

Homebuying 101

Tips for getting more for less

1

higher credit scores = lower interest rates

Increasing your credit score could save you thousands of dollars over the life of a 30 year mortgage!

Credit Score	Sample Rates	Monthly Payment	Total Interest over 30 years
750+	3.9%	\$944	\$139,684
700-749	4.1%	\$969	\$148,906
650-699	4.3%	\$990	\$156,350
620-649	4.5%	\$1,015	\$165,455

That's \$25,771 in savings!

INCREASE YOUR SCORE

- Fix errors
- Pay down credit card debt
- Pay any past due accounts
- Don't finance any large purchases
- If you don't have credit, get a credit card
- Show only minimum inquiries to credit report

2

Build Savings

Build savings for a down payment, and closing costs.

3

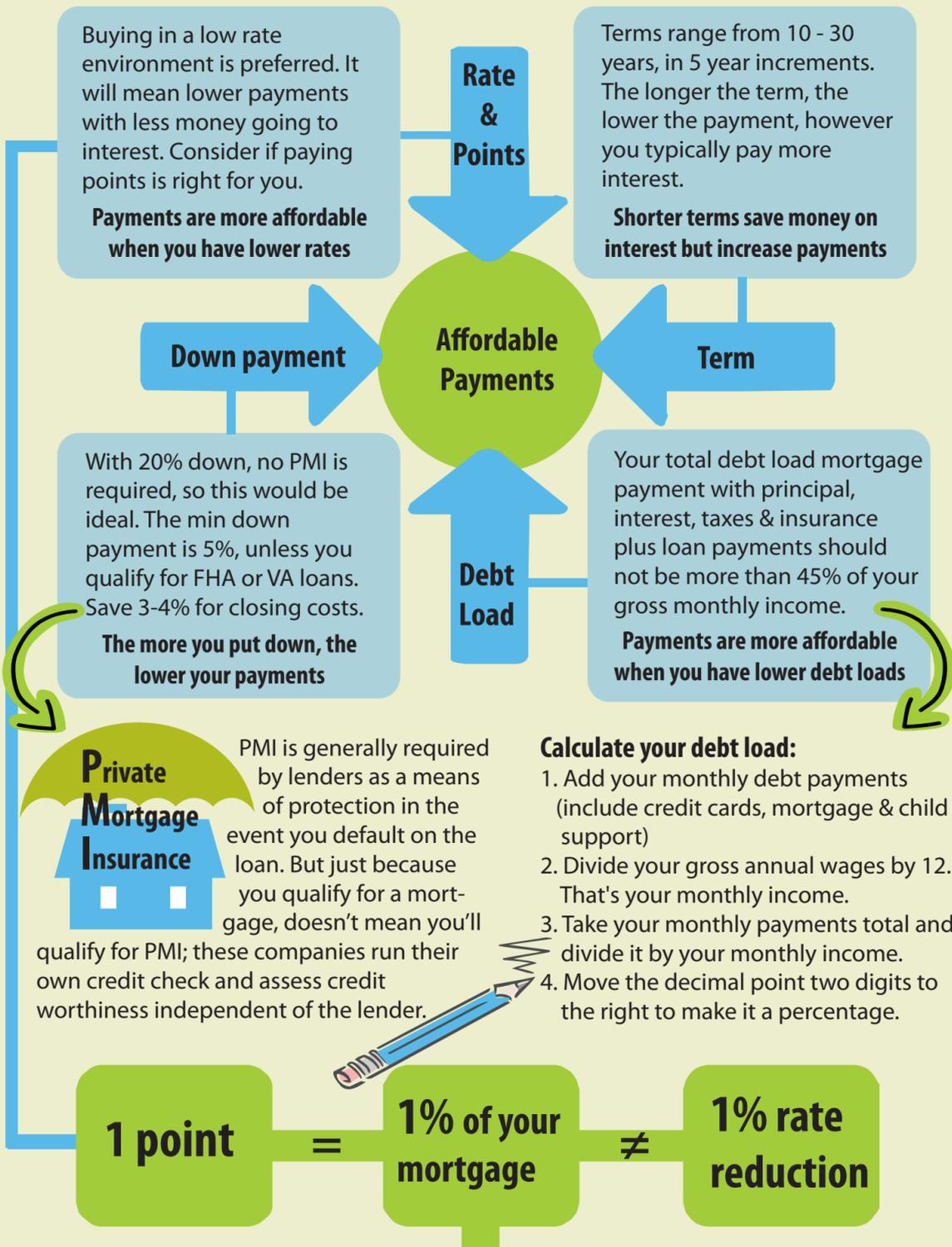
Budgeting

Calculating what you can afford. Many factors affect your payment. The goal is to get you into a home you can really afford with payments you are comfortable making.

.75% - 1.15%

A rough estimate - figure your monthly payments will be between 0.75% - 1.15% of the purchase price. This includes taxes and insurance.

Many factors affect your payment amount



Points are paid to the lender in exchange for a reduced rate and can lower your payments. A point is equal to 1% of your home loan amount and it's like paying some interest up front, in exchange for a lower rate over the life of your loan, but beware...1 point does not = 1% discount of your rate! It may take 3 points or more for a 1% rate discount!

4

Get Pre-approved



It's time to finalize what you can afford

To finalize the actual amount you can pay at a reputable lender, get pre-approved. You can discuss the many options available to you with the lender. Most lenders will give you a price range for the house, or a pre-approved payment range. Expect this process to take a couple of days. Once you have the pre-approval letter, it is good for 60 days.

Bring to your meeting:
2 mos. paystubs
and 2 years of income taxes

5

Start Shopping



Only look at houses in your price range. This will spare you the disappointment of falling in love with a home that you can't afford.