

# The Roadmap to a Successful Home Purchase

A guide for home buyers

MADISON  
& CO. PROPERTIES





# The Home Buying Process

Here are eight essential steps to buying your home.



# Check your credit score

Your credit score determines which lenders will work with you and how big of a loan or mortgage you can get.



# Get pre-approved for a loan

Knowing exactly how much you'd be able to borrow sets your budget and shows sellers your seriousness as a buyer.

## Shop around first and compare different lenders to ensure you get the best loan.

Once you've settled on a lender and applied, the lender will verify all of the financial information provided (checking credit scores, verifying employment information, calculating debt-to-income ratios, etc.).

The lender can preapprove the borrower for a certain amount. Be aware that even if you have been preapproved for a mortgage, your loan can fall through at the last minute if you do something to alter your credit score, like financing a car purchase.



# Figure out how much you can actually spend

**Don't max out your bank loan. Allot a budget for utilities, food, and other monthly expenses, too.**

It'll behoove you to make sure your personal finances are in order. Generally, in order to qualify for a home loan, you have to have good credit, a history of paying your bills on time, and a maximum debt-to-income ratio of 43%.



# Find the right real estate agent

**Do your research and hire an agent with a proven positive record.**

Choosing the right real estate broker or agent involves asking questions about their experience with the local market and your kind of property.

**The ideal real estate agent should have up-to-date market knowledge and top-notch negotiation skills.**

Ask about the marketing plan, methods of communication, references, and connections with other real estate professionals.

# Go house hunting

After finding the right agent to represent you, discuss your needs, preferences, and other house criteria.



**It helps to figure out the type of home you want to narrow your search.**

Ask yourself what sort of residence best suits your needs and wants, how much home you can actually afford, how much financing you can get, and who will help you in your search.



**Don't forget to consider transportation and school districts when house hunting.**

Your Realtor<sup>®</sup> should have a solid handle on the schools in the area, ratings and transportation options that are available nearby.

# Make your offer

Once you find a fitting house, make an offer that is neither too low or too high.



**Ask your agent to compare recently sold homes nearby to determine a fair price offer.**

Your real estate agent will help you decide how much money you want to offer for the house using comparables in the area and what they have recently sold for.

**Talk with your agent about including possible contingency stipulations in your offer, as well.**

Consider any conditions you want to ask for, like having the buyer pay for your closing costs, etc.

**Having a professional inspect your potential home can reveal serious issues a seller may be hiding from you.**

Even if the home you plan to purchase appears to be flawless, there's no substitute for having a trained professional inspect your potential new home for the quality, safety, and overall condition.

**If you have an inspection contingency, you might get the repair costs deducted from the asking price.**

If the home inspection reveals serious defects that the seller did not disclose, you'll generally be able to rescind your offer and get your deposit back. Negotiating to have the seller make the repairs or discount the selling price are other options if you find yourself in this situation.

# Set a date for inspection





# Close the sale and move in

**Remember to do a final walk-through  
before signing the final paperwork.**

If you're able to work out a deal with the seller, or better yet, if the inspection didn't reveal any significant problems, you should be ready to close. Closing basically involves signing a ton of paperwork in a very short time period and hoping that nothing falls through at the last minute.

# The Home Buying Process: Summary

Let's recap all the steps you should go through.

**01** Check your credit score

**02** Get pre-approved for a loan

**03** Figure out how much to spend

**04** Find the right real estate agent

**05** Go house hunting

**06** Make a fair offer

**07** Schedule a home inspection

**08** Close the sale and move in





# Let me know if you have any questions

and how I can help.



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