

# How to Stop Wasting Money on Rent and Own a Home Instead



**If you've always rented a place to live, buying a home can seem like a monumental undertaking. This report breaks down this home buying process into clear steps.**

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## 7 Steps to Transfer from Renter to Homeowner

### 1 Identify Your Needs and Wants

Begin your search by considering the kind of home you need and want. Write down your specific requirements, such as the number of bedrooms, size of yard, floor plan, location, schools, etc.

### 2 Determine How Much You Can Realistically Afford

Consider your budget and financial obligations. Decide what monthly house payment you can really afford. Most mortgage consultants advise limiting your payment to no more than one-third of your net monthly income. If you're unsure, contact your mortgage consultant to assist with the calculations.

### 3 Get Pre-Approved by a Mortgage Consultant

When you know in advance the amount of loan you can obtain, you can focus on searching for houses in your targeted price range. This can save you time when you find that perfect home, because sellers favor buyers who are pre-approved.

Experienced mortgage consultants can let you know what specific loan programs are best for you. By taking a look at your financial situation and credit history, a mortgage consultant will tell you if you can qualify for the home you want and will find a loan that best suits your needs.

For the approval process, you and your mortgage consultant will complete the required documentation and submit it to an underwriter. A pre-approval is an actual loan commitment from a mortgage consultant or lending institution. This means that you definitely qualify for a loan. Talk to your mortgage consultant about the costs and time involved to secure pre-approval.

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## Work With an Experienced Real Estate Consultant

You can learn a lot about consultants by talking to them about their experience. In a short time, you'll be able to determine if they're the right person to meet your needs.

### Questions for Agents:

1. In what areas of town and price ranges do you specialize? (Keep in mind that some agents specialize in only one area or one price range.)
2. My objective is to buy a house by \_\_\_\_\_. How will you help me achieve this goal?
3. How often will you update me with new property listings?

## 5

## Tips for Successful House Hunting:

1. Keep an organized record of your research. Write down comments about the homes you see. Keep track of your likes and dislikes and offer feedback to your real estate consultant. Some buyers are reluctant to tell an agent what they really think of a house; they think the agent might take it personally. Remember, the homes don't belong to the agent!
2. Make sure your agent is aware of your time schedule and expectations. Do you like to look at one or two homes per session? Four? Eight? Discuss this with your agent.
3. Tell your agent about any homes you see that interest you and that you'd like to know more about. This includes homes you've "discovered" as you explore the area and those advertised online.
4. If you like to spend time driving around by yourself looking at houses, ask your agent for a list of drive-bys – homes to consider first from the outside. Your agent can make appointments to show you the interior of the properties that appeal to you.
5. It's important to know beforehand whom your agent represents. Some agents work only for the seller.

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## Make a Purchase Offer

Work with your real estate consultant to determine the most appropriate purchase offer. Your consultant will present the offer on your behalf.

## 7

## Save on Your Initial Investment and Monthly Purchases

There are only two major investments to consider when buying a home. These are the initial investment, which includes the down payment and closing costs, and the monthly payment, which includes principal, interest, taxes and insurance. Here are some things to consider.