THINKING ABOUT A HOME?

Thinking About Buying a Home?

A practical Illinois buyer guide for understanding the journey before deciding what comes next.

Clear information. Practical considerations. No pressure.

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Educational information only. Real estate, lending, legal, tax, insurance, inspection, appraisal, and other professional matters can depend on individual circumstances. Verify current requirements with the appropriate licensed or qualified professional.

Start With the Decision - Not the House

Buying a home is not simply a search for bedrooms, bathrooms, and a price. It is a financial, practical, and personal decision. Before searching seriously, it helps to understand where you are, what you can comfortably manage, and what matters most to you.

A useful starting point

• Why are you considering buying? A first home, more space, less space, relocation, investment in your own housing, or another reason?

• What monthly housing cost feels sustainable? A lender may determine what you qualify to borrow; you decide what feels responsible for your life.

• What cash may be needed? Consider down payment, closing costs, inspections, real estate brokerage compensation when applicable, moving expenses, reserves, and immediate home needs.

• How long might you stay? Your likely time horizon can affect whether buying makes sense for you.

You do not need every answer today. The goal is to understand enough to make the next responsible decision.

The Home-Buying Journey at a Glance

Every transaction is different, but many Illinois residential purchases move through a sequence similar to this:

1	Prepare Review finances, priorities, timing, and readiness.
2	Discuss financing Speak with a qualified lender when appropriate and understand the difference between preliminary qualification and a documented preapproval.
3	Choose representation Understand the real estate broker's role, services, agency relationship, brokerage compensation, and the written buyer brokerage agreement and related disclosures that apply before representation and touring homes.
4	Search and evaluate Compare homes against your needs, budget, location considerations, and property condition.
5	Offer and negotiate If you choose a property, discuss price, terms, contingencies, timing, and strategy with your contracted real estate broker. Prepare and submit the buyer-executed contract to purchase/offer and negotiate seller terms until agreement is reached and the contract is fully executed by the required parties.
6	Contract period Complete agreed due diligence, financing steps, inspection decisions, appraisal-related steps, contact a homeowner's insurance provider to discuss and obtain required coverage, complete attorney review where applicable, and satisfy other contract obligations.
7	Prepare for closing Coordinate final lender, attorney/title, insurance, funds, utilities, walk-through, and closing requirements.
8	Close Complete the transaction and receive possession according to the contract.

The order can change. Your contract, financing, property, and circumstances control the actual process.

Financing: Understand the Conversation

For many buyers, financing is the first major checkpoint. The objective is not to memorize loan programs. It is to understand the questions that affect your buying decision.

Prequalification and preapproval

Prequalification is generally an early estimate based on information you provide. Preapproval generally involves a more detailed lender review of financial information and documentation. Lender terminology and processes vary, so ask the lender what has actually been reviewed and what conditions remain.

Common financing categories

Buyers may encounter conventional, FHA, VA, USDA, FHA 203(k) and other rehabilitation financing, down-payment assistance, and other financing options. Eligibility, property requirements, down-payment rules, fees, mortgage insurance, credit standards, interest rates, repair requirements, and underwriting requirements can change and differ by program, lender, property, and borrower.

Avoid treating an online chart as a loan approval. Instead, compare actual loan terms and costs provided for your circumstances.

Questions worth asking a lender

- What loan options appear applicable to my situation, and why?
- What is the estimated interest rate, APR, payment, cash needed to close, and total closing cost?
- Is the rate locked? If so, for how long and under what conditions?
- What mortgage insurance, funding fee, guarantee fee, points, or lender charges apply?
- Is down-payment assistance available to me, and what eligibility or repayment requirements apply?
- Can eligible repair or update costs be included in my financing? If so, which loan programs allow it and how does the process affect qualification, appraisal, contractor requirements, timing, and closing?
- Can down-payment assistance be combined with financing that includes eligible repairs or updates?
- What documentation or conditions remain before final approval?

Your Home: Needs, Wants, and Tradeoffs

A useful home search starts with priorities. Few properties satisfy every preference, so separate what you truly need from what would simply be nice to have.

