



Keep in mind that the home is not yours until the paperwork is Complete,
AND the deed is recorded!

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Don't Change Jobs

A mortgage is often the largest borrowable sum; generally, banks are weary of issuing loans to borrowers in unstable circumstances. Consistency in job and salary is an important factor that banks like to observe. During the loan process, they are less anxious over a job change within the same industry; however they would prefer the stability provided by the presence of the conditions that existed at the time of loan approval. During the [mortgage approval](#) process, abstain from a job change until the home is in your name and the keys are in your pocket, unless it is absolutely unavoidable.

Don't Make a Large Purchase

Good credit is important, that cannot be emphasized enough. However, finding out that you have a solid score is not grounds to make a major purchase. A big money commitment can quickly alter your credit rating, as a result of the potential for a changing [debt-to-income-ratio](#). A new car would look great in the driveway of your NEW home, but the connecting car payment will not have the same appeal to your loan lender. This could negate the original decision to lend you money. Wait until closing to make this kind of purchase. Major purchases include cars, furniture, etc. If a major purchase is unavoidable be sure to talk to your loan officer first.

Do Not Allow any Credit Inquires After Loan Approval

Prior to the close of escrow, your lender/funder will run your credit one more time to ensure that no new purchases or inquires have been made. The presence of new inquiries is a major red flag for new debt. New Debt is akin to an inability to make a mortgage payment as well as the newly taken on debt. Approval for a loan is based on DTI, new circumstances may mean a lack of stability, this can lead to outright loan denial. Do not go shopping for major appliances, furniture, cars, or luxury items until after the loan funds come through. Credit inquires confuse the lender.

Don't Give Earnest Money Directly to a For Sale By Owner

As unfortunate as it is, it is not completely uncommon for a seller to spend a buyer's deposit money before closing. If this happens, and the transaction does not end up occurring, even for valid reasons, such as repairs, financing problems etc the buyer may have to fight to retrieve their funds. Your deposit is safer if placed in an escrow or trust account. Certain sellers fail to understand that deposit funds are for usage in closing expenses or are refunded if the loan does not come through. Locate a neutral third party, ideally an escrow company or attorney. They can safely hold the deposit until it is time to close. The contract should also define what is to become of the funds if closing never takes place.

Don't Forget to Switch Utilities

Seemingly simplistic, it is important to arrange for utilities to be started or stopped. Numerous people forget to cancel or apply for utility service. Once you have a contract, it is a good idea to contact the utility company. Learn how many days of lead time they need in order to switch the service. Make sure any services at your previous residence are discontinued. Dependent on how much distance is involved in the move from old home to new, you might be required to switch to a different company for the same utility service.

Don't Forget Hazard Insurance

Often overlooked, Hazard Insurance is necessary for buyers to secure. Avoid scrambling to take care of it right before closing. Prior to closing, lenders will want to make sure that borrowers have the right type of coverage for their new home. Acquire this insurance as soon as possible in order to avoid a delay in closing. In certain locations, other types of insurance coverage are required. Your lender will be knowledgeable about what specific requirements are needed in your geographic location.

Don't Allow Emotions to Take Over

A realistic mentality is needed when searching for the right home to buy. Remember no home is perfect, although your dream home is out there. Do not allow the seller's refusal to fix a small repair to kibosh your dreams. Often, small repairs can be taken care of by the buyer. However it is also important to keep in mind that certain repairs are too big and are not the responsibility of a buyer, do not fall into the trap of falling for a home that you cannot handle emotionally or financially. Decide beforehand what kind of repairs you can take on and afford, and stay with that decision when searching for a home. Keeping a level head and emotional fluidity through the home buying process may make a large difference in your psychological well-being.



Don't Make Friends with the Seller

An amiable relationship with the seller is important, but remember, this is a business transaction, not a friendship. Keep conversations to a minimum with the seller, they are not your friend. This is a business transaction, their home is becoming your home, emotions are running high for all parties, crossing certain lines may end up costing you in terms of repairs or seller concessions. Be friendly, but do not attempt to start an earnest friendship with the seller. As the old saying goes "do not mix business with pleasure."

Don't Panic if the Appraisal Comes in Low

Do not let your emotions get the best of you if the appraisal comes in low. A multitude of options exist if this occurs. This is a resolvable dilemma. Discuss this with your lender, realtor, seller and any other party involved in determining what is best for your specific circumstance. Resolutions could include the buyer paying more, seller asking for less or finding middle ground, etc.

Don't Ignore Lender Requirements

Each individual lender has specific requirements for documentation. Be mindful and listen to your lender when discussing requirements. Provide what is needed in a timely manner if you want things to go as smoothly and quickly as possible. Your closing is dependent on this.

Don't Do Things Alone

Agents are here to help. If you have decided to work in conjunction with an agent, keep in mind your agent's job is to make your life easier by ensuring things go smoothly and that closing is completed. Good agents stay on top of things and keep track of the details of the day, involving the seller, the buyer, the lender and or the seller's agent. Do not neglect to ask your agent for help. Keep in mind, they are getting paid to assist you.