

Buying a Home: Do You Know the Lingo?



To confidently point you in the right direction, here is a list of some of the most common terms used in the homebuying process.

Appraisal – A professional analysis used to estimate the value of the home. *A necessary step in validating the home’s worth to you and your lender to secure financing.*

Closing Costs – The fees required to complete the real estate transaction. Paid at closing, they include: points, taxes, title insurance, financing costs, and items that must be prepaid or escrowed. *Ask your lender for a complete list of closing cost items.*

Credit Score – A number ranging from 300-850 that is based on an analysis of your credit history. *Helps lenders determine the likelihood that you’ll repay future debts.*

Down Payment – Down payments are typically 3-20% of the purchase price of the home. Some 0% down programs are also available. *Ask your lender for more information.*

Mortgage Rate – The interest rate you pay to borrow money to buy your home. *The lower the rate, the better.*

Pre-Approval Letter – A letter from a lender indicating you qualify for a mortgage of a specific amount.

Real Estate Professional – An individual who provides services in buying and selling homes. *Real estate professionals are there to help you through the confusing paperwork, find your dream home, negotiate any of the details that come up, and to help you know exactly what’s going on in the housing market.*

The best way to ensure your homebuying process is a confident one is to find a real estate pro who will guide you through every aspect of the transaction with *‘the heart of a teacher’* by putting your family’s needs first.