



# HOMEBUYER'S GUIDE

Helping remove  
the mystery from  
the home buying  
process



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## Introduction

Buying a home is a big and exciting decision. For most people it will be the biggest purchase they ever make. The process is complex and can be long and frustrating if you are not prepared. This document will go over the basic steps of buying a home, and provide tips and tricks to make your home buying process as smooth as possible.

### Knowing your finances

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When setting out to buy a house, whether it is your first home or your tenth, one of the most important steps is setting your budget and getting pre-approved for a mortgage.

Figure out your finances and determine what you can comfortably afford each month. When creating your budget, you will need take into account your mortgage payment, property taxes, homeowner's insurance, and mortgage insurance. You should also keep in mind any homeowner's association (HOA) fees that you might have to pay. Not all homes have homeowner's associations, so HOA fees do not apply to all properties.

There are many costs associated with buying a home that most people forget to consider. When you move, your utility payment may change depending on where you live and the size of your new home. Your commute can also change, so you want to anticipate those changes and factor them into your budget. Possible upgrades, repairs and maintenance should be taken into account in your budget as well.

There are some things you can do or that you should know before you contact a lender to make your prequalification process as smooth as possible:

- **Save money.** The lender may need to see that you have money in your account(s) and a record of saving money. Even if you are planning on using a loan program with no down payment, lenders sometimes require that you have reserves in the bank in case of an emergency. Money for a down payment needs to be seasoned – in an account for at least the most recent 60 days, or sourced – specific documentation showing where the money came from. Gifts are allowed for down payments and closing costs, but they will not count as reserves. Cash and most loans are not allowed to be used for down payments and reserves. These restrictions should be discussed with your lender if they apply to your situation.
- **Have a good work or income history.** You also need to have record of stable employment or income. Your lender must be able to prove that you have a steady source of income to pay for the loan long term. Most lenders look for at least a two-year history, but not necessarily with the same company. There are

exceptions for former students who received specific training or education for a new job with less than two years of history. For those who are part-time, self-employed, paid commission, or receive overtime or bonus income, there are firm restrictions for using this type of income, so it is important to discuss this with your lender if you are factoring this income into your budget. All income must have a provable or reasonable expectation to continue for at least three years after a loan closes.

- **Know your credit history.** You also should know your credit score. The number one thing that hinders prequalification for a mortgage is a bad credit score. If you are thinking of purchasing a house, find out what your credit score is and if there are any immediate actions you can take to improve it like removing erroneous information or paying down balances on credit cards. Also be prepared to furnish documentation for former bad debts, bankruptcies, short sales, foreclosures, judgments, etc. The lender may ask for a written explanation of what led to the former issues on your credit report.

## Pre-Approval/Pre-Qualification

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A prequalification letter is one of the most important documents you need when shopping for a home. Some real estate agents will not even show you houses without one. Prequalification can be simple, but it can also be a very involved process. It can take a day or a couple of months, depending on your financial situation. Your lender will ask you to gather documents required to offer you a loan, and they will review your credit report.

Some of the most commonly requested documents are:

- Copy of driver's license or other acceptable photo ID
- Most recent paycheck stubs covering the past 30 days
- Most recent two years' W2s
- Most recent two years' 1099s
- Most recent two years' personal, federal tax returns (Form 1040) and all schedules & forms
- Most recent two months or quarterly statements of all accounts including checking, savings, stocks, IRAs, 401Ks, etc.
- Benefit/Award letter for pensions, Social Security, disability, etc.

Once your loan officer has reviewed all of your information, they will put together a prequalification letter, letting you and your real estate agent know how much you are qualified for to spend on a home. Being prequalified for a home does not guarantee you a loan. It just means that you meet the qualifications for a loan and pending review by an underwriter, a formal approval will follow.

## Down Payment

The down payment on a house is the amount of equity you, as the buyer, initially put into the house. Most loan programs require some form of down payment, but there are some that do offer 0% down payment. The down payment can come from your own account, funds from the sale of your current home, or a “gift”, which are funds given to you from an outside source. There are other sources where your down payment can come from as well, but it is best to discuss these with a licensed loan originator. Cash on hand is usually not an acceptable source. Money must be either sourced or seasoned. The average down payment is usually 10% of the purchase price, but it can range from 0% to 20% or higher.

