



Top Ten Tips for Home Buyers

Buying a home is the biggest investment you will ever make, not only in dollars, but in how it impacts your life. This is *where you will live* for the foreseeable future. You will make better decisions and save money if you *use your resources*. Here are ten tips that will make your home buying experience quicker, easier, cheaper and with better results.



1. **Work with a Professional Buyers Agent**

Having a licensed professional REALTOR® acting as your *Buyers' Agent* is the best deal under the sun! You get the full services of a dedicated professional whose fiduciary responsibility is to act in your best interests, even at the detriment of his or her own -- and it is *Absolutely Free*. Your agent's fee is paid by the seller. You pay *nothing*! The reason Buyers' Agent is listed as the number one tip is because he or she will help you with every other item on this list.

2. **Clarify Your Goals Up Front**

Often, home buyers begin the process of buying a home without really knowing what their goals are. It helps to make a written list of the Must Haves, Nice to Haves and Must Not Haves. Define what's most important to you – location, style of home, size, garage, condition, updates, year built, and amenities such as bathrooms, bedrooms, family room, basement, deck, pool, etc. And don't forget time-frame; what is your target date to actually move into your new home. A buyers' agent is experienced in helping you clarify all of these goals and preferences, and then putting them into action.

3. **Know How Much You Can Afford**

There isn't anything worse than finding a home and falling in love with it, making a purchase offer and then finding out you can't afford it. What's equally bad is over-buying and becoming "house poor". Just because a bank will lend you the *maximum* amount you can afford is no reason to go out and spend that much. Leave a little money left over for dinner and a movie or a vacation now and then.

4. **Get Preapproved For A Mortgage BEFORE You Start Your Search**

Most home sellers and agents will not accept a purchase offer without an accompanying pre-approval letter from a reputable *LOCAL* mortgage lender. It's just as bad as finding your dream home and *then* trying to get preapproved and by the time you get your preapproval letter, finding out your dream home was purchased by someone else. *Get* preapproved before you start your search; that way you're prepared. If you have trouble qualifying, your loan officer will recommend steps to bring your credit / income / debt situation up to the point you that will qualify. Your Buyers' Agent can recommend a number of *local* mortgage lenders and stay in touch with them until the process is completed.

5. **Don't Limit Your Search to Open Houses**

Many home buyers limit their home search to open houses. While that's a nice thing to do on a Sunday afternoon and will help you gauge the market, it won't, by itself, help you find that perfect home. Neither will browsing the internet on your own. *This is where the Buyers' Agent really shines.* Once your agent has helped you clarify your goals and search criteria, she or he will set you up with a custom search on a wide variety of parameters and will notify you via email, text message or phone *within hours* of a new listing that matches your criteria. But that's only part of the process. Once you've looked at the home online and decided that it's worth going to see, your Buyers' Agent will set up a private showing just for you, usually within the next 24 hours. Even in this difficult market, there are many great homes at great prices and the best ones sell *within days*, not weeks. If you're already preapproved, know what you want and are ready to buy (we call that Ready, Willing and Able), you're in a position to '*pounce*' on a good deal when you see one. The rest of the buyers?? Well, they'll just have to settle for what's left over – or maybe go to another open house.

6. **Do The Research Before You Make a Purchase Offer**

Once you found your dream home and are ready to '*pounce*', how much are you going to offer? The listing price? Maybe yes, maybe no. If it's a really, really good deal and there's a competitive situation, maybe more than listing price. If it's not a good deal, maybe less. How do you know what the home is worth? Again, this is the job of the Buyers' Agent who will do a CMA analysis. She or he can help you navigate through the purchase process to ensure success.

7. **What is it worth? Develop a Negotiation Strategy**

Ask your Buyers' Agent to do a *Competitive Market Analysis* comparing your prospective new home to similar homes nearby that have recently sold. This will include considerations such as age of roof, furnace, windows, flooring, kitchen and bath updates, etc., that are not readily apparent in comparing homes. With a good CMA, you'll know the market value of the home. Your agent will also research the property taxes, STAR exemptions, how long the current owners have owned the home, what their mortgage balance may be, what, if any, property condition issues were disclosed, and what the neighborhood demographics are. Armed with all of this information, you and your Buyers' Agent will come up with a *Price and Negotiating Strategy* that will increase your odds of getting the home and getting the best possible price and terms.

8. **Understand The True Costs Of Purchasing And Owning A Home.**

Before you make your purchase offer, you should be aware of exactly how much this home will cost including down payment, escrows for property tax and insurance, mortgage insurance premiums, taxes and fees. You should also know the estimated monthly mortgage and escrow payments *before* you write your purchase offer. If you're working with a good Buyers' Agent, there will be no surprises.

