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Buying a home: *What you need to know*

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Owning a home is part of the American dream, but along with the dream is a major financial commitment.

"There are so many complex issues surrounding the home buying

process," said Peter J. Birnbaum, president and chief executive officer of Attorney's Title Guaranty Fund, Inc. (ATG). "You don't want to leave anything to chance."

In order to ensure a

smooth and successful transaction, ATG offers the following advice.

■ Determine your price range and timetable for purchase. Before you even begin looking for a home, examine your personal

finances. You want to buy a home you can afford, and you should take into consideration your present and future financial obligations. As you examine your financial position, look for ways to eliminate debt. It is also advisable to check your credit rating to avoid any surprises during the loan approval process.

■ Create a "wish list" of what you're looking for in a new home. Are you interested in new construction or an existing home? How much room do you need and what features of a home are most important to you? Do you have a special neighborhood in mind? As you develop your list, consider which options are available within your

price range.

■ Choose a competent, reputable real estate agent. In most cases, a broker's first duty is to the seller. As a buyer, it is important for you to understand this role so your own interests can be protected. The law requires that the real estate agent disclose in writing his or her role and the method of compensation.

■ Select an experienced, knowledgeable real estate attorney. Your attorney can explain the terms and legal consequences and suggest changes that will protect you and your investment. "You should determine what services the attorney will provide and what the charges will

be," said Birnbaum.

■ Pre-apply for a mortgage loan. If you have been pre-approved, you have more control over the home-buying process.

■ Finalize your mortgage financing, and schedule and plan for the closing. Ownership of the property will be transferred at the closing — a meeting that includes buyers, sellers, their respective attorneys and real estate agents, and a representative who typically acts as a closing agent. There are many documents and fees associated with the transfer. Prior to the closing, you will be informed about the amount of money needed (usually paid by certified check or money order) to cover closing costs.