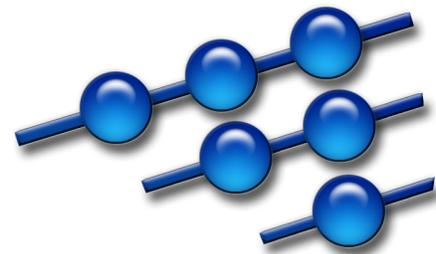


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The Home Buying Process

If you're a first time home buyer or if you haven't purchased a home in a long time, the process of buying or selling your home can seem a little daunting. No two real estate transactions are the same and it is helpful to remind yourself that the home buying process is just that: a process. The length of time it takes to finalize your real estate transaction will depend on many factors such as the type of property you are buying or selling, the type of loan you have, and the time it takes to complete any necessary home repairs or inspections.

The following information breaks down the home buying process into eight steps and gives you basic information about each step. Your Realtor will work with you and get to know you personally while walking you through each step and answering all your questions along the way.

The home buying process can be divided into eight general steps:

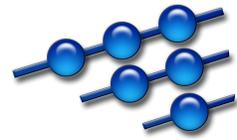
1. Prequalification

The first step in the home buying process is to contact a lender and get prequalified for a loan. Prequalification will tell you how much money you can borrow based on information such as your income, employment, and credit history. This is an important step in the process because it allows you to look at houses in your price range. When you are ready to make an offer on a home, having that all important pre qualification letter means buyers will take your offer seriously.

When choosing a lender you want to find someone who will work to ensure a successful outcome to your home buying experience. Your Realtor is an ideal resource as you search for the right lender and he or she can match you with someone with a good track record who values your time and understands the ins and outs of the lending process. Realtors work with lenders on a regular basis and understand the importance of matching buyers with a lender they trust.

2. Home Search

This is where an experienced buyer's agent comes in handy. A good Realtor knows the neighborhoods and knows how to listen to the buyer and help them find a home that fits all their criteria. Your Realtor has access to the latest listing information and can work directly with other agents to answer all your questions about a potential new home.



3. Making an Offer

You've found the house of your dreams that is in your price range and you're ready to make an offer. Making an offer involves more than just deciding how much you want to offer the seller. Your Realtor will offer you expert advice on the many things you need to consider before and when making an offer. In addition to how much you will offer you'll also need to consider factors such as how long until you take possession of the property, seller motivation, etc.

4. Negotiations

Effective negotiating skills is perhaps the most important qualification to look for in a Realtor. It is not uncommon for negotiations to go back and forth a time or two before buyer and seller come to a meeting of the minds; This is where your Realtors balanced negotiating skills will make a dramatic difference. By using knowledge of the local market combined with his or her personal knowledge of you will walk you through every step of the negotiation process. The best kind of negotiation is when both buyer and seller come away feeling like they've gotten what is most important to them.

5. Loan Application

When you make an offer the contact will stipulate a certain number of days to make a loan application and a certain number of days for loan approval. Both parties must remember that "time is of the essence." Terms can be renegotiated to accommodate issues that may arise that require more time to address. One example of this type of situation is appraisal contingency, which gives the buyer an option to renegotiate or rescind an offer if the appraisal is not in line with the asking price.

6. Home Inspection

As a buyer you have the right to have the home inspected. Home inspections check hundreds of aspects of the home including heating and cooling systems, structural integrity, plumbing, and electrical. Other inspections include those for radon testing, which tests the level of radon gas in the home. After inspections are complete you will have the opportunity negotiate with the seller on how to address repairs, if any are needed. A home inspection is a good idea because it can uncover hidden defects if any are present and can ensure these issues are taken care of before closing.

7. Underwriting

When the buyer receives loan approval, repairs are completed, and all contingencies are met then the loan moves to underwriting. Once the underwriting process is complete, then the loan moves to settlement, also referred to as closing.

8. Closing

Closing takes about one hour and involves signing lots of paperwork. At the end of closing, you get the keys to your new home!

The typical home buying process can take from 30-45 days from the time an offer is accepted to closing.