

First time home buyers

You might feel better to know that they're not the only ones who feel confused about the home buying process. Nearly all home buyers feel the same way, even if they've bought a house in the past, because it's easy to forget the steps you took to get into a home once the event is behind you.

So how do you learn the basics?

Before you begin, "Get Educated" about the home buying customs where you live. Talk to a real estate agent about the typical home buying scenario. This doesn't have to be a meeting that leads to an agreement for the agent to represent you. (If you are comfortable with your conversation, feel free to start working with that agent.)

An agent who won't take fifteen minutes to help you understand what to expect when you're buying a home isn't much of an agent.

So if the first few calls don't produce someone who will help, keep looking.

You need an agent to guide you through the home buying process. How to get pre-qualified, where to start looking, protect your rights with contingencies, find you the right attorney, help you narrow down your searches, make sure you get the right disclosures and forms, educate you on wells and septic , buying land, building homes, the list goes on.

Al Co Properties would be glad to take the time to help get you started with No Obligation!

Work with a full time experienced real estate broker

In today's market, things are moving very quickly. You need to be ready to go when you start looking at homes. You need an agent to direct you, whether you are a first time buyer or an experienced buyer, there are so many things you need to know to get started and to get all the right information. You need to be educated.

The laws and disclosures are changing every day. Find an experienced agent that you are comfortable with. One that you can share your thoughts, ideas and needs with. It is always best to seek out an experienced real estate agent that can use their information regarding recently listed and sold properties to get you the lowest price possible. Many Buyers are unaware of the fact that in almost every case they are not responsible for paying the agent's fees; the agent is being paid a commission from the seller.

Keeping you informed

Al Co Properties can set you up to receive emails daily of all the new homes(or price changes) on the market that day that fit your personal criteria. Only the homes in your price range, your areas (towns or cities) of interest, only your school district. Only the

info that pertains to you! You don't need to go searching all over the web, wondering if the info you're looking at is updated or old.

You'll receive fresh info everyday something new happens.

Get pre-qualified for financing before looking

A good real estate agent will have you meet with an experienced mortgage Broker and have you "pre-qualified" right from the start. When you start to look, it is important that you know how much you can comfortably spend on a home. What the current interest rates and closing fees might be. It's also a great time to check on your credit report. You hear every day about mistakes and corrections that were never made or someone's bad credit mixed in with yours. It doesn't usually cost you anything to get "pre-qualified". If they haven't run a preliminary credit report on you have not been "pre-qualified"! Getting pre-qualified for financing will lock down your price range and help prevent you from being turned down after falling in love with a home that may be out of reach.

It's also a benefit when you are competing for a home with other offers to have a letter already in place with your offer. It will also save you the strain of having to find a lender within a few days of conditionally buying a home. In times of fluctuating interest rates it would benefit you to lock in a lower rate. This could save you thousands of dollars if the rate increases while you are in the process of buying. Al Co Properties will be glad to give you some recommendations of the mortgage brokers we've worked with and developed relationships with. These people have proven to us they can do the job. Of course you are welcome to work with whom ever you are comfortable with.

Know the market before making your offer

Have your agent prepare all the area sales and comparables in your area and get a copy to look over before you make your offer. Educate yourself. Go to Open houses, check the local newspapers, search the web. This will help ensure that you do not overpay what the home is really worth. In most cases, this is the same type of information that the seller saw when setting the price of their home. Use Al Co Properties' experience and knowledge of the market to help you through this step.

Understand the common negotiating methods used at offer time

Some buyers have been told that the best way to get a good price is to low-ball the seller from the start in hopes that the seller will drop their price down fast in their counter offer. In reality this often does nothing more than upset the seller and will probably end up ruining the chance at an acceptable offer to both of the parties involved. Have good communication with your agent, and they will be able to inform you on the many proper ways to negotiate a deal and still get you the lowest price. Buying a home is an important and exhilarating process! It is important not to let your emotions get the best of you and cloud your judgment of whether you can really afford to make the payments comfortably, and so on. Be sure not to get so excited that you get in over your head.

- **Don't Make a Major Purchase** You've just found out your credit is A+. That's great news, because a new car would look fantastic in the driveway of your new home. But hang on--if you are depending on a mortgage to move in, you'd best wait until after closing to buy the car. An increase in your debt to income ratio reduces the amount of monthly income available for your mortgage payment. If you tack on a higher car payment, the bank might decide you cannot afford the home. Using cash to purchase the car could also create a problem, since banks consider cash reserves when approving your mortgage. If you must make a major purchase before closing, talk to your loan officer before you do it.
- **Don't Change Jobs Unless It's Necessary** Lenders like to see a consistent job history. They aren't usually as nervous if you change jobs within the same field, but it's better to stay put until the keys to the house are in your hand. Talk to your loan officer before you do it.
- **Don't Let Your Emotions Take Over** Keep a cool head during the entire home buying process, especially during and after an inspection. Be realistic. No home is perfect, especially older homes. It's not unusual for new owners to take care of some repairs themselves. Don't let the seller's refusal to do a small repair kill the deal on a home you truly love. On the other hand, don't fall so much in love with the house that you'll buy it no matter what needs to be done--unless you're absolutely sure you can handle it emotionally and financially. Decide what type of repairs you can realistically tackle, then stick with the decision.
- **Don't Forget to Switch Utilities** That sounds simple, but you'd be surprised how many people forget to apply for utility service at their new home. Call the utility companies as soon as you have a contract. Find out how many days lead time they need to switch the service, then get back with them when you have a firm closing date. Don't forget to discontinue services at your old home.
- **Don't Wait to Line Up Your Hazard Insurance** A no-brainer, right? But it's another often-forgotten task that buyers scramble to take care of at the last minute. Before closing, your lender will want to see an insurance binder showing you have coverage for the new home. Get it as early as possible so that closing isn't delayed. In some locations, additional types of insurance coverage might be necessary. Talk to your lender about insurance requirements well before the closing date.
- **Don't Become Best Friends with the Seller** We'll get some flack on this one. It's great to be friendly, but don't get into too many long discussions with the sellers, because personality conflicts often cloud judgments. Remember, this is their home. You're no doubt excited about moving in, and if you didn't like the house you wouldn't have offered to buy it. But you'll make changes--everyone does. A casual statement about "ripping up that ugly carpet" might be hurtful enough to keep the seller from negotiating with you about repairs or other issues that crop up.

- Don't Ignore Lender Requirements Know what is expected of you and take care of it. For instance, a Certificate of Eligibility is required to move forward on a VA loan. That's something you must handle yourself. Answer lender questions and provide required paperwork as quickly as possible--your closing depends on it. Certified funds are required for closings, no personal checks.

5 factors that can decide your credit score

Credit scores range between 200 and 800. Scores above 620 are considered desirable for obtaining a mortgage.

These factors will affect your score.

Your payment history. Whether you paid credit card obligations on time.

How much you owe. Owing a great deal of money on numerous accounts can indicate that you are overextended.

The length of your credit history. In general, the longer the better.

How much new credit you have. New credit, either installment payments or new credit cards, are considered more risky, even if you pay promptly.

The types of credit you use. Generally, it's desirable to have more than one type of credit—installment loans, credit cards