



Things to avoid when you are buying your first home

Buying a home will be one of your biggest financial decisions you will make in your lifetime. We want to ensure this goes smoothly for you by providing the following tips.

Looking for a home before being pre-approved.

As a buyer, being pre-approved will give you the best chance of getting your offer accepted. This is critical in a competitive situation. Imagine you're a seller who receives multiple purchase offers. A buyer is asking you to remove your property from the market for at least two to three weeks while they apply for a loan. The benefits of being pre-approved or pre-qualified in this instance are substantial and positively impact both the buyer and the seller.

Making or relying on verbal agreements. A written contract will override any verbal agreement made between the seller and the buyer, so do not sign an offer to purchase if the details are contrary to what was verbally agreed upon.

Going with the lowest rate. The cost of the mortgage shouldn't be your only criterion. Select a reputable company which will deliver the loan as promised. A below-market or low-interest rate quote may indicate some hidden loan requirements like a prepayment penalty, requirement for escrow impounds, a short rate lock or a larger down payment. Make sure the rate quoted is for your specific loan request.

While the rate is important, consider the total cost of your loan, including the APR, loan fees, discount, servicing, and origination points. When receiving a quote from Connexus or another lender, insist that the discount points (charged by the lender to reduce the interest rate) be distinguished from origination points (charged for services rendered in originating the loan). Also insist on a written pre-approval from the lender.

If you discover near the end of the process that the lender has suddenly increased their profit margin at your expense, you won't have time to start again with a different lender. Ask family and friends for referrals, and interview several prospective mortgage companies before settling.

At Connexus, we pride ourselves on providing superior customer care and creating satisfied customers. We work hard to achieve your mortgage needs and exceed your expectations, and we understand that when it comes to purchasing a home, there is no room for error or lost time.

Not receiving a Good Faith Estimate (GFE). Within three business days of the broker or lender receiving your loan application, you will receive a written statement of transaction fees. This is the best way for you to determine what you'll pay for your loan. You should not be expected to pay radically different fees than those stated on your GFE, so bring the estimate along with you for reference when signing loan documents.





Not getting a rate lock in writing. When a mortgage company tells you they have locked in your rate, get a written statement detailing the interest rate, the length of the rate lock, and program details.

Using an agent who represents both the buyer and the seller for the same transaction. Buyers want to pay the lowest price, and sellers want to receive the highest price. In a real estate transaction, the seller pays the agent's commission. Therefore, it is in the agent's best interest to negotiate more vigorously for the seller because it will increase his own commission. A buyer will benefit more from having a separate agent. A shared agent should only be considered if you get a considerable price break.

Buying a home without a professional inspection. Unless you're buying a new home with warranties on most equipment, an inspection is highly encouraged. An objective inspector stands to gain nothing from the buyer or seller, but will provide peace of mind and a sense of fairness to the buyer. An inspection report is a great negotiating tool when it comes to asking the seller to make needed repairs. If the seller agrees to perform repairs, have your inspector verify that they are complete prior to the close of escrow.

Not buying home insurance before you close. Many buyers wait until the last minute to get insurance and do not have time to shop around for the best rates and services. Start shopping for home insurance as soon as you have an accepted offer. <http://home-insurance.libertymutual.com/>

Signing documents without reviewing them. It's unlikely that you'll have sufficient time to read all the paperwork during the closing appointment. Whenever possible, review in advance the documents you'll be signing. Even though some specifics of your transaction may be missing, the documents you'll sign are standard forms and are available for your review. At Connexus, we're here to help you with any questions about your loan and closing documents before you sign them.

Leaving no cushion for delays in the transaction. Ideally, all real estate transactions would go as planned and close on time. However, transactions are occasionally delayed a week or more due to factors beyond your control. To allow yourself some leeway, plan to leave or terminate your lease one week after your transaction is scheduled to close.

