

# prepare FINANCING

## WHAT'S YOUR IDEAL PRICE RANGE FOR A NEW HOME?

Mortgage lenders recommend you do not buy a home that is more than 3 to 5 times your annual household income. If you are not purchasing a home with cash, you will need a mortgage pre-approval provided by your mortgage lender. A lender will work with you to get a loan that meets your needs. Some buyers are concerned with keeping their monthly payments as low as possible, others want to make sure that their monthly payments never increase. Our preferred lenders can help with all of these important decisions.

## CHECK YOUR CREDIT

A mortgage requires a good credit score. You can improve your score by:

- Paying down credit card balances.
- Continuing to make payments on time.
- Avoid applying for a new credit card or car loan until you have been approved.
- Avoid making big purchases until you have been approved.
- If possible, avoid job changes until you have been approved.
- Our preferred lenders can assist buyers increase their credit scores.

## SAVE CASH FOR A DOWN PAYMENT & OTHER EXPENSES

In order to make your dream of buying a home a reality, you will need to save cash for your down payment, earnest money, closing costs and home inspection. Our lenders do have down payment assistance programs available if you qualify, always ask!

- A Down Payment is typically between 3.5% and 20% of the purchase price.
- Earnest Money is money you put down to show you are serious about purchasing a home. It's also known as a good faith deposit.
- Closing Costs for the buyer run between 2-5% of the loan amount.
- A Home Inspection costs between \$400 to \$700.



## get PRE-APPROVED

Being pre-approved, unlike being pre-qualified, means you've actually been approved by a lender for a specific loan amount. You will need to provide documented financial information (income, bank statements, assets, debt and credit reports) to be reviewed and verified by the lender.