

10 QUESTIONS AND ANSWERS TO ASK WHEN PURCHASING A HOME

How much can I afford?

Take a look at your income, monthly expenses, and debt. Add up your regular monthly expenses like a phone bill, food, transportation, utilities, and dependent care.

Do I have money for a down payment?

Your down payment affects how much money you will need to borrow. A larger down payment means a lower mortgage payment. If you can put at least 20% down, you will not be required to purchase mortgage insurance.

How much will property taxes cost?

First-time homebuyers are often shocked at the cost of property taxes. Find out what the estimated taxes will be on the property before purchasing a home for the first time.

What are closing costs?

Closing costs are paid at the close of your real estate transaction and may include your home inspection, realtor fees, title search, appraisal, termite inspection, and loan origination. The costs to close can add up quickly, so it's essential to make sure you have the funds to cover them if the other party is not helping.

What are the hidden costs of owning a home?

When you rent a home, your landlord covers maintenance and repairs. But as a homeowner, you will be responsible for repairs and ongoing maintenance, such as taking care of your yard and servicing your appliances.

How much will it cost to move into my new home?

Whether you are moving across town or the country, always calculate the expenses of moving to your new home – renting a truck, hiring movers, buying boxes, and more. These costs are often more than expected.

Do I have an emergency fund?

In contrast to renting, homeownership means you are responsible for making repairs, updates, and improvements. And any repair, major or minor, can leave you strapped for cash if you are not prepared. Set aside an emergency fund for unexpected expenses.

Can I still afford to save as a homeowner?

Of all the questions to ask yourself when buying a home for the first time, this is the one that most people forget. It's easier to think about how much you can spend, but it's harder to ask how much you can save. How much money do you want to stockpile for retirement, college, and vacations? How much do you want to put into personal savings? As you determine how much you can afford on your first home purchase, don't forget to factor in your savings goals.

What are my rights as a borrower?

It is essential to know your rights as a mortgage borrower, making this a crucial first-time homebuyer question to explore. Talk to your loan officer/realtor about your rights and the best option for your specific situation.

What type of insurance coverage will I need?

Protecting things that matter most to you, including your new home, means having the proper coverage. When you close on your home, an insurance agent can work with you to determine what home insurance coverage best fits your needs and budget.

REMEMBER, IF YOU CAN BUY, IT IS CHEAPER TO OWN THAN RENT!

Membership and credit requirements apply . NMLS #446357

