

## Sequential Checklist for Purchasing a Rental Property:

- ❑ Get pre-approved for financing. Use an estimated property value in mind or estimate for the pre-approval. If you are looking to purchase multiple properties at once, make sure to get pre-approved for multiple properties up front. We have a network of excellent lenders that offer exceptional loan rates & terms. Feel free to ask for our recommendations.
- ❑ Research properties in our current inventory that fit your investment criteria. Email us any additional questions.
- ❑ If the property aligns with your investment goals, and you are serious about moving forward, the next step is to sign a purchase agreement. This will allow you to have control over the property to ensure no other investor can purchase it. This is where the true due diligence period begins with the inspection, appraisal, title work, etc.
- ❑ Send your lender a copy of the completed purchase agreement & any other documents they require.
- ❑ **Inform your lender you would like to order the appraisal immediately once you've confirmed the home is ready for appraisal! You will need to sign an appraisal authorization form & pay for it upfront.**
- ❑ Wire in earnest money deposit to title company to hold in escrow. This must be done immediately after signing. This is a requirement to hold the property to show that you have an equitable interest in the property while under contract.
- ❑ If you would like to have an additional home inspection, you will need to order this within 48 hours of signing a contract. Most contracts only allow for a one week inspection period to be completed. Ask us for a list of reputable inspectors.
- ❑ Once receiving the inspection back, send us a copy so we can review & make any necessary repairs. Inspections will always come back with a large list of items that could be fixed as that is inspectors' job to meticulously scrutinize every detail in the home. We will address all reasonable items that are necessary for the safety of the tenant. Do not be unrealistic on the inspection result. The main point of it is to make sure there are no large items that need to be repaired immediately, and no safety items that could affect a tenant living in the home.
- ❑ Get rental insurance quotes. We have excellent insurance provider recommendations that offer competitive premiums. This is not a rush, but needs to be done at least a week prior to closing.
- ❑ The title company & your lender will schedule a closing date once they complete the underwriting. Make sure to be in touch with them on a date & location that you will be available to meet a mobile notary to sign the closing documents. If a partner or spouse is on the contract, they will also need to be present to sign the closing documents. You will need to wire in the remaining necessary down payment funds prior to this meeting to complete closing. Make sure to coordinate the wire with the title company! Your lender will give you the final amount needed.
- ❑ We highly recommend establishing another bank account to keep all rental income separate. If you want to establish an LLC holding for your real estate investments, this is usually done after closing. We can help you coordinate this with our team.
- ❑ Within one to two weeks following closing the management company will contact you to set up your account & obtain banking information. There is a one to two week processing time on this, so please be patient. Please confirm exact management fees with the property manager as each managerial team may charge different leasing or renewal fees.
- ❑ Pat yourself on the back & relax as you're on the way to building financial independence & long term wealth! After you catch your breath, get back to it to continue building your passive income portfolio!

*\*This is not to be considered legal, tax, investment or real estate advice in any way. This is simply a guideline to how we systematically purchase homes. Please see the appropriate licensed professionals for advice as needed.*

