

# Prospective Home Buyers Should Create A Written Game Plan For Their Search

If you're resolved to buy a home in the new year, you may want to develop a game plan that paves the way for a successful real estate transaction.

"A written plan is a good way to organize and prioritize important issues for prospective buyers who are about to make a significant financial commitment," said Peter J. Birnbaum, president and chief executive officer of Attorneys' Title Guaranty Fund, Inc. (ATG).

Before you begin your search, ATG suggests you create a written plan that includes the following:

- **Select an experienced real estate attorney.** An attorney is the one person in a real estate transaction who truly represents the interests of the home buyer. He or she can provide a wide variety of services such as negotiating the terms of the contract, explaining financing options, scheduling and attending the closing, and resolving any last minute matters that may arise.

- **Make a list of "must have" and "would like to have" features.** After you've looked at a few properties, re-evaluate your criteria. Your priorities may change with experience and time.

- **Have a realistic idea of how much you can afford.** Depending on how serious you are, you may want to get pre-approved for your mortgage before you go to your first open house. If you need assistance with this step, your attorney can explain financing options and guide through the paper maze. The general rule is that the amount of your monthly mortgage should not exceed one-fourth of your family's monthly income, but the percentage may differ based on your other financial commitments and the changing needs of you and your family over time. Be realistic about this aspect of your transaction, and remember that there are almost always traditional expenses that come up once you've purchased the home, such as moving expenses. In addition, you may want to consider leaving yourself with enough monthly cash flow to take on the costs associated with things everyone wants to do when they move into a new

place, such as decorating and landscaping.

- **Have a contingency plan in the event you find the house you want**

**to buy before you sell your existing home.** Discuss with your attorney the possibility of preparing a contract that allows the sellers to continue to market the property, yet gives you the "first right of refusal" if they receive another offer. You may also consider securing a "bridge loan" to allow you to close on your purchase before your sale is complete.

- **Be prepared to make temporary alternative living arrangements if you sell your home before finding a new home.** Depending on the situation, you may need to consider moving in with friends or relatives or find a rental property. You will also need to arrange to store your furniture and other belongings.

- **Make your financial offer to the owner contingent upon the property passing a professional home inspection.** This is true for both new and existing construction. While you will pay for the services of a professional home inspector, it can be beneficial in terms of the maintenance of your new home.

"The care you take in preparing for buying a home is important before the sale, but it pays even greater dividends later," said Birnbaum. "Your attention to the legal and financial details now will allow you the peace of mind in the future that comes from knowing your home is protected."

Founded in 1964, ATG is the premier lawyer-service organization for the benefit of the profession and the public. In



addition to providing title insurance to home buyers and lenders, the company now offers- through its network of

3,500 member-lawyers- a variety of investment and other services delivered by subsidiary companies. ATG is headquartered in Champaign and downtown

Chicago, and has offices in Mt. Prospect, Chicago (mid-north side), Flossmoor, Libertyville, Lombard, North Riverside, Oak Lawn, and Belleville, Ill.; Madison, Wisconsin; and Toronto and Vancouver, Canada.

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**Be not afraid of life. Believe that life is worth living, and your belief will help create the fact.**

- William James

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