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marketing evaluation!

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Comprehensive Buyer's Guide

A real estate transaction is the process that occurs when a seller offers their home for sale, and a buyer agrees to purchase that property. There are many steps involved in the process that vary depending on the transaction type and state regulations. Before closing, many tasks must be completed by the real estate agent and various parties involved to ensure the purchase goes smoothly.

Parties involved in the home buying process:

-Real Estate Broker

-Real Estate Agent- will assist you in your search for the perfect home no matter where it is located and guide you through the purchasing process so that you make the best decision possible.

-Seller- authorizes realtor to sell his home, agrees to list with a real estate agent and authorize agent to market the property.

-Buyer- will be asked to sign the Buyer-Broker agreement that promises the buyer will work only with that agent.

-Mortgage Lender- assists a potential home buyer with all of the paperwork that is necessary to apply and be approved for a mortgage.

-Home Inspector- provides an evaluation of the property and let you know if it meets code, potential issues with the structure, etc. and provides information on how to fix problems.

-Title Company or Lawyer- will legally search and eliminate liens that may be recorded against the property; other states require an attorney to close a sale.

Buying a house is an exciting time. It can also be a stressful time, especially when you're dealing with the risk of bidding wars, mortgage approvals and everything that comes with being a home buyer.

Whether you're a first-time home buyer or buying your fifth home, it is important to follow the proper steps when buying a house. If you avoid these steps, you may experience buyer's remorse or lose out on a bid on the home of your dreams.

1. Research

The Internet has made it extremely easy for consumers to find out information relating to virtually any topic. Real estate is no different. The more time you take to research a potential house, the better the results will be.

The first step to buying a house is to begin researching and preparing well before actually getting involved in the process. Sure, there are many people who purchase a home simply by walking into a real estate agents office one morning and signing some papers. But for those of

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us who want to be informed and knowledgeable about the home buying process, a little research can go a long way.

For example, if you want to buy a home, buying a foreclosure could be right for you. But before you go out and start looking at foreclosures, do your research. Search online for articles that will help you decide if this is the right fit for you.

2. Check Credit Score

If you're already thinking about buying a house, you need to know your credit score and history. Your credit score is one of the most important aspects of your financial health. Clearly, consumers have good reason to know their credit score and history because it can make or break their chances at buying a house. This isn't something to be ignored.

It's important to know that credit scores and history do indeed affect mortgage eligibility.

Consumers with a high credit score will generally have a more positive experience securing a mortgage than consumers with a lower credit score, who will likely be required to have an escrow account and pay private mortgage insurance. Consumers can protect their investment in real estate by understanding how their credit scores impact mortgage interest rates.

Keep in mind that a n 800 credit score will allow you to qualify for the lowest mortgage interest rates. A 640 may lead to higher interest rates and mortgage loans that have higher principal balances. Learn how to keep track of your credit score and check on any recent inquiries through a variety of different credit reporting agencies and websites.

3. Find a Top Realtor

Hiring a top real estate agent can be the single biggest step to buying a house because they can save you a lot of money. The main reason you should hire is because they don't cost anything! Hiring an agent to represent you in your home search can make buying a house seem simple. You will be signing closing documents and telling stories about how easy it was to buy your first home in just a few weeks. Your realtor is there to negotiate the best price and terms, assist with securing financing (if needed), and provide support throughout the entire process. One of the most important tips to help ensure you hire a top local buyers' agent is to understand how to interview real estate agents when buying a house. Chances are much greater that things will go better for you than they otherwise would have if you know what questions to ask real estate agents that you're interviewing.

Here are a few questions that you may not think to ask, but will likely have a significant impact in the outcome of your home buying experience.

1. How many buyers do you generally work with at one time?

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2. How many homes, on average, do you sell per year while representing a buyer?
3. Do you sell real estate full time or part time?
4. Do you have any recent testimonials?
5. Would any of your recent clients who you've sold a home to be willing to talk with me about their experience?

If you're in the market for real estate, don't make the mistake of hiring the first agent you come across. If you skip the process of interviewing agents, you may end up either hiring an inexperienced one, or purchasing a house without knowing everything there is to know about it.

4. Get Pre-Approved by a Mortgage Lender

If you're planning to buy a house, a local lender is the best bet. Why? They know the neighborhood, understand the local real estate market and keep up with local property trends. Plus, they're very familiar with local rules and regulations concerning financing a home in your area, so they will be able to guide you appropriately through the entire home buying process.