## Closing Costs

In order to close on a home, any fees that are associated with the purchase must be paid. These are called closing costs. Closing costs can vary widely depending on the lender, loan program, interest rate, state, etc., but they usually include fees from the mortgage lender, appraisal fees, title company fees, taxes and homeowner’s insurance, and recording fees. The party responsible for closing costs can be negotiated in the offer, but it is important to be aware of them when going into negotiations with a seller.

For more information on closing costs, see [Closing](#)

## Shopping

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This is the fun part where you and your real estate agent will look at homes. It is easy to get overwhelmed during this part of the process, so there are a few things you can do to make the process easier.

### Deciding What Kind of House to Buy

The first step when shopping for homes is to determine what kind of house you are looking to buy. The three main types of homes are: condominiums, townhouses, and detached homes. Each category offers a different experience, and which one you choose comes down to personal preference. Condos have an apartment like feel and are a great option for those that do not want to maintain a yard or large house.

Attached homes also known as townhouses offer a little more privacy and space while still being relatively easy to maintain. Detached homes offer the most privacy and space but are usually the most expensive option and require the most maintenance.

You will also need to determine what size of home you want to buy. Determine how many bedrooms and bathrooms you will need to live comfortably. Remember to plan for the future. Are you planning on having kids? Will you need a home office? All of these affect the size of the home you will buy.

### Viewing Homes

Once you start looking at many houses, it can be easy for them to blend together. Start by creating a list of things you must have, what you can compromise on, and what you would like but is not necessary in the house you buy. When you visit each house make note of what it has, if it doesn't have something you already said you must have, walk away.

At each house you look at, create a list of the things you like and the things you dislike. Write down a "landmark" or a unique feature for each house that you visit that will help you remember it later. This will make it easier to narrow down your choices and remember your favorites and least favorites.

### Clues About the Condition of the House

Before you start looking at houses, decide if you are willing to make any major repairs that might be needed, such as structural, roofing, or plumbing. There are things you can pay attention to that clue you into the condition of the house before you even place an offer or get an inspection done. Maintenance issues such as a dirty air intake filter or weeds in the yard can be indicators of a home that has not been well taken care of. If the homeowner didn't keep up with regular upkeep, what else have they neglected?

Keep a keen eye out for the following:

- **A musty smell, water stains, or mold.** These can indicate a leak or water issue in the home. Be sure to ask if this was a problem that was taken care of, or if it is something you will have to deal with.
- **Temperature.** The temperature of the house can be an indicator of other issues with the house. When visiting, make sure the temperature is consistent with the time of year. If you visit in the wintertime, the house should be warm. If you visit in the summertime, the house should be cool. A house that does not have a controlled temperature could have insulation issues, cracks, roof problems, or a malfunctioning heating/cooling system.



- **The faucets and fixtures.** Make sure all of the faucets and fixtures work and that the water pressure is good.
- **House orientation.** The orientation of the house and its windows can have an effect on your energy bill, daily comfort and the future value of your home. If the house is in an awkward position, the sun can stream through your windows in the morning, or beat down on your main living areas in the afternoon. Make sure you keep this in consideration when you are shopping.
- **Inconsistencies in the drywall.** They could indicate a repair that was done. You will want to find out the cause of this, and request paperwork; or, seek out a professional inspection to make sure it was done properly.
- **The roof and eaves.** A well maintained eave means that the homeowner likely kept up to date with repairs and the house's condition is probably better than other houses. Look for cracked and peeling paint and water stains.
- **The windows.** Do they open and close properly? Do they lock? Is there condensation or chipped paint and caulk? Fixing windows is expensive and often a big project. You want to ensure that the windows are functioning. If they are not, either walk away from the house, or request that the seller repair them, or factor them into the cost of your offer/budget.
- **The flooring.** The flooring can give clues about the structural integrity of the house. Slanted, bowing or soft floor can be caused by structural issues. If you notice any of these things, it is a really good idea to get an inspection done and if you are unwilling to deal with it, just walk away.
- **Older homes.** When viewing older homes, pay close attention to any remodels or repairs that have been made throughout the years. Ensure that they were done properly and that they have not affected the structural integrity of the house.

