

All I Want to do is, Buy a House!

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There was a time not long ago when it seemed as simple as a desire to buy a house. Sure you still had to apply for a loan, but that seemed to be a breeze, even if the person didn't have "it" all together, e.g., many lenders "bent" the rules a little here and a lot there -- remember?

Well, ***now with all that has happened with all this mortgage mess, the foreclosures, the "underwater" homes, essential, the bursting of the proverbial housing bubble,*** this has done a 180 degree turn, and ***to buy a house nowadays you have to be ready to show the lender "the money," literally.***

I have had to explain the procedures time and again to buyers who keep reminding me that this isn't the way they did it just a few years ago. The odd thing about these constant reminders is that people who bought a few years back seem to have grown used to just having the paperwork to sign, and are a bit miffed by the simple suggestion that they need to provide proof of just about everything.

"Why do I have to do that?" came back a question from a reluctant buyer not long ago. Well, the rules to buy a house have gone back to the "normal" way it once was. In other words, you have to show the bank all that you say, and then, you have to be able to prove as much, e.g., where is your money for the down payment, why you have so many inquiries on your otherwise perfect (780 fico) credit report, or why your salary checks (stubs) have any discrepancy -- oh, and let's not forget that your w-2's and 1040's have to be "audited" too!

These requirements are nothing new. As a matter of fact many of these same requirements were in place before, albeit relaxed because everyone wanted to make a deal, and the deal-makers (the lenders), wanted the loans to pass certain audits to be able to package them into mortgage-backed securities that someone else (investors) would be buying/investing in. Well, that pool of investors virtually dried up, and now the only game in town is a pseudo-governmental secondary market, and this one is checking all the paperwork, and making sure the "***I's***" are dotted and the "***I's***" crossed -- literally.

So, you want to buy a house? The best thing you could do, as a buyer, is to be ready, willing and ABLE. And this means having the money in the bank -- you ought to have at a minimum a 3.5% of the purchase price for the down payment (for FHA program), plus another 3% of the same purchase price for the expected closing costs. *Sure you will be able to negotiate many things, and in some cases "Home path" sales, you might even get your closing costs paid (credited), and some bonuses if you close during some of their promotional periods.* But, ***don't be too surprised if you have to have everything "squeaky clean" in regards to how you provide your details and the paperwork to support it.***

Buying a house isn't any more complicated than it once was, it is now more rigidly reviewed, so, be prepared to give as much as the lender wants, wait as long as the lender takes, and work with all that is put on you to do. You want their money to buy; you now have to play by their new rules. The flip side is that you'll get fantastic values and the best interest rates available for mortgages. So, don't fret, just grin and bear it, oh, and put it in perspective – you'll buy the house you can afford and enjoy for years to come!

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