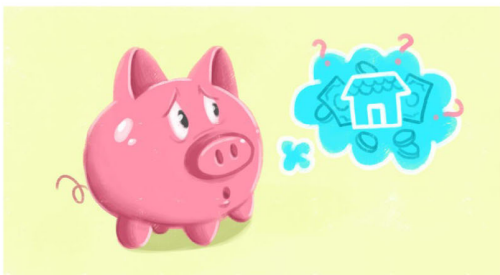


Get Pre-Approved For A Loan

It is recommended that you get pre-qualified for a loan before you start viewing homes with the serious intention of buying. The preapproval process involves meeting with a lender and authorizing them to examine your current financial situation and credit history. On the basis of this examination the lender will provide you with a document that details

how much you can borrow to buy a home. You may want to start at your local bank or credit union. Or ask your buyer's agent to recommend a trusted loan officer to work with you.

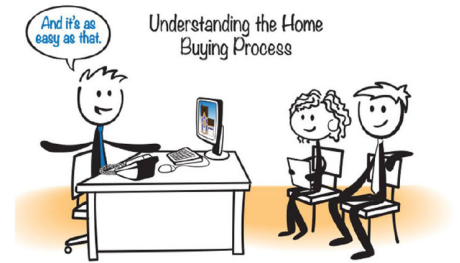
The benefits of pre-qualification include: • You'll have information about what you can afford and be able to plan accordingly • As a qualified, motivated buyer you'll be taken more seriously when you make an offer on a home • Lenders can tell you whether you qualify for any special programs that will enable you to afford a better home (particularly if you're a first-time buyer).



Hire a Buyer's Agent from Kelly Warren & Associates

Buying real estate is a complex matter, there are so many factors to consider and no two homes or transactions are alike. However, with all the unique opportunities and potential pitfalls of the current market, it's even more important for you to contact a Realtor once you've definitely decided to buy.

In choosing an agent to guide you through the property search, financing, negotiation and transaction processes, you should consider their local market knowledge, experience and track record. As Kelly Warren & Associates agents we are trained in the home buying and negotiation process. We will help you find the best home to fit your needs!



House Hunting

The key to the home search process is knowing what you're looking for. That means distinguishing between "must-haves" and "like-to-haves". Here are a few recent facts about the search process that might put your experience in perspective:

- Almost 90% of buyers use the Internet to search for homes, the typical buyer searches for 10 weeks and views 12 homes
- 81% of buyers view real estate agents as very useful in the search process.

There are many benefits to starting the search process at a real estate website like KellySOLDit.com. You can view many homes and their details, take video tours and access neighborhood information. However, it's also important to view homes in person. While their property details may seem similar online, homes can actually be very different in terms of layout, design, workmanship and other aspects. In addition, you should ideally view homes with the help of your experienced and eagle-eyed buyer's agent who'll notice things you might miss, provide expert analysis, and act as an impartial sounding board.



Make An Offer And Negotiate With The Seller

Now that you've found the home you'd like to buy, it's time to make an offer. Kelly Warren & Assoc., with legal counsel, has developed the contracts that are used for transactions in our area. These contracts enable you to specify a sale price and also include many clauses for specifying various terms of purchase, such as the closing and possession dates, your deposit amount, and other conditions. You should carefully review these clauses with your Realtor to ensure that they express your desired offer. In addition to drawing up the contract, your buyer's agent will be happy to address all your questions about the offer process.

Once you've written the offer, your Realtor will present it to the seller and/or the seller's agent. Generally, the seller can accept your offer, reject it, or counter it to initiate the negotiation process.

Successive counter-offers, with deadlines for responding and meeting conditions, will be exchanged between you and the seller until a mutually-satisfactory pending agreement is reached or the negotiations breakdown. Negotiations can involve many factors relating to different market conditions, homes and sellers.



Under Contract



Congratulations! The seller has finally accepted your offer. The sale is “pending” and you have successfully put the house under contract. It is at this point that your earnest money check is deposited into our non-interest bearing trust account. Your money will remain in this account and be credited to the purchase price upon closing unless otherwise specified by the contract. At this time you may be tempted to buy furniture, appliances, and accessories for your new home. Resist the Urge! Due to the delicate nature of financing, it is best to not have your credit pulled by anyone other than your loan officer during this process.

Mortgage Loan Application

Secure your financing once you have a pending agreement, it’s time to go back to your chosen lender to finalize your mortgage details so you can close the deal. This means finalizing your down payment, interest rate, regular payment schedule and any other financial conditions associated with the closing. As noted in the section on loan pre-approval, if you’ve already been qualified with a lender for a certain loan and home purchase, this phase of buying your new home should be a relatively straightforward matter that centers around finalizing the loan details and signing the mortgage papers. As the old saying goes, ‘let the buyer beware’. Particularly in these times, when so many buyers are suffering the consequences of having not fully understood their financing decisions, it’s crucial for you to work with people you trust. In this regard, a good Realtor can be a true friend for life.



The Home Inspection



Minor problems that need attention are common in most homes and should be expected. It is recommended that each buyer get a home inspection from a qualified inspector. Most certified inspectors offer ancillary inspection services (pest, mold, radon). You can often order a general home inspection and additional inspections from the same inspector. Refer to the contract for the agreed dates placed on the inspection deadlines. Should you fail to meet those dates you are waiving your right to inspect and could be purchasing the home in AS IS condition. Once the inspection is complete you and your buyer’s agent will review the inspection report and the “limitation of remedies” clause in the purchase contract. This will guide you on what to do next (possibly having further inspections or an addendum to the contract negotiated).



The Appraisal

Once formal loan application has been made the lender will order the appraisal. You will need to have a check for the lender for the credit report and appraisal. When you make the loan application you can apply over the phone, but a personal meeting is highly recommended. The purpose of the appraisal is to determine the value of the home by using active and sold comparables. Today the lenders must use a third party management company to order all appraisals. This is why selecting a local lender becomes important. The local lender is allowed to approve the best appraisers, and will make sure a local appraiser (knowledgeable in our area) is used.



Close on the Purchase

If you've efficiently taken care of everything connected with purchasing your new home, the experience of taking ownership will be a positive joy with no surprises. Key steps to the closing, also referred to as the "escrow" or "settlement", include:

- Getting a Title Search – a review of all legal documents relating to ownership of the property – to ensure that there are no claims against the title of the property. It is also necessary to purchase Title Insurance in case the records contain errors or mistakes in the review process.
- The Final Walkthrough – you'll be given the chance to look at the home to make sure it's in the same condition as when you signed the sale agreement.
- The Settlement – typically, on the Closing Date you'll go to an office to verify and sign all the paperwork required to complete the transaction. The settlement will include paying your closing costs, legal fees, property adjustments and transfer taxes. At that point, you'll receive the property title and copies of all documentation pertaining to the purchase.



Possession & Utility Transfer

Oh, and one more thing – you'll get the keys! Possession Date will be whatever date you and the seller agreed upon in the purchase agreement. And, utilities will need to be switched a few days prior to the transfer of possession. Plan your move accordingly! Then, all that is left to do is move into your dream home!

*Don't forget to ask about our
Love It or Leave It guarantee!*



Kelly **WARREN**
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