

# Questions Buyers Should Ask

If you're a first-time homebuyer (or even if you're not), you're going to have a lot of questions during the home-buying process.

Many of those are obvious and will grow out of your conversations with your real estate agent, title company and lender, but if you can't think of other questions to ask, Realtor.com and Bankrate.com have suggestions. And whatever questions you have, no matter how stupid you feel they may be, ask them anyway.

## WOULD YOU BUY THIS HOUSE?

As you're checking houses with your agent, ask if he would purchase it. If he sees red flags, that's a red flag. An agent who isn't excited about the house will tell you that. If you do like the house and the agent doesn't, ask for their reasons. Maybe what they see isn't a dealbreaker for you, such as a large repair needed that you are able to do yourself. But at the very least, you want to know what your agent thinks.

## WHAT'S THE HISTORY OF THE HOUSE?

If the house you're looking at had a history of termites, would you reconsider? If you knew there had been a murder or suicide in the house, would



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that change your calculation? If it used to be a rental, would that affect how you felt about it? Ask for a copy of the Comprehensive Loss Underwriting Exchange report for the seller, which includes insurance claims for all homes.

According to Forbes, the law requires sellers to disclose specific things, including the use of lead paint, mold, pest infestations, property drainage issues and boundary disputes.

Some states even require the disclosure of perceived paranormal activity and "emotional defects" like a murder, suicide or violent crime. In the case of crimes, sellers may not be required to proactively disclose, but they must be honest if the buyer asks.

## SHOULD I EVER OFFER MORE THAN THE ASKING PRICE?

This seems like a no-brainer, but it's a good one to talk

over with your agent. You obviously want to pay the least amount for the house possible, but if it's a hot real estate market and you're not the only one putting in a bid, you may want to go a little higher. That might be the asking price, or it might be less than the asking price but not as low as you'd like. In addition to talking with your agent about a fair price, be aware of how big of a loan you can take and how that affects your monthly payment.

## REAL ESTATE 101

### Step by Step

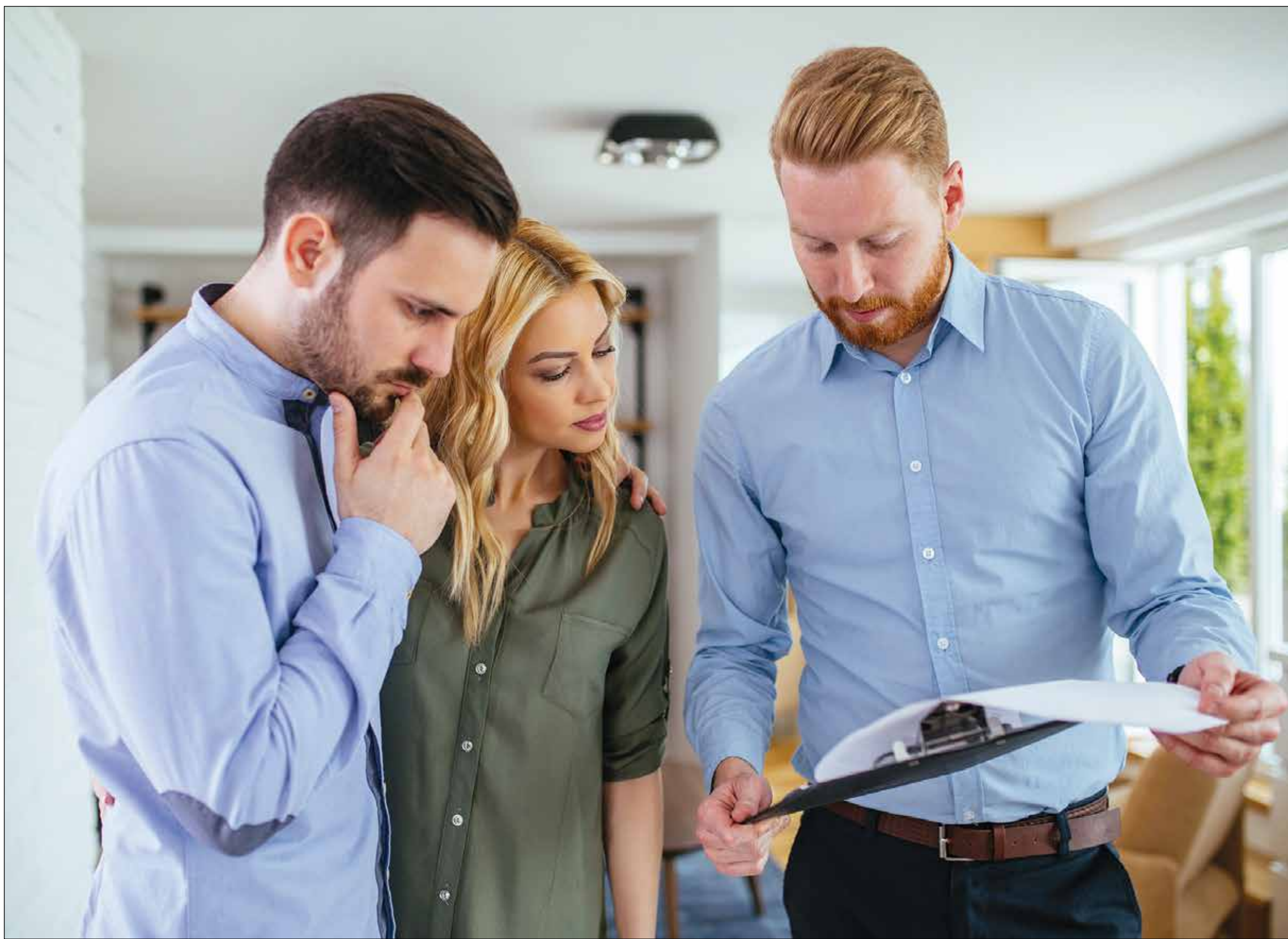
The Consumer Financial Protection Bureau offers a checklist for home buyers. It includes the following steps:

Check your credit; assess your spending; budget for new or changed expenses; determine your down payment; decide how much you want to spend on a home; consider whether it's the right time for you to buy; build a network of advisors; and create a loan application packet.

Get help with each step of the process on the CFPB website at <https://bit.ly/2pU7wRn>.

There are other ways to make your offer more attractive. Offering flexibility with the move-out date or making a cleaner offer, such as not basing the sale on the sale of your current home, makes the process easier for everyone. Additionally, if you've met the owners, consider sending them a note expressing your appreciation for the house and your vision for how you would make it yours. With some sellers, an emotional appeal can make a difference.





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## HOMESWISE GLOSSARY

**Security interest:** if stated in your credit agreement, a creditor's, lessor's, or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under the credit agreement.

SOURCE: Federal Reserve

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