

PRE-QUALIFICATIONS FOR BUYER



HAVE YOU EVER PURCHASED A HOME?

If they are a first time home buyer, they will usually let you know. This is your opportunity to educate them on the process and let them know you are available to answer questions, show properties, and help them throughout the search all the way to closing.

IF THEY ARE NOT A FIRST TIME HOME BUYER, ASK THEM HOW LONG AGO DID YOU PURCHASE AND WHERE?

This will give you an opportunity to explain that a few things may or may not have changed since they last purchased but ask them if there is anything they might have questions about, just let you know.

PRE-QUALIFICATION QUESTIONS FOR BUYERS

WHERE DO YOU WORK NOW?

This is a great opener as to what part of town they need to be located, maybe their lifestyle, motivator, etc.

IF THEY SAY THEY WORK OUT OF TOWN/STATE?

Ask them if they plan on transferring soon. If not, they just want to buy a house, move here, and then find a job. If that is their intention and they have steady employment now, they can do this by having a 2 year work history in the same field, qualify for a second home/vacation home with current rent/house payment and other debt, and able to put a 10% down payment. If they cannot put the 10% down, then they can find a job, be on the job for 30 days or have a salaried offer letter to start within 90 days of closing.

HOW LONG HAVE YOU WORKED THERE?

Looking for 2 years of work history. If they have not been employed for that employer 2 years, ask where and what they did before, how long did they work there. If they have a history of 2 years in the same field, but different employers, that will be accepted.

PRE-QUALIFICATION QUESTIONS FOR BUYERS

IF THEY SAY THEY ARE SELF EMPLOYED

Ask them if they have filed tax returns showing profit for the last two years. There are bank statement programs but at a higher down payment and interest rate and you do have to show you make a profit with this program.

HAVE YOU BEEN SAVING FOR A DOWN PAYMENT FOR AWHILE OR DID YOU JUST START SAVING?

If they have been saving or have come into money, they will probably tell you. If they have not been saving, they will probably say that they just started saving or thought they could buy with no down payment.

IF THEY SAY THEY DO NOT HAVE A DOWN PAYMENT SAVED IN A BANK ACCOUNT

Let them know unless they are qualify for a VA loan or USDA loan, or qualify for local down payment assistance, they will need to have funds for down payment. They can also receive a gift from a close relative for down payment. Local or state down payment assistance programs usually require a higher credit score and they must participate in a qualifying down payment assistance course.

PRE-QUALIFICATION QUESTIONS FOR BUYERS

HOW MUCH OF A DOWN PAYMENT ARE YOU PLANNING ON PUTTING DOWN?

This is where you can ask them if they have been pre-approved for a mortgage. If they say they have not, you can say - You really should speak with a lender. Besides the down payment, there are closing costs which can range from 2-4% of the purchase price. A lender would be able to give you an estimate of how much cash you will need to close for the amount that you can be pre-approved for.

DO YOU HAVE AN IDEA OF WHAT YOUR CREDIT SCORE IS?

Buyers who are strong with credit know what their credit score is. If a buyer says the last time I looked on Credit Karma it was around 600, they definitely need to talk to a lender before you take them out to show property. The consumer credit score can be significantly different than the mortgage credit score. So it is important they speak with a lender to see if their score is in line with what they thought. If they need to improve credit, a lender can let them what needs to be done to improve score and how long it will take to qualify.

DO YOU HAVE A LOT OF DEBT LIKE STUDENT LOANS, CAR PAYMENTS, CREDIT CARDS, CHILD SUPPORT OR ALIMONY?

This question is a hard one to ask as a realtor but if you have built a rapport and they are very motivated to purchase, they should be able to answer. They may say something like, "Yes, we do have deferred student loan payments, and a car payment". And your response should be "Well you really need to speak to a lender to go over the student loan payments because many times they are treated differently than regular debt. The same goes with child support and alimony." This would be your opportunity to introduce your preferred lender to help them get pre-approved and closer to owning a home.

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