



Homebuyers Checklist

Brighton Bank's Homebuyers Checklist offers comprehensive guides tailored for first-time homebuyers to help them smoothly navigate the home-buying process. These carefully crafted checklists assist in clarifying buyers' needs and preferences, guiding them through the intricacies of making offers, signing contracts, and securing a sound investment. Utilizing these resources empowers first-time buyers to make well-informed decisions and secure the best possible deal on their new home.

Checklists included:

- Needs vs. Wants
- Offer and Contract
- Questions to Ask Banks & Lenders
- Home Inspection
- Title Report
- Final Walk Through

Needs vs. Wants Checklist

Creating a "Needs vs Wants" checklist is an essential step for first-time homebuyers, as it helps prioritize what is crucial and what can be compromised when looking for a home. Here's a detailed and helpful checklist:

Needs: Essentials for Your New Home

- Affordable Price Range: Determine your budget, including mortgage, taxes, insurance, and other related costs.
- Location: Proximity to work, schools and ratings, public transportation, and essential amenities like grocery stores and hospitals.
- Safe Neighborhood: Research crime rates and talk to potential neighbors about the area's safety.
- Right Size: Enough bedrooms and bathrooms to comfortably accommodate your family.
- Basic Amenities: Functional kitchen, bathroom, heating/cooling systems, and a reliable roof.
- Good Structural Condition: A home free from major repair issues (or budget for necessary repairs).
- Resale Value: Consider the potential for appreciation, especially if you plan to move again in a few years.

Wants: Nice-to-Have Features

- Modern Kitchen: Up-to-date appliances, countertops, and layout.
- Extra Rooms: Additional space for a home office, gym, or guest room.
- Aesthetic Appeal: Specific architectural style or interior design preferences.
- Large Backyard or Outdoor Space: For gardening, pets, or outdoor activities.
- Finished Basement or Attic: Extra living space or storage.
- Smart Home Features: Advanced technology for convenience and energy efficiency.
- Community Amenities: Access to parks, community centers, or pools.

Tips for Balancing Needs and Wants:

- Prioritize Your List: Focus on needs first; wants are secondary and can often be added later.
- Be Flexible: You might need to compromise on some wants due to budget constraints.
- Think Long-Term: Consider how your needs might change over the next 5-10 years.
- Inspect Thoroughly: Ensure that your needs are met in terms of the home's condition.
- Plan for Upgrades: If a property meets your needs but lacks some wants, consider the potential and cost for future upgrades.

Remember, the key for first-time homebuyers is to find a balance between what you need in a home and what you desire within your budget constraints.

Walk-Through Checklist

This comprehensive checklist ensures that the property is in the agreed-upon condition before the finalization of the sale, providing peace of mind before you move into your new home.

1. Confirm the Schedule and Access

- Verify the date and time of the walk-through with your real estate agent.
- Ensure you have access to all parts of the property.

2. Bring Essential Documents

- Take a copy of your contract, home inspection report, and any repair documents.

3. Check Completion of Agreed Repairs

- Verify that all repairs agreed upon after the home inspection have been completed.
- Ask for receipts or warranties for any repair work done.

4. Inspect the Exterior

- Check the condition of the roof, gutters, and downspouts.
- Look for any changes or damage to the landscaping, driveways, and walkways.

5. Review the Interior Condition

- Ensure no damage has occurred since your last visit.
- Check walls, ceilings, and floors for any new cracks or damages.

6. Test All Appliances and Systems

- Operate the HVAC system, ensuring it works correctly.
- Test all kitchen appliances, light fixtures, and electrical outlets.
- Check the water pressure and temperature in all faucets.
- Flush toilets and check for leaks under sinks.

7. Windows and Doors

- Open and close all windows and doors to ensure they work properly.
- Check for any broken seals in double-pane windows.

8. Review Any Included Items

- Ensure all items included in the sale (appliances, fixtures, etc.) are present and in working condition.

9. Check for Cleanliness

- The house should be reasonably clean and free of the seller's personal belongings.

10. Inspect for Pest or Mold Issues

- Look out for any signs of new pest or mold problems.

11. Utilities

- Confirm that all utilities are operational (electricity, water, gas, etc.).

