



Step by Step First Time Homebuyer Guide



Step 1:

Evaluate Your Finances

Start by evaluating your finances and setting a budget for how much you can afford to spend on a home. Consider factors such as your income, monthly expenses, and any existing debt. Many lenders will qualify you for a loan higher than you would be comfortable paying. It is better to shop off of the payment, rather than what you qualify for.



Step 3:

Pre-Approval

Get pre-approved for a mortgage. This involves submitting your financial information to a lender, who will review your credit history and income to determine how much they are willing to lend you. Pre-approval can help you understand how much home you can afford and you will need the pre-approval to write an offer on a home.



Step 5:

Write an Offer

This sounds a lot scarier than it actually is. Your agent will help you write an offer, and understand the different terms and conditions of your offer. The typically terms that are negotiated are price, earnest money amount, appliances and fixtures, and possession date. Your offer should include the price you are willing to pay, as well as any contingencies such as a home inspection and financing.



Step 2:

Hire a Realtor

Traditionally real estate agents for buyers are paid by the Seller. When hiring a Realtor some questions you can ask them are: How many homes have you sold in the past year or two? Do you work with mostly sellers, buyers, or both? How do you communicate with me? Can you provide testimonials of past clients?

Step 4:

Home Shopping

Start looking for homes in your price range. This can involve browsing listings online, driving around neighborhoods that interest you, checking the drive time to your work or schools. Your Realtor should have a system for showing you homes.

Step 6:

Entering into Contract

The seller may accept, reject, or counter your offer. Once an offer with terms that both the buyer and seller agree to, the contract must be signed to be executed. At this point in time, you will need to pay your earnest deposit. This amount is in the contract, it goes towards your final purchase. It offers a small amount of protection to the seller as well. It can be lost if you don't live up to the contract dates. Your agent should help with this. The amount will vary, but should be about 1% of the purchase price.



Step 7:

Title Insurance

You will need to hire a company to be your title company. In Utah, title insurance and escrow are performed at the same time and company. Title insurance fees are regulated by the government, so there isn't much room for price shopping. We recommend working with a title company that is backed by a major company. This will help protect you if you need help years after you close on your new home. Your Realtor should be able to connect you with a reputable title company

Step 8:

Home Inspection

Hiring a home inspector helps ensure you are getting a home in a condition that you are comfortable with. The inspection can point out things you can't see when doing a walk-through, and helps ensure that any health and safety items are called out before you buy the home. We recommend home inspections on all purchases, even new construction. A home inspector should have a good written report helps in any repair negotiations. Your agent may have several inspectors they would recommend.



Step 9:

Appraisal

Your lender will order an appraisal on the home. The appraisal is a 3rd party who evaluates the value of the home. The appraisal protects the bank from over-lending on a property. Depending on your loan, the appraiser can require certain conditions to be met for the home to qualify for financing. Your agent should know what type of loan you are planning on using before writing offers to mitigate the chance the home won't qualify for your type of financing.

Step 10:

Underwriting

Your agent should be in communication with your lender as soon as you are under contract. The lender will order an appraisal. You will go back and forth with the lender several times, they will ask you for lots of documents to verify your qualifications. It is best to get them this information as quickly as possible. This will help protect your earnest deposit by ensuring you're meeting your contract deadlines.



Step 11:

Home Owners Insurance

Your lender will need you to select your home owners insurance to finish the loan process. We recommend that you ask your car insurance if they have bundling with home owners. It is best practice to get a quote from 2-3 companies to ensure you're getting the best coverage for the best price.



Step 13:

Attend Your Closing

Your appointment will be scheduled with your title company, this is usually at their office, but can be done remotely. Your closing will take about 60 minutes, depending on how many questions you might have. After you sign, recording and funding will take additional time. You will get possession of the home depending on your contract and funding.



Step 15:

Update Your Address

You will need to update your address. The United States Postal Service offers an Online portal to make it easier, but costs \$1.10. This can be done at your local post office for free. Update your address with the Drivers License Division, IRS, Social Security, Immigration, Voter Registration, and Veterans Benefits. As you get mail that has been forwarded, be sure to update those people and companies records of your new address.



Step 12:

Final Walk-Through

Your agent should schedule a final walk-through with you and the seller a few days before closing. In this inspection, you want to verify that the home is in the same condition as it was when you wrote your offer. Verify that things haven't been removed that shouldn't and that there is no new damage. It is far easier to get problems resolved before closing.

Step 14:

Keys & Utilities

There are a couple things you should change as soon as you take possession of your home. Transferring the utilities and services to your name will keep them active. You should also change the locks on your home as soon as you move in. Locksmiths can re-key, or you can replace the locks entirely. You should also go through and erase and re-program your garage door and any electronic locks to the home. You never know who has an old key or code to enter your new home.

Buying a home doesn't have to be a scary process. Finding someone who'll represent YOU and YOUR NEEDS is the best steps to ensure that the process goes smoothly.

We'd love to interview and show you how we're different, and why we have a 5-Star Google Rating.



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"I could not say enough good things about Becca. We were first time home buyers and knew absolutely nothing about the process. She took extra time to make sure we understood everything and was always so kind and supportive. She was also ALWAYS available for communication. You can tell she honestly cares for her clients and bends over backwards to help them. I will never work with anyone else. She is amazing and I would and have recommended her to everyone!"

-Shantel Brown

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5.0 ★★★★★ 103 reviews