

First-Time Home Buying – How to Minimize Those Inevitable Bumps In the Road

Buying your first home can often times be overwhelming. Many first-timers are unaware of just how grueling the process can be. Knowing where to begin and staying involved can and will change your experience dramatically. Here are ten simple tips to assist you when taking the plunge into home ownership.

1. **CALL EVA CASORIA 914-804-6300:** While that may sound like a sales pitch, you should know that Eva is an experienced licensed real estate salesperson with a vast knowledge of the market. Licensed in both New York and Connecticut, Eva and her team can certainly help make your dream of homeownership a reality. Whether it's Eva or another real estate agent, working with an experienced real estate professional will prove to be one of the most critical parts of this journey. Please, fight the urge to just jump in your car and house hop! Have a preliminary conversation with your real estate agent to help establish a plan that will work for you.
2. **GET A LOAN PREAPPROVAL/PREQUALIFICATION:** Before you get started viewing homes, you'll need to find out exactly what you can afford. This may seem easy to determine, but many first-timers don't realize that income and debt are not the only factors involved. Down payment amount, Credit scores, mortgage interest rates, employment history, real estate taxes and more can all play an important role in whether or not a particular home is affordable to you. If you are shopping for a home without speaking to a mortgage professional, you may be setting yourself up for some very real disappointment. Ask your real estate agent if they can recommend someone. Most can provide multiple choices in this and other real estate related fields.
3. **BEGIN THE HOME SEARCH:** Once you've obtained your purchase range, you can start the exciting step of viewing the housing inventory. Your real estate agent will show you the houses that are currently available and that meet your criteria. This can be very emotional for many first time homebuyers especially at the negotiation stage. Here again it is critical to be working with an experienced real estate agent who will help secure the right home for you.
4. **THE SELLER HAS ACCEPTED YOUR OFFER...WHAT NEXT?:** Well, this next step will require you to shift into high gear. An accepted offer does NOT secure the home for you. The property can still be viewed by other potential homebuyers who can also present an offer to your seller. One that may be more favorable than yours. I know... this can be scary, but it is a reality. Scheduling a home inspection quickly will put you one step closer to taking *your* home off the market. Agents again will have contacts for this.
5. **OBTAIN A HOME INSPECTION:** Once this is done, you will receive a report from the inspector that reveals the overall condition of the home. (Note that other property specific inspections/testing may be needed. Septic Systems, Oil Tanks and Wells are some examples. Your agent will guide you.) When viewing your report, keep in mind that there is ***no perfect home***. That being said, some issues may be more than you are willing to take on. Discussions with your inspector, possible contractors and your agent will assist you. Often times, estimates are obtained to decipher what costs are involved to remedy an issue.
6. **HIRING YOUR ATTORNEY / GETTING INTO CONTRACT:** This is a big one. A real estate attorney will review the contract of sale and make sure you are protected should something go wrong. Choose wisely. Your agent will supply them with a purchase memo summarizing the initial agreed upon terms. Your attorney and that of the seller will finalize any revisions. Once completed, you will need to sign on the dotted line. At this point, your deposit check is required. The deposit is simply a portion of the purchase price held by the seller's attorney until the closing takes place. A contract of sale is considered binding when both parties have agreed to its terms and signed accordingly. Once a fully executed contract is received, your property is off the market!
CONGRATULATIONS! After celebrating a bit, you will need to move on to meeting the conditions of that contract. Mortgage conditions, appraisals and title/property searches are all part of this.

7. **COMPLETING THE MORTGAGE PROCESS:** Once you have chosen a lender and submitted your application, an appraisal will be conducted of the property you wish to purchase. While the bank moves ahead with this, you will need to provide the lender with a lot of information. This can be difficult at times even for a borrower with impeccable credit. Pay stubs, W2's and credit checks are only the beginning. Nowadays, Lenders will require documentation to substantiate just about everything. Often, two months' worth of bank statements are closely examined. Income to debt ratios are critical in determining not only your interest rate but your overall loan package. From the moment you start your loan application to the day of closing, you must refrain from making key changes to your loan worthiness. Large purchases, credit card expenditures or income changes will modify your loan status. Recent regulation in the mortgage industry has strictly enforced the advance disclosure of costs involved in mortgaging a home. This will help alleviate any surprises to all borrowers. Visit the Consumer Financial Protection Bureau's website for the most current regulations <http://www.consumerfinance.gov/>.
8. **OBTAINING TITLE INSURANCE:** Most people don't know what this is and yet it's critical to any land purchase. Title Insurance is an insurance policy you purchase to protect yourself from any harm a prior owner may have caused to the property. As a buyer, it is not required, however, I have yet to meet an attorney that will suggest their client decline its purchase. The lender will require you to purchase its policy for however much they have vested in the property. Judgments, Liens, Mortgage, estate issues, real estate taxes and fraudulent conveyances are just some of the issues that may arise on a particular property or seller. Legality of structures are often times revealed with a title search. Placement of fences and structures can be determined as well. It's important to look into the company you are going to work with as not all companies are the same. Look for the Alta's Best Practices Certification at its highest degree as a standard to help you decide. Your attorney or real estate agent can assist with this but keep in mind that not all title companies are the same and the choice of who to use is yours and yours alone. Visit my website for more information: <http://www.judicialtitle.com/about-us/>
9. **CLEAR TO CLOSE:** Yay! You have met all of the bank's conditions and they have cleared your file to close! While you were busy meeting the lender's criteria, your attorney has been reviewing and clearing any title issues. The attorney will now coordinate a title closing date and time wherein all parties will meet to finalize the transfer. He or She will finalize what you will need to bring to the closing. Your agent will coordinate with you a final walk through in order to verify that the property is in fact in the same condition as when you made your offer. Any issues should be addressed accordingly.
10. **CLOSING DAY:** You have arrived! This is a very exciting day. You will meet at the designated time and place and be faced with a barrage of paperwork, but don't be discouraged. As overwhelming as this can seem, your attorney will guide you. And your title representative, mortgage representative and real estate agent have all come together to help you as well. Once all of the paperwork has been executed, your lender will disburse your loan proceeds to the appropriate parties. The seller will hand over the keys to your new home, and you will smile. You are now a homeowner. Wow, A HOMEOWNER!! Take a moment to let it sink in... but most of all, take the time to enjoy your home and be proud of your accomplishment.

From the beginning, stay involved. Be responsive and proactive. Don't be afraid to ask for help. Finding the right home is only the beginning... Working to close on that home will require a team of professionals that WILL prove to be invaluable. Choose wisely!