12. Safety Check

- Test smoke and carbon monoxide detectors.
- Look for any safety hazards.

13. Take Notes and Photos

- Document any issues or concerns with notes and photos.

14. Discuss Concerns Immediately

- Address any significant issues with your agent right away.

15. Prepare for Closing

- Once satisfied, prepare for the final steps in the closing process.

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Title Report Checklist

Detailed Checklist for First-Time Homebuyers: Title Report Review

1. Understand the Title Report

- Familiarize yourself with what a title report is and why it's essential.
- It details the property's ownership history, existing liens, and any encumbrances or easements.

2. Hire a Title Company or Attorney

- Engage a reputable title company or real estate attorney to conduct the title search and prepare the report.

3. Review Ownership History

- Examine the chain of title to ensure there are no discrepancies in past ownerships.
- Check for any gaps in the property's ownership history.

4. Identify Any Liens or Encumbrances

- Look for any outstanding liens against the property (e.g., mortgages, tax liens, mechanic's liens).
- Understand how these liens might affect your purchase and how they can be resolved.

5. Check for Easements

- Identify any easements that give others rights to use portions of the property.
- Understand how these easements may limit your use of the property.

6. Look for Covenants, Conditions, and Restrictions (CC&Rs)

- Review any CC&Rs if the property is in a homeowners' association (HOA) or planned community.

- Understand how these rules might affect your property use.

7. Assess Any Judgments or Legal Actions

- Check for any judgments or pending legal actions involving the property.
- Determine how these might impact your ownership.

8. Review Boundary Lines and Surveys

- Examine any property surveys included in the report to understand boundary lines.
- Check for any disputes or issues with neighboring properties.

9. Understand Zoning Information

- Review the zoning classification to ensure it aligns with your intended use of the property.

10. Confirm Access to the Property

- Ensure there are legal access rights to the property (e.g., a public road or legal easement).

11. Request Insurance

- Once satisfied with the title report, procure title insurance to protect against future claims.

12. Ask Questions and Seek Clarifications

- Don't hesitate to ask your title company or attorney to clarify any aspect of the report.

13. Keep a Copy of the Report

- Retain a copy of the title report for your records and future reference.

This checklist is crucial for first-time homebuyers in reviewing the title report. It helps ensure that the property they are considering is free of legal complications that could jeopardize their investment.

Home Inspection Checklist

1. Choose a Qualified Home Inspector

- Select a licensed, experienced, and reputable inspector.
- Ask for references and check online reviews.

2. Understand the Scope of the Inspection

- Know what the inspection covers: structure, electrical, plumbing, HVAC, roof, etc.
- Be aware of what's not included, like inside walls or beneath floors.

3. Prepare for the Inspection

- Schedule the inspection as soon as your offer is accepted.
- Plan to attend the inspection in person.

4. Key Areas to Inspect

- Foundation and Basements: Check for cracks, water damage, and structural issues.
- Roof and Attic: Look for leaks, insulation quality, and ventilation.
- Plumbing: Examine pipes, drains, water heater, and fixtures.
- Electrical System: Review wiring, circuit breakers, and outlets.
- HVAC System: Assess the condition and functionality of heating and cooling systems.
- Walls, Floors, and Ceilings: Look for cracks, water damage, and structural integrity.
- Doors and Windows: Ensure proper operation, sealing, and insulation.
- Exterior: Check siding, paint, and external structures.
- Grounds: Assess drainage, landscaping, and external structures like garages.

5. Specialized Inspections

- Consider additional inspections for pests, radon, mold, or asbestos if relevant.

6. Review Inspection Report Carefully

- Go through the report in detail with your inspector.
- Ask questions about any issues or potential concerns.

7. Plan for Repairs and Negotiations

- Decide which issues are deal-breakers and which can be negotiated.
- Discuss with your agent about requesting repairs or a price reduction.

8. Follow-up Inspections

- If repairs are made, consider a follow-up inspection to verify.

9. Budget for Future Repairs

- Even if not immediate, budget for repairs or replacements down the line.

10. Keep Inspection Records

- Retain the inspection report and any repair receipts for future reference.

This checklist will help first-time homebuyers navigate the home inspection process, ensuring a thorough evaluation of the property's condition before finalizing the purchase.

