

— ONTONIO COLON REAL ESTATE

The Complete *Home Buyer's* Guide

Everything you need to know about buying a home in Chicagoland — from pre-approval to picking up your keys at closing.



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NEXT LEVEL PRODUCTIONS

OI The Home Buying Process

Buying a home is one of the largest financial decisions you'll make — and one of the most rewarding. The process has a clear structure, and knowing what's ahead makes every step feel manageable. From the moment you decide to buy to the day you receive your keys, here's how it unfolds.

Most Chicagoland transactions take 45–60 days from accepted offer to closing. The time before that — searching for the right home — varies depending on inventory and how clear you are on what you want. Some buyers find their home in weeks; others take a few months. There's no wrong pace.

TYPICAL TIMELINE

WEEK 1	Get pre-approved with 2–3 lenders. Know your budget before you fall in love with a house.
WEEKS 2–8+	Search for homes, attend showings, and evaluate neighborhoods. This is where I do most of the work — finding homes, filtering listings, and getting you into properties quickly.
OFFER DAY	When you find the right home, we move fast. I'll prepare a competitive offer and present it — sometimes the same day as the showing.
DAYS 1–5	Attorney review and inspection period — both run simultaneously. Schedule your home inspection immediately; it must be completed within this 5-business-day window so any findings can be addressed before attorney review closes. If the inspection cannot be completed in time, your attorney can request an extension. Your contract isn't fully binding until this window closes without modification or rejection.
DAYS 7–21	Lender orders the appraisal. If the home appraises at or above purchase price, you're clear to continue.
DAYS 21–45	Underwriting and mortgage commitment. Your lender verifies all documentation and issues your mortgage commitment letter.

FINAL WEEK

Final walkthrough to confirm the home is in agreed-upon condition. Review your closing disclosure — it lists every fee and the exact amount you'll bring to the table.

CLOSING DAY

Sign approximately 50 pages of documents. Funds are distributed, the deed is recorded, and you receive your keys.

MY ROLE IN THE PROCESS

As your buyer's agent, my compensation is negotiated as part of the transaction. In most cases, I'm able to negotiate for the seller to cover my fee in full — meaning your out-of-pocket cost for my services is zero. In some situations, a seller may agree to cover only a portion of my fee, which will be disclosed to you upfront and reflected in your purchase agreement before you're committed to anything. Either way, you'll know exactly what to expect before we move forward. What you get is someone who knows the market, negotiates on your behalf, coordinates every party in the transaction, and is available when things move fast. A buyer without representation is at a significant disadvantage in a competitive market.



02 Getting Pre-Approved

Pre-approval is not the same as pre-qualification. Pre-qualification is a rough estimate based on self-reported numbers. Pre-approval means a lender has actually verified your income, assets, and credit — and is willing to lend you a specific amount. Sellers take pre-approval seriously. Pre-qualification is largely ignored.

Get pre-approved before you start seriously shopping. In a competitive market, you may need to submit an offer within hours of a showing. If you don't have a pre-approval letter ready, you'll lose the home.

The 14-Day Shopping Window: You have a 14-day window where you can apply with as many lenders as you want and all the credit inquiries count as just one hard pull on your credit report. I recommend getting pre-approved with 2–3 different lenders so you can compare rates, fees, and available programs. Even a 0.25% difference in interest rate can save you tens of thousands over the life of your loan.

WHAT LENDERS EVALUATE

Credit & Income

- Credit score (620+ for conventional, 580+ for FHA)
- 2 years of employment history in the same field
- 2 years of tax returns and W-2s
- Recent pay stubs (last 30 days)
- Debt-to-income ratio (typically below 43%)

Assets & Property

- 2 months of bank statements (all accounts)
- Source of down payment funds
- Gift letter if any funds come from family
- Type of property being purchased
- Intended occupancy (primary vs. investment)

DOCUMENT PREP CHECKLIST

- 2 years of federal tax returns — complete with all schedules
- 2 years of W-2s from every employer
- Recent pay stubs (last 30 days)
- 2 months of bank statements — all pages, all accounts
- Government-issued ID — driver's license or passport
- List of all monthly debts (car, student loans, credit cards, child support)
- Gift letter if any portion of down payment is from family
- Rental history — landlord contact and payment history for last 2 years
- Self-employment docs if applicable (1099s, profit/loss statements, business returns)
- Divorce decree if applicable, including property settlement agreements



03 Making an Offer

When you find the right home, we move quickly and strategically. An offer is more than just a number — it's a package of terms that together determine whether it gets accepted, countered, or ignored. I'll walk you through every component and advise on how to position your offer given the specific property and market conditions.

