

Home News [Homes & Money Quarterly Newsletter – 2nd Quarter 2010]
The First Two Steps in Buying a Home

Statistics suggest that the Internet is the first destination and source of information for potential home buyers. In fact, nearly 80% of potential buyers reportedly begin their home buying process online. And why not? The Internet has a wealth of information and resources that can aid in the beginnings of the home buyer's search and make them feel more comfortable and confident about the process. However, when a potential buyer is ready to move forward and really begin to focus on his or her home buying goals, there are two very important steps to consider first in order to initiate a successful home buying experience.

Know the Score – Whether you like it or not, your credit score will play a major role in your ability to qualify for a mortgage and purchase a home. Your credit score will also help determine your mortgage rate and how much home you can really afford. That's why if you're looking to purchase a home in the next 6 to 18 months, you don't want to wait to find out what surprises, pleasant or otherwise, might await you on your credit report. By reviewing your credit early on in the process, you have time to make adjustments and improve your score. Remember, a lot has changed in the credit industry in the last two years alone. A recent federal crackdown on credit card companies have led many creditors to take actions such as lowering credit limits. This one act can significantly upset your debt ratios, which is a major component in calculating your credit score.

Get Preapproved – Once you know where your credit stands, the next step in your home buying process is to get yourself pre-approved – not just pre-qualified. Why? Well, by becoming pre-approved you'll know exactly how much money you can borrow down to the dime. This knowledge will allow you to focus on only those houses you can actually afford, making your search for the perfect home much easier. By being pre-approved you also become a "cash buyer" which demonstrates to sellers that you're serious about your search and will allow you to negotiate more effectively than potential buyers who are not pre-approved.

If you or someone you know is looking to buy a home in the next 6 to 18 months, don't hesitate to give us a call, no matter where you are in the process. We'll gladly review your credit and get you pre-approved.