



Steps of the Home Buying Process



Step One

- **Get Financing** – Call an awesome local lender.
- **I have some I can refer.**
 - The home buying process starts with determining your buying power. Buying power includes your cash available and borrowing capabilities. This is determined by your income, debts, and credit report.
 - This is the most vital step in the buying process. This is often the difference in having your offer accepted or rejected.
 - It is best to be “pre-approved” before starting your home search.
 - Your lender will be able to explain the difference between “pre-qualified” and “pre-approved.”



Step Two - A

- **Choose a Realtor** – I’m very good at what I do and very honest.
 - People use the term Realtor and Agent as if they’re the same. They’re not. In Colorado, a person must be licensed in order to sell real estate. Standards set by the State cover the minimal education and experience needed to become licensed.
 - After becoming licensed, many Agents join their local and national “Association of Realtors,” the world’s largest professional trade association.
 - The real estate Agent can be called a Realtor only after joining the association and adhering to a strict “Code of Ethics.”



Step Two - B

- **Buyer's Agent**
- You will want to sign a Buyer's Agency to show we are working together.
- My company requires that we establish an agency agreement.
- An Agent is similar to a coach or manager. An Agent is looking out for your best interests and work **in your favor** to your advantage. Your agent's goal is to win the game while playing within the rules in an honest manner.



Step Three

- Make a “**Must Have**” and a “**Wish List**”
 - The must have list will include the bare necessities needed for your family to live comfortably. This includes enough bedrooms and bathrooms for your family size.
 - The wish list can include a fireplace, Jacuzzi tub, or a finished basement. These are items that would be nice to have but are not necessary. If budget allows, these can be added in.
 - If you want four bedrooms, but the home has three bedrooms and a basement, that might work.



Step Four

■ Finding your new home

- We will discuss your needs and should be able to arrange to have you see homes in your price range that match what you're looking for.
- Depending on the housing market, it may take a few offers to get a property under contract.
- If you don't find the right home in the first few weeks, we may need to talk about what was not right about the homes viewed and make some changes to the search.
- This process can be a quick one or long one depending on communication.



Most Common Ways to get out of a contract

- There are a few ways to get out of a contract, and you get your earnest money back to try again on another home.
 - When we do an inspection and there are large items that you don't want to fix. Since the seller doesn't need to fix things.
 - If the property does not appraise at a price that works for your contract. (If it appraises too low and you can afford the additional gap coverage) Gap coverage is explained on another page.
 - If the HOA documents show rules that you don't want to live by.
 - If you don't get your loan approved.

If you get out for a non-approved reason, you will not get your earnest money back.



Step Five



- **Making an offer**
 - After you find the right home, we will prepare a contract to purchase the property. Earnest money is always required.
 - Earnest money is money put up to show you are serious and is usually between 1-2% of the asking price.
 - We will need to discuss what price you want to offer. We will be talking about financing terms, time period to inspect, time period to close, and contingencies. (For example, if you have a home to sell).
 - After the contract is submitted, the other party usually has 24 hours to accept, deny, or counter your offer.
 - If the offer is countered, the Seller didn't like some terms about your offer and want to change them. You can choose to accept, deny, or counter again. If you deny, we will start the process over with a new property.



Step Six

- **Inspection** – We will meet the Inspector at the property
 - Once you are under contract, you usually have up to seven days to complete your inspection. You will want to find a knowledgeable and certified inspector.
 - During your inspection you will learn if there are any issues in the home that the inspector views as issues that need repaired or will be a larger issue if you continue with the purchase of the property.
 - In this market, sellers may not need to make repairs as another buyer may accept the property as is.
 - We just need to find out if there are large issues, like furnace or roof. If not, the items can be repaired at a later date.
 - If the items are too large for you to fix, we start again with a new search, and you will get your earnest money back.



Step Seven

- **Appraisal** – We will not meet with the Appraiser
 - The appraisal is conducted to make sure the purchase price you are offering, or the listing price the Seller is asking, is correct with the market in the neighborhood.
 - If the appraisal comes in low, you may need to pay more for the property if you want to continue. The loan will only cover the value of the appraisal.
 - If the appraisal comes in high, you just got a good deal and have instant equity. 😊



Step Eight

- Don't buy anything or lease anything before closing.
 - Once you are under contract you need to keep your credit just as it is until after you close on your home.
 - If you go out and purchase or lease a new car, a new computer, new furniture, or anything, this changes your credit and your debt-to-income ratio.
 - This means you may not be able to qualify for the loan, and you may forfeit your earnest money.
 - It is **ALWAYS** best not to purchase or lease **ANYTHING** until after closing.
 - Also, don't change or quit your job.



Step Nine

- You want to call a few days before closing for utilities to be turned on or switched into your name on your closing date.
- You are going to want to call gas, electric, phone, water, and cable.
- If you purchase a condo or townhome, the water and some utilities may be handled by the HOA.



Done!

■ Closing Day!

- You made it. Just a few more hours and you will have your keys to your new home and be on your way as homeowners.
- You will need to get a cashier's check from your bank made out to the title company in the amount you owe to close.
- Closing usually takes about an hour. Plan accordingly.
- All that is left is to move in.

CONGRATULATIONS





Janet Voyda-Romero

303-502-0885

janet@thecreativerealtygroup.com

Check out our website: thecreativerealtygroup.com

