

Home Buying without an Agent

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You're thinking about buying a house? Without an agent? Here's some advice to help you to understand the typical house-buying experience, or to send you wailing and sobbing all the way to the nearest friendly, understanding real estate agent.

Rule number one:

"There ain't no such thing as a 'typical' house buying experience."

Each buyer has unique motives for buying a house, and each seller has unique motives for selling. The most successful buyer understands the motives of both parties, and using that understanding, coordinates the efforts of several other parties to finalize a transaction that is beneficial to all. No rational being would try to condense the whole of real estate law and custom into the scope of a single article.

Likewise, merely reading this article prepares no one to face the complexities of real estate transactions. Seek the assistance and opinions of competent professional help, and use these inputs to build your own reasoned approach.

Define Your Ideal House

The first step in home buying is to define exactly what it is that you want to buy.

- Will your income decrease in the future?
If so, factor income changes into the price calculations.
- What are your family's hobbies?
Any beekeeper, ham radio operator, pet enthusiast, or car collector can tell you: hobbyist pursuits place special demands on real estate transactions. Fully consider these demands when choosing a home.
- How much will your family's needs change while you own the home?
- Are school districts, zoning, proximity to work, transportation, worship, shopping, extended family, etc. important factors?
- Do any family members have special needs?
- Will you "work out of your home"?

Careful consideration of questions like these is essential as you define the profile of your perfect home.

Interview Potential Lenders

There are two major classifications of mortgage loans, "conforming", and "non-conforming".

A "**conforming**" mortgage loan is a loan where the borrower must meet strict income, credit, and resource guidelines, and the collateral property must meet appraisal, condition, and other guidelines.

Because these portfolios are composed of mortgage loans that have met stringent criteria, they are considered to be safe investments. Hence, "conforming" real estate mortgage loans command attractive interest rates for qualified borrowers. VA and FHA-guaranteed loans, as well as traditional bank mortgage loans are primary examples of "conforming" lenders.

"Non-conforming" mortgage loans are loans made to borrowers who cannot meet the strict requirements of a "conforming" loan program.

A "**non-conforming**" lender will tolerate a history of late payments, as long as the potential borrower has established at least a mediocre track record of making rent or mortgage payments on time over the past year. As these loans are more risky by their very nature, their portfolios are illiquid on the open market and therefore do not command as attractive interest rate for the borrower.

Most financial institutions offer borrower "**pre-qualification**" at no charge.

Pre-qualification gives the borrower a degree of confidence that he can obtain suitable financing through a particular financial institution. However, as the pre-qualification process relies heavily on unverified statements of income and creditworthiness by the potential borrower, and assumes that the property to be purchased will meet certain collateral guidelines, "pre-qualification" by no means represents a commitment by the financial institution.

Be judicious with your permission to allow potential lenders to "pull" your credit reports, as each credit inquiry will be noted on your credit report.

Some lenders routinely deny applicants whose credit reports show too many inquiries, and others will expect you to account for each inquiry and prove that no credit was granted by those inquiring institutions.

Conforming Loans

A "conforming" mortgage loan is a loan where the borrower must meet strict income, credit, and resource guidelines, and the collateral property must meet appraisal, condition, and other guidelines.

Once closed, the mortgage loans are usually grouped into large portfolios and sold on the financial markets. Because these portfolios are composed of mortgage loans that have met stringent criteria, they are considered to be safe investments. Hence, "conforming" real estate mortgage loans command attractive interest rates for qualified borrowers. VA and FHA-guaranteed loans, as well as traditional bank mortgage loans are primary examples of "conforming" lenders.

You will probably qualify for a "conforming" mortgage through a bank or mortgage company if you have a stable job history, meet down payment requirements, have paid your rent or mortgage on time each month for the last one to two years, and have made only one or two late payments total on other installment or revolving accounts during that same period. (Note: Any payment received by the creditor within 30 days after the due date will probably be considered "On-time")

Any outstanding judgments or collection activities against you will most likely need to be settled before any lender will give your application serious consideration. Most financial institutions offer borrower "pre-qualification" at no charge.

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Don't be discouraged if an institution turns you down. Just as different banks and mortgage companies offer different rates and closing costs, they also have different underwriting criteria and personnel who interpret situations differently. A reasoned explanation for past career or financial instability can positively influence lender decisions as well.

Non Conforming Loans

Don't think you can qualify for a "conforming" loan? Is your quest to become a homeowner "dead in the water"? Not necessarily.

