

10 Tips for Successfully Buying a Home

1. Research is the Key to Discovery | When it comes to buying a home, no one knows what you want and need better than you or your agent. You can't assume that your ideal home will present itself to you, you have to do some digging. Find helpful real estate literature, consult an expert, and spend time looking at different homes, schools, and neighborhoods.

2. Make a Plan and Get Pre-Qualified | Buying a home is a big deal and therefore, requires some strategy. Developing a home-buying plan can help you focus on the important factors and organize the entire process. Here are some helpful topics for consideration: home financing, service providers, etc. and loan pre-qualification (imperative to your home buying preparation).

3. Value, Value, Value | A house isn't just a purchase, it's an investment and the classic rule of buying the worst house in the best neighborhood still applies. If you buy with an eye towards improvement, you can customize the home to fit your needs. The saying, "make money buying a home, not selling one," should keep you focused on the long-term importance of the purchasing price.

4. Create a Top 10 List of Amenities | When shopping for a home, list the features (fireplace, fenced-in yard, updated, location, schools, etc.) that are most important to you. Establishing "your criteria" early on will save time shopping for inappropriate homes and may keep you from buying a home on a whim.

5. Fixed vs. Adjustable Rate Mortgages | Adjustable Rate Mortgages (ARM) have an initial fixed rate, which is followed by a period of adjustment intervals during which the rate adjusts based on the performance of several key indexes. Typically, the initial fixed rate on an ARM is slightly lower than the comparable rate of a fixed rate mortgage.

Fixed rate mortgages allow buyers to take out a long term loan without having to worry about changing interest rates or monthly payments. Most fixed rate loans are offered in either 15 or 30 year terms.

Most buyers will be well served by a fixed rate loan, but each situation is unique. While ARM loans have become less popular in recent years, they can still be a viable option for some buyers - especially those who plan on selling again in the foreseeable future.

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Whichever loan you choose; make sure that you scrutinize all the closing costs. If you are required to have a mortgage escrow account and private mortgage insurance, make sure you understand the terms and cancellation procedures. Also, make sure there are no prepayment penalties so that you can utilize an accelerated mortgage plan. A good mortgage reduction plan can save you tens of thousands in interest costs, and shorten your loan term, with only small extra principal payments. If you experience negative changes in your job, health, or marital status, you can revert to the standard payments in your mortgage contract.

6. Sign a Contract That Protects You | Make sure that the contract you put on a house allows you to arrange financing, inspect the home and negotiate any problems that you uncover. This ensures the minimization of potential legal battles.

7. Put Yourself in the Seller's Shoes | You are about to make one of the most important decisions that will affect both your life and the life of the seller. If you take time to understand the reasons the seller bought the home, their reasons for selling, and the home improvements they have or have not made, you'll be in a better position to evaluate the home and negotiate a better deal.

8. Develop a Mortgage Shopping Chart | One of the biggest decisions to make before putting a contract on a home is how to finance the purchase. There are 10,000 lenders competing for your mortgage business. The days of simply walking into the community bank and negotiating with the loan department manager are over. Today, you can apply for a loan over the Internet or even use a mortgage broker to shop for your loan with hundreds of lenders. When choosing a lender, you want to avoid apples to oranges contrasts by comparing fixed rates to fixed rates, not fixed to ARM's. Create a chart that lists different types of loans, fees, and at least five mortgage providers (including a mortgage broker). When choosing a lender, while selecting the best interest rate is important, it is not the only criteria. Total closing costs, and experienced lender who we have a strong relationship can make the difference in getting through closing.

9. Get a Quality Home Inspection | Paying for a qualified home inspection before you buy a home isn't just spending "a little extra" for peace of mind; selecting the right home inspector with the right credentials is absolutely essential for anyone who doesn't want to spend thousands of dollars for repairs after closing.

10. Home Protection Plans | To protect both you as a buyer, as well as the seller, it's a good idea to purchase a home protection plan. A home warranty, or home protection plan, is a service contract, normally for one year, which protects homeowners against the cost of unexpected repairs or replacement of their major systems and appliances that break down due to normal wear and tear. A negotiable contract between the buyers and sellers which does not overlap or replace homeowner's insurance policy, this type of warranty can save the new homeowner lots of headaches, as well as put seller's fears to rest. The warranty covers mechanical breakdowns, while insurance typically repairs the related damage.