

Chapter 12

The Closing Map: A Guide to Finding and Buying a Home

Below is a general guide on what a buyer and seller need to know to understand the home purchase and sale process as well as to assist in making the very best real estate decisions. It includes descriptions of the various typical events and occurrences which take place during the real estate closing process.

Please note that even though in some areas of the country title agencies, escrow and settlement agents' services are used instead of the attorney, this chapter is written assuming that the buyer is using an attorney for the home purchase.

Obtaining Financing

At the time you start thinking about looking for a new home, you should be in touch with a lender. You should never go shopping without knowing how much you have available to spend. Based on a buyer's financial qualifications, which include yearly income as well as assets and liabilities, a conversation with a lender should provide an estimate of how much a bank will be able to loan a buyer. Of course, only buyers themselves can decide the appropriate monthly payment they can afford to pay a lender without risking distress or foreclosure.

Having followed the advice in the first chapter *Tools and Suggestions to Maximize Buying and Borrowing Power*, you should have obtained a lender's pre-approval letter. The "pre-approval" comes from a prospective lender who is agreeing to lend you the money to purchase your new home subject to a list of conditions which must be satisfied before the lender will lend