

# 50 Tips for Home Buyers



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## 10-Step Guide to Buying a House *Courtesy of Realtor.com*

1. Be prepared emotionally as well as financially to become a homeowner
2. Get a REALTOR®
3. Get a mortgage pre-approval
4. Look at homes
5. Choose a home
6. Get funding
7. Make an offer
8. Get insurance
9. Get ready for Closing
10. Move in



## 10 Things You Need to Know When Buying a Home *Courtesy of CNN Money*

1. Don't buy if you can't stay put – you'll want to live in the home at least a few years if you don't want to lose money
2. Start by shoring up your credit – make sure your credit history is as clean as possible before you apply for a mortgage
3. Aim for a home you really can afford – the rule of thumb is to purchase a home worth two-and-a-half times your annual salary but pay close attention to your income, debt and expenses as a true guide
4. If you can't put down 20%, you may still qualify for a loan – there are many private lenders and loan products out there to choose from
5. Buy in a district with good schools – Strong school districts are a priority for many buyers and will help boost your property value
6. Get professional help – use an exclusive buyer's agent to assist with the home buying process. S/he will have your best interests at heart and will be your best representative
7. Choose carefully between points and rate – if you can afford to pay an extra point or two, it will lower your interest rate even more than the already historically low rates
8. Before house hunting, get pre-approved – know exactly how much you can afford BEFORE you start looking at homes. Pre-approval is based on your actual income, debt & credit history, as opposed to a pre-qualification which is less comprehensive
9. Do your homework before bidding – your opening bid should be based on similar sales in the neighborhood that have sold in the last 3 months. Your REALTOR® is your best ally when deciding how much to offer on a home
10. Hire a home inspector – your bank will order a home appraisal but you should hire your own home inspector to make sure there aren't any potential problems that could require costly repairs down the road

## 3 Steps to Shopping for a Mortgage *Courtesy of MSN Money*

1. Polish your credit – request your credit report and go over it carefully. Take care of any discrepancies and make sure the report is good before you go for a mortgage
2. Educate yourself on the different types of lenders (bank vs. mortgage broker) and mortgage products (FHA, Conventional, VA, etc.) so you can qualify for the best type to fit your needs
3. Make a deal – compare rates and fees then negotiate with lenders for the best deal

## 10 Ways to Come up with a Down Payment for a Home *Courtesy of msn.com*

1. Down-payment assistance program – use a site like RealtyTrac or Down Payment Resource to find programs across the county
2. Set up a dedicated account – find an account that will earn the most interest while still allowing you access to your savings
3. Put savings on auto-pilot – Establish an automatic draw that pulls money monthly, twice monthly or weekly directly from your checking account
4. Dedicate windfalls and pay bumps – pledge to put every single tax refund, gift of cash, purchase refund and work bonus into your down-payment account
5. Stash every raise – When you earn a raise, have the difference automatically funneled into your down-payment account
6. Sell your stuff – Sell your possessions for cash to fatten your account. See these MSN Money articles for tips: Where to Sell Your Stuff for Top Dollar and 10 Tips for Having a Killer Garage Sale
7. Sell your car – Dispose of assets that have real value such as a car, boat, motorcycle or expensive sports equipment. Do without or replace the car with a cheap beater
8. Sell taxable investments – Cash in stocks, bonds, mutual funds and other taxable investments before touching retirement money like IRAs or 401(k)s. Those carry stiff penalties for selling before retirement age
9. Get help from family – Depending on the lender and/or type of loan, you may apply gifts from family members toward a down payment. You will need proof verifying that it is not a loan, as well as copies of checks or wire transfers.
10. Ask your employer – Some companies, colleges, universities and state or local governments have programs to help employees with down payments

## 3 Things NOT to do Before Closing *Courtesy of msn.com*

Once you've been approved for a mortgage, which is based on your income, debt and expenses, maintain your financial status quo until closing. You don't want to rock the boat until you're in the clear.

