

# Simple Checklist For First Time Home Buyers

Purchasing a new home is both exciting and anxiety-inducing for any first-time homebuyer. The process of buying a home involves a lot of legal and other unique issues dealing with transactions.

Here are the next steps for buying a home in NJ.



## #1. Determine what you can afford

Before you begin looking at homes, you need to know what you can afford. Make sure you have an official estimate, which includes monthly mortgage payment, the down payment, closing costs, and current interest rates. Online mortgage calculators can help you come up with an estimated monthly payment and price range for your home.



## #2. Obtain a mortgage pre-approval

The first-official step to starting the home buying process is to obtain a mortgage pre-approval. The mortgage pre-approval helps to provide a better overview of what you can afford more than the estimated research you already did.

Mortgage pre-approval establishes you as a qualified contender for a home purchase, which is appealing to a seller. A mortgage pre-approval will show the sellers that you are a serious buyer and give that extra measure of security to the seller.



## #3. Find a real estate agent

While it's common to do some real-estate window shopping on sites like realtor.com, nothing replaces working with an NJ real estate agent who knows the area and will alleviate any first-time home buyer frustrations. They will be able to provide you with a substantial amount of information that you will not be able to obtain on your own.

Check around for referrals to locate the right agent in your preferred neighborhood. Remember, a buyer typically does not pay a realtor fee, so using a licensed real estate agent is to the buyer's advantage.



## #4. Make your offer

Once you have found the home you like, you will then provide the seller with an offer in writing. Your realtor will fill out a contract that includes your offer, type of mortgage, inclusions, and exclusions as well as contingencies and any other details.

If the seller does not like the offer, they might counter with a different selling price. At this point, you can either accept their terms or renegotiate an offer. Once both parties agree to the terms of the contract, both the buyer and seller will sign the contract.



## #5. Attorney Review

Once the contract is agreed upon and signed, it then goes to each respective party's attorneys for review. During this period of the process, either party has the potential to cancel the contract without any penalty.

It is essential to work with an NJ real estate attorney who specializes in real estate transactions and is knowledgeable about real estate and issues in the local area in which you are buying.



## #6. Under Contract Phase

Once the attorney review is complete, and everything is agreed upon, the home is officially under contract. During this time, you complete the mortgage processing, appraisal, insurance requirements, as well as scheduling and conducting all your home inspections.

You have a required time frame to complete all these steps, and you must adhere to this time frame to comply with the contract. The time frame may vary depending on the contract stipulations.

If either party fails to comply with the terms of the contract, they may have breached the contract or defaulted on the agreement. The other party may then have a legal claim against the breaching party.



## #7. Negotiate for defects

The home inspector will conduct a detailed inspection of the home and will produce a report including the good, as well as minor and major issues, if any.

If there are any issues concerning the home, it is during this phase that the buyer can negotiate with the seller for repairs. There are two options for negotiated repairs. The seller can fix the agreed-upon repairs before closing, or credits are given at closing for the buyer to repair themselves after purchase.



## #8. Final inspection and closing

Commonly, 24-hours before the closing, there is a final walk-thru inspection. This is the final inspection of the home prior to the signing of documents to make the sale official.

The closing is the final part of the process. At the closing, the buyer, seller, and the real estate brokers are typically in attendance. At closing, all the amounts agreed upon are paid, and all paperwork is signed. You will then receive your keys to your new home.

For inquiries, contact Askin & Hooker at (973) 729-7711



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