

Checklist: Buying a House

Buying a house might be one of the most exciting – and expensive – purchases you ever make, which means the process is high-stakes. Here’s a checklist of the essential tasks that will transform the home-buying journey from anxiety-inducing to efficient.

Step 1

Decide if the time is right to buy a house.

Believe it or not, the first step isn’t looking at properties. It’s deciding if you’re ready for this financial investment and added responsibility.

Tip: In some cases, renting might be a better option, either financially or for increased flexibility.

Step 2

Determine your housing budget.

We’re still not ready to scroll through Zillow. Designating a realistic price range will save you lots of time and angst. Assess your income, debts, and down payment size.

Tip: Remember that houses come with additional costs, such as insurance and maintenance, so keep your monthly mortgage payment low enough that you can handle these other bills.

Step 3

Get pre-approved for a mortgage.

A lender will estimate how much you can afford and give you a mortgage pre-approval letter, which you can share with the seller. Your lender will need several documents, such as:

Personal documentation (like your Social Security number, driver’s license, or passport)

- Proof of income (including W-2s and tax returns from the past two years)
- Proof of assets (like your banking and investment statements)
- Your credit score
- Verification of employment (like paystubs)

Tip: Collecting all this paperwork can be challenging, so once you have it, make sure to store it in the Trustworthy Family Operating System®, which offers bank-level security with 256-bit encryption for your most critical paperwork. With Trustworthy you also can share these documents securely, such as with your mortgage lender, to avoid carrying papers around. If you're missing a key document, talk to a Trustworthy coach about how to get it replaced.

Step 4

Decide whether to hire a real estate agent.

While you don't have to hire a real estate agent, the financial implications of buying a home are great so it can be reassuring to work with someone who understands the process, regulations, and negotiation best practices. This might help you decide: Typically the seller pays the real estate agent's commission so you'll be getting all that advice for free.

Tip: Often a real estate professional who specializes in your desired area will be most knowledgeable about current pricing, local community, and other important nuances.

Step 5

Build a wish list.

We all have a "dream house" in our mind, but your budget might require you to be a bit more realistic. Start with a list of priorities, such as neighborhood or school district, number of bathrooms and bedrooms, and proximity to parks and amenities. Share your wish list with your real estate agent, who can give you search tips and potentially uncover hidden gems on the Multiple Listing Service (MLS), a comprehensive database of homes for sale.

Tip: While your list will include a lot of "nice to haves," settling on the "must-haves" will help direct your search.

Step 6

View properties.

Yes! Finally! While you'll want to visit top properties in person, a virtual tour can help identify ones to delete from the list immediately. Work with your real estate agent to set up tours of specific homes or to recommend open houses with many of your desired qualities.

Tip: This can take a long time – especially in a competitive housing market – but try not to rush into an offer. Your dream home is out there if you keep looking.

Step 7

Make an offer.

Have you found “the one?” It’s time to submit a formal, written offer. After the home seller reviews the offer, they can accept it, make a counter-offer, or reject it.

Tip: Working with a real estate professional can ease this process and give you guidance to make your offer as appealing as possible.

Step 8

Schedule a home inspection.

A home inspection is a walk-through by a professional to assess the condition of the property, including the home’s foundation, roof, framing, heating and cooling system, plumbing, and electrical work – all the areas that have been off-view until now.

Tip: Remember that no home is perfect, but you want to be aware if the home you’re buying is likely to need costly repairs.

Step 9

Negotiate repairs and credits.

While a seller is never obligated to make repairs, it may be reasonable to ask to have something fixed or reduce the selling price if you come across an unpleasant surprise after you made the offer. This is another area where a real estate professional can offer advice.

Tip: In a competitive market, they may refuse, and it’s up to you to consider whether the issue is a deal breaker.

Step 10

Compare mortgage options.

While you may have gotten a pre-approval letter before you started house hunting, you’ll still need to actually apply for a mortgage.

Tip: Shop around again, especially if the house hunt was lengthy and conditions have changed. Ask for loan estimates from several lenders and compare.

Step 11

Apply for a mortgage.

Once you've decided on a lender, you'll need to once again collect all your documents. If they were stored safely in the Trustworthy Family Operating System®, you'll already have a number of them. But this time you'll need even more. Here are the types of documents you'll want to gather:

- Most recent pay-stubs
- W-2 forms from the last 2 years
- Year-to-date profit and loss statement (if you're self-employed)
- Documents to show unpaid accounts receivable (if you're self-employed)
- 1099 forms from the past two years
- Checking and savings account statements
- Investment account statements (including 401Ks and IRAs)
- Any down payment gift letters
- Documentation of any rental income
- Alimony and child support documents
- Life insurance policy (if it has cash value)
- Credit card statements
- Loan statements (student loans, car loans, etc.)
- Medical bills
- Proof of monthly job-related expenses
- Driver's license
- Social Security card
- Immigration documents
- Rental history
- Documents for any other properties you own

Tip: If you're already a Trustworthy customer, you'll be able to fill out the application with no trouble. But if not, consider taking the time to sign up for the Trustworthy Family Operating System® to streamline all your family's key documents so they are available whenever you need them, while protecting you from identity theft, breaches, and other threats.

Step 12

Conduct a final walk-through.

Hours before the house is set to close, make one last inspection to make sure everything is as remembered, including verifying completed repairs. If there are any issues, alert the seller's agent immediately.

Tip: Verify all the systems are in good working order - ring the doorbell, flush the toilets, flip on the lights, and open and close the windows.

Step 13

Close on your house.

The day is finally here when the house becomes yours. But first, there's a deluge of paperwork – and yes, a lot of documents to supply. Time to once again turn to the Trustworthy Family Operating System® for easy retrieval. Your lender will give you a list, but typically you'll need to bring:

- Your photo ID
- Marriage certificate (if you and your partner have different last names)
- Proof of your home insurance
- A cashier's check or certified check for the closing costs

Now, it's official! You're the proud owner of a home.

Tip: When they hand over the key, they'll also hand over all your homeownership documents – and there's no time like the present to immediately upload them to Trustworthy so you never have to wonder where they are.