



**ROBERT
Stratton**

*Specializing in both Residential
and Commercial Real Estate*

Direct 705-818-4847

Office 705-722-7100

Fax 705-722-5246

E-mail robertstratton@remax.net

10 Things You Must Do Before Buying a Home - By Brandon Cornett

Buying a home is often the largest personal finance transaction a person makes in his or her life. So it's critical that you make the right preparations and do the proper research. Regardless of unique situations and special circumstances, there are ten things you must do before buying a home.

1. Study the home buying process.

This will allow you to make better decisions and act confidently. Home buying lingo is a big part of this, so be sure to read through a few home-buying glossaries before you get into the thick of things.

2. Obtain your credit report.

Get a copy of your credit report and review it for errors. Mortgage lenders will review your credit with a fine-toothed comb, so you should do the same ... before they review it.

3. Fix credit errors quickly.

If you find an error on your credit report, go to the company's website where the report came from to contest it. It can take time to clean up an erroneous credit report, so get started as soon as you spot the error.

4. Check your debt-to-income ratio.

Mortgage lenders like to see a borrower's debt at (or below) 20% of net monthly income. If your debt exceeds 20% of your net monthly income, try to pay it down for applying for a mortgage loan. You'll have an easier qualification process and will likely qualify for a better rate.

5. Determine your budget.

Use an online mortgage calculator to get an idea of how much you can afford to pay each month, and what that equates to in terms of a home price. This will give you a budget to work from, which will help you weed out the homes that are beyond your comfort zone.

6. Start saving your cash.

This is one of the best things you can do before starting the home buying process, for a couple of reasons. First of all, mortgage lenders like to see that you have some cash reserves on hand. Secondly, you'll need cash reserves for any unexpected fees or costs that might arise (which is common).

7. Get pre-approved for a loan.

During pre-approval, a mortgage lender will review your credit, finances, debt, etc. and conditionally qualify you for a certain amount of mortgage. Sellers will take you more seriously if you have a pre-approval letter, and the process also helps identify any problems with your credit or other qualifying factors.

8. Avoid new lines of credit.

Try to keep your financial situation as "stable" and favorable as possible. The worst thing you can do is take out a new loan / line of credit. At best, this could make the qualification process take longer. At worst, it could tip the debt scales into the "greater than 20%" zone, which will make it harder to get a loan.

9. Validate the asking price.

It's called an "asking price" for a good reason. No asking price is set in stone, and everything in real estate negotiable. So don't accept an asking price as being reasonable until you validate it through careful research. Your real estate agent can provide a comparative market analysis (CMA) to help you with this step.

10. Get a home inspection.

It is never - I repeat, never - wise to skip the home inspection. A house is a sizable investment, and the last thing you want is to find a bunch of things wrong with it after you've taken ownership. Home inspections are very affordable, and you cannot put a price on the peace of mind you'll have as a result of your inspection.

<http://ezinearticles.com/?Home-Buying-Wisdom---10-Things-You-Must-Do-Before-Buying-a-Home&id=537941>

For more free resources, visit us on the web:

www.listwithstratton.com