KEY OFFER COMPONENTS

- Purchase Price** — The headline number, but not the only lever. We'll look at comparable sales, days on market, and seller motivation to determine the right opening price.
- Earnest Money Deposit** — Typically 1–2% of the purchase price. This is deposited within 2–3 business days of acceptance and credited toward your closing costs. Higher earnest money signals a serious buyer.
- Closing Date** — When you want to close. Sellers often have a preferred date. Flexibility here can strengthen your offer.
- Contingencies** — Conditions that must be met for the deal to proceed. Listed below.
- Personal Property** — Specify any appliances, fixtures, or items you want included.
- Seller Concessions** — A request for the seller to contribute to your closing costs. Common in buyer-friendly markets.

CONTINGENCIES THAT PROTECT YOU

INSPECTION

Gives you the right to have the home professionally inspected and to negotiate repairs, credits, or cancellation based on findings.

FINANCING

Protects you if your mortgage falls through. If you can't get approved, you can exit the contract and receive your earnest money back.

APPRAISAL

Protects you if the home appraises below purchase price. You can renegotiate, make up the difference, or cancel.

ATTORNEY REVIEW Standard in Illinois — a 5-business-day window where attorneys for both sides can modify, reject, or approve the contract.

SALE OF HOME If you're also selling, you may need this contingency. It makes your purchase conditional on your current home selling first.

Illinois attorney review is standard and expected. Unlike many states, Illinois real estate transactions require attorney review. Your contract isn't fully binding until the 5-business-day review period closes without either party's attorney rejecting or materially modifying it. Always work with an Illinois-licensed real estate attorney.



04 Under Contract — What Happens Next

Once your offer is accepted and attorney review closes, you're officially under contract. This is the most active phase of the transaction — multiple things happen simultaneously and timing matters. Here's exactly what to expect and when.

1 HOME INSPECTION (DAYS 1-5 — SCHEDULE IMMEDIATELY)

Schedule your inspection the same day the contract is accepted — the inspection must be completed within the 5-day attorney review period so any issues can be addressed before the window closes. A general home inspection covers the roof, structure, electrical, plumbing, HVAC, and more. Budget ~\$400 for a standard inspection, ~\$250 for a radon test (strongly recommended), and ~\$150 for a pool inspection if applicable. If the inspection cannot be completed before attorney review closes, your attorney can request an extension. After the inspection, we'll review the report and decide what to request — repairs, credits, or nothing.

2 APPRAISAL (DAYS 7-21)

Your lender orders a licensed appraiser to confirm the home's value supports the loan amount. If the home appraises at or above the purchase price, you move forward. If it appraises low, you have options: renegotiate the price, make up the difference in cash, or — if you have an appraisal contingency — exit the contract and recover your earnest money.

3 MORTGAGE COMMITMENT (DAYS 21-35)

Your lender processes your full application and issues a mortgage commitment letter — their formal agreement to lend. Underwriters will verify every document you submitted. Respond to any requests for additional documentation immediately. Delays here can push your closing date. Stay in constant contact with your loan officer.

4 TITLE SEARCH & TITLE INSURANCE

A title company searches public records to confirm the seller has clear ownership of the property and that there are no liens, judgments, or other encumbrances. You'll purchase owner's title insurance at closing — a one-time cost that protects your ownership rights for as long as you own the home.

5

FINAL WALKTHROUGH (DAY BEFORE OR DAY OF)

Typically done 24 hours before closing. You'll walk through the property to confirm it's in the agreed-upon condition — requested repairs completed, personal property removed, no new damage. If anything is amiss, we address it before signing.