Consider the services of a mortgage broker. Much as an "independent" insurance agent represents a host of insurance companies and can select a policy well suited to your needs, a mortgage broker represents multiple lending sources.

Mortgage brokers often represent companies who offer "non-conforming" loans that can meet the needs of borrowers who do not qualify for a "conforming" loan. "Non-conforming" mortgage loans are loans made to borrowers who cannot meet the strict requirements of a "conforming" loan program.

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SHOP, SHOP, SHOP, before selecting a "non-conforming" loan. "Non-conforming" lenders charge significantly higher closing costs and interest rates than do "conforming" lenders, and their costs and rates vary dramatically from lender to lender.

Ask the "non-conforming" lender what "class" of borrower you fall into, based upon your payment history. Then, based upon a proposed purchase price within your financial means, ask for a "Good Faith Estimate" (GFE) of closing costs, followed by a "Truth in Lending" (TIL) statement based upon that GFE.

The "Annual Percentage Rate" listed on the TIL provides a gauge to compare the total loan costs of different lenders, assuming that the loan is not paid early.

If you anticipate refinancing the loan in the near future, give closer consideration to loans with lower closing costs. Ask about the prepayment penalty, and consider fully its ramifications if you chose to refinance.

Beware of ["Adjustable Rate Mortgage" \(ARM\) loans](#).

While offering potential interest cost savings over fixed rate loans, they do transfer the risk of future higher interest rates to the borrower.

Compare and consider the affects of rate ceilings (how high the note rate can rise), rate floors (how low the note rate can fall), adjustment periods (when the rate adjusts), and adjustment caps (maximum rate of increase or decrease each adjustment period).

The note rate on an ARM should be based upon two components: the Index Rate, and the Margin.

The Index Rate is based on a standard cost-of-money indicator like the US Prime Interest Rate, LIBOR (London Inter-bank Offered Rate), or other indicator.

Ask what indicator the Index Rate is tied to, how the Index Rate is determined, and what the current Index Rate is. The Margin is the premium charged over and above the Index Rate. Find out what your margin rate will be, based upon your borrower classification. Check the Wall Street Journal or the financial section of any major metropolitan newspaper to confirm the accuracy of the appropriate Index Rate quoted by the potential lender. The sum of the Index Rate, which you have verified, and the margin, should equal the quoted note rate.

If the sum of the index rate and the margin is higher than the quoted note rate, you are probably being offered an "Introductory" note rate which is designed to hide the true cost of the loan.

In this instance, the note rate will increase by the adjustment cap at each adjustment period until the note rate equals the sum of the Index Rate and the Margin, regardless of whether the Index Rate changes during the adjustment period. Some lenders may market these "Introductory Rates" as "cost savings" for the borrower. A savvy buyer should consider them an attempt by the lender to legally falsify government-mandated GFE and TIL statements.

Alternatives to Non Conforming Loans

In some states, a viable alternative to a "non-conforming" lender is the use of a land contract.

A land contract is an agreement between a buyer and a seller where the house buyer agrees to make periodic payments to the seller.

Unlike a traditional mortgage, where property title transfers to the buyer at closing, title to a property transfers to the land contract buyer upon fulfillment of the land contract obligations.

A land contract can be an effective tool for potential buyers who need a couple of years to establish or improve their credit rating. Minimal closing costs are involved with a land contract, and on-time payment builds equity in the property while establishing a solid mortgage payment record.

Judicious use of other credit resources during this period can help to establish a overall creditworthy track record and allow the buyer to ultimately refinance the land contract with a "conforming" loan.

Land Contracts are not without their risks.

- Land contract purchases may not require recording into the public record.
- There are no guarantees that the seller will be able to convey clear title to the property upon buyer's successful fulfillment of the contract.
- There is no conventional lender taking steps to assure that the purchase price is in line with the property's appraised value, evaluating the condition of the property, or taking steps to assure that the property is not located on a flood plain, etc.
- The buyer stands alone in protecting his interests in a land contract purchase.

Consider assuming the seller's mortgage, especially if the seller has not owned the property a long time.

Assuming a mortgage, if the mortgage is assumable, can save substantially on closing costs, and may give you access to a favorable interest rate. Veteran's Administration loans closed before March 1, 1988, are assumable without approval of the VA or the lender. Consequently, assuming a VA loan closed before March 1, 1988 may offer persons with marginal credit a way to obtain favorable loan terms on a mortgage.

