



## **The Buying Process**

The process of buying a home or investment generally starts with determining your buying power; that is, your financial reserves plus your borrowing capacity. Your REALTOR can assess your financial situation and tailor lender recommendations to your specific financial needs. All mortgage lenders are not the same! If you give a real estate agent some basic information about your available savings, income and current debt, they can refer you to lenders best qualified to help you. Most lenders -- banks and mortgage companies -- offer limited choices.

### **Finding That Special Property:**

1. Once you know how much you can and want to invest, the next step is to find the properties that most nearly fit your needs.
2. This is the time to choose a real estate licensee.
3. When picking a real estate agent look for one who is also a REALTOR®. A REALTOR® is a member of the NATIONAL ASSOCIATION OF REALTORS®, a real estate trade association, and all members agree to abide by a 17 article Code of Ethics.
4. A REALTOR® has many resources to assist you in that search. Sometimes the property you are seeking is available but not actively advertised in the market, and it will take some investigation by your agent to find all available properties.

### **Selecting That Special Property:**

1. Your job is to make the final selection of the right property for you.
2. This is when excitement and emotion run high.
3. Your real estate agent can assist you in the selection process by providing objective information about each property.
4. Agents who are REALTORS® have access to a variety of informational resources. REALTORS® can provide local community information on utilities, zoning, schools, etc.
5. There are two things you'll want to know:
  - a) First, will the property provide the environment I want for a home or investment?
  - b) Second, will the property have a resale value when I am ready to sell?



### **Negotiating:**

1. There are a myriad of negotiating factors, including, but not limited to, price, financing, terms, date of possession, and often the inclusion or exclusion of repairs and furnishings or equipment.
2. The purchase agreement should also provide a period of time for you to complete appropriate inspections and investigations of the property before you are bound to complete the purchase.
3. Your agent can advise you as to which investigations and inspections are recommended or required.

### **Due Diligence:**

1. With a negotiated agreement in hand, it is time to complete the evaluation of the property. Depending on the area and property, this could include inspections for termites, dry rot, asbestos, faulty structure, roof condition, septic systems and well tests, just to name a few.
2. Your agent can assist you in finding qualified responsible professionals to do most of these investigations and provide you with written reports.
3. You will also want to see a preliminary report on the title of the property.
4. Title indicates ownership of property and can be mired in confusing status of past owners or rights of access.
5. The title to most properties will have some limitations; for example, easements (access rights) for utilities.
6. Your agent, title company or attorney can help you resolve issues that might cause problems at a later date.

### **Financing:**

1. As soon as you are reasonably sure the property is right for you, the process of obtaining financing begins.
2. Your agent can help you in understanding different financing options and in identifying qualified lenders.

### **Closing or Settlement:**

1. Finally, there is the closing, or settlement, as it is known in different parts of the country.
2. Every area has its own unique customs.
3. In some areas, the title or Escrow Company will handle this process. In other parts of the country, an attorney does it all.
4. Again, your real estate agent can guide you through this process and make sure everything flows together smoothly.

