



STERLING  
REALTY, LLC



STERLING  
COMPANIES, LLC

---

## STEPS FOR BUYING A HOME

---

- Determine how much home you can afford. On average you will be able to afford 2 ½ – 3 times your total combined household income.
- \* Make a list of your “needs and wants” for a new home. Then determine the most important ones to you.
- Decide where you want to live. There may be multiple communities you are interested in. But you need to remember your lifestyle and how you live. Is it important to be downtown with the night life or in the suburbs with a school close by for your child?
- Begin to save money for your down payment and closing costs. Having 20% to put down as a down payment on a home is optimum, but not always realistic. FHA has a program for 1st time home buyers where you only have to put down .5% if you qualify.
- Run your credit report and, make sure that there are no mistakes on it. You may have to pay off something you didn't think about earlier. But this will let you see your credit history, both good and bad. You will have a credit score on this as well.
- Talk to a loan officer about buying a home. Make sure you bring your last W-2, bank statements, pay stubs and account numbers. You will need this when you fill out an application so the lender can prequalify you.
- Find a realtor that can help show you the type of homes you're looking for in the area of town you want to live in for the price you are willing to pay.
- Once you find the home you are interested in purchasing determine the best route to go to work and be familiar with the location of the local grocery store and gas station.
- Determine how much you are going to offer. Your realtor can pull up the comparables of the neighborhood homes that recently sold.
- Sign the purchase agreement and remember to write an earnest money check. These are both submitted to the seller. List any specific items you want in this agreement. If it is what the seller is looking for they will sign it. Sometimes the contract will be negotiated by both parties. It doesn't become finalized until both parties agree and accept it.
- Be aware that during the negotiation process another buyer can submit an offer. Whichever offer becomes finalized first becomes the primary contract.
- Call 2-3 insurance companies and get a quote on your homeowner insurance rates. Finalize which company you are going to use prior to closing.



STERLING  
REALTY, LLC



STERLING  
COMPANIES, LLC

---

## STEPS FOR BUYING A HOME, CONTINUED

---

- Once the offer is finalized you can have the home inspected by a licensed inspector. Their job is to find any problems with the home and disclose them to you. Please visit Birmingham Association of Realtors website at [barbham.com](http://barbham.com) to select a reputable inspector.
- If you are purchasing a new home you will want to have a punch list walk-through with the superintendant in which you create a list of all items to be repaired or completed. Before you close you need to have a final walk-through to make sure the list has been successfully completed. You do not have to close until the list is 100% complete.
- The lender will send the appraiser to the home to make sure it is worth what you are purchasing it for.
- Go to closing at the attorney's office. This is typically selected by the seller. Remember your driver's license and certified funds check (for closing costs and down payment).
- Get your Keys and Move in!