

Guide to your Hassle-Free Home Purchase

Buying a home can seem like a frightening prospect. Whether it's your first home or your fifth, so much is at stake - your savings, your credit rating, and your financial freedom. Sometimes it is difficult to find the courage to sign on the dotted line even if that home represents everything you want.

How do you determine whether the purchase of a home makes sense for you and what's the easiest way to examine the whole picture from emotions to economics?

Please read this entire report before you go house hunting. You'll learn how to separate whims from true needs. You'll discover how to prepare a game plan for your real estate homeownership future. You'll learn how to research effectively, choose wisely, finance appropriately and survive the whole procedure with your smile in place.

SEVEN STEPS FOR SUCCESS

1. Establish your needs and your wants.
2. Determine how much you can afford.
3. Get pre-qualified or pre-approved by a lender.
4. Find a good real estate agent to help you.
5. Find a home that meets your needs.
6. Make an offer to buy a home.
7. Save as much as you can on the purchase.

STEP ONE: ESTABLISH YOUR NEEDS AND WANTS

Begin your search for a perfect home by making a careful assessment of the kind of home you need and want. Write down the things that are important to you. Be as specific as you can about your particular requirements and then add your "wish" list.

STEP TWO: DETERMINE HOW MUCH YOU CAN AFFORD

Set a budget for yourself. Decide how much you can really afford to invest for your monthly house payment. Be realistic. Most lenders suggest that your payments be no more than 28 percent of your total monthly income. There are times when this can stretch to 40 percent, but don't overextend yourself and wind up working harder just to make a house payment.

STEP THREE: GET PRE-QUALIFIED OR PRE-APPROVED BY A LENDER

You can save yourself time and heartache by meeting with a lender before you start your search for a home. A lender can let you know what specific loan programs would be best for you. He/She can also help you understand what it

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takes to qualify for the loan that you want. By taking a look at your financial situation and reviewing your credit history, a lender can usually give you a good idea if you can qualify for the home you want. In some cases your lender can help you improve your credit scores. This may take a few months, but will allow you to finance your new home at more attractive interest rates. Many lenders call this 'Pre-Qualifying a Buyer'.

To be absolutely certain that you can purchase the home you want, you may want to ask to lender to be pre-approved. In the approval process you will provide all of your financial information to your lender. Once all of your documentation is completed, it will be submitted to an underwriter. The pre-approval that you will receive is an actual loan commitment from a lender - your guarantee of loan approval, subject, of course, to an appraisal of your new home. For more information about the Pre-Qualification or Pre-Approval process, contact your home loan specialist or [click here](#) for more information.

STEP FOUR: FIND A GOOD REAL ESTATE AGENT TO HELP YOU & BE LOYAL

It is important to work with an experienced agent, one with whom you feel comfortable. See our free report on how to select a broker to represent you in the purchase process. Once you have identified that agent, BE LOYAL! If you are driving around and see a house you like, let your agent know about the property. If you walk into an open-house, notify the person showing the house that you are working with an agent. Register the agent as working for you, if necessary. If you expect your agent to work their HARDEST FOR YOU, you must show them you will be loyal to them! The best way to make a mutual commitment is to sign a Buyer-Broker agreement with your agent. This gives your agent the security that you will be loyal. It, also, allows you to "window-shop" without other agents "bugging" you. Just mention you have a Buyer-Broker agreement with your agent. It can save you lots of time and aggravation and your agent will be there for you when you need your agent the most.

STEP FIVE: FIND A HOME THAT MEETS YOUR NEEDS

- ? ? Keep an organized record of all your research data. Write down comments about the homes that you see.
- ? ? Make sure that your agent is aware of your time schedule and your expectations. Do you like to look at one or two homes in a session? Four? Eight? Discuss all of this with your agent.
- ? ? Tell your agent about any homes that pique your interest and those you'd like to know more about. Include those homes you discover as you explore the area yourself or those you see advertised in the newspaper.
- ? ? If you want to spend time driving around looking at homes for yourself, ask your agent for a list of drive-by homes which you can consider first from the outside. Your agent can than make appointments to show you the interior of those that appeal to you.
- ? ? Express your likes and dislikes to your agent after you see a home. Honest communication is essential. Some buyers are shy and hesitant to tell an agent what they really think of a house. They think the agent may take it

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personally. Remember, the homes **don't** belong to the agent! You must be straight forward about your likes and dislikes to enable your agent to do the best job for you.

STEP SIX: MAKE AN OFFER TO BUY A HOME

Your real estate agent can help you make an offer to buy the home that you select. By looking at homes selling in the area and the length of time it takes to sell, you should be able to get a good idea of value. In addition your agent will provide you with sales data on comparable homes in the area.

STEP SEVEN: SAVE AS MUCH AS YOU CAN ON YOUR INITIAL INVESTMENT

There are only two major investments to consider when buying a home. These are the initial investment (including down payment and closing costs) and the monthly payment (including principle, interest, taxes, and insurance). If cash is a problem for you, here are some ways to save on your initial investment:

- ? ? Choose a low down payment loan. You do not necessarily have to put 20 percent, or even 10 percent, down. You can put 5 percent, or even 3 percent, down on some loans. Keep in mind that less than 20 percent will likely require mortgage insurance premiums to be added to your monthly mortgage payments.
- ? ? As part of your offer, ask the seller to pay some of your closing costs. Sellers are usually allowed to contribute to a buyer's closing costs. A small increase in the sales price often motivates a seller to do so.
- ? ? Shop around for your home insurance. A little shopping can save you a significant amount of money.
- ? ? You can deduct money paid for discount points from your gross income before computing your tax, which would effectively reduce the cost to you. Check with your CPA.

Keep your Monthly Payments Low

Get a loan with no monthly mortgage insurance premiums. You may be able to reduce or eliminate them by paying a little more at closing. By putting 20 percent or more down, you can eliminate them entirely. This can be affected by putting 10 percent down and having the seller or a financial institution loan you the other 10 percent. Refer to your mortgage broker for your particular situation

Choose an Adjustable Rate Mortgage. ARMs can be up to 3 percent lower than fixed rates. Remember that interest payments on a primary residential mortgage are fully deductible in most circumstances. Your property taxes may also be deductible. Tax rates definitely favor homeowners. Now that you have finished this report, it is time to go out and find the home of your dreams. Make sure that you cover all steps in this report in the proper order.

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Distinctive Homes for
Distinctive People

Don't forget to first see a lender. He/She will help you decide the value of the loan you for which you will qualify. Secondly, find a good agent. Give one of us a call at the [Amstadter Team](#) or [e-mail](#) us. We are ready to assist you in your home buying process.

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