****

**YOU’VE FOUND THE PERFECT HOME – WHAT’S NEXT?**

* **Make an offer**

Once you've found the home of your dreams, it's time to make an offer. The seller may flat out reject your offer, counter your offer, or accept it.

Note: the most desirable offers come from cash buyers who don't have any contingencies, because those deals can close within a week. But most people do have financing contingencies, meaning they're required to work with the bank to secure a loan. The closing process when you get a mortgage can take between one to two months to complete.

* **Negotiating with sellers**

If the seller counters your offer with a higher price, you may accept it or try to meet them somewhere in the middle. Your real estate agent will want to know your maximum price and will negotiate on your behalf.

Don't get caught up in the heat of negotiation and end up paying more than you're comfortable on a home. Decide how much you're willing to spend ahead of time and stick to it.

* **When you get an offer accepted**

Once your offer is accepted, you'll need to provide your earnest money deposit if your contract included one. This is typically equal to 1% to 3% of the purchase price, and it shows the seller that you're committed to buying the home.

If you back out of the purchase for a reason not stipulated in the contract, the seller will likely get to keep your earnest money.

* **Apply for full mortgage approval**

Once you have a signed purchase agreement, you can apply for approval with multiple lenders to see who can offer you the best overall deal. This means looking at both the rate they're offering and the overall costs you'll incur with them.

When you're purchasing a home, it's also important to work with a lender that has good customer service and is communicative. Otherwise, it could take longer to close.

You can also compare lenders during the preapproval stage if you prefer. But by shopping around after you're under contract, lenders will be able to give you a firmer offer that includes the ability to lock in a rate.

* **Completing the loan application**

In addition to providing documentation showing your income and assets, you'll give the lender information on the home you're purchasing. Once you're approved, you'll receive a loan estimate. This document will outline all the details of the proposed mortgage and tell you how much cash you'll need to bring to closing.

* **Home inspection, appraisal, and insurance**

**Conducting thorough inspections**

Typically a purchase contract will include a [home inspection](https://www.businessinsider.com/personal-finance/home-inspection) contingency. An inspector will go through the home and create a report on the state of the home, including any repairs that need to be made.

If major problems turn up in the inspection, the buyer can re-negotiate with the seller to pay for repairs or lower the price. The buyer can also back out of the deal completely without losing the deposit.

* **Understanding the appraisal process**

If you're taking out a home loan to finance the purchase, the lender will order a [home appraisal](https://www.businessinsider.com/personal-finance/what-is-home-appraisal) to ensure the price is an "appropriate deal," says Bull.

During this process, a licensed appraiser will visit the home to verify the details and condition of the property. They'll then look at comparable sales in the neighborhood to determine the property's value.

If the appraised value is less than what you agreed to pay for it, you may need to bring more of your own cash to the transaction or negotiate with the seller. If you have an appraisal contingency in your contract, you can also back out of the deal.

* **Buying a homeowners insurance policy**

If the property is being financed, you will need to purchase homeowner's insurance before closing. Get quotes from multiple companies, or see if it's cheaper to bundle your homeowners policy with your current auto insurance.

* **Closing the deal**

**Preparing for closing costs**

As you approach your closing date, your lender will provide you with a closing disclosure. This will look just like the loan estimate document you received after getting approved for the mortgage. It will include a list of all of your finalized closing costs and how much cash you'll need to close. Compare this document to your loan estimate to see what's changed.

You'll also receive instructions from the entity that's conducting your closing (often a title company) on how to wire your down payment and closing costs. If you receive instructions via email, verify them with that entity over the phone. Fraudsters sometimes target down payment wire transfers, sending seemingly-legitimate emails with last-minute changes to the wiring instructions.

You may also have the option to bring a cashier's check to closing rather than wiring the funds.

* **The final walkthrough**

Before closing, you'll also get a chance to view the home one more time. This is known as the final walkthrough.

The final walkthrough usually takes place a day before the closing and is a time when the buyers can physically confirm that the house is in the condition as agreed to in the contract, says Chedid.

During the final walkthrough, you'll verify that agreed-upon repairs have been completed, the seller's personal property has been removed, and that there isn't any new damage to the home.

If you're allowing the seller to stay in the home for a certain amount of time after closing (called a rent-back agreement), you may do another final walkthrough after closing once they've fully moved out. In this case, your agreement will likely keep some money in escrow as a security deposit that you can keep if the seller damages the home.

* **Signing the paperwork at closing**

On the day of the closing (also known as the settlement) you will sign a lot of paperwork — more than 20 documents — and the final funds will be distributed, Chedid says.

It's a process that could take up to two hours. "Once all the papers are signed, the buyer is now a homeowner," Chedid says