

# 14 Steps To Buying A Home – A Complete Guide For Home Buyers

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Whether you're an experienced buyer or buying your first home, it's important to realize that there are specific steps that should be followed when buying a home. Buyers who attempt to purchase a home without a plan in place often experience home buyers remorse or even worse, their purchase is unsuccessful.

If you're an experienced buyer and you'll be purchasing your fourth or fifth home, this 14 step guide to buying a home will act as a great refresher. If you're buying your first home, this guide may end up being your best resource as you navigate through the process of buying a home!

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## 1.) Start Researching & Preparing Well Before Actually Getting Involved In The Process

One of the biggest home buying mistakes that's made even by experienced home buyers is neglecting to research and prepare. The internet has made it extremely easy for consumers to find out information relating to virtually any topic. Real estate is no different.

The first step to buying a home is to begin researching and preparing well before actually getting involved in the process. For example, if you're wondering if buying a foreclosure is a good idea or not, do your research well before you go out and start looking at foreclosures. A simple internet search on buying a foreclosure will result in dozens of informative and helpful articles to help you decide if it's the right fit for you.

As for preparing for the process of buying a home, another area you need to review and focus on is your financial picture. Buying a home does cost money and there are very few circumstances where a buyer doesn't need to spend a penny to buy a home.

It's important to realize that you'll need to have money saved for a down payment and other closing expenses. Home buyers need to start saving for their down payment and other expenses, well before getting out in the market and actively looking at homes.

Buyers who're aware of the best tips for saving for a down payment won't have to scramble at the very last moment to figure out how they're going to come up with the necessary monies to buy their home. This greatly reduces the amount of stress that often comes with buying a house.

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## 2.) Check Your Credit Score & History

It's important, even for those people who aren't buying a house, to be aware of their credit score and history. Credit scores and history play a huge role in the ability to secure financing to buy a house.

Yes, a mortgage lender will review your credit score and history, but even before you connect with a local real estate agent or mortgage lender, you should have a solid understanding of your credit picture. Generally speaking, most mortgage lenders will require a minimum credit score of 620-640, depending on the type of mortgage the borrower is attempting to secure.

There are several websites and resources out there that can help consumers monitor their credit score and history. One of the best resources, which happens to be free, is [Credit Karma](#). Credit Karma allows consumers to monitor their credit score, number of recent credit inquiries, number of total credit accounts, and a other important information related to their overall credit picture.

Why is your credit score and history important when buying a house? First and foremost, [credit scores affect mortgage eligibility](#). If a buyer has poor credit that is lower than the mortgage guidelines, they won't be able to secure a mortgage.

Credit scores and history can also make an impact on the mortgage interest rate a buyer is able to secure. A buyer who has an 800 credit score is likely to get a better mortgage interest rate than a buyer who has a 640 credit score.

Bottom line, being aware of your credit score and history is important, even if buying a house isn't a priority at the current moment!

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## 3.) Find A Top LOCAL Real Estate Agent

The third step to buying a home, which will play a huge role in the overall success of the process, is finding and hiring a top *local* real estate agent. There are a lot of important reasons to hire a buyers agent when buying a house. The most obvious reason is because in almost every scenario will cost a buyer no money!

Hiring a top buyers agent can make the entire process of buying a house seem relatively simple. Your buyers agent is there to assist you with securing financing (if needed), help you negotiate the best price and terms, and also to be your trusted adviser throughout the process.

Many buyers don't know how to find a top local buyers agent. One of the most important tips to help ensure you hire a top buyers agent is to understand how to interview real estate agents when buying a house.

If you know what questions to ask real estate agents that you're interviewing, you're going to greatly improve the chances you hire a rock star buyers agent. Some of the most important questions to consider asking prospective agents include,

1. How many buyers do you generally work with at one time?
2. How many homes, on average, do you sell per year while representing a buyer?
3. What methods of communication do you prefer?
4. Do you sell real estate full time or part time?
5. Do you have any **recent testimonials**?
6. Would any of your recent clients who you've sold a home to be willing to talk with me about their experience?



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Unfortunately, many of these questions are never asked by buyers when talking with a prospective real estate agent. Buyers who decide to skip the interview process when buying a house often end up regretting it if they end up hiring an agent who is inexperienced. Not asking the right questions can end up costing you time, money, and lead to an exorbitant amount of unnecessary frustration and stress.

It's important that you understand what to expect from a Realtor® when buying a home. Things such as frequent communication, professionalism, honesty, and a proven track record are just a few of the most important things that you must expect from your buyers agent!