If you notice any of these things in the houses you look at, make sure you get an inspection done. If there are specific issues you want looked at, get a specialized inspector to look at them and determine if they are safe and up to code. With recent remodels, ask for documentation on the work that has been done. Was it done by a licensed contractor? Was a permit pulled for the work? Did it pass a building inspection? You will also want to ask about any work or appliances that are under warranty. Request any warranty paperwork from the sellers so that if anything under warranty breaks, you can get it replaced or fixed.



## Choosing Your Area

The location of your new home will do just as much if not more for the future value of your investment as the house itself. It will also affect your everyday life. Here are some of the things you should keep in mind when choosing your location.

### Geography

There are many aspects to take into consideration when choosing your future location. Geographically, you want to look at factors such as climate, proximity to friends and family, and its potential for your future career opportunities. Once you have an idea of your geographical location, you need to decide whether you want to live in the city, suburbs, or in a rural area. These will determine your lot size, commute, and general peace and quiet.

### Neighborhoods

The neighborhood you choose to live in is the most precise aspect of choosing your location. You want to find a neighborhood that offers the type of house you are looking for, and one that will fit with your lifestyle and personality. Research potential neighborhoods. Find out if they look like places that you will enjoy long term. You can also find out statistics on the homes in the neighborhood. See if they are increasing or decreasing in value. You want to invest in a property that will appreciate.

Consider things that are specific to your situation, and remember to keep in mind your future plans. Do you want to live in a family-friendly neighborhood? See how busy the streets are or if there are other families in the area. Visiting a potential neighborhood at different times of the day will also give you a better idea of what it is like.

### School Districts

If you have or are planning on having kids, the local school districts may be a big part of your decision. Living in a good school district likely determines your kid's education and your experience as a parent. If you have children who will be riding the school bus, you should also look into where the nearest stop is. See if it is in a location that will work for your family. Even if you don't have kids, it is a good idea to pay attention to the local school districts. Living in a good school district can really maximize your potential resale value in the future.

Another thing to pay attention to is if there are any universities nearby. Homes near universities can have great resale value. Universities also often have academic and sporting events for little or no money that the public can attend. Just be sure to make sure that the house you are purchasing is far enough removed from the campus if you

do not want to deal with college students in your neighborhood. Otherwise you may severely narrow your market for resale.

### Lifestyle

When choosing your location, consider your lifestyle. What is important to you? Each neighborhood will offer a different experience and it's up to you to choose yours. See what amenities each neighborhood has near it. Consider its proximity to public transportation, libraries, and museums. Find out which neighborhoods will benefit your lifestyle with proximity to leisure activities like parks, pools, sports facilities or walking trails.

### Safety

You want to feel safe and secure wherever you live. There are many resources available to help you find out the most about your future location. Online you can find out local crime statistics and if there are any registered sex offenders in the area. You can also research nearby police stations, fire stations, and hospitals.

If you are going to live in an area that is susceptible to flooding or fires, see if the home you are looking at is in a good position. If there is a heavy storm, will your home flood? If there is a fire, how far is the nearest fire hydrant? In case of emergency, are you near hospitals? Things like proximity to fire stations and fire hydrants and susceptibility to flooding may have a big impact on insurance costs and should be factored into your budget.

### Helpful Links

- [Find Ratings of Local Schools](#)
- [Find Boundaries of Local School Districts](#)
- [Find a List of Local Sex Offenders](#)
- [Find an Interactive Map of Local Crime Reports](#)
- [Find a List of Local Crime Reports](#)
- [Find Local Police Stations](#)
- [Find Local Fire Stations](#)
- [Find Airports Near You](#)
- [Interactive Map of Local Airports](#)
- [List of Major Powerlines](#)
- [Find Local Trash and Recycling Sites](#)
- [Find Local Environmental Hazards](#)
- [Find Local Air Quality Map](#)
- [Find National and State Parks](#)
- [Find Local Parks](#)
- [Find Local Trails and Walking Paths](#)
- [Find Local Pools](#)
- [Find Local Tennis Courts](#)

## Making an Offer

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You finally found the perfect home! Now you have to place an offer. Your real estate agent will guide you through this process, but as the buyer you have final say in the offer and negotiations.