Loans closed starting March 1, 1988, are assumable with the approval of the VA or the lender. Costs include a credit application fee (about \$50), processing fee (about \$300), and 1 ½% of loan balance payable to the VA for transfer of the mortgage insurance. The buyer need not be a veteran of the US Armed Forces to assume a VA loan.

When making application for a mortgage, provide the loan originator with copies of requested documents (paystubs, tax info, divorce decrees, social security letters, etc.) and keep the originals in your possession. Otherwise, you will have difficulty applying elsewhere if there is a problem with your original application.

Never lose sight of the loan officer's motivation: the loan officer is tasked with the responsibility to bring complete loan applications to the attention of the lender's underwriting department. The Loan Officer is evaluated and compensated based upon his ability to do simply that. Therefore, the loan officer is on your side. Collecting on those loans is probably going to be someone else's problem.

Find, Then Retain a Good Real Estate Attorney

Just because you are considering the purchase of a house without the assistance of a real estate agent, does not mean you can avoid the use of professional counsel. In fact, quite the opposite is true.

There are too many legal considerations involved in the purchase of property for the lay person to go through the process alone. Seek out a good real estate attorney, and follow his advice.

The money spent on a good attorney can mean the difference between getting the house you want, or finding yourself in the middle of a legal squabble.

How do you find a good real estate attorney? Ask your regular attorney, or your employer's attorney. As a last resort, check the Yellow Pages or consult an Attorney Referral Service.

Avoid attorneys referred by sellers, real estate agents, or lenders. These attorneys may be popular with their referrers because they may tend to not bring up issues that delay or negate real estate transactions.

Now that you have found a good attorney, ask him for a "boilerplate" purchase agreement that you can use between yourself and the seller of a property, and ask the attorney for details about how to fill in the contract's blanks.

The attorney should explain your obligations under the contract, and under what conditions you or the seller can legally walk away from the contract.

Your attorney will be able to tell you what **seller disclosures** are legally mandated in your area, and should be able to provide you with the necessary forms for your seller. Technically, this is the seller's responsibility, but the more control of the process you assume, the more control you have over the outcome.

Ask your attorney to review your definition of your ideal house. Ask him how zoning ordinances, deed covenants, and deed restrictions can affect your enjoyment of your home, given your unique situation.

Your attorney can tell you how to research zoning ordinances in areas where you are considering purchase, and tell you how to look up covenants and restrictions placed on the individual properties you are considering for purchase.

After research, you may want to check back with your attorney to make sure you understand their ramifications, and to get his opinion on whether they are even enforceable.

Zoning ordinances, if consistent with state and national law, are probably iron-clad enforceable. Actions against violators are usually brought by the local government.

Restrictions and covenants are contractual between buyer and an earlier seller. Violation of restrictions and covenants are possibly less enforceable, as they are usually brought before a civil court by the original developer or his successor. If action has not been brought against other owners in the development who have violated similar restrictions and covenants in the past, then the restrictions and covenants are probably unenforceable today. Ask your attorney.

Ask your attorney about "**dower rights**" in your state. Dower rights protect the property rights of the spouse of the owner, whether or not the spouse is listed on the property deed. If the owner is now married, or if the owner has been married at any time during ownership of the property, the spouse(s)' rights will need to be accounted for, either by having been included as part of their divorce decree, or by having the spouse(s) (past and present) sign a waiver at closing.

Ask your attorney to review and comment on your research of potential lenders.

If you are considering assumption of an existing loan, or the use of a land contract, ask your attorney to refer competent appraisers, inspectors, and public engineers. If assuming a loan, also ask for the name of competent title search agencies, and ask for his opinion on title insurance.

If you are considering use of a land contract, get your attorney's best legal advice on the subject, and utilize his services extensively to make certain that your rights and interests are fully protected.

Again, make absolutely certain you understand your rights, obligations, and potential downside exposure under a land contract in your location. You will want to know your attorney's FAX number, and e-mail address if he has one.

Prospecting for Private Sale Homes

Without an agent, you're on your own to find homes available by private sale, also known as "For Sale By Owner" (FSBO, pronounced fizz-bo).

