



GET READY TO BUY

A Few Important Steps Before You Look

1. Review Your Finances

Take time to review your finances before the bank does. It will pay off!

- **Income:** Your lender will review employer information, time at job, and paystubs.
- **Credit Scores:** Request your full credit report (including your credit score) from Experian, Equifax, and TransUnion. Most companies will provide these once a year at no cost. Outside sources may not provide everything you need so, be sure to get them from the source.
- **Understand Your Credit Score:** Your credit score will be reported on as a number between 300 and 850. Your score will impact your qualification for a mortgage loan and your interest rate. Higher scores really do win here.
- **Check Your Balances.** You'll need money for a down payment as well as insurance. If you can't currently qualify for a loan, or will barely qualify, take steps to improve your credit score so you'll be ready in the future.

2. Gather Your Documents

If you do this now, it will save time in the future. You'll need to submit documentation to your lender and your title and settlement company. Better to plan ahead and avoid the last minute scramble.

Some of the info you will need:

- The last two years' tax returns
- Pay stubs or proof of income (3 months)
- Bank statements, brokerage, and investment account statements (last 12 months)
- Proof of funds for down payment and closing
- Unexpired Government Issued Photo Identification
- If you are currently a renter you may need a letter of recommendation from previous landlord.

3. Set A Budget

Making a list of your regular monthly expenses (credit card payments, student loans, car payments and other recurring expenses as well as average food, transportation, utilities, cell phone bills, etc.). When you see what you spend, you can set a realistic budget.

4. Know Your DTI (Debt to Income Ratio)

Determine your DTI by taking your total monthly expenses and dividing that number by your total monthly income. This percentage helps determine how much you can afford to spend for a house. Your lender can provide a target. Rule of thumb: 43% is the number you'll want to be below. At lower numbers, you may receive better terms and interest rates.

5. Talk With Lenders

After assessing your finances and you believe you're ready to buy, talk to a few lenders! Lenders will help you understand the types of mortgages you may be able to qualify for and can answer questions about terms, interest rates, and requirements for credit scores and DTI. Talk with a few and decide where you are comfortable.



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6. Pre-Qualify

You've gotten all of your questions answered and collected data. Did you find a lender you are comfortable with? Great! Ask the lender for a mortgage pre-approval. Pre-approval is not a guarantee that you'll get a loan; and it does not commit you as the buyer. It's a statement that you're financially qualified to receive one, based on a preliminary examination of your finances. This will also give you a maximum loan amount, so you know what you can afford to spend. It's a great sign for your agent and the home seller that you are ready and able to buy.

7. Choose A Real Estate Agent

When it's time to get serious, you'll want an experienced real estate agent. Agents can provide valuable information on neighborhoods, schools, and have valueable insights including market conditions, comparable sales, and time on market. You'll be happy to have an agent to negotiate on your behalf, prepare your offer, and to help work through any issues that might arise.

8. Find Your Dream Home

Before you start looking, complete the **Find Your Ideal Home Checklist** to determine your priorities before you shop. This will help your agent recommend great options! Keeping your priorities top of mind may help you quickly eliminate the homes that aren't right and help narrow down your list. Use the **Home Evaluation Checklist** to note each home's features, be sure to capture plenty of details and take pictures! Keep your deadlines flagged on your calendar.

9. Make an Offer and Negotiate

Found the perfect home? Your agent can help you make an offer as well as recommended contingency clauses, conditions, closing dates, and more. Your agent can also offer suggestions for termite/pest inspectors, and home inspector who will look for hidden structural or functional problems with the house

10. Contact MBH Settlement Group for Your Title Search And Closing

When you are making an offer, be sure to let your real estate agent know that you'll be working with MBH Settlement Group for your title search and closing. Your agent will put the correct information on the ratified contract. The staff at MBH Settlement Group will work to coordinate all the details of your closing.

Your MBH settlement agent will explain the process and manage all of your documents through a secure portal. MBH will expertly conduct your title search and guide you through the title insurance options

11. Arrange for Financing

Once your offer has been approved, it's time to call your lender to get started on the mortgage application.

12. Closing Time!

MBH offers closing flexibility so that you can choose the closing that you are most comfortable with. Your MBH settlement agent will provide a thorough explanation on payments and closing costs, insurance, and other information you'll need so that as soon as everything is finalized, you'll have the keys to your new home.

CONGRATULATIONS!