

Home Buying Checklist and organizing your approach to buying a home



The purchase of a home is the biggest financial transaction most people will make in their lives.

Getting organized for it is critical, and can mean many thousands of dollars in savings when done correctly. The [Home Buying Checklist](#) provided by foreclosure.com can help get you organized for this adventure.

[Click to download the Foreclosure.com Home Buying Checklist](#)

How should I prepare to shop for a home?

The first piece of information you will need is to know how much you can afford to pay. The [Home Buying Checklist](#) recommends getting preapproved by a lender before shopping for a

home. This advice applies to first time homebuyers, experienced buyers, and real estate investors. A lender will assess your situation by reviewing your income, outstanding debts, available cash, and credit scores. With a complete picture of your financial situation you will be told how much you can spend, how much your monthly payment will be, and how much cash you will need to complete the transaction. A professional loan originator, whether a bank or mortgage company, can explain the details of the closing costs and ongoing monthly expenses. With this information you can be prepared to go house shopping.

Where should I look for a home?

It starts by finding a neighborhood that suits you. Think in terms of convenience for work, schools, shopping, and the people you want to be near. This is called your 'target neighborhood'. Then, within your target neighborhood you have various ways you can search for the right property. You should consider finding a buyer's realtor in the neighborhood that interests you. Realtors have access to the multiple listing service that shows all the properties that are registered through the Multiple Listing Service (MLS). However, do not overlook the opportunities that the foreclosure.com website offers. Our web site has hundreds of homes listed in communities all over the country. Within that universe of properties you will find many opportunities such as for sale by owner, foreclosures, and short sales.

What should I consider for my own checklist?

You can simplify the search by knowing what you are looking for in a property. How many bedrooms and bathrooms do you need? Do you want an attached garage, swimming pool, single-family lot, or a condo unit in a multifamily building? Do you intend to rent out the property? How does that fit into the picture of your perfect home buying deal?

How should I communicate with a seller?

If you have a realtor, you will want to make an offer through him/her. If the property is a 'for sale by owner' you can negotiate directly, or hire a realtor or attorney to help. Prices as listed are not always what a seller expects to get, so don't be afraid to negotiate. Most homes that sell go through the negotiation stage whereby offers are made, counter-offers are proffered, and through this process the terms of the sale are determined. This part of the process must be handled with great diligence. If you are moving up, or downsizing, or relocating, or for any other reason you are moving from a home you now own to this new one, you will want to have a contingency in your purchase agreement for the sale of your current home. Also such things as the purchase price, inspections, repairs, earnest money deposits, financing contingencies, closing dates, and who pays which closing costs are all negotiable.

What happens next?

With a purchase agreement in hand it is time to prepare to finalize the transaction. You will want to have the property inspected by a professional property inspector, and appraised by a professional appraiser. (If you seek mortgage financing this will be a lender's requirement.) You will also want to see the closing agent's title binder, and review the condition of title with the realtor or some other professional. With this information you are ready for your lender to issue a firm commitment for the financing. If you haven't already locked in the interest rate on your mortgage loan, that needs to be done. Once you have passed through all these steps, you are ready to have a formal closing and take possession of your new property.

Remember to keep foreclosure.com as an important reference. No amount of information is too much when it comes to purchasing a home, and there is no place better to find this information than on the foreclosure.com website.