1. Daily and suburban newspapers, "Tradin' Post"-type classified advertisement newspapers are full of leads.
2. Most supermarkets have community bulletin boards and private sale homes are often listed there.
3. Check the legal notice section of the newspaper for filings of foreclosure notices, sheriff's sales, and divorce notices.
4. Check with the county treasurer for a list of properties with delinquent taxes. If they can't afford to pay their taxes, they're probably behind on other bills as well and would welcome a reasonable offer.
5. Don't be afraid to post a "house wanted" notice at the local supermarket, in the local newspaper classified section, or on the bulletin board at work.
6. Cruise prospective neighborhoods for "For Sale By Owner" signs. Your friends will want to help, too, so make sure you solicit use of their eyes and ears.
7. Don't forget to check on-line. Real Estate sites, like ired.com, have directories or list private sale properties, too.

Remember, too, that even if you are not using the services of a real estate agent, you will nonetheless be dealing with one if the seller has chosen to use one.

Even if no Realtor is actively promoting sale of a specific property when you chose to buy, a Realtor may have a legal claim to a sales fee. For instance, if you attend an open house sponsored by a Realtor, and decide later to purchase that home, the seller may be obliged to pay the Realtor fee even if their contract has expired.

If a seller signs a Realtor contract, then immediately "pulls" the property off the market, then sells the property without Realtor assistance during the term of the contract, the Realtor is probably entitled to a sales fee.

If this house looks like a purchase prospect, ask the seller if he has signed a Realtor contract on the property within the past two years. If so, request a copy of that agreement and read it carefully to assure that the

Realtor has no legal right to claim a sales fee. Otherwise, the seller will probably want the commission included in the selling price of the house - which will affect your offer.

If this house looks like it merits further pursuit, now would be an excellent time to produce blank copies of the state or local seller disclosure documents you got from your attorney and ask the prospective seller to fill them out, stressing the importance of complete, accurate disclosure information.

Agreed, you are assuming part of the seller's job by providing these forms and soliciting their completion. However, in doing so, you maintain driving control of the process. Leaving chores in the hands of others invites unnecessary delays.

You will need this information when you begin your process to determine the property's value. Don't be bashful about asking neighbors about the house. Sometimes neighbors seem to know more about property faults than owners.

Determining the Property's Value

Determining an offering price on a house is a sticky proposition for a novice home buyer, who has few resources available to him/her.

An appraiser would base his appraisal on "comparable" property values. "Comp" prices are sales prices of similar homes in the neighborhood which have sold in the last year, adjusted for significant differences, like major improvements (swimming pools, re-modeling, additions, etc.), and other differences like lot size, room count, age, construction quality, and overall condition.

The buyer can approximate this information by asking neighborhood owners what properties have been sold in the last year, and comparing them for similarity to the subject house.

A trip to the county auditor's office will yield the appraised value of the similar properties. Close by, a stop at the county recorder's office will yield the most recent sale prices and sale dates on the comparable properties. The county treasurer's office will give you the property taxes on each property.

Before leaving the court house, make sure you check these county offices for similar information on the property you are considering for purchase. In addition, check with the county treasurer for delinquent taxes on the property, and check with the county recorder to see if any liens have been filed on the property. These liens must be satisfied before title can transfer on the property. If the total of the liens is greater than your offering price, the seller will probably be unable to provide clear title unless he works with the lienholders to release their interest for an amount less than the lien.

If all this seems too intimidating, consider the services of a real estate appraiser referred by your attorney.

The cost of an appraiser varies from state to state, city to city. In Dayton, Ohio the cost is approximately \$300. For this amount, you will get a professional property appraisal with photographs and descriptions of the subject property and the three comparable properties used to establish the market value of your subject property.

The appraisal report will also state whether the property is located on a FEMA-designated flood plain, and note any known environmental issues, and any observed infestations.

The bad news is that the lender will probably require you to have the property re-appraised as part of your application for a loan, which means you'll pay for another appraisal. Nevertheless, that cost could appear minuscule compared to the potential loss of an overgenerous offering price.

Making the Offer

By this step in the process, you should have a good idea of the house's value, why the owner wants to sell, how much he owes on the property, and how soon he needs to sell the property. In addition, you should have an idea of how much any needed repairs and updates should cost.

While most sellers want the best price attainable for their properties, price in itself is probably not what is motivating the sale. A seller who is facing foreclosure knows that he has a limited window of opportunity to liquidate his property, otherwise, the lender takes the property and the foreclosed borrower has a serious mark against his credit. Any offer at a price over the loan payoff is a good offer to this seller because it allows the seller to preserve at least a fraction of his equity and prevent further credit assassination.

