

Patrick's 13-Step Home Buying Checklist for New Jersey

Your Complete Roadmap to Homeownership

Step 1: Assess Your Financial Foundation

What to do:

- Check your credit report (AnnualCreditReport.com—free)
- Identify areas for improvement (pay down debt, dispute errors)
- Review your down payment savings
- Determine what you can comfortably afford (not just bank max)
- Budget for all costs: principal, interest, property taxes, insurance, HOA, maintenance

Why it matters:

Buying a home isn't just about the mortgage payment. Property taxes in NJ are among the highest nationally. Factor in insurance (which has risen significantly), maintenance (1% of home value annually), and utilities.

Key NJ consideration:

New Jersey homestead exemption may apply—up to property tax relief if you qualify.

Step 2: Get Pre-Approved for a Mortgage

What to do:

- Contact 2–3 NJHMFA-approved lenders (not just your bank)
- Gather documents: W2s (2 years), pay stubs, bank statements, tax returns
- Request pre-approval letters (valid 60–90 days typically)
- Lock rate or understand rate-lock terms
- Confirm down payment programs (NJHMFA, county grants, FHA, VA, USDA)

What NOT to do:

- Don't apply with multiple lenders at once (credit inquiries compound)
- Don't open new credit accounts or make big purchases

- Don't co-sign loans for others
- Don't change jobs mid-process

Why it matters:

Pre-approval proves you're a serious buyer. NJ markets move fast. Sellers prioritize pre-approved offers over pre-qualified.

NJ programs to explore:

- NJHMFA (down payment assistance 3–5%)
 - County grants (Essex, Hudson, Union, etc.)
 - Police/Fire/Educator programs (extra incentives)
-

Step 3: Define Your Needs vs. Wants

What to do:

- List needs: bedrooms, bathrooms, location (work commute), school district, yard, garage, structural integrity
- List wants: gourmet kitchen, pool, finished basement, updated systems
- Prioritize—what's truly non-negotiable?
- Set location parameters (towns, neighborhoods, proximity to transit)
- Create written checklist (share with agent)

Remember:

No home is perfect. Be prepared to compromise. Your first home doesn't have to be your last home.

NJ-specific:

- Consider flood zones (FEMA maps—some areas require expensive flood insurance)
 - Check school district ratings
 - Research property taxes by town (they vary wildly in NJ)
 - Factor in commute times to work/family
-

Step 4: Hire a Buyer's Agent (with Written Agreement)

What to do:

- Interview 2–3 agents (ask about market knowledge, negotiation experience, post-closing support)
- Sign Buyer Representation Agreement before viewing ANY property
 - *NJ Law (2024+): Agents cannot show you homes without a signed agreement*
- Confirm agent will represent YOUR interests (not seller's)
- Clarify commission structure (who pays if seller declines)
- Discuss timeline, communication frequency, and market strategy

Why it matters:

Licensed agents understand NJ attorney review, property condition disclosures, flood zones, oil tank sweeps, and local market dynamics. FSBO purchases expose you to legal/financial risks.

Buyer Representation Agreement covers:

- Agent's fiduciary duties to you
- Compensation terms
- Services provided (showings, negotiations, closing support)
- Duration (time-based or per-showing basis)
- Dual agency disclosures (if applicable)

Step 5: Get Pre-Approved for Insurance (Especially Important in NJ)

What to do:

- Shop insurance IMMEDIATELY after contract (before closing)
- Get quotes from 3+ carriers
- For homes with older roofs (15+ years), get early quotes before offer
- Ask about replacement cost coverage (not actual cash value)
- Confirm lender requirements met
- Lock in rate if possible

Why NOW?

NJ insurance market is tight. Older roofs, no roof, or recent claims = carriers decline. No insurance = no loan = no home purchase. This is non-negotiable.

Red flags triggering denials:

- Roof age >20 years (confirm replacement cost)
- Open claims or prior water damage
- Unpermitted additions/alterations

- Properties near water (separate flood insurance required)
-

Step 6: Search Homes Strategically

What to do:

- Search online (Zillow, Realtor.com, MLS) using your needs/wants checklist
- Schedule adequate time per viewing (aim for up to 60–90 minutes, not a 5-minute walk-through)
- View homes at different times of day (traffic, noise, neighborhood feel)
- Re-view top contenders more than once
- Never view alone—include your agent for protection and perspective

When viewing, check for:

- Structural integrity (cracks, uneven floors, sagging, bowing walls)
- Electrical systems (panel type, breakers vs fuses, outlet condition)
- HVAC age and condition
- Plumbing (water pressure, visible leaks, pipe material in older homes)
- Oil tank presence (pre-1980s homes)—plan for future sweep/testing
- Roof (age, missing shingles, visible leaks or patching)
- Basement/crawl space (moisture, efflorescence, sump pump, mold)
- Attic (insulation, ventilation, stains from prior leaks)
- Windows and doors (opening/closing properly, seals, drafts)
- Musty smells (mold/moisture red flag)

Don't be fooled by staging:

Open closets and cabinets, look behind furniture, lift rugs if appropriate. You're buying what stays when the pretty furniture leaves.

Step 7: Understand the Market & Make Your Offer

What to do:

- Have your agent prepare a Comparative Market Analysis (CMA) with recent sold comps
- Analyze list-to-sale price patterns in that specific neighborhood
- Decide on your offer price and terms with your agent's guidance
- Include an inspection contingency (strongly recommended in NJ)
- Plan for the 3-business-day attorney review period (built into NJ contracts)

- Clarify what's included/excluded (appliances, light fixtures, window treatments, etc.)

