



Starting the Home Buying Process

Where Do I Start?



We recommend that before you start looking that you get **pre-approved** or at the very least **pre-qualified** with a lender before selecting a home to purchase. Below are some reasons to get **pre-approved**:

- ◆ With pre-qualification, you can determine which loan program best fits your needs and which programs you qualify for.
- ◆ You will know exactly how much you are qualified for. It's no fun to find your ideal home and then find out you cannot afford it!
- ◆ Your monthly payment will be set. This will allow you to budget your money
- ◆ It shows you what the down payment and approximate closing costs will be.
- ◆ If you are a first-time home buyer, you may be able to qualify for a special first-time buyer program which may allow you to afford more home for your money.

Why get pre-approved instead of just pre-qualified?

1. Do you want to get the best home you can for the least amount of money? Then make sure you are in the strongest negotiating position possible!
2. Getting "pre-qualified" means that you spend a few minutes on the phone with a lender who asks a few questions and based on the answers issues you a form that you can show to a seller.
3. Sellers know that such forms are WORTHLESS.
4. None of the information has been verified and unknown problems could surface.
5. Getting pre-approved means everything has been checked and, except for a few details, like the appraisal on the home you choose, or checking your credit again before closing, you are **APPROVED** for a loan!

Shopping for a Lender- A very important part of purchasing a home is finding the right lender. We can recommend several lenders that have done an excellent job for our clients in the past, if this meets with your approval, however the choice must be yours, as you need to feel comfortable with the loan officer that you pick. Listed below are some things you should look for when choosing a lender. Also, things you **should not do.**

Questions to ask ... What is his/her reputation within the community/marketplace? How many loans do they close each year? Is the company well known in the area? How long has the company been in business? Does the lender have access to a wide variety of loan packages? Can the interest rate be locked in and for how long?

What not to do when looking for a lender ... DO NOT CALL AROUND ASKING FOR INTEREST RATE

QUOTES ... quoted rates over the phone are rarely locked prices. This is one way the loan officer/lender gets you to come to his office. Rates can be subject to change unless they are predetermined for a specific period of time. Interest rates can change daily. A quote you get today may not be available at the same price tomorrow.

The interest rate you are quoted over the phone may not be a program that will fit your needs or situation. Plus **each time you call a different lender who may pull your credit history -- your credit score is affected and will get worse with each inquiry!**

