

Our Comprehensive & Printable **Home Buying Checklist**

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**Whether You're a First Time Home Buyer, Upgrading Your
Family Home, or Downsizing into Retirement Living, Here's
All You'll Need for Home Buying Success!**

This e-Book is
Brought to You By:

Deer Valley Credit Union

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Introduction

This is the year to buy your new home, say the experts at Realtor.com. According to a 2016 survey of prospective homebuyers, 2017's real estate market is expected to surpass previous years, especially where first-time buyers are concerned. A whopping [52 percent](#) of this year's buyers are searching for their first-ever home, up from last year's 33 percent. Most are millennials who are finally coming into their own and who finally feel they have the financial stability to invest.

But even if you aren't looking for a first home, even if you're searching for the perfect upgrade or even downsizing for retirement living, 2017 is the year to do it. We've compiled a comprehensive home buying checklist to guide you through this exciting venture from start to finish. Our checklist is easy to navigate and printable so you can take it on the go when it's time to start your new home search in earnest.



Step 1: Know Your Neighborhood; Know Your Needs

It's important to know what amenities you'll need and where you'd like your new home to be located. According to the [National Association of Home Builders](#), these two considerations were tops for homebuyers in 2015. The floor plan and layout of your new home is a biggie, so is its size. And as far as neighborhoods go, most buyers were swayed by promising crime statistics and an instant rapport with the home itself.

In a nutshell, prospective homeowners want to feel safe on the streets surrounding their new major purchase, and they want a space that's big enough to suit their needs and that's well thought out and designed with convenience in mind.

When it's time for your family to take that next inevitable step toward the American dream, plan accordingly:

- Narrow your neighborhood search to only those areas that meet your minimum requirements. This may include award-winning school districts, low crime statistics, easy commutes, affordable property taxes or a location that's convenient to friends or family. If it's important for you to be near the local college campus or situated within 30 minutes of your office building, know this before beginning your home search.

- Have a firm understanding of what your family absolutely cannot live without. This could include a third bathroom, a roomy backyard or a privacy fence for keeping pets safely enclosed. These are your non-negotiables. Make a hard list of those features over which you're not willing to compromise, but be realistic. Most homes won't meet every dream criteria. That's why it's so important to narrow the options early on your home buying checklist.

Step 2: Be Realistic in What You Can Afford

Zillow offers an easy-to-use [online mortgage calculator](#) to help you decide exactly how much home you can afford. Simply factor in the amount of your down payment (and if you don't have one, don't panic. There may still be a loan that works for you.) whether you're looking for a 15- or 30-year mortgage term, and the home price. This will instantly show you what a monthly payment could look like. Of course, your final payment may change a bit due to loan rates and your own personal credit rating, but still -- you'll get a ballpark figure.

Your next step is to calculate your gross yearly income. [Investopedia](#) recommends spending no more than 2.5 times your gross annual income toward the purchase of a home. This means if you make \$54,000 annually, which is [what the majority of first-time homebuyers make](#), you'll want to limit the

purchase price of your home to around \$135,000. You may be able to qualify for a larger loan, but doing so may make you "house poor," meaning there's nothing left over each month once the mortgage comes due. Some homeowners are fine with this, especially those who approach the purchase of a home as an investment and want to get the best return on their money. But if you're someone who wants a little spending cash left over at the end of the month, the 2.5 rule should work well for you.



Step 3: Familiarize Yourself With Your Credit Score

How well you manage your own money plays a huge role in how easy it is or isn't to secure a home loan, and that means more than just paying your bills on time. [CreditKarma](#) offers a convenient list of what most mortgage lenders look at when it comes to your credit, including:

- Debt-to-income ratio: How much you earn versus how much you pay out each month.
- Payment history: How timely you are with your payments.
- Employment history: How long you've worked at your job.
- Age of credit: How long you've had your credit cards, car loan, etc.
- Capital: How much money you have in the bank.

These must all combine to paint a pretty picture if your lender is to take a chance on you. Be smart and know what's on your credit report before approaching any lender for a mortgage loan. And if you find negatives, fix them first.

Step 4: Apply to Be Preapproved

[Preapproval](#) is a must in today's competitive housing market, especially for a first time homebuyer, otherwise you risk the chance of losing the home of your dreams to that other bidder who was more prepared. There's nothing scary involved in obtaining a preapproval from your lender. Basically, the borrower has submitted enough documents to be preapproved for a certain amount, and your lender found you credit worthy. Additional paperwork is usually required once the transaction goes to escrow. A preapproval letter will help you find a realtor faster, and it lets sellers know you're serious and that you have the funds to back up your offer.

Step 5: Find the Right Realtor

And once you have the all-important preapproval, finding the right realtor should be the next item on your home buying checklist. To find him or her, look for someone with at least five years of experience. Choose a realtor who's familiar with the neighborhood to which you want to relocate, and who works as an agent full time. And if you can find someone who's a member of the National Association of Realtors, so much the better. NAR-affiliated realtors are bound by a strict code of ethics that will work in your favor.



Step 6: Communicate Your Needs to Your Agent

Once you find your dream agent, that one person with whom you have exceptional rapport, make sure you communicate your needs and preferences. It's good to give feedback throughout your home search as well. If your agent is taking you to view properties you would never consider or that simply don't fit your needs, let them know. Your realtor should be readily available to show you homes, should have a keen understanding of your budget, and should have the inside track on the properties you want to see.

Step 7: Get Your Offer In

And of course, once you've run across that rancher, farmhouse or colonial that speaks to you, get your offer in. This is another area where it's good to have a knowledgeable agent to advise you. He or she is the person who will tell you if you're going in too high or too low. You don't want to pay more than necessary for your new home, but you don't want to insult the seller into disregarding you completely either.

When you're ready to take that unerring leap of faith into purchasing a new home, whether your first home ever or the retirement home of your dreams, talk to a friendly financial specialist at Deer Valley Credit Union. We'll help you navigate the application process, and we'll stay with you every step of the way with our easy-to-understand terms and flexible repayment options. There are no hidden fees to fear and no hoops to jump through when you trust Deer Valley Credit Union with your home mortgage loan. Contact us today.

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