

This week I would like to talk about what your REALTOR needs from you, the BUYER, when you are ready to make an offer on a property.

One of the first questions you will be asked is, "have you been to a bank to see what type of loan you will be able to get and the amount for which you will be qualified?" Why is this important? This helps your REALTOR determine the price range in which you should be looking and the type of loan helps determine the kind of property, i.e. condo, rural, townhouse, single family, investment that will work with a specific loan.

A Letter of Pre-Qualification from a bank simply says that the Borrower/Buyer is pre-approved for a mortgage loan and that it is based on figures that the Borrower/Buyer has provided to the bank. It may go on to say that final approval is subject to a fully executed sales agreement, that the Borrower's financial condition or credit worthiness does not change and that there is an acceptable appraisal and title search of the subject property and other guidelines of the lender. A Pre-Qualification letter will not guarantee that the Borrower/Buyer will obtain the loan. This is only a starting point for the loan process.

So, now you have a Pre-Qualification letter from a bank and you are ready to tell your REALTOR that you are ready to look at properties and what you would like to see. Your REALTOR will begin to find properties and you will be on the road to home ownership.

In no time, you will find a home and write an acceptable offer. The next step will be to go back to the bank and make a formal loan application. At this time, the bank will gather more personal information from you and collect an application fee. This now begins the process of getting an appraisal, home inspection and any other inspections necessary for this purchase. The bank will order a title search and an appraisal. Your responsibility will be to make arrangements for a home inspection and any other inspections that your sales agreement contains.

Once all inspections are accomplished and you are satisfied with the results, the waiting for appraisal results, title findings and underwriting approval. It may seem like forever, but actually, most of this takes approximately sixty (60) days from beginning to end. Of course, there are always exceptions.

You will get a call from your banker telling you that you have loan approval and that the closing will be set up with the title and closing attorney. A date will be agreed upon and you will be making moving arrangements, getting homeowners insurance and putting all utilities in your name.

The BIG DAY finally arrives and you will officially be a HOMEOWNER.