Consider	Must Have	Would Like
Property type		
Bedrooms / bathrooms		
Parking / garage		
Accessibility / layout		
Condition / renovation tolerance		
Outdoor space		
Commute / transportation		
Other		

Location research: Focus on objective information relevant to your decision - property characteristics, taxes, transportation, municipal information, services, commute, and other factors you choose to investigate. Buyers should independently evaluate community characteristics that matter to them.

When You Find a Home

A home can feel right and still require careful evaluation. Your contracted real estate broker can help you understand the transaction and prepare an offer, but different professionals handle different areas of expertise.

Before an offer

• Review recent market information and the property's asking price.

• Consider condition, visible maintenance needs, disclosures, taxes, association information when applicable, and other available property information.

• Discuss proposed price, earnest money, financing, closing date, contingencies, personal property, and other offer terms.

• Understand that the seller may accept, reject, counter, or receive competing offers.

Your professional team may include

Real estate broker: representation, property search, transaction guidance, negotiation, and coordination within the broker's licensed role.
Lender: financing and underwriting.
Attorney: legal advice and contract/title matters.
Inspector: property inspection within the inspector's scope.
Appraiser: an independent valuation professional who develops an opinion of value for the appraisal assignment; the appraiser does not represent the buyer, seller, or real estate broker in the transaction.
Insurance professional: coverage and insurability.
Tax or other specialists: specialized advice when needed.

The goal is not to turn the buyer into every professional involved in the transaction. It is to help the buyer know which questions belong where.

Under Contract: Keep the Transaction Moving

An accepted contract begins a time-sensitive phase. Dates and obligations vary by contract, financing, property, and transaction, so follow the instructions of the professionals handling your purchase.

Common checkpoints

- Earnest money and contract deadlines
- Attorney review and legal matters, when applicable
- Home inspection and any permitted follow-up decisions
- Loan application, lender documentation, underwriting, and appraisal
- Homeowner's insurance arrangements
- Title and closing coordination
- Final walk-through and funds required for closing

Protect your financing

Before closing, significant financial changes can affect loan approval. Before opening or closing credit accounts, financing a vehicle or major purchase, changing employment, moving substantial funds, or taking other major financial actions, ask your lender how the change could affect your loan.

Before Closing

Closing is not merely the day you receive keys. It is the completion of legal, financial, title, and contractual requirements.

Your final checklist

☐ Confirm final loan and closing instructions with your lender and attorney/title professionals, and arrange for utilities to be transferred into your name effective on the appropriate closing or possession date as instructed.

☐ Review required closing disclosures and ask questions about anything you do not understand.

☐ Arrange homeowner's insurance as required.

☐ Verify how closing funds must be delivered. If a cashier's check is permitted, follow the closing professional's instructions. If funds are to be wired, independently confirm wire instructions through a trusted channel before sending money.

☐ Complete the final walk-through as provided by the contract.

☐ Bring required identification and documents. If you are married, confirm in advance with your attorney/title professional whether your spouse must attend or sign documents because Illinois homestead or marital rights may require a spouse's signature in some transactions.

☐ Confirm possession, keys, and any post-closing arrangements.

Fraud awareness: Real estate transactions can be targets for wire and impersonation fraud. Treat unexpected changes to wiring instructions, payment requests, or contact information as suspicious until independently verified.

What Can You Do Next?

You do not have to be ready to buy today for this guide to be useful. A responsible next step may simply be understanding your finances, defining your priorities, asking a question, or waiting.

If you decide to move forward

1. Understand your financing. Speak with a qualified lender when appropriate.

2. Define what you are looking for. Use the needs-and-wants worksheet in this guide.

3. Understand representation. Ask what services your real estate broker provides, how agency works, what brokerage compensation applies, and what written agreements and disclosures are required.

4. Search when you are ready. Property searching and brokerage services can proceed once you and your real estate brokerage have a mutually agreed and fully executed buyer brokerage agreement, together with applicable disclosures, and you understand your practical parameters.

5. Ask questions. You should understand the decisions you are being asked to make.

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