



# What *Not* to Do Before or Throughout the Home Buying Process!

## Follow These 10 Tips to Ensure a Successful Closing!

Buying a home hinges on several key things falling into place: finding the right property, negotiating a price you can afford and securing the financing to pay for it.

Many homebuyers successfully navigate all three criteria — only to make some critical missteps prior to closing the deal that can jeopardize their home ownership dreams. Here are a few don't's to remember when navigating through the home buying process.

Before we dive into these tips, remember, it's important for you to stay in close contact with your mortgage broker and real estate agent. Lean on their advice and expertise to guide you through the process ensuring a successful closing for you and your family.

### 1 Don't miss loan payments

You must keep your payments current on all your loan accounts, including credit cards and car loans. The lender will look at your credit again before finalizing your mortgage, and if you have missed any payments, it may lead to you losing the loan.

### 2 Be careful with debt consolidation

Debt consolidation can be tempting when you finally start looking at buying a home. Most consolidation offers make it possible for you to bring all your debt under one umbrella payment, which makes sense for some people.

But there are also often hidden fees and interest rates that can increase dramatically without warning. Consolidation may not improve your credit in the way you expect, so be sure to read all the fine print.

### 3 Avoid changing jobs

It goes without saying that changing jobs is not something you should do in the middle of purchasing a home! One of the things lenders look closely at is your employment history. They want to be sure that you are financially stable and capable of making your loan payments.

### 4 Don't shift your finances

When a lender pre-approves you, the approval is based on the current state of your finances. You want to maintain that state – the one that got you the pre-approval – at all costs. Sometimes buyers make the mistake of shifting their money around to better position themselves, but this is a mistake.

### 5 Don't start banking somewhere new

You may not be satisfied with your current bank. Or maybe you saw a great offer from a competing bank that you just can't pass up. Well, you do need to pass it up, because changing banks before getting your loan can disrupt everything.

Just like the job and the finances, your banking history and status is part of the equation that leads to you getting pre-approved. Change your bank, and you may not get final approval.

### 6 Avoid buying a car

Without a doubt buying a car while also purchasing a home is a common mistake. Doing so is also at the top of the list of what you shouldn't do before buying a home.

### 7 Don't buy on credit

Another mistake many home buyers make is using credit to start preparing for their new living arrangements. You may want to start buying furniture and appliances to fill up your new home and make it truly yours, but hold back.

### 8 Avoid making large or cash deposits

Money that appears suddenly in your bank account makes lenders uneasy. In fact, they prefer for you to have the money that is going to your down payment in the same account for at least two months.

### 9 Don't make inquiries into your credit

Any time you apply for a credit card, a loan or even try to sign up for a new service, like a cell phone service, the company you are working with will probably make a credit inquiry. They do this to determine if you are a safe risk, much as the mortgage lender does.

### 10 Avoid being a co-signer

When you co-sign a loan, you are obligating yourself financially. It does not matter that you are not the primary person on the loan. If the lender needs money and is unable to get it anywhere else, it will come looking for you to pay.

No matter how badly you may want to help out a friend or family member, try to postpone co-signing until you have the money for your home purchase.

**If you have questions, please don't hesitate to contact us:**

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