Now it's time to get pre-approved for a mortgage. A smart consumer like you knows that there is a major difference between pre-qualification and pre-approval. Both are services that lenders and brokerages provide, but they cater to different goals. Pre-qualification is an estimate of what you qualify for based on the information the lender has at that time including your credit history and assets.

On the other hand, a mortgage pre-approval is much more desirable because it shows the lender that you can meet the requirements for getting a loan up to your stated maximum amount in your pre-approval letter, if your situation changes (for example, if you receive a better credit rating or make more money).

As mentioned above, it's important to ask the right questions of prospective real estate agents, and it's no different for prospective mortgage lenders. A mortgage lender's job is to make sure your loan application is processed properly. The mortgage lender you choose should also be willing and able to help you understand the next steps in the home financing process, including scheduling a meeting with the underwriter and providing disclosure documents specific to your loan.

5. Learn About the Local Market

In you're thinking of buying a home, you're probably dreaming of having that place that you can turn into "home." You want to know what the market has to offer and what the right price is for your needs. You need to learn about comparable homes in the area, what others have offered in terms of prices and when, find out about schools and broadband, transportation and more.

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It can actually be pretty simple if you've hired the best real estate agent to help you with your purchase. They will know exactly where to start and where to go to get the information you're looking for on the real estate market. Look for a local realtor who is up-to-date with the local market. The right buyer's agent will have knowledge of what has recently sold in your neighborhood, insight into the current and future direction of your community, and data on which areas are poised to appreciate in value.

In buying a home, you should learn about relating to the markets that you are interested in by knowing the current state of the market (**buyer's market or seller's market**), know the absorption rate (**the number of months it would take to sell the homes that are currently listed for sale if no other homes were listed for sale in the interim**) in the local market and the real estate property taxes for the local market.

6. Shop Online

Shopping for a house is one of the most exciting parts of buying a home. After you've completed all of the previous steps, it's time to start thinking about checking out your options. Although the internet makes everything easy, there are a lot of sources that provide unreliable information. It's important you're using proper websites and resources when shopping for a new home.

There are many things to consider when house shopping, but the most important thing is your real estate agent. A top agent will be able to give you a customized house search that truly fits your needs and will help you set up a website and guide you through the places you should be looking on these sites based on your location.

Before you start your hunt for a home-to-buy, make a list of what's most important to you in a home. Most people shop for homes knowing they need a certain number of bedrooms but they also want certain things in their next home. Some want a certain style or size of kitchen or a pool, or even a large backyard. Since you are house shopping, don't forget to remember what you actually need and what would be nice to have in your new home.

7. Find the Perfect House

While it is unlikely that the house you choose will be a "perfect" house, it should be close to perfect. A home is a very personal thing, so defining what you need and want in a home is very important, as well as determining what will not work for you. Any home you choose should be able to meet the needs of your family and any future family members, without being too much or too little.

Everyone is different when it comes to what they absolutely need in a home. If you're thinking of taking on the home buying journey, make a checklist of the absolute necessities that must be present. As you're on the search for your perfect house, make a checklist that you can bring to each showing and as you walk through a home, check off the absolute necessities that're on your list and if several are missing, you haven't found that perfect house yet.

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The most important thing to look for is an agent that knows your interests. If a home has a big kitchen and an open floor plan but you wanted a yard with a fire pit or barbecue, it's not the right house for you. Rather than waste your time by showing you homes that don't fit your needs, find an agent that listens to your goals and understands what you want in a home.

8. Make An Offer

Now that you've found the perfect house, it's time to make an offer. Knowing how much to offer a seller for their house is a guessing game, as there are many factors that go into this decision. It's recommended that as you're determining how much to offer for a house, you lean heavily on your agent's expertise.

Sometimes it's best to "shoot low" and see if the seller is willing to negotiate up, or offer closer to the listing price and hope the seller doesn't give you a counter-offer far beneath your initial offer. It's almost impossible for a home buyer to know for certain how much their house is worth, no matter what sources they consult.

Think buying a home is simple? Just make an offer, right? Not so fast -- there are many terms and deadlines that buyers need to take into consideration when making an offer, including the following:

- Target closing date
- Deposit you make
- Real estate contingencies like financing and inspections
- Seller concessions and permits
- Written mortgage commitment.