### Initial Offer

Your initial offer is often your first contact with the seller. This is where your prequalification letter comes in handy. It proves to the seller that you are a serious buyer. The letter will state that a licensed lender has reviewed your finances and credit, and barring no major complications, a loan approval will follow, and you can buy their house. The seller decides whether or not they accept your offer, so you want to put your best foot forward when dealing with them. Understand that they have emotions and memories attached to the house, and in a competitive market, politeness can get you a long way with the seller. Also, do not assume if you offer the price that the seller is asking that they will agree. In unbalanced markets, a quick full price offer may make the seller think that they underpriced their home. The seller may look to get more or may even be triggering a bidding war between your offer and other offers.

Work with your real estate agent to create an offer that is fair and reasonable given the market conditions. Before placing your offer, do your research and compare other homes in the area that were recently sold to get an idea of the value of the home. Make sure they are homes that have been sold, rather than the listing prices, as sold prices represent what people actually paid for the houses. You should base your offer on a reasonable value of the home, not its list price.

### Market Conditions

Oftentimes, how much you offer will be determined by the market condition. The local market can change from neighborhood to neighborhood. You should discuss with your real estate agent what the local market is like before placing your offer.

As a buyer, you have the most leverage in a buyer's market. A buyer's market is when there are more homes available than people looking. In this situation, the seller will have to meet more of your demands if they want to sell. You are most likely to win concessions in a buyer's market.

Seller's markets can be very competitive. The best strategy in a seller's market is to make your offer as straightforward and attractive as possible. You can also write a cover letter that distinguishes you from the rest of the offers. Often times sellers have

personal attachments to their home, and a personalized cover letter can help them imagine you living there and creating your own memories.

Unlike a buyer's market, in a seller's market you do not have much pull. If the seller doesn't like your offer, they won't spend time negotiating with you because they know there are many other buyers with better offers. Many times, in a very competitive market, buyers will offer above the asking price or even above value, but it is not necessary. You will not want to make opulent demands and ask for a bunch of extra seller concessions. Do not procrastinate in a seller's market. If you find a house you like, you want make an offer as soon as possible. If you wait too long, the house may already be gone.

A balanced market means there are an equal number of buyers and sellers. In this market, personal priorities are most important, as neither side feels pressure from the market. Negotiations may take longer in this type of market, as both sides have equal power to get what they want. The usual outcome is an even split between the buyer's and the seller's terms.

#### Don't Lowball

While it is perfectly acceptable to place an offer below listing price, make sure you are offering a fair price to the seller. Don't start the negotiations with a low-ball offer. It taints the negotiations, and the seller may even refuse to respond.

If the house is priced above market value, you should include market data and a cover letter stating your position to the seller. That way they can understand your reasoning behind the offer.

#### Counter Offer

One of the most intimidating parts of buying a house is negotiating the price. This is where it becomes invaluable to have a real estate agent you trust to guide you through the process.

In the negotiations phase, be prepared to compromise. If the seller counters back with a new offer, you are responsible for either accepting their offer, declining it, or countering back.

Try not to get caught up on a few thousand dollars. When negotiating, a few thousand dollars will not change your monthly payment by much. The chart below will give you a good reference for negotiations and how much changes in price can change the monthly payment with a 30-year mortgage.

Interest Rate	\$ per month per \$1,000	\$ per month per \$5,000	\$ per month per \$10,000
3.000%	\$4.22	\$21.08	\$42.16
3.250%	\$4.35	\$21.76	\$43.52
3.500%	\$4.49	\$22.45	\$44.90
3.750%	\$4.63	\$23.16	\$46.31
4.000%	\$4.77	\$23.87	\$47.74
4.250%	\$4.92	\$24.60	\$49.19
4.500%	\$5.07	\$25.33	\$50.67
4.750%	\$5.22	\$26.08	\$52.16
5.000%	\$5.37	\$26.84	\$53.68
5.250%	\$5.52	\$27.61	\$55.22
5.500%	\$5.68	\$28.39	\$56.78
5.750%	\$5.84	\$29.18	\$58.36
6.000%	\$6.00	\$29.98	\$59.96
6.250%	\$6.16	\$30.79	\$61.57
6.500%	\$6.32	\$31.60	\$63.21
6.750%	\$6.49	\$32.43	\$64.86
7.000%	\$6.65	\$33.27	\$66.53
7.250%	\$6.82	\$34.11	\$68.22
7.500%	\$6.99	\$34.96	\$69.92
7.750%	\$7.16	\$35.82	\$71.64
8.000%	\$7.34	\$36.69	\$73.38

