

# THINGS TO AVOID BEFORE BUYING A HOME OR PROPERTY



Many new homebuyers make the mistake of rushing out to buy things to fill their home with as soon as the seller accepts their purchase offer. But there are still a few major hurdles to overcome before the keys are handed out. Here are some things to avoid during the home buying process to assure your transaction goes as smoothly as possible:



## Don't Make an Expensive Purchase. Talk with us first!

It may be tempting to order that new sofa for your soon-to-be living room, but it's best to avoid making major purchases like furniture, cars, appliances, electronic equipment, jewelry, or vacations. Purchasing a new home can have costs that one might not have incurred before. Making a large purchase even after closing could have unintended consequences like your first payment being difficult to make. Using cash to purchase big items can also create a problem because many banks take into consideration your cash reserve when approving your mortgage. Give your Loan Officer a call and tell them what you are looking to do. By working with your loan officer you can make sure that you can afford any large purchase that may be made and still purchase the home of your dreams.



## Don't Get a New Job.

We like to see a consistent job history. Generally, changing jobs can affect your ability to qualify for a mortgage loan even if you are going to be making more money. Getting a new job during the loan approval process could raise some concern and affect your application especially since many programs require a current pay stub with at least 30 days of year-to-date income.



## Don't Switch Banks or Move Money Around.

As we review your loan package, you will likely be asked to provide bank statements for the last two or three months on your checking accounts, savings accounts, money market funds, and other liquid assets. To eliminate potential fraud, most loans require a thorough paper trail to document the source of all funds. Changing banks or transferring money to another account—even if its just to consolidate funds—could make it difficult for us to document your funds.



## Don't Give a Good Faith Deposit Directly to the Seller in a FSBO Purchase.

As a rule, your good faith deposit belongs to you, not to the seller, until the deal closes. Your FSBO (For Sale by Owner) seller may not know that your good faith funds should be applied to your expenses at closing. Get an attorney or other neutral party who can hold the deposit or put it in a trust account until you close on the home. Your purchase contract should dictate to whom the funds go should the transaction fall through.



## Don't Disregard your Lender's Requirements.

You may have been pre-approved for the loan but your work with us is far from over. In order to process your loan, you need to meet certain requirements. We will need copies of your bank statements, W2s and other paperwork. It is up to you to get it to us as soon as possible. Failure to submit certain qualifying documents could cause you to lose your loan and the financing you need to buy your home.