

Ready to Buy a Home? Do This First.

This simple checklist can help get you through the home buying process



Getting ready to buy a home—whether it's your first or your fifth—is super exciting. It's the thrill of the hunt, right? In fact, 44 percent of recent buyers started their home search by looking at properties online.¹ But while it's tempting to start picturing yourself in all those listings, there are a few more practical considerations to deal with.

Pre-Work

1. Get organized:

So you're ready when the time comes, start tracking down any income documentation (W2s, tax returns, paystubs and any other income such as alimony or rental income). You will also want to provide proof of assets (bank statements, retirement account statements, etc.) and other legal documentation when applicable, like your driver's license, lease agreement (or current mortgage) and letters of explanation for any recent credit inquiries or unusually large deposits.

2. Think about your budget:

There is one rule of thumb to consider even before you know what you may be qualified for, and it's easy to calculate. In short, you want to ensure your monthly housing payment (including insurance and taxes) is no more than 29 percent of your monthly gross income.²

3. Get help:

It's important to start by getting the professional help of an experienced loan officer. They will work with you to review your financial situation and goals, help you evaluate loan options that suit your budget and determine what you might qualify for in terms of a mortgage. This will allow you to shop for a home with greater confidence. P.S. They are a wealth of knowledge—be sure to ask questions!

The Search Process

1. Find a real estate agent:

While you might already know someone with their real estate license, it can be dicey to mix friendship and business. Ask for recommendations, but prioritize finding an agent who has experience in your area and a reputation for good negotiation skills.

2. Shop for a home and negotiate the purchase price:

Make sure you shop around—sticking to your price range and taking lots of notes (and pictures!). Don't forget to get your bearings around your maybe-future neighborhood, and stay in touch with your loan officer as you start to narrow your options. Finally, ask your real estate agent about recent comparable sales in the area, which could help you negotiate with the current owners when it comes to the price.

3. Get a home inspection:

Once you've made an offer on a home, try to schedule this as soon as the purchase agreement allows. Have an idea in advance of what issues you'll be willing to live with (or fix yourself) and what potential red flags could be a deal breaker for you.

The Financing Process

1. Apply for your loan:

You've found your home and the offer's been accepted. This is where your pre-work pays off. Still have all of your documents handy? Work with your loan officer to apply. You'll receive a Loan Estimate, which outlines all of your loan terms. Review your loan terms carefully, making any changes. Your application is complete once you submit an "Intent to proceed" form, along with signed paperwork and fees.

2. Prepare for processing, appraisal and underwriting:

This is when your mortgage team really gets busy, along with an independent real estate appraiser. You've done all the hard work to get your loan application ready, now it's the lender's turn. (We know waiting isn't exactly easy. Perhaps yoga can help?)

3. Loan file review:

Your loan processor prepares your file for the next step and may contact you if further documentation (like additional proof of income) is needed. From the time of the request, you'll have 24-48 hours to send it over.

4. Loan decision:

At this point, your completed loan file goes to Underwriting for review and final decision.

5. Prepare for closing:

At least three days prior to your closing date, you'll be able to review your Initial Closing Disclosure. Look it over carefully as it contains your mortgage's current terms and fees. It will also disclose how much cash you'll need to bring to closing.

6. Closing day:

If your mortgage terms and conditions change at all, you'll receive a revised Closing Disclosure. Then it's time to get your writing hand ready, grab your favorite blue pen and sign on the dotted line (over and over) before having the keys in your hand (hooray!).

Once you've checked all of these boxes, you're ready for the real fun. Meet your neighbors, check out your community and most of all, make that house your home.

Get informed. Feel prepared. Get in control.

SunTrust Mortgage can help make your home financing experience exceptional.

¹ "Highlights From the Profile of Home Buyers and Sellers," Oct. 31, 2016, National Association of Realtors

² "Here's how to figure out how much home you can afford," Jan. 18, 2017, CNBC