Offer should include:

- Property address and legal description
- Purchase price and key terms
- Earnest money (typically 1–3% of purchase price in NJ)
- Target closing date
- Inspection contingency timeline
- Financing contingency (if you're getting a loan)
- Attorney review clause (standard in NJ)
- Acknowledgment that you've received/discussed the seller's property disclosure

NJ-specific contingencies commonly used:

- Home inspection (including all specialty inspections)
 - Attorney review
 - Financing and appraisal
 - Oil tank sweep (especially for older homes)
-

Step 8: Submit Offer & Negotiate

What to do:

- Your agent submits the written offer to the listing agent
- Be prepared for counters, not just simple yes/no answers
- Use the CMA to justify your price and terms
- Negotiate repairs or credits based on inspection findings later
- Keep all communication through your agent and attorney (not directly with the seller)
- Stay calm—be ready to walk away if the numbers or terms stop working for you

If the seller counters:

- Decide your absolute walk-away price and terms
- Evaluate each counter with your agent (price, closing date, credits, inclusions)
- Respond in writing and within the allowed timeframe
- Remember: until fully signed, nothing is final

Once an offer is accepted:

- Earnest money gets deposited to the escrow/attorney trust account within the agreed timeframe
- You're "under contract," but subject to attorney review and contingencies

Step 9: Attorney Review Period (3 Business Days in NJ)

What happens:

- Standard NJ contracts include a 3-business-day attorney review period starting once both sides sign the offer.
- Either party's attorney can disapprove or propose changes during this window.

What you do:

- Hire/notify your NJ real estate attorney immediately
- Have your attorney review the contract and explain any legal concerns
- Let your attorney handle changes, clarifications, and protections in writing
- If needed, your attorney can disapprove and terminate the contract (protecting your deposit)

Typical attorney review tasks:

- Tighten contingency dates and language
- Clarify responsibilities for repairs, certificates, and inspections
- Address any unusual contract terms

If attorney review ends with a fully approved contract, you move into the inspection and mortgage phases.

Step 10: Professional Home Inspection & Due Diligence

What to do:

- Hire a licensed home inspector (ideally one you choose, not just whoever is "recommended")
- Schedule inspection quickly to stay within deadlines
- Attend the inspection if possible—ask questions and learn about the home

Standard inspection scope:

- Structure, roof, exterior
- Electrical, plumbing, HVAC
- Attic, basement/crawl space
- Interior (walls, ceilings, floors, doors, windows)

- Safety items (smoke/CO detectors, railings, trip hazards)

Common NJ add-on inspections:

- Oil tank sweep (critical on older homes)
- Radon test
- Termite/pest
- Chimney
- Septic (if applicable)
- Well water (if applicable)

After the report:

- Review the full report with your inspector and agent
- Distinguish between “must-fix” and “nice-to-have” items
- Decide whether to request repairs, credits, price reduction, or to walk away
- Have your attorney formally submit any repair/credit requests

If the seller won't reasonably address serious issues, this is a valid point to exit using your inspection contingency.

Step 11: Finalize Financing & Appraisal

What to do:

- Provide any additional documents your lender requests promptly
- Lender orders the appraisal (you pay for it)
- Your agent can meet the appraiser with comps and context
- Review the appraisal result with your lender and agent

If the appraisal is at or above contract price:

- Great—you move forward with financing as planned

If the appraisal is low:

- Try to renegotiate the price closer to the appraised value
- Decide if you're willing and able to cover part/all of the gap
- If no agreement and your contingency allows, consider walking away

Underwriting & clear to close:

- Lender re-checks credit and employment
 - Don't open new credit lines or make big purchases (cars, furniture, etc.)
 - Once the lender issues “clear to close,” you're ready to schedule closing
-

Step 12: Prepare for Closing Day

2–5 days before closing:

- Review your Closing Disclosure (CD) from the lender—check rate, payment, cash to close
- Confirm wire instructions or certified check amount with your attorney/title company
- Set utilities (electric, gas, water, internet) to start on or just before closing day
- Arrange movers and any early contractor visits (if you're renovating)

Final walkthrough (usually day before or morning of closing):

- Confirm the property is in substantially the same condition as when you went under contract
- Verify agreed-upon repairs are completed
- Check that appliances and major systems are functioning
- Make sure included items are still present (and excluded items removed)

At the closing table:

- Bring required ID and any remaining certified funds
- Review and sign loan documents and settlement statements
- Your attorney will explain key documents before you sign
- Once everything is signed and funds are disbursed—you get the keys

Congratulations. At this point, you legally own the home.

Step 13: Post-Closing – Your First 30 Days

Immediately after closing:

- Change or rekey all exterior locks
- Test all smoke and CO detectors; add/replace as needed
- Take dated photos/videos of the property condition for your records
- Store your closing package somewhere safe (and digital copies if possible)

Within the first month:

- File any applicable NJ property tax relief forms (homestead, if eligible)
- Confirm your lender is properly escrowing taxes and insurance (if applicable)
- Set up a simple home maintenance schedule (filters, gutters, seasonal tasks)
- Meet key local pros (plumber, electrician, HVAC tech, etc.)

Ongoing:

- Budget 1% of home value per year for maintenance and repairs
- Keep insurance up to date (especially after major improvements)
- Reach out to me when you're considering refinancing, renovating, or planning your next move

Patrick's Final Words on the 13 Steps

These 13 steps are your practical roadmap from “maybe I should buy” to “I own the place and know what to do next.”

Follow them in order, lean on your NJ attorney and your buyer's agent, and you dramatically reduce the chances of becoming one of the horror stories in Chapter 13.

When you're ready to put this checklist into action—think of Patrick.

Patrick Rumore

Realtor

973-666-0365

www.thinkofpatrick.com

patrick@thinkofpatrick.com