



10 TIPS ON PREPARING FOR HOME OWNERSHIP



1. Get your credit in order. Obtain a copy of your free credit report every year at AnnualCreditReport.com or by calling 877-FTC-HELP. Scores over 650 will make it easier for you to qualify for a lower interest or "A" type loan.
2. Decide how much home you can afford by working with a qualified lender. Generally, you can afford a home equal in value to between two and three times your gross income. Lenders can easily research your credit scores. Explore different loan options and decide what's best for you.
3. Determine if you have enough money saved to cover your down payment and closing costs. Closing costs, including taxes, average between 2 and 7 percent of the home price. A Good Faith Estimate from at least 2 lenders will allow you to compare closing costs before selecting a lender. Down payment amounts vary greatly. Work with your lender to determine how much (if any) money you will need to purchase a home.
4. Develop a wish list of what you'd like your home to have, then prioritize that list.
5. Select several areas you'd like to live in. Consider schools, recreational facilities, commute times, etc.
6. Find an experienced, compatible Realtor who can help you throughout the entire buying process. Remember SEED when selecting a Realtor: Smart, Empathetic, Experienced & Dedicated.
7. Organize all the documentation a lender will need to pre-approve you for a loan. Most lenders will need your tax returns from the last two years plus bank account information from the past three years.
8. Research any special mortgage or down payment assistance programs you might qualify for.
9. Calculate the costs of home ownership, including property taxes, insurance, maintenance and association fees, if applicable.
10. Remember that there is no perfect time to buy a home, and there is no perfect home. It's normal to worry about a purchase and wonder if you might have done better, but most purchasers after a short time are very happy they "jumped in" to the real estate market when they did.