## 4.) Get Pre-Approved For A Mortgage By A LOCAL Mortgage Lender

The next step to buying a home is to get pre-approved by a *local* mortgage lender. One of the most common mortgage mistakes made when buying a house is not using a local mortgage lender. The primary reason why it's vital to hire a local mortgage lender is because they have an understanding of the local real estate market and the local buying process.

Now you'll notice that this step mentions getting pre-approved for a mortgage, not pre-qualified. Yes, there is a major **difference between a mortgage pre-approval and pre-qualification**. A mortgage pre-approval is much more desired when comparing it to a mortgage pre-qualification.

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Buyers who have a pre-approval have an advantage over other home buyers who may only have obtained a mortgage pre-qualification. Experienced real estate agents are going to urge a buyer to take the extra effort and time to get a pre-approval because it could be the difference between securing their dream home or not, should there be a multiple offer situation.

The reason why getting pre-approved for a mortgage is the step after finding a top local real estate agent is because your agent can be a valuable resource in finding a reputable mortgage lender. Many buyers aren't sure where to get a mortgage or who they should talk with, but an experienced buyers agent will have several recommendations to lenders they've had good experiences with.

As mentioned above, it's important to ask the right questions of prospective real estate agents, and it's no different for prospective mortgage lenders. Being aware of the right [questions to ask a mortgage lender](#) will help ensure you've hired the right company. The mortgage lender you select to use for your home financing will be involved throughout the entire process of buying a house, so it's critical you feel comfortable with the company and consultant you choose.

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## 5.) Learn About The LOCAL Real Estate Market

Anytime an expensive purchase is made, learning about the product or item is an absolute must. Buying a house is one of the most expensive purchases you'll ever make. It makes perfect sense that you should learn about the market before jumping in.

Understanding what your money can purchase, how competitive a market is, how much homes sell for in the area, and about the different neighborhoods are just a few things you should want to learn relating to your local market. Since real estate markets are different from one another, even if they're close in proximity, you need to learn about each market you're interested in.

Many buyers don't know where to start to learn about the local real estate market. It can actually be pretty simple if you've hired a rock star buyers agent. A top real estate agent will be able to provide information or places where you can get the information you're looking for on the local real estate market.

Below are a few of the most important pieces of information you should learn about relating to the markets that you're interested in.

1. What is the current state of the market? Is it a buyers market or sellers market?
2. What is the **absorption rate** in the local market?
3. What are the real estate property tax rates for the local market?

Again, anytime you're buying something as expensive as a house, you need to learn about the product as much as possible. Learning about the local real estate market goes a long way to ensuring you're comfortable and confident with the house you're going to buy.



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## 6.) Begin Shopping Online For Houses

The next step in the process of buying a house is one of the most exciting. Once you've completed steps 1-5, you're now ready to begin shopping and visiting houses that are for sale. The internet has made it extremely easy to shop for houses.

While the internet has made it easy, it's also provides a lot of information that is unreliable. While shopping for houses for sale, it's extremely important you're using the right resources and websites.

Some of the most popular real estate websites include Zillow and Trulia, but it's important to realize the information on these websites is often inaccurate. The house values on Zillow have been known to be off as much as 20% or more, so be cautious when reviewing real estate information!

The best resource to utilize when shopping for houses is your real estate agent. A top agent will be able to setup a customized website that is tied directly into the local multiple listing service (MLS) or they'll have an accurate house search on their website.

As you're shopping for homes and deciding which homes you want to visit, always keep in mind what you actually need in a home and what you'd like in a home. If you need a home that has at least 4 bedrooms, viewing homes with 3 bedrooms doesn't make much sense.

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## 7.) Go Out & Find The Perfect House

When buying a home, the ultimate goal is to find the perfect home. While it's unlikely that the house you purchase will be the "perfect" house, it should be close.

What you may consider a perfect home is probably different than the next buyer, so understanding what you'd consider a perfect home is important. By determining what you need in a home and what you want in a home during step number 6, you can quickly identify houses that will not work.

If you're looking for a home with solid mechanics, such as a newer roof, newer HVAC system, and newer windows, a home that'll need a new roof in the next couple years likely won't be what you consider a perfect house. As you're on the search for your perfect house, make a checklist that you can bring to each showing. As you walk through a home, check off the absolute necessities that're on your list and if several are missing, you haven't found that perfect house yet.

Always keep in mind as you're viewing the houses what some of the most common red flags to look for when viewing houses are. Red flags such as freshly painted areas on a ceiling, amateur workmanship, odors, and structural issues are a few to watch for.

