

# *Brace Yourself*

*The process of buying a house can be turbulent and frustrating... here are a few things to keep in mind during your transaction so you don't pull too much of your hair out...*

***This will likely happen to you!***

# Buyers

- **The process of applying and qualifying for a loan is extensive... to say the least! Prepare to feel like you've just endured the financial version of a full cavity search.**
- **Having a pre-approval is essential! Home owners do not want unqualified buyers wasting their time. Furthermore, if you find the perfect property, you could lose out having to wait for a pre-approval from your lender before an offer can be submitted.**
- **That home you just looked at and fell in love with might already be as good as sold. Try not to "fall in love" with any properties until after your closing date. There may be a number of houses that get sold out from under you in the process of searching.**
- **You will be charged for things you don't think you should have to pay for. Mortgage origination fees? Repair work?? The appraisal??? Those, and so much more. The existence of unforeseen costs is a great reason to have some extra cushion in your bank account before you begin the process of purchasing.**

- **The bank will probably have something to say about the condition of the property. The home is the collateral for the loan, so they want to make sure it is in good condition in case you default and they need to sell it again. Don't panic, requesting or completing repairs after an inspection is common.**
- **Purchasing foreclosures and short sales is a cash-buyer's game. You might think the lower price puts them more within your reach, but their condition and the fact that their utilities are usually turned off or mechanicals are inoperable disqualifies them for conventional, RD, FHA and VA loans.**
- **HGTV is NOT the best source for the truth about real estate. TV shows are scripted and planned for entertainment purposes. Real estate is all about what is happening locally, and is not really affected by what happened on last week's episode of "House Hunters."**
- **Contract dates will change. Remember what I was saying about real estate transactions being turbulent and frustrating? Add "lengthy" to that list of adjectives. There are many moving parts and people in any given transaction, and generally speaking, the contract expiration date on your initial purchase agreement will probably end up getting extended.**

- **Your closing date will most likely change. As Prepared and organized as everyone may be, many things can delay a closing date, last minute document requested from the bank, weather, illness etc. be prepared but don't be upset or discouraged, it will close.**
- **The appraisal might not match your purchase price. If it comes in higher than what the buyer are paying for your home, they've got some instant equity. If it is lower than the purchase price, the buyer will need to reassess their situation. Depending on their down payment, they may need to reduce the purchase price so the bank will loan you the right amount. They may also decide that you're paying way too much for the home and walk away completely. Sellers have the ability to ask for more than the appraisal says the home is worth, but they probably won't have much luck selling.**
- **You might run into trouble if you aren't careful with your name. Meaning, be sure to use the same name on all the documents you sign. Watch for misspellings, nicknames, and anything else that could cause a discrepancy on the documents. Chances are someone will catch the differences, and fixing them will just make the process take longer.**