Similarly, a house sold to "settle an estate" may be liquidated at a bargain price. After estate taxes, selling expenses, etc., a 10 or 20% difference between appraised value and sale price pales when split among several heirs who are anxious to collect their inheritance and move on with their lives.

Employees facing relocation, homeowners who are building their next "dream" home, future "divorcees", to name a few, all face motivations to sell which are far more compelling than the price motivation. Your complete knowledge of the buyer's situation will guide you in setting your offering price.

Now that you have a number in mind, it's time to negotiate the price and sign the contract. An old saying from the used car business is equally sage here: "The first person to name a price - LOSES!"

Get the seller to name an asking price. If it's lower than you were willing to offer, you win. If the seller's asking price is higher, ask the seller to justify his price, then make your offer with your own explanation. Let the seller have time to think about your offer. You don't have to buy this property unless the price suits you. There will be plenty of time to fall in love with the house after you own it, so leave those kinds of emotions out of the negotiating thought process.

After coming to terms with a seller, present the seller with a completed copy of the purchase agreement. All parties will sign the agreement and you as the buyer will give the seller "earnest money", to demonstrate that your offer is sincere.

The amount of earnest money is usually insignificant, whether one dollar or one thousand dollars. The presence of earnest money is the key factor.

If the sale is consummated as agreed, the earnest money will be credited to the purchase at closing. If the sale falls through for any reason discussed in the purchase agreement, or for most reasons beyond the control of the buyer, the seller will return the earnest money, as agreed in the purchase agreement.

Bear in mind that potential damages caused by breach of the purchase agreement by either party are in no way limited by the amount of earnest money.

Inspections

A good purchase agreement will allow a specific reasonable period of time for the buyer or his agents to inspect the property's overall structure, chimney, plumbing, electrical service, septic, HVAC, fireplace, appliances, foundation, roof, water system, etc. The buyer should also have the right to pursue pest infestation inspections, if desired. These inspections should be made at the buyer's expense, since it is the buyer's interest that is being protected. If significant faults are uncovered, the buyer should have specific obligations to communicate these faults to the seller, and certain rights to cancel the purchase agreement if the issues cannot be resolved to the buyer's satisfaction.

There are two schools of thought concerning home inspection.

Most buyers choose a home inspection service because it provides a general indication of the property's condition, and because frankly, that's what lender's require.

Consult with your lender to see what inspection firms they choose to work with. A much more detailed, but less broad report comes from a civil engineer. A civil engineer concentrates on major systems' conditions, and tends to worry less about minor items like cracked electrical wall plates and toilet seats. A civil engineer will concentrate on major, high ticket items like lot drainage, foundation condition and stability, overall construction quality, roof condition, electric compliance and service levels.

Home inspectors provide general statements over a broad range of items, trivial to significant. Civil engineers pay attention to major (ie costly) systems. Finally, if any inspector or the appraiser notes pest infestation, appropriate pest inspections and repair estimates are in order.

Back to the Lender

As you have resolved any issues over property condition with the seller, it is now time to return to the lender's office. From here on, the lender takes charge of the process.

First, the lender will work with you to complete the loan application process. The lender will finish the collection of your income and credit information and supporting documentation. Next, you'll sign a stack of "disclosure" statements, covering topics as varied as lead paint and equal credit opportunity. For now, your work is, at least officially, done.

While you bite your nails for the next 30 to 60 days, the lender will ask a real estate appraisal company to prepare a report to confirm that the value of the property justifies the purchase price, and to assure that the value of the property will at least remain stable for the future.

On your behalf, the lender will probably order a home inspection service to check out the condition of the property, assure that it is in habitable condition, and to confirm that there are no serious defects in the property that could negatively impact the property's value.

The lender will work with a title company, who will check to see who are the legal property owners, check for property liens, and verify that clear title can be conveyed on the property by the seller. The title company will provide an insurance policy guaranteeing the validity of the title.

Finally, you, the seller, the lender, and other interested parties or their representatives will meet at the title company's office to "close" the sale.

At the closing, the seller and buyer will sign documents, and the title company will distribute the proceeds of the sale to the seller, and others who have an interest in the sale proceeds (mortgage holders, title company, inspectors, lienholders, etc.)

The title company will act as the seller's agent in conveying title to the buyer, and registering the transfer with the county government officials. Make certain that the title agency has checked with the local water and sewer department for current payment of the water bill. In many states the water bill follows the property, not the property owner. If the previous owner "stiffs" the water company with a past due bill, it's going to be the new owner's responsibility to arrange payment.