### Conditional/Contingent Offers

When you make an offer, you might make a conditional or contingent offer. This means that your offer is only valid if another condition is met. This may be a passing inspection on the house or the sale of your current home. Your real estate agent will be vital in making this run smoothly, but it is important that all conditions are met as the terms of the contract state.

### Contingent on Sale of Current Home

Making an offer contingent on the sale of your current home just means that the sale of your current home needs to go through before you close on your new home. This can add complexity as there are many moving parts. Each situation is unique and your loan officer and real estate agent will help guide you through this process.

### Contingent on Inspection

Making an offer contingent on the inspection means that your offer might be revoked or changed if the results of the inspection show any major repairs. You can negotiate that the seller makes the repairs. Most states and real estate contracts have standard time frames and negotiation parameters built into the language of the contract.

Some homes are marketed “as-is.” If a home is marketed “as-is,” there is usually no negotiating the repairs. Even though repairs will not be made by the seller, you may still want to get an inspection done to make sure you are not missing anything major. An inspection may show you something that is so major that you want to walk away from the property all together and cancel the contract.

### Subject to Loan Approval

Subject to loan approval is a common contingency in most offers. It means that your offer is dependent on your loan being successful. Some contracts feature a deadline different from the close of escrow date, so it is important to be aware of this deadline and work diligently with your lender and real estate agent.

## Inspections

A home inspection is an option that the buyer has before purchasing their home. It is usually not required by the lender. In some cases, a termite inspection, septic inspection, or water potability test for well or private water may be required. A home inspection may provide a better idea of any of the home’s problems before you buy it. A home inspection is the buyer’s responsibility to order and pay for. You should hire a certified home inspector. Home inspections cover a wide range of areas in the home, but be aware that they do not cover inside the walls, the roof or chimney, septic tanks, or structures separate from the house such as sheds. If you want something inspected that is not covered in the inspection, you can look into another specialized inspector. Your real estate agent will be able to help you with this. Once your inspection is complete, make sure you save a copy of the inspection report. If your inspection shows many problems that you or the seller are unprepared to handle, you can terminate or

cancel the contract. Depending on the language of the contract, you may be able to get your earnest money back.

### Conditional Offers (Post Inspection)

If you made an offer that was contingent on the inspection, any repairs that you desire can be negotiated. The seller may complete the repairs before the settlement, they may give you concessions for the repairs (there are many restrictions with this option), or the repairs may be your responsibility. You should save any paper work regarding the repairs from the seller so that you have a record of the repair being complete and will know who to call should a problem arise.

### Under Contract – What’s Next?

Once your house is under contract, the loan process gets going. It can be a stressful time to try and keep track of everything while packing up your things and preparing to move. Here are a few things to keep in mind and keep you organized throughout the process:

#### Earnest Money (EM)

Once the terms of the contract are agreed to, you as the buyer will be required to make a deposit of “good faith” money according to the terms of the contract. This is called Earnest Money (EM) Deposit. This money is your pledge to perform according to the terms laid out in the contract. If you fail to perform, there are situations where the contract is cancelled and the seller keeps your EM. Likewise, there are situations where the seller doesn’t perform, and you get your EM refunded to you. If everything goes according to the terms of the contract, and you successfully purchase the home, your EM is applied to your down payment and/or closing costs.

The amount you’ll pay for the EM Deposit depends on the policies and limitations in your state, the current real estate market, and what the seller requires. On average, however, you can expect to pay \$500-\$1,000 or 1-2% of the total purchase price as EM. In some real estate markets, you may end up putting down more or less than the average amount. In a real estate market where homes aren’t selling quickly, the seller may only require 1% or less for the earnest money deposit. In markets where demand is high, the seller may ask for a higher deposit, perhaps as much as 2-3%.