An experienced buyers agent will be able to point out potential issues within a home that they may see while viewing homes, which is yet another reason why hiring a top agent is so critical when buying a house. Once you find a home has met all of your necessities, you've found the perfect one.

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## 8.) Make An Offer On The House

Now that you've found the perfect home, it's time to make an offer. Making an offer may seem simple on the surface but there are actually many decisions that'll be made. If you happen to be making an offer on an overpriced home, it can become even more tricky.

One of the most important decisions that's made while making an offer is how much to offer for the house. No home buyer wants to pay more than they have to for a house, but it's virtually impossible to know how little a seller's willing to take for their house. There is a fine line between making a strong purchase offer and an insulting purchase offer, so being cautious is important when determining the price.

It's recommended that as you're determining how much to offer for a house, you lean heavily on your agent's expertise. Ask your agent to perform a comparative market analysis (CMA) on the house, which is a comparison of recent sales in the area. This report can be a huge help while determining the price you're going to offer.

The price a buyer decides to offer for a house is not the only decision that'll be made while making an offer. There are many terms and deadlines that you'll also include in your purchase offer.

1. What will the target closing date be?
2. How large of a deposit should you make?
3. What common real estate contingencies will you include? Inspections? Sale and transfer of title? Etc...?
4. Will you request the seller to provide permits?
5. Do you need to ask for seller concessions?
6. When will you receive a written mortgage commitment by?

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The price that a buyer offers is obviously very important to a seller, however, the terms and deadlines can also make or break a deal. It's critical that as you're making your offer that you fully understand what each section of the offer means. When making an offer, this is another important stage of buying a house when you'll want to lean on the expertise of your real estate agent.

## 9.) Complete Inspections That Apply

The immediate step after making an offer and having it accepted is to complete any inspections that the offer was contingent upon. If one of the contingencies was a home inspection, there's a certain number of days you'll have to complete the home inspection after acceptance of the offer. When buying a house, there are dozens of reasons why having a home inspection is a good idea, even on new construction!

At this time, if your offer was contingent upon any other inspections, you must complete within the specified amount of days otherwise you potentially could lose out on your perfect house. Other popular inspections to consider when buying a home include a chimney inspection, radon test, pest inspection, and structural inspection.

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## 10.) Complete Formal Mortgage Application & Work Closely With Lender

After the inspection period is completed and any necessary negotiations are made, the next step to buying a house is to complete the formal mortgage application with the lender. At the time of application, you're going to need to provide many important documents including your previous two years tax returns, recent bank statements, recent pay stubs, and also details of your employer so a verification can be completed.

During the formal application stage, you can also expect to pay for the bank appraisal, which is one of the upcoming steps to buying a house. During this step, you're also going to have the opportunity to lock in your interest rate.

Many buyers don't understand the importance of the mortgage rate lock and skipping it can potentially be a big mistake. Make sure that you ask your lender about rate locks and understand what it means to you as the borrower if the lender doesn't explain it to you.

Once you've formally applied for your mortgage, don't expect to be done interacting with your lender. Over the next month or so, your lender is going to request specific documents to satisfy conditions that your mortgage commitment is contingent on.

It's fairly common for mortgage lenders to request updated bank statements, updated pay stubs, and letters of explanation on items that may appear on a credit report or large deposits into a bank account.

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It's extremely important that buyers stay in constant contact with their lender to make sure they have all the documentation they need and also to make sure they provide any requested documentation to the lender in a timely fashion. Not providing documentation in a timely fashion is a surefire way to delay the closing on your house.

## 11.) Bank Appraisal Is Completed

While formally applying for the mortgage, a buyer will provide payment for the bank appraisal. A bank appraisal is performed by a third party that's hired by the lender to perform an evaluation of the subject property.

A bank appraiser's primary responsibility is to determine that the sale price that a buyer and seller have agreed to is fair for the current market and also to ensure there are no safety issues with the house.

There are a couple ways that an appraiser can determine the value of the property with the most common being the comparison approach. This is similar to a real estate agent completing a comparative market analysis. The comparison approach compares the subject property to at least 3 recent sales in the area, while making adjustments if necessary. The comparison approach typically only use properties sold within the past 12 months which provides an up-to-date picture of the current market.

As for the safety issues that an appraiser will be on the lookout for things such as peeling paint, broken windows, missing handrails, roofs in poor condition, and a handful of other potential safety problems. Repairs resulting from the appraisal must be completed and re-inspected prior to the lender approving the funding for the borrower.

