

# Buying A New Home



Purchasing a home will be one of the biggest investments and decisions you will make in your lifetime. It's important to be aware of the complexity of the endeavor. Because of the numerous factors to consider you need to be as prepared as possible. Here are some tips and strategies to help you prepare for success:

- ◆ **Know your credit score.** You may be able to get a better mortgage rate and more favorable loan terms by restructuring some of your balances on credit cards, car loans, etc. It is important to take time to understand your credit grades and improve your scores before you begin to shop for your home.
- ◆ **Know how much you can spend and determine how much you can afford.** Work with a Mortgage Professional that can help you to evaluate the following:
  - Finance your home based on your monthly payment comfort level
  - Determine how much cash to use as your down payment and where to get these funds
  - Understand your before and after- tax monthly payments
- ◆ **Don't get caught in the "pre-approval"/ "pre-qualification" trap.** It is always better to get a full approval/loan commitment from a Mortgage Professional before you even start looking for a home. Many mortgage brokers and lenders will give you a "pre-approval" or "pre-qualification", but be careful; as these can be meaningless. What you really need is a bona fide commitment from a mortgage lender that you are in fact approved for financing.
- ◆ **Develop a strategy for financing your closing costs, home improvements and furniture expenses.** A home purchase is a significant financial commitment. Take time with you mortgage professional to develop a strategy for dealing with these costs ahead of time. Always get a **GFE or Good Faith Estimate** from your mortgage professional. Ask questions; be sure you understand!
- ◆ **Evaluate the mortgage products that will work best in your situation.** Remember, it is far better to find a Mortgage Professional who can help you implement the best strategy with competitive interest rates than for you to shop for the lowest rate with the wrong strategy. Please take time to read: **Shopping Around – 4 Questions to Know.**
- ◆ Understand the **20 Terms you Must Know** before you sign off on your mortgage.
- ◆ Please take time to read the common mistakes made when buying a home in the **FAQ** section.