

Key Terms to Know in the Homebuying Process

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in the Homebuying Process

Here's a list of some of the most common terms in the homebuying process.



APPRAISAL

A professional analysis used to estimate the value of a home.

A necessary step in validating a home's worth to you and your lender as you 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's based on an analysis of your credit history.

Helps lenders determine the likelihood 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 when buying a 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.

This is a critical step in today's competitive market.



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 so 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 needs first.

Source: Freddie Mac

Patricia Wenzel
Realtor
Equity Colorado Real Estate

Some Highlights

- Buying a home can be intimidating if you're not familiar with the terms used throughout the process.
- To point you in the right direction, here's a list of some of the most common language you'll hear along the way.
- The best way to ensure your homebuying process is a positive one is to find a real estate professional who will guide you through every aspect of the transaction with *'the heart of a teacher'* by putting your needs first.