

Buying a home tips

- 1) Unless you are loaded with cash you will need financing and a loan application to purchase a home – you should obtain a pre-approval letter from your lender – we can't submit an offer without one.
- 2) Look for properties you are financially able to buy – no sense in looking at \$million dollar homes when you can only afford \$150,000.
- 3) You are buying two things:
 - a) the home and
 - b) the money to buy the home.
- 4) Foreclosures are not necessarily a deal. Banks will always ask for market value and will get a 'BPO,' broker's price opinion or an appraisal – they don't give them away.
- 5) Auctions at the courthouse steps are 100% cash and you don't get to inspect the property for any problems or issues.
- 6) You should pick a home that you like and not just because it is a bargain.
- 7) Consider the location, schools, and distance from your work – driving can become a burden and expensive.
- 8) You will need to have cash available in the bank to cover closing costs – just like a car, you'll need to pay for insurance and tax escrows, a survey if necessary, title company fees and the down payment.

- 9) The seller normally pays agent commissions per the MLS listing and typically the title insurance.
- 10) The Texas Real Estate Commission conducts background checks on agents and agents have their fingerprints submitted before they can be licensed.
- 11) The property will have to be appraised and meet lender's requirements before a loan can be approved – if it does not appraise, either the seller will lower the price or the buyer will have to make up the difference.
- 12) Buyers should get a home inspection and be aware of any deficiencies. Properties may be sold 'as is' and may or may not meet code requirements for the lender – otherwise the seller may agree to repair the deficiencies. A lender may also agree to a 'rehab loan' if that will work.
- 13) Finally, call us if you have questions – we'll do our very best to answer them.