Offer & Contract Checklist

1. Review Your Pre-Approval

- Ensure your mortgage pre-approval is current and reflects the purchase price.

2. Choose the Right Real Estate Agent

- Select an agent experienced in working with first-time buyers and knowledgeable about your desired area.

3. Research the Property

- Investigate the property's history, including previous sales, any outstanding liens, and property taxes.

4. Determine Your Offer Price

- Based on market analysis, your budget, and property condition, decide on a reasonable offer price.

5. Understand Contract Terms

- Familiarize yourself with common terms in sales contracts, like contingencies, earnest money, closing costs, etc.

6. Plan for Contingencies

- Include necessary contingencies for financing, home inspection, appraisal, and any specific concerns about the property.

7. Specify Earnest Money Amount

- Decide on the earnest money deposit, which shows your commitment (typically 1-3% of the purchase price).

8. Closing Date and Possession

- Set a realistic closing date and discuss when you will take possession of the property.

9. Home Warranty and Repairs

- Negotiate if the seller will provide a home warranty or if certain repairs need to be made before closing.

10. Review Inclusions and Exclusions

- Clearly, list items included in the sale (appliances, fixtures, etc.) and those excluded.

11. Title and Escrow Arrangements

- Define how the title will be transferred and which escrow company will be used.

12. Home Inspection Clause

- Ensure there's a clause allowing a professional home inspection and the option to renegotiate or withdraw based on the findings.

13. Appraisal Clause

- Include a clause that allows you to renegotiate or withdraw if the appraisal is lower than the offer.

14. Final Walk-Through

- Include a provision for a final walk-through of the property shortly before closing.

15. Legal Review

- Have a real estate attorney review the contract to ensure your interests are protected.

16. Document Review and Submission

- Carefully review all documents for accuracy and completeness before submission.

17. Negotiation Preparation

- Be prepared to negotiate terms based on the seller's response.

By meticulously following this checklist, first-time home buyers can approach the sales contract process with confidence, ensuring all key aspects are addressed for a successful home purchase.

Questions to Ask Bank & Mortgage Companies

1. Research Potential Lenders

- Explore both banks and mortgage companies.
- Check online reviews and testimonials.
- Ask for recommendations from friends or family.

2. Evaluate Lender's Reputation and Experience

- How long has the lender been in business?
- What is their experience with first-time homebuyers?
- Are they well-rated by the Better Business Bureau or other consumer review sites?

3. Understand the Types of Mortgages Offered

- Does the lender offer a variety of mortgage products (fixed-rate, adjustable-rate, FHA, VA, etc.)?
- Are there special programs for first-time buyers?

4. Compare Interest Rates and Fees

- What are the current interest rates offered?
- Understand all associated fees (origination fees, application fees, etc.).
- Compare these rates and fees across different lenders.

5. Inquire About Pre-Approval

- What is the lender's process for pre-approval?
- How long does pre-approval last?
- Does pre-approval lock in an interest rate?

6. Assess Communication and Service

- How responsive and accessible is the lender?
- Do they provide clear and comprehensive explanations?

7. Check Loan Processing Time

- Ask about the average time taken from application to closing.
- Does the lender have a track record of closing on time?

8. Questions to Ask the Mortgage Loan Officer

- What are the qualifications and experience of the loan officer?
- Can they provide references from recent first-time homebuyers?
- How will they communicate with you throughout the process?
- What support will they offer if issues or delays arise?
- How do they handle rate locks and what are the associated costs?
- Are they willing to explain all terms and conditions in detail?
- How do they handle refinancing in the future?

9. Post-Closing Services

- Does the lender offer assistance or advice post-closing?
- How do they manage escrow accounts for taxes and insurance?

10. Read Reviews and Testimonials

- Look for feedback from other first-time homebuyers.
- Pay attention to comments about customer service and problem resolution.

11. Check for Licensing and Regulations Compliance

- Ensure the lender and loan officer are properly licensed and compliant with state and federal regulations.

12. Ensuring Clarity and Accountability:

The Importance of Written Documentation

To protect yourself from potential misunderstandings or unfulfilled promises, it's crucial to obtain written documentation of all commitments and offers made by your loan officer, especially in cases where commission-based incentives might influence their assurances. This ensures that every term or benefit discussed is officially recorded and honored at the closing.