When doing an EM Deposit, your lender will need to verify the source of the funds for the deposit. The best way to make an EM Deposit is by personal check or a cashier’s check directly from your bank account. If you make your EM Deposit with a cashier’s check or



money order from cash, the deposit will NOT be allowed to be used toward your down payment or closing costs and must be refunded to you at closing. This scenario may cause issues when budgeting for your down payment and closing costs, so it should be avoided. If you are relying on gift funds for your EM Deposit, please consult with your loan officer on the procedures for using gift funds.

### Formal Loan Application

Once negotiations are over and your house goes under contract, your lender will officially begin the loan process. The average time it takes for a loan to be completed is 45 days. As soon as your lender receives the real estate contract, they will prepare to send you a formal loan application. Many systems are now electronic, and a majority of the loan documents can be signed electronically. Before you can receive an application electronically, you must consent to receiving documentation online. Once you have given your consent, your loan officer will send you the formal loan application with all of your preliminary loan documentation and disclosures. Most of these disclosures can be signed electronically; however, a few may need to be signed by hand. If you are not signing documents electronically, your loan officer will send you a package with all of your disclosures that you must sign by hand. If you meet with your loan officer in person, they will have all the documents for you to sign when you arrive. Once the loan officer has received the full application back and all of the documents have been signed correctly, they can submit the loan to loan processing.

### Loan Processing

Loan processing is where all of the information you provided to your loan officer is verified. The loan processor will verify your work history, tax transcripts, homeowner's insurance, etc. During loan processing, your loan officer will need to keep an updated record of all of your initial documentation. The initial information you sent in when you go preapproved will likely be outdated. Your loan officer or a loan officer assistant will be updating you and requesting updated documents. If the loan processor finds anything that needs to be explained or added to the file, you will also be asked to provide that information.

### Homeowner's Insurance

As soon as your home goes under contract, you need to begin shopping for homeowner's insurance. Most mortgage companies require homeowner's insurance. You can either pay your insurance separately (restrictions apply depending on loan program), or have it be included in your monthly payment. Your loan officer will discuss the terms with you depending on which decision you make. Once you decide on a

particular quote or company, you need to provide your loan officer your insurance agent's name and phone number. The loan processor will then contact the agent and make sure the policy matches the requirements of the lender. The first year of homeowner's insurance premium will be paid at closing as a part of your closing costs.

## Appraisal

Your lender will require you to get an appraisal on the home you are purchasing to receive an unbiased valuation of the home. An appraisal is the estimate of your home's value done by a licensed professional. The appraiser takes into account the square footage, number of bedrooms and bathrooms, condition of the home and recently sold comparable homes in the neighborhood to come up with the appraised value.

Your loan officer will order the appraisal from a third-party certified or licensed contractor. The cost of the appraisal depends on the location and size of the property. Other factors such as rural properties, investment properties, manufactured home, or multi-unit properties can also affect the price. The price is generally between \$400-\$600, but it can be higher. Typically, it is the buyer's responsibility to pay for the appraisal, and it is paid for early in the process outside of closing. In addition to inspections and moving costs, this is another cost to consider in your budgeting. The appraisal can take anywhere from a few days to a few weeks to be completed and sent to the lender.

Once the appraisal is complete, your lender will review it. If the appraisal reveals any problems with the home, the lender may require that they be fixed before the loan can be approved, or they could cancel the loan all together. If the appraised value is less than the purchase price, the lender will have restrictions on a maximum allowable loan amount that may affect the terms of the sale. This scenario may cause a renegotiation with the seller. You may pay the difference yourself, negotiate with the seller to reduce the purchase price, come up with a compromise with the seller, or cancel the contract.

## Title

Title of a home states who has legal ownership and the rights to use a piece of property. The title company is responsible for making sure that the current title on the house you are buying is legitimate and valid. They will perform a title search, which is a thorough examination of all the property records, to ensure that the home is legally owned by the seller and that no one else can claim ownership of the property.