9. **Have The Proper Contingency Clauses And Have Your Attorney Approve Your Purchase Contract.**
Would you want to use the seller's agent to prepare your purchase contract and represent you? Would you use your seller or bank attorney to represent you? Of course not; their sworn duty is to work for *their* client's best interests, not yours. Your *Buyers' Agent* will help you develop your negotiating strategy, write your purchase offer and make sure you have proper contingencies for attorney approval, home or other inspections, mortgage commitment, sale and transfer of your existing home, and any other contingency your situation requires. That way you're protected in case something goes awry. Once your offer is accepted, your *Buyers' Agent* will stay on top of every detail to make sure you make it to closing. Frequently, snags can derail a sale unless you have an experienced negotiator and problem solver working on your behalf.

10. **Don't Do Anything That Will Affect Your Credit Score After You Apply For A Mortgage**
Now that you've found your perfect home and have your mortgage approved by your lender, it's time to go out and buy that new refrigerator or living room furniture, right? *WRONG!* You should know that your lender will pull another credit report and verify your employment just before closing to make sure you can still afford your mortgage. Therefore, avoid *any* large purchase on credit, late payments, or anything that will generate a credit check on you or your co-borrower. Also included in this category are job changes, large withdrawals or transfers of funds, which will set the alarms off. So once you have your mortgage commitment, *SIT TIGHT* and don't do anything until after you close on your home.

The Best Tip: Hire A Professional – It's Free

Now that you know the Do's and Don'ts of home buying, here's my *Best Tip*: engage the services of a trained and licensed REALTOR® to help you and represent you. But keep in mind, not all agents are alike. Some are part-time, some full-time. Some are more enthusiastic, dedicated, trained and skilled than others. And some brokerages have more tools and resources than others.

My Promise To You

No one will work harder for you. I will listen to you, I will return your calls promptly, I will be your best advocate. As your agent, I will earn your trust by acting with integrity and loyalty, honoring your confidentiality, and working tirelessly to help you reach your goals. And, I will put *every tool* in Nothnagle's considerable inventory to work for you.

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Referrals for Service Providers

Mortgage Lenders

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 - Brian Haefner, Loan Officer
Email: brian.haefner@1stprioritymortgage.com
Cell: 585-298-7565
- Premium Mortgage Corporation – www.PremiumMortgage.com
 - Cheryl Barnum, Loan Officer
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Home Inspectors

- Central Inspections – www.InspectRochesterHomes.com
 - Jim Wurtenberg
Email: jimw@inspectrochesterhomes.com
Phone: 585-377-3737
- Warren Engineering – www.warreninspect.com
 - Tom Wurzer, P.E.
Email: engineers@warreninspect.com
Phone: (585) 385-4766
- Sherlock Homes Inspection Services LTD – www.sherlockhmsinspect.com
 - Karl Schenk, Jr.
Email: info@sherlockhmsinspect.com
Phone: (585) 381-6090

FIRST TIME HOME BUYER CLUBS

Here are some banks that offer first time buyer programs with grants up to \$7,500 to help with closing costs. These programs are funded by the federal government and administered by local lenders. You must save a total of \$1,875 between 10 and 24 months. (e.g. \$188 per month for 10 months or \$105 per month for 18 months). At the end, you receive the \$7,500 grant plus your savings for a total of \$9,375 towards your closing costs. In addition, there are other programs like down payment assistance loans of 3% or \$3,000 whichever is higher and seller's concessions of up to 6% of the purchase price.

Call or email me if you have any questions.

585-794-3666 / glupien@nothnagle.com

ESL FCU

Mary Richards, Mortgage Loan Officer

mrichards@esl.org / (585) 336-1432

First time buyer's club: <https://www.esl.org/personal/mortgages/mortgage-solutions/first-home-club>

Citizens Bank - Home Lending Solutions

Leslie Curry

Leslie.Y.Currie@citizensbank.com / Cell: 585-766-9411

www.citizenslo.com/lcurry

The Housing Council at Pathstone

(585) 546-3700

First Home Club: <http://www.thehousingcouncil.org/homeowners/first-home-club-homeownership-counseling-guidelines>

City of Rochester Home Purchase Assistance Program

- \$3,000 grant for homes in the City of Rochester

homebuyer@cityofrochester.gov / (585) 428-5990

<http://www.cityofrochester.gov/homebuyer/>