Houses appraising for less than the sale price and appraiser cited safety issues are the two most common issues resulting from a bank appraisal.



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## 12.) Perform A Final Walk Through

Once a closing date and time is set, the next step to buying a house is to perform your final walk through. This is a step that some buyers decide to skip, which is not a good idea.

The final walk through in real estate should not be confused with a home inspection. The final walk through is the buyers right to walk through the house one last time to ensure things are like they were when they wrote the purchase offer.

The final walk through also provides you the opportunity to make sure any repairs that were agreed upon from any inspections have been completed. At the time of the final walk through, an experienced buyers agent is going to recommend testing the HVAC systems, plumbing, lighting, and also take final meter readings for utilities just encase there are any discrepancies after the closing.

If something at the final walk through is not satisfactory, it's critical you inform your attorney immediately so that a resolution can be made before the closing date and time. If there are issues at the final walk through, it's fairly common to see a credit given to a buyer so that the closing can still occur.

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## 13.) Go To Closing To Obtain The Keys To Your New House

Closing day is here, congratulations! Buying a home is one of the most exciting events in life and closing day is when you'll receive the keys to your new house.

At closing, you'll be signing quite a few documents that finalize the sale of your new house. If you're buying a home in a state where attorneys handle real estate closings, your attorney will be ready to explain the documents your signing.

Understanding [what to expect at a real estate closing](#) is a good idea and make the closing seem much less stressful. Make sure before closing that you understand exactly what documentation and identification you'll be required to provide.

Once all the documents have been signed, if the purchase offer indicated you'd receive possession at closing, you'll receive all the keys to the property. Again, congratulations, you've completed the purchase of your new home!

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## 14.) Move In & Consider Completing Various Post Closing Tasks

Now that you're the proud owner of a new home, it's time to move in. To be honest, moving is not a fun activity that people look forward to. Moving can be much easier though if you prepare properly and follow the best tips for moving.

If you're moving and have children, keep in mind, the tips for moving with kids are different than moving without. The same can be said if you have to move with your furry friends as well.

Once you get settled into your new house, there are a handful of tasks that you should consider completing. Below are some of the best post closing tasks to think about.

1. Change the locks
2. Change address with United States Postal Service
3. Inform employers, schools, and other important establishments of your new address
4. Meet The Neighbors
5. Enjoy!

## Final Thoughts

Buying a home, as you can see, involves a lot of preparation, work, and execution. It is worth every bit of the time and effort you'll put into the process.

By following the 14 steps to buying a home that are discussed in this article, the purchase of your home will actually seem relatively easy.

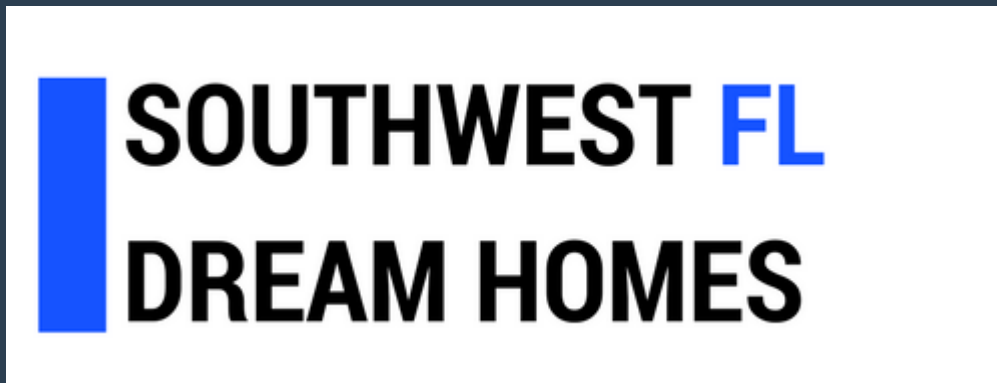
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*Are you thinking about buying a home in Southwest Florida? Following the 14 steps that are discussed in this article will make your experience much easier and more enjoyable. If you don't have an experienced Southwest FL real estate agent, contact me so we can discuss your house search and goals. Each and every year, I have the privilege of helping over 30 families buy a home in Southwest FL and I'd love to help you as well!*

About the Author: The above article 14 Steps to Buying a Home – A Complete Guide for Home Buyers provided by Jonathan Blaze, a leader in selling Southwest Florida Real Estate, real estate marketing, smart home technology, and social media. He is also the host & creator of a new show called Southwest FL Insider, found on YouTube and Facebook, and [HERE](#) on this blog. Southwest FL Dream Homes is a team at MVP Realty.

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