By thoroughly vetting potential lenders and loan officers with these considerations and questions, first-time homebuyers can make a more informed decision, leading to a smoother and more favorable mortgage experience.

Attorney and Contract Negotiation Checklist

Finding a Real Estate Attorney

1. Research and Gather Referrals:

- Start by asking friends, family, or your real estate agent for referrals.
- Use online legal directories that specialize in real estate law.

2. Check Credentials and Experience:

- Ensure the attorney is licensed to practice in your state and specializes in real estate transactions.
- Look for someone with extensive experience in residential real estate.

3. Review Online Reviews and Testimonials:

- Check for feedback from previous clients to gauge satisfaction levels and any recurring issues.

4. Interview Potential Attorneys:

- Prepare a list of questions to ask during the consultation (see the next section).

5. Discuss Fees and Costs:

- Understand how the attorney charges (hourly vs. flat fee) and get an estimate of the total cost.

Questions to Ask the Attorney

- 1. How long have you been practicing real estate law?**
- 2. How many home-buying transactions do you handle per year?**
- 3. Can you explain the steps of the home-buying process in our state?**
- 4. How will you communicate with me throughout the process?**
- 5. Can you provide a detailed breakdown of all potential costs?**
- 6. How do you handle conflicts of interest?**
- 7. What challenges do you anticipate in my home-buying process?**

Guiding Through Contract and Negotiations

1. Understanding the Contract:

- Request a detailed explanation of all terms and conditions in the contract.
- Ensure the contract includes contingencies for financing, home inspection, and appraisal.

2. Negotiation Strategy:

- Discuss your priorities and any specific terms you wish to negotiate.
- Rely on your attorney's expertise to advise on realistic outcomes and strategies.

3. Compliance and Legal Requirements:

- Ensure all state and local regulations are met, including disclosures and permits.
- Pay attention to compliance with fair housing laws and mortgage lending regulations.

4. Closing the Deal:

- Your attorney should review all closing documents for accuracy and legality.
- Ask for a final walkthrough of the property to ensure it's in the agreed condition.

5. Post-Purchase Documentation:

- Confirm that the deed and mortgage are correctly recorded in public records.
- Ensure you receive copies of all important documents for your records.

Attorney States

In attorney states, it's mandatory to have a real estate attorney represent you at some point during the transaction, typically at closing. The attorney is responsible for preparing and reviewing all legal documents, conducting the title search, and ensuring the legality of the transaction. The specific roles and responsibilities can vary by state. Examples of attorney states include:

- New York
- Georgia
- Massachusetts

- South Carolina

In these states, the use of an attorney is not just recommended but required by law.

Non-Attorney States

In non-attorney states, the involvement of a real estate attorney is not mandatory. Homebuyers can choose to handle the transaction on their own or with the help of a real estate agent and a title company. However, even in non-attorney states, many buyers and sellers opt to hire attorneys to ensure the legal soundness of the transaction. Examples of non-attorney states include:

- California
- Texas
- Arizona

States with Specific Requirements or Recommendations

Some states don't mandate the use of an attorney but have specific tasks within the real estate transaction that legally require an attorney's involvement, such as the preparation of the deed or the closing itself. In other states, while not required, it's strongly recommended to have legal representation due to the complexity of local real estate laws.

Hybrid Situations

**Some states have "title company states" within them, where title companies play a significant role in the closing process, often working alongside attorneys or independently to ensure title issues are resolved and the closing is executed properly.

Transactional states might allow for non-lawyer professionals to conduct certain parts of the transaction under specific conditions or with certain limitations.

Recommendations for Homebuyers

1. Research Local Requirements: Since laws can vary even within states, it's crucial to understand the requirements specific to the county or city where you're buying.

2. Consult Early: Even if an attorney isn't required, consider consulting one early in the process to understand your rights and obligations.

3. Consider Complexity: For transactions involving unusual circumstances, such as foreclosures, short sales, or properties in probate, legal assistance can be invaluable regardless of state requirements.

Understanding the legal landscape of your state can significantly impact the home-buying process, ensuring you're fully prepared and legally protected throughout. Always consult a local real estate attorney or legal advisor to get the most accurate and relevant advice for your specific situation.

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