1. Don't apply for a new credit card or auto loan
2. Don't charge up your existing credit cards
3. Don't change jobs – if you can avoid it

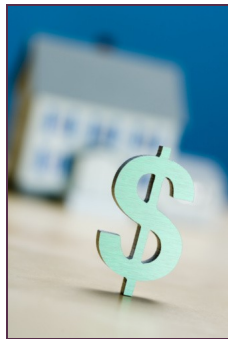


## 6 Things NOT to do as a New Homeowner *Courtesy of HouseLogic*

1. Not knowing where the main water shutoff valve is – water from a broken pipe can flood your home in a matter of minutes. The valve will be located where the water main enters your house. Make sure everyone knows where it is and how to close it.
2. Not calling 811 before digging a hole – The national dig-safely hotline will contact all of your local utilities to come and mark the location of underground pipes, cables and wires. Failure to do so could result in a dangerous situation along with a hefty fine.
3. Not checking the slope of foundation soil – the ground foundation should slope away from your house at least 6 inches over 10 feet. Otherwise, water from rain and melting snow could soak the soil around the foundation and create leaks and cracks.
4. Not knowing the depth of attic insulation – First, make sure you know where the entrance to the attic is. The recommended amount of insulation is 10 to 14 inches deep, depending on the type of insulation.
5. Carelessly drilling into walls – Use a stud sensor to locate studs before drilling holes for closets or shelves. Then, only drill about 1.25 inches deep to avoid any plumbing or wiring behind the drywall.
6. Cutting down a tree – Trees can fall, damaging your (or your neighbor's) property or cause injury. Always use a tree service if it is necessary to cut down a tree.

## 8 Tips Most First Time Buyers Don't Consider *Courtesy of Fox Business*

1. Think long-term and think re-sale – If you're planning to stay in a home for a number of years, how will your needs change? Will that home grow with you? What if you have to move unexpectedly? Are you in an area and/or home that will appeal to most home buyers? Plan for future sale potential.
2. Make a list of items to check – Try to take the emotion out of buying a house by making a list of your must-haves, nice-to-haves and other essentials and bring this checklist with you when you look at houses. Take photos as you cross items off the list. If you fall in love with a house and it has none of the must-haves, you'll have something to think about.
3. Look at ALL the expenses when budgeting for a house – In addition to the usual costs involved in buying a home (principal, interest, taxes and insurance) don't forget to include utilities, cost of commuting and updates.
4. Research grants and other sources of funding – Many programs have a higher income limit to qualify than you might think. There are lots of options for which you may be eligible based on profession and location of the house.
5. Be sure to read your contract before you sign it – A house is probably the largest purchase you will make in your life, so make sure you understand the terms. Ask your mortgage broker and real estate agent to clarify anything you don't understand.
6. Learn about the neighborhood demographics – Depending on your lifestyle, you may want to be in a particular type of neighborhood such as one with lots of kids or one with fewer rentals. Drive around at different times of day to get a better idea of who your neighbors will be.
7. Look beyond the staging – Staged houses look better than houses that are occupied but try to see the real layout and features of the home to make sure it's right for you. Paint and wallpaper can be changed but structural items are a harder fix.
8. All of the old advice about buying your first home is true – Make sure you have an emergency fund, try to save a down payment of 20%, get your credit into good shape, and don't buy more than you can afford.



## 3 Ways to Pay off Your Mortgage Faster *Courtesy of MSN Money*

1. Make an extra mortgage payment each year - By paying half of your mortgage payment every 2 weeks, you'll end up making an extra payment at the end of 12 months
2. Round up your mortgage payment – If your monthly payment is \$1,420, round up to \$1,500 each month and make sure the additional amount goes toward principle. You'll hardly notice the bump but it'll shave months off the life of your mortgage.
3. Refinance to a 15-year mortgage – When you can afford to, refinance your loan from a 30-year to a 15-year. Talk to your lender to see if you can reduce or skip the closing costs altogether. You'll build equity faster and pay off your mortgage before you know it.