

Quick Checkpoints to Homeownership

This list is not exhaustive as it is meant to act as an introduction to the homebuying process.

FIRST

Check your Credit Score -

In general, a credit score of 625 or higher means you will be considered for homeownership. If you are currently below that then take a look at our resources for tips on raising your credit score or contact your banking institution for more information.

Determine your Budget -

A homeowner's goal is to spend no more than 30% of gross monthly income on home expenses. This is a good rule of thumb to keep in mind when coming up with your budget for homeownership.

Gather Documents and Determine Bank -

Some documents you will need throughout the home-buying process include but are not limited to proper identification, proof of employment, pay stubs, tax documents, bank statements, etc. Gathering these, and similar documents, at the beginning of the process will take the stress off of you when they are requested. Additionally, determining a trustworthy bank to discuss mortgage and interest rates moving forward will be beneficial. Contacting your local bank could be a good place to start if you are unfamiliar with the process.

Get Preapproved for a Mortgage -

Getting pre-approved for a mortgage refers to figuring out how much money you can borrow for your home. Lenders look at income, assets, and credit scores to determine the amount you can be approved for and what the interest rate will be.

NEXT

Find a Good Realtor -

Finding a good realtor will require research and building a professional relationship with someone whom you trust to help in finding a home. The realtor will be paid via commission from the buyer of an amount ranging from 3-6% of the sale price.

Look at Houses and Make an Offer -

When looking at houses remember to keep things like maintenance, size, previous tenants, location, and accessibility in mind so there are fewer surprises upon move-in. Making an offer can be a stressful process; however, the realtor will help lead this effort by putting in the offer and guiding the process as a whole, and the seller will either accept, counter, or decline based on their needs.

Home Inspection and Appraisal -

These processes are put in place to protect the seller and buyer alike. The home inspection focuses on a thorough inspection of the condition of the house and any repairs that are necessary. Three primary things that should be focused on throughout the home inspection are roof condition, HVAC, and water damage. The home appraisal focuses on the value of the home and will consider additions, lot size, recently sold properties around the area, and other things to give an accurate home value.

Closing -

This is the moment everyone looks forward to! This day will be filled with a lot of paperwork required in order to get the deed of the house in your name, so be patient and clear your day so that you are free to read through all of the necessary paperwork.