

Move To What Moves You

EVENT KEY NOTES

Steps to Buying a Home

- Determine what may be in your price range
- Obtain a pre-approval
- Find a real estate agent
- Find a home
- Make an offer
- Home inspection

Things to Consider When Buying a Home Consider

- Mortgage payments are determined by the loan amount, the amount of the down payment, the mortgage interest rate and payment term.
- Higher mortgage payments can leave you stretched too thin.
- The advantages and disadvantages of a fixed rate mortgage and an adjustable rate mortgage.
 1. **Fixed Rate** - The main advantage of a fixed-rate loan is that the borrower is protected from sudden and potentially significant increases in monthly mortgage payments if interest rates rise.
 2. **Adjustable Rate** – The rates on adjustable mortgages reflect short-term interest rates, which are usually lower than the long-term rates of fixed mortgages. The result is that an ARM will have a lower initial rate, allowing a home buyer to purchase a more expensive home or have a lower payment.
- Understanding all the costs of home ownership.

Mortgage Pre-Approval

What can a mortgage pre-approval do for you?

- Provides peace of mind.
- Determines your maximum eligible mortgage amount.
- Allows your real estate agent to show you the right selection of homes.
- Having a pre-approval ready allows you to act quickly to put in an offer on a house in a competitive market.

Finding a Real Estate Agent and a Home

Choose someone who you feel comfortable with and who knows the area in which you're looking for a home. Good realtors will:

- Be eager to help you find the right home.
- Do their homework.
- Offer to find you the information you need and get back to you.
- Follow-up to see if you are interested in viewing more homes.
- Listen to your comments and concerns and address them if possible.
- Keep out of your way and allow you to set the pace.
- Present all contract offers to the Listing Agent and assist in negotiating.
- It is also a good idea to self-search and narrow down your property options with a user- friendly websites.

www.trulia.com
www.refin.com
www.zillow.com

Financial Literacy Event Handout

Home Inspection

Avoid unwanted surprises and get a home inspection by a qualified home inspection company. They will advise on the following:

- Structural integrity of the home.
- Condition of the roof, plumbing, electrical, heating and air conditioning systems.
- State of the driveway, retaining walls, grading and drainage of the property.
- Ventilation and insulation.
- Effectiveness of gutters, downspouts, soffits, eaves.

Four Top Tips to Save \$\$ on Your Mortgage

- Check your credit rating.
- Prepare yourself to be able to make a larger down payment.
- Select a shorter amortization period – 15 to 20- year term instead of 30 years.
- More frequent payments increase your monthly payment by a specified amount that would go towards the principal balance or choose a bi-weekly mortgage.

Quick Questions to Ask Your Lender

- What payment frequencies do you have? (i.e. 15 or 30 years).
- Determine the type of mortgage that fits your needs – fixed or variable rate. Will you help me stress test the mortgage? (Be sure you can afford your adjustable rate mortgage if rates if rates jump 2-3%).
- Can I skip a payment if needed?
- Are you able to make additional principal payments?
- Can I pay off my mortgage any time I want? Is there a penalty?
- Are there any advantages when I need to refinance my loan in the future?

Getting Started

- Learn key mortgage terminology.
- Develop a budget.
- Determine how much you can afford.
- Ensure your credit bureau information is accurate.
- Talk to a mortgage professional.
- Get a pre-approval for the mortgage amount.
- Find a real estate broker.