Once the title is found to be valid, the title company issues a title report and title insurance policy which protects the lenders and owners against any claims that arise

over the ownership of the property. Fees from the title company are calculated into the closing costs of a home.

The title company may also handle the closing of your home. They are responsible for officially putting your name on the title and removing the seller from the title.

## Important Things to Remember When Moving

### Changing your Address

When you move, you are responsible for handling the change of your address on all of your accounts and documentation. The first thing to do when preparing to change your address is to let the U.S. Postal Service know. You can fill out a change of address form online, [here](#), or you can go into the nearest USPS office and change it there. Once you do this, they will forward all mail sent to your previous address to your new home. Be sure to include all household members' names on the change of address form so that all mail will be forwarded.

Mail forwarding ensures that your mail will be forwarded, but you need to change the address on your accounts. The following people should be notified of your move:

- Bank and credit card companies
- Doctors and dentists
- Utilities such as gas, telephone and electric
- Magazines and newspapers
- Clubs and associations
- Your employer and government offices
- Family and friends

Don't forget to also change your address on address labels, luggage and dog tags, and business cards.

### Movers

Moving day is a big day! Whether you are using a professional moving company, your friends, or just moving by yourself, you will want to have made sure you packed everything up and organized before the day arrives. Here are a few things you can do to make moving day go smoother:

- Pack an overnight bag with a change of clothes and toiletries in it. Before you unpack all of your things, you will need these essentials and they will be in one accessible place.

- Label all of your boxes. Determine who will be responsible for moving each box. You might even consider a color coded system to make the day run smoother.
- If you have children or pets, find a place they can go during the move so that you don't have to worry about keeping them entertained or in one place.
- If you are using movers, find out what they will not move. Often times, professional moving companies will not move money, important documents, pets, medicine, etc. for liability reasons. Figure out what items you will have to move yourself, and make plans accordingly.
- Get insurance. You will want to make sure your items are protected regardless of whether or not you use movers or move the items yourself.

### Utilities

Before you move into your new home, you will want to make sure that you have transferred your utilities. Each utility company will have their own rules regarding transferring service. You should contact all of your utility companies' customer service departments two weeks before you move to find out their process for transferring service. You should arrange for your utilities to be turned on at your new house the day before you plan to move. That way, you will not show up at your new house and realize you don't have electricity or water.

### Closing

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The process of closing on your home differs from state to state. Your closing agent may be an attorney or an escrow company depending on your state. Your real estate agent and loan officer will let you know the details. Due to changes in the rules regarding disclosures and signing your final papers, you need to be readily available the week of your closing. Do not plan any vacations or activities that will make you unreachable during this time.

### Closing Disclosure (CD)

Federal regulations state that your lender is required to send you a Closing Disclosure (CD) a minimum of three business days before you sign your final loan documents (see Signing/Consummation). The final loan documents cannot be signed until three business days have passed since you signed your CD. This waiting period is required by Federal regulation and there is no getting around it. Do not schedule anything until this period is up. If you plan a vacation or move during this time period and are unavailable to sign, your loan can be disrupted. The three-day waiting period is your opportunity to

go over the terms of your loan and verify that you are being presented with the loan and terms that you expected (<http://www.consumerfinance.gov/owning-a-home/closing-disclosure/>). Once you sign your final loan documents, you become contractually obligated to the loan, so make sure you have an understanding of your loan terms before you sign/consummate.

### Signing/Consummation

Consummation is the point at which you sign the final loan documents including the note and deed of trust/mortgage. This is usually done at a title/escrow company or at an attorney's office. The location is usually specific to your state or your preference.

### Closing/Recording

The actual closing of a loan is the point in which the loan is funded and recorded. Depending on the state you are in, consummation and closing can occur on the same day, this is called wet funding. Dry funding is when the closing occurs a day or a few days after you sign the closing documents.

Make sure you keep a copy of all of your loan documents that you receive throughout the process. They have very important information on them about the terms of your loan. In the future, if you have any problems, wish to resell or even refinance, it is important that you have the documentation. Most closing companies will furnish you with hard or electronic copies of all of your closing documents.

### You Bought a House!

Congratulations! You bought a house! You should immediately change all of the locks on the house so that you have the only copies of the keys. Now you can relax and begin making your house a home.

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