

ARE YOU READY TO BUY?

- 1. Are you knowledgeable about the market?** Have you scoped out different areas of town? If you have kids and desire certain schools, do you know where the dividing school district lines are? You should have a feel of the market and what are realistic prices in the area you want to buy.
- 2. Do you have enough money to buy a home?** Your down payment will differ depending on the loan program you choose. However as a buyer you need to not only have the money for the down payment but you will also need money for closing costs, which averages around 3% of the total purchase price. If you are low on cash ask your lender of loan options.
- 3. Do you know how much home you can afford?** You should know how much you can spend and also know what the monthly payment will be. If you have not talked with a lender yet, ask your real estate agent for some recommendations.
- 4. Do you know what other expenses you will incur by owning a home?** When you own your own home you become your own landlord. You will need to budget for repairs and look not only at the savings involved in owning a home but look at additional expenses you may incur. You will now need to know how many years you have until the roof needs to be replaced and about how much that could cost. Also if you haven't rented a home or only lived in an apartment, do you know about how much your utilities will be?
- 5. Do you know if you have good credit?** The sooner you can start looking into your credit score the better. Many times there are things you can do to improve your credit score, however it takes time. If you wait until last minute to worry about your credit score you may not have anytime to try to improve your score. Your credit score directly affects

your interest rate. You could save yourself thousands in interest by taking the time now to look into your credit score.

- 6. Are you ready to commit?** Buying a home should be a commitment. Purchasing real estate (most of the time) is not a short term investment. When you purchase property you should plan on staying in that home more than a couple of years. You need to know you aren't going to want to move to a different neighborhood or a different town after a couple of months.