Do not make any major financial moves during this period. Do not change jobs, open new credit accounts, make large purchases, co-sign on any loans, or move significant sums of money between accounts without notifying your lender. Any of these can disrupt underwriting and jeopardize your mortgage commitment.



NEXT LEVEL PRODUCTIONS

05 Closing Day

Closing is the finish line. It typically takes 60–90 minutes and happens at a title company or attorney's office. You'll sign approximately 50 pages of documents, funds will be distributed, the deed will be recorded, and you'll receive your keys. Here's how to be ready.

WHAT TO BRING

- Cashier's check or wire transfer confirmation**

The exact amount listed on your closing disclosure. Do not bring a personal check. Your attorney or lender will confirm the wire instructions — always verify independently to avoid wire fraud.
- Government-issued photo ID**

Driver's license or passport.
- Proof of homeowner's insurance**

Your lender requires this be in force before they fund the loan.
- Checkbook**

For any small last-minute adjustments not covered by your wire.
- Your closing disclosure**

Review it in advance. It was sent to you at least 3 business days before closing and lists every fee and your exact cash to close.

WHAT HAPPENS AT THE CLOSING TABLE

Your attorney and the seller's attorney manage the closing. You'll sign the mortgage documents, deed of trust, and various disclosures. The title company coordinates the fund distribution — your down payment and loan proceeds go to the seller, minus the seller's payoff, commissions, and closing costs. Once everything is signed and funds are confirmed, the deed is sent for recording and the transaction is complete.

Prorations: Property taxes, HOA dues, and sometimes utilities are prorated as of the closing date. The settlement statement (HUD-1 or ALTA) will show exactly how these credits and debits are calculated. Your attorney will explain anything unclear before you sign.

AFTER CLOSING

Change the locks — you don't know how many copies of keys are floating around. Update your address with the post office, your employer, banks, and the USPS. File for your homeowner exemption with the county assessor as soon as you're eligible — it doesn't happen automatically and can save you hundreds per year in property taxes.

06 Common Mistakes to Avoid

Most buyer mistakes are avoidable. These are the ones I see most often — and the ones that cost people the most, whether in money, time, or lost deals.

Shopping without a pre-approval

You waste time on homes you can't buy, and you lose competitive offers to buyers who arrived with their financing confirmed.

Only talking to one lender

Lenders compete. Use the 14-day window to get 2–3 quotes and compare rates, fees, and programs. Even small differences compound over 30 years.

Making large purchases before closing

New car, furniture, appliances — anything that changes your debt-to-income ratio can kill your mortgage commitment days before closing. Wait until after you've closed.

Changing jobs mid-transaction

Even a promotion can restart underwriting. Lenders want to see employment stability. If a job change is unavoidable, notify your lender immediately.

Skipping the home inspection

Even in competitive markets, waiving your inspection to win a bidding war can be catastrophic. At minimum, do an inspection for informational purposes — even if you won't negotiate based on it.

Waiving attorney review without understanding what you're giving up

In Illinois, attorney review is standard protection. It's the window where terms can be renegotiated before you're fully committed.

Falling in love before doing due diligence

Emotional attachment to a home clouds judgment on price, condition, and terms. Stay analytical until the contract is signed and the inspection is complete.

Ignoring closing costs in the budget

Buyers often budget to the dollar for the purchase price and down payment — and forget that closing costs add \$6,000–\$15,000 on a typical Chicagoland transaction. Budget for them from day one.

Not applying for property tax exemptions

The Illinois homeowner exemption doesn't apply automatically. File with the county assessor after closing to start reducing your property tax bill.

Co-signing on another loan during the transaction

Even co-signing for a family member adds to your debt obligations and can push your debt-to-income ratio over lender limits.

Ready to Start Your Home Search?

Let's talk about what you're looking for and build a strategy that gets you into the right home at the right price.

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This guide is provided for informational purposes. Consult a licensed Illinois real estate attorney for legal advice specific to your transaction.