

First-Time Home Buyers

Buying your first home can be scary, but if you follow these tips, you will do just fine!

Look at as many homes as possible to get a better feel for ones available in your price range. Keep track of what you like and dislike about each home that you visit by printing and using our Home Visits Worksheet.

Also consider the market value of the home, any special circumstances surrounding the sale of the home, how much you can afford to pay for the home, and the condition of the home when determining whether the home is right for you.

When you find a home in your price range and you want to buy it, visit the neighborhood at various times to get a more complete understanding of its activity. Talk with your prospective neighbors about what it's like to live in the area. Take a day and commute to your job from the area. And look at the home more critically -- you may discover flaws you hadn't noticed during your first visit.

Another aspect to consider is the financing you will use to purchase the home. For example, the seller may help pay closing costs such as transfer taxes or points on a mortgage. If this is the case, you may be more willing to accept the seller's asking price. Your real estate sales professional can offer some assistance regarding how much you should offer, but the final decision is yours.

You probably started your home buying process in one of two ways: you saw a home you were interested in buying or you consulted a lender to figure out how much money you could borrow before you found a home (sometimes called pre-qualifying). The next step is to sign an agreement of sale with the seller, followed by applying for a loan to purchase your new home. The final step is called "settlement" or "closing," where the legal title to the property is transferred to you.

At each of these steps you often have the opportunity to negotiate the terms, conditions and costs to your advantage. These pages will highlight such

opportunities. You will also need to shop carefully to get the best value for your money. There is no standard home buying process used in all localities. Your actual experience may vary from those described here. But the following information will help you in the process of buying or selling your home.

Taking the Mystery out of the Home Buying and Settlement Process

Frequently, the first person you consult about buying a home is a real estate agent or real estate broker. The most common practice is for the seller to hire a real estate broker to find someone who will be willing to buy their home on terms and conditions that are acceptable to the seller. Therefore, the real estate broker you are dealing with may also represent the seller. However, you can hire your own real estate broker, known as a buyer's real estate broker, to represent your interests. Also, in some states, such as Virginia, experienced real estate agents and real estate brokers are allowed to represent both buyer and seller.

Even if the real estate broker represents the seller, state real estate licensing laws require that the real estate broker treat you fairly. If you have any questions concerning the behavior of an experienced real estate agent or real estate broker, you should contact your state's Real Estate Commission or licensing department.

Sometimes, a real estate broker will offer to help you obtain a mortgage loan. He or she may also recommend that you deal with a particular lender, title company, attorney or settlement/closing experienced real estate agent. You are not required to follow the real estate broker's recommendation. You should compare the costs and services offered by other providers with those recommended by the real estate broker.

Selecting an Attorney

Before you sign an agreement of sale, you might consider asking an attorney to

look it over and tell you if it protects your interests. If you have already signed your agreement of sale, you might still consider having an attorney review it. An attorney can also help you prepare for the settlement. In some areas attorneys act as settlement/closing agents. An attorney who does this will not solely represent your interests, since he or she may also be representing the seller, the lender and others as well.

If choosing an attorney, you should shop around and ask what services will be performed for what fee. Find out whether the attorney is experienced in representing home buyers. You may wish to ask the attorney questions such as:

What is the charge for negotiating the agreement of sale, reviewing documents and giving advice concerning those documents, for being present at the settlement, or for reviewing instructions to the escrow, real estate agent or company? Will the attorney represent anyone other than you in the transaction? Will the attorney be paid by anyone other than you in the transaction? Please note, in some areas of the country attorneys are not always involved in a home sale transaction.