9. Complete Inspections

The seller has accepted your offer, and you're officially the proud new owner of a home. Before that check is written, there's one more thing you need to do - write up one last round of "due diligence." Due diligence is written into the contract as it states that you are responsible for doing any inspections that were contingent upon the offer being accepted. One of those may be a home inspection. After acceptance, there's a waiting period before you can request this final round of paperwork. A home inspection is essential if the house is old or hasn't been lived in for a while.

With homes, this could be a radon inspection, a mold inspection, or a termite inspection.

Whatever it is, just remember to schedule and complete it as soon as possible so that you can move on with buying your house and not lose it!

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10. Apply for Mortgage

The next step in buying a house involves contacting your lender and applying for a mortgage. This can take a few days, and you must complete the application completely and accurately in order to ensure your loan is placed as quickly as possible. Some of the documents you will need to provide include your previous two years tax returns, recent bank statements, recent pay stubs, and information about your employer so verification can be completed. You can also expect to pay for an appraisal during this step, which is the first of many steps to buying a home.

If you are a home buyer, aside from getting pre-qualified or pre-approved with a lender, make sure that you ask your lender about rate locks and understand what it means to you as the borrower if the lender doesn't explain it to you.

The mortgage rate lock is an agreement between the lender and borrower which ensures that the quoted interest rate will not change prior to funding of your loan. There are many different kinds of rate locks depending on the type of loan you're getting. And there are many reasons why a lender may request a lock. Some people think it's simply a fee that their lender charges them. However, this isn't true! In some cases, after the lock expires or if you have poor credit, a lender may raise your interest rate. You can save yourself thousands of dollars in interest payments over the life of your loan by getting a lock rate with your lender.

If you've formally applied for a mortgage, it's common for lenders to ask for updated bank statements and pay stubs. You should keep your lender up to date. Send them an email to ask what documents they need from you. If they say no and send you a generic list of documentation without specifying anything in particular, just send them an email when you've submitted everything on the list. It'll save both of you time in the future.

11. Bank Appraisal is Completed

If you are buying a home, you will require an appraisal. Bank appraisers complete a comprehensive examination of the subject property. The primary responsibility of a bank appraiser is to evaluate the fair market price of the subject property by looking at factors such as the size, location, and condition of the home. Bankers and mortgage brokers rely on the evaluations that are done by this third party because it's an unbiased representation provided by an expert in the field.

The approach that appraisers use to value a property is known as the market sales comparison approach. This involves at least three recent sales of similar properties in the area, looking at comparable features and market conditions. Even though you may have a certain amount in mind for the price you're looking for, it's important to know that there are factors not everyone knows about, such as mortgage rates, comparable income levels and other issues.

Most homes need to be inspected for safety issues as well before buying it. Inspectors examine the property for issues like damaged windows, peeling paint, and other potential hazards. Repairs resulting from this appraisal must be completed before the bank can approve your loan.

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12. The Final Walk Through

Many buyers will perform a final walk through of the home before moving in. This can be a little different from the home inspection, because the final walk through is your chance to ask the home inspector if everything is exactly as you remember or expected, and to ask any questions you may have about your new house.

The final walk through is such an important step. If something doesn't meet your expectations, it is crucial to communicate them to your realtor as soon as possible so that the changes can be made in a timely manner before you're locked into the deal.

13. Close the Deal and Get those Keys

Closing day is here, congratulations! Closing day is the culmination of months of work and countless hours of preparation on your part. You've selected the home, worked out all the details with the seller, and arranged for financing. After the sale has been approved and all contingencies have been met, you will receive the keys and be able to move in. In some states, real estate attorneys handle closings; in others, a settlement agent conducts closings. No matter which role they play, they are there to explain each document and answer any questions you might have

14. Move In!

You are now the owner of the house and it's time to move in. Here's a list of tasks that you should consider getting done once you're settled:

- Change the locks
- Change your address
- Meet thy neighbors
- Enjoy!

Buying a house, as you can see, involves a lot of preparation, work, and execution. It is worth every bit of the time and effort you'll put into the process. Just breathe and take it one step at a time. I guarantee you'll be successful if you prepare for each step before taking it and then work hard at doing what needs to be done. The end result will be you living in your dream home before you even know it!