

## **HELPFUL TIPS ON PURCHASING A HOME**

- Determine how much home you can afford. There are a number of different factors in making this determination, the first of which should be to pre-qualify for a loan. After assessing your income and debt obligations, a lender will tell you how much you qualify to borrow. However, you should also take other factors that affect your financial situation into consideration. How much money are you saving for retirement? Do you have a small business that you are putting a lot of your money into? Do you have many children? Have you set aside any money for their education? Do you have a budget?
- Decide what type of home you want to live in. Think about which characteristics of the home you can't live without, and which characteristics would be nice to have, but you could live without. Are you looking for a new home, or to renovate an older home? Determine whether you wish to employ your own licensed real estate broker-this fee should normally be paid for by the seller.
- For each home you look at, write down what you liked and what you didn't like. Be thorough and detailed, chances are you won't remember everything unless you put your memories to paper.
- Study the market area that you want to buy in. You should understand what amount of money similar homes are selling for in that market area.
- Once you are ready to make an offer, you should ask the seller for a written contract to buy the home. It is extremely important to read every line of the contract and to try and get as good an understanding as possible about the contract. If there are points in the contract that you are worried about or you simply want some clarification and advice, have an attorney review the contract for you. Spending a couple hundred dollars to ensure that you safeguard what will in all likelihood be the largest purchase of your life is a wise decision.
- If you make an offer and it gets rejected, don't be afraid to make a counteroffer. The negotiation process can last for a long time, and it will not end until both parties agree in writing on a final price.
- Be ready to have the house inspected after you agree on a price. You should be looking for problems such as foundation issues, roof leaks, rodent infestation, or cracks in the walls.
- Be prepared to disburse the necessary cash at closing to make the purchase of the home final. Also be prepared to obtain homeowners and flood insurance.
- Enjoy your new home!