

# 5 Big Mistakes Buyers Make

## And How to Avoid Them



### #1 Mistake

**Not knowing how much they can afford before they make an offer.**

The easiest way to avoid this mistake is to get pre-approved for a mortgage by a Lender so you know in advance exactly how much you can afford.

Most pre-approvals are free and it will give you a basis to make a more informed purchasing decision when you find the house you like.

### #2 Mistake

**Not realizing that the wrong mortgage can cost thousands of dollars in needless interest and taxes.**

Check with your accountant before you make your final decision on which mortgage you're going to choose. Your CPA can tell you what the long-term effects will be on your income, your taxes, and the equity you build in your home over time.

Most people aren't aware that with a standard 30-year mortgage they'll be paying two-and-a-half times the amount of the mortgage in payments. With some advance planning and a simple strategy, they can cut the amount of interest they pay dramatically and own their homes sooner.

### #3 Mistake

**Not realizing in advance whom the real estate consultant represents.**

Most people think that the agent they're working with is working for them. But unless they're working as your buyer representative, they represent the seller. There are different types of agency relationships you can have with a Realtor, so make sure you're clear on your options.

### #4 Mistake

**Not discovering hidden defects before they buy a home.**

One of the most expensive mistakes is also one of the easiest to avoid, by having a professional pre-purchase home inspection. Don't get stuck with a money pit. The cost of a professional home inspection is usually a few hundred dollars, but the peace of mind it can give you and the expense you can avoid are worth thousands of dollars.

### #5 Mistake

**Not knowing how much their credit can affect their ability to buy or refinance a home.**

Before you buy a home, many of the clouds on your credit history can be cleared up or even eliminated. Your mortgage professional can help you review and prepare your credit file in advance.

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