

## Starting the Home Buying Process

### First Stop – Get Pre-Approved

The excitement of buying can kindle urgency to set up your Home Tour. When you view homes the American Dream gets closer to reality. However, instead of jumping in to view homes first, the smart first step in the process should be arranging your financing. This focuses you on a price range of homes that matches your personal finances, instead of looking at properties beyond your means. It can be very disappointing to have to step back to a lower price range to obtain a mortgage.

Fluctuations in interest rates may influence the size of home you can qualify for. When rates are low you can qualify for more house than when the rates are high. Various loan programs can influence the amount you can borrow, the rate that you will pay, and the cash required. These factors will influence your purchase. When you make these decisions before you look at properties, you reduce the stress that accompanies financing uncertainty.

There is another important reason to qualify first. A seller will not negotiate in earnest if you cannot prove that you can obtain a mortgage. When you present an offer to a seller, you will provide written proof from a lender that you have been examined and qualify for a loan.

If you find the right property, you should make an offer right away. A delay while you arrange your financing might allow another buyer to buy the property. If multiple buyers make offers at the same time, it will be the buyer with the best terms who is fully qualified that will win.

Learn more about qualifying for your mortgage.