Speeding Up the Loan Approval Process

Why does it take 30 to 60 days to get a conforming loan approved? Because, the lender verifies each piece of information you provide during the loan application process. While you have almost no control over the process, you can nevertheless drastically cut the time required with some careful preparation. Pay particular

attention to details. The two greatest delaying factors in loan approval are incomplete information provided by the loan applicant, and delayed response from employers, creditors, landlords, and financial institutions.

Provide complete information and documentation...repeat **COMPLETE INFORMATION AND DOCUMENTATION**...as you prepare your loan application.

Your potential lender will ask for supporting documentation, ie, W-2's, paystubs, divorce decrees, tax returns, etc. This is not a request for whatever is "convenient" for you to "dig up", nor is the potential lender asking for a "sample" of these documents.

The lender needs absolutely everything asked for, and no "cutsie" little excuse is going to act as a credible replacement for missing documentation.

Failure to provide complete information and documentation will either lead to delayed submission of the application by the loan officer, a delay by the loan processor or underwriter while alternative sources of information and documentation are researched, or a suspension of the entire process until you provide what you were asked to provide in the first place.

Lender underwriters immediately assume an attempt to hide derogatory information, when applicants fail to provide complete information and documentation. Obviously, there is no acceptable outcome here unless you provide complete information and supporting documentation at application time.

Even if you provide a complete application, certain bottlenecks in the process can prevent a smooth approval process. The following are potential obstacles in the routine process.

1. **Verification of Employment (VOE)**

The lender will send VOE requests to current and recent employers. Contact your and your spouse's present and past employers from the prior two years.

Ask each employer's personnel department who is the responsible person for completing VOE's, and get complete contact information (name, mail stop, address, phone number, fax number, etc.)

Ask about the "mechanics" of the process. How many times a month does the responsible person process VOE's, and is there a way to receive priority attention? Document this information and provide it to your lender at the time of loan application.

2. **Verification of Mortgage (or Rent) (VOM/VOR)**

The lender will request VOE's or VOM's from each of your landlords or mortgage lenders from the past two years.

Contact all landlords or mortgage lenders for the past two years. Get accurate contact information (name, mail stop, address, phone number, fax number, etc.) for each. Explain to each that they will be receiving a written inquiry concerning your payment history and other financial information. Ask for their prompt response. Document this information and provide it to your lender at the time of loan application.

3. **Verification of Account (VOA)**

Again, each bank or broker where you do business will be asked for a VOA.

Contact each bank, or broker where you maintain checking, savings, or investment accounts. As above, ask for the complete, accurate contact information of the person responsible for completing VOA's, document and submit with the loan application.

4. **Creditor Verification**

As above, provide correct contact information for car loans, department store charge cards, major charge cards, student loans, etc.

Providing this unsolicited information to the loan officer at application time bypasses potential time killers by assuring that the verification documents reach the hands of the appropriate responding individuals quickly, and your personal contact with them helps instill a "sense of urgency".

And, why you ask, does the loan officer have such a surprised look on his face when you offer him this extra documentation?

Because he usually has to struggle to get the minimum amount of information and documentation out of potential borrowers. Your thorough preparation just made his job easier. Easier, means faster in the loan business.

Collection and verification of data are the biggest time consumers in the loan approval process. Prompt information flow can cut the loan approval process time at least by half.

Final Thoughts

As discussed early on, no article of this magnitude can hope to discuss all of the issues involved in buying a house without a real estate agent.

Solicit the help of professionals you trust, keep them "in the loop" as the process unfolds, and you should be in good shape. As you plan your strategy, keep in mind the motives of each player in the process, including your own. Understanding motives lends insight into the actions of other persons.

Even if you decide that buying a home without an agent is too complex or time consuming for you, remember that an agent is not a legal representative, inspector, loan originator, or family member.

You, as the buyer, still need to define what your housing needs are, properly evaluate properties, and negotiate with lenders. A good agent is no substitute for a good attorney, and there are no guarantees that an agent is even representing your best interests. Put another way, an agent is there to help you buy a home. It's still your responsibility to protect yourself.

There are few greater material pleasures than home ownership. The feelings of security, privacy, and accomplishment are rewards in themselves. Remember that no deal is a good deal unless it makes rational sense.

There will be plenty of time to fall in love with the property after the title is transferred into your name. Emotions about a particular property can cause bad decisions which can lead to several years of suffering later on. Buy with your head, not with your heart.