



*Are you ready to buy your first home? It can be a bit confusing to know where to start. We've created a checklist for you to prepare yourself for the process of purchasing your new home.*

### **Review Your Financial Situation**

*Your finances will be largely affected when you purchase a home, so you need to know if you can realistically afford it. You need to take stock of your finances and get them under control before you buy:*

- Your income:** Before you start shopping for a home, you'll need to know how much money you make to determine what you can afford. Only include income you can count on. If you receive child support or money from investments that's not reliable, don't include it in your income total.
- Outstanding loans:** Look at and include your outstanding loans like car payments or ones for furniture, appliances, education, etc.

- Food and entertainment:** Include your weekly food bill and entertainment expenses. Don't forget about the conveniences store, meals eaten out, or school lunches. Fees for extracurricular activities for your children should be included, too.
- Your credit rating:** Your credit rating will be reviewed by your lender to determine whether or not you'll receive a mortgage for the home. It's also a good idea for you to know what it is, too, so you can rectify any issues before you start the process of buying a property.
- Monthly bills:** Take stock of how much your monthly bills are currently costing you such as your subscriptions, utility bills, or insurance.
- Credit cards:** Know what the total is owed on each card, along with the monthly minimum payment, because the bank will want to know.
- Your job:** When you purchase a home, you want to ensure your employment is stable. You'll soon be making a mortgage payment every month, so take into consideration a potential lay-off or cutbacks/pay decreases at your work.
- The future:** Are you considering having kids in the near future? Will you soon have to care for an ailing family member? These scenarios can increase your monthly expenses and possibly decrease the earnings of your partner. You don't have to share this information with anyone, but you need to realize how these changes could affect your budget.

### **See Your Mortgage Lender**

*Seeing your mortgage lender is the second step in buying a home. They'll tell you what you can and can't afford to purchase.*

- Shop around:** You don't have to get your mortgage through the bank you've been with for 10 years. There's other lending institutions that may have better lending rates. Don't be scared to shop around, compare prices, or try to negotiate.
- Research:** Government loan programs are available to home buyers like you. Talk to your lender to see if you qualify for them or what you need to do in order to qualify.
- Get pre-approved:** When you get pre-approved, you get the green light to start actively looking for a home. You'll need to visit your bank or mortgage lender and give them all your financial information. Pre-approved is not the same thing as pre-qualified. If you're pre-qualified, you have an estimate of how much you can afford to spend on a property. When you're pre-approved, the loan amount has already be approved.

## Get a Real Estate Agent

*Getting a real estate agent makes the house-hunting process a lot easier. They'll work with you to find a house you'll love.*

- Why they're needed:** Buying a house involves a lot of legalities you won't know about. It's in your best interests to protect your assets and use a professional real estate agent to help you with the transaction.
- How to find one:** All real estate agents follow the same guidelines and laws, so the only difference you'll find between them is personality. Get referrals from family, friends, or other people you trust.
- What they can do for you:** To make this process easier and faster, compile a list of everything you want in your new home (i.e. wood burning fireplace, island in the kitchen, walk-in closet). You need to know what you can live with and what you can't live without. Make sure to tell them you've been pre-approved so they know you're serious.

## Your First Home

*So you've found a house you're strongly considering and you want to put in an offer. Before you do that, though, go through it thoroughly to make sure you won't inherit any expense problems.*

- Get it appraised:** You'll want to compare the market value of the property to its asking price. You might find one that looks like a great deal, but it can be deceiving. If the house is in need of major repairs, it won't be worth the investment.
- Look at the amenities:** Is the house in a location you love? Is it near a school for your kids or restaurants to visit with friends? Does it have everything that was on your must-have list?
- Look at the roof:** Replacing the shingles on a roof can be a huge expense, so it's important to know when it was last done. If it hasn't been done recently, you need to factor in the cost of shingling it sometime soon.
- Inspect the plumbing and electrical:** Make sure there's enough water pressure in the house, so turn on faucets in the shower, tub, and kitchen sink. Look under sinks for signs of water damage. Look at the electrical panel to see how much room is left in it.
- Look at the septic/sewage system:** Determine if the house has its own septic system or if it's connected to the municipal sewer system. If it has its own, it needs to be inspected by a professional pronto. With new laws and regulations, it may no longer be up to code. If you purchase the house with it not up to code, you can be required to replace it immediately at the expense of thousands of dollars.

- Inspect the foundation:** Is there any water marks or standing water on the outside of the house? Did you see damp spots, leaks, cracks, or puddles of water in the basement? The presence of these can mean big trouble. You want to buy a house that is foundationally sound.

### Retain a Lawyer

*Because buying a house is a complicated process involving many parties and a great deal of money, lawyers are critical players to have on your team. A well-versed, experienced real estate lawyer can help you through the process and make your transaction successful. Their knowledge will protect your new investment. Your lawyer will:*

- Review documentation:** Real estate lawyers look over a variety of documents that are part of your real estate transaction. They can help you by making sure everything is in order, correct, and legal while protecting your best interests. Real estate lawyers will look over multiple documents including:
- The Purchase Agreement:** A purchase agreement is a contract outlining the conditions of the sale, price, etc. between the seller and buyer. It is the most important document in your real estate transaction. A lawyer can walk you through forms, clearly explaining and making changes or additions to reflect the buyer or seller that they represent. A lawyer will also check to see if the property has been legally maintained. They will check if additions were legally built, if the buyer's future plans/changes to the property can be done, what legal consequences will occur if the transaction fails, and what will happen to the down payment. Lawyers will also ensure the process is moving along as scheduled and no deadlines are missed. Involving an attorney in this step, along with a realtor, is highly beneficial to both buyers and sellers.
- The Title of the Property:** If a property changes owners, the title of the property must be amended to reflect the new change. A lawyer will perform a title search to find if there are any current restrictions on the property. They will also ensure the legal land location is correct. If no problems are found, your lawyer will fill out the necessary paperwork to transfer the title to you.
- The closing :** When everything has been reviewed and agreed upon by both parties, it is time to complete the transaction and close the deal. A lawyer will help explain the amount and fairness of the closing costs to you. As a buyer, you will sign the deed and the mortgage papers, which again the lawyer can walk you through to make sure you understand everything. Once everything is signed, the attorney will release the money to the appropriate party and notify the municipality of the change in ownership.

*Juriscorp has helped hundreds of families purchase their dream home, and they would be happy to help you buy yours, too. For more information on why lawyers are involved in your real estate transaction read our [blog](#) or [contact us](#) today to schedule a meeting or to answer your legal questions.*