

## Congratulations on your pursuit of “Home” ownership!

*Please allow me to recommend the following steps to think on/do in the order they should be completed.*

Check your credit score. If not good, pay down debt, take the time to raise this so your interest rate will be lower, 6months or more!

What is your monthly budget (see budget sheet, fill this out so you know what is coming in and what is going out and any adjustments you need to make before the next step.  
Your house payment Should be no more than  $\frac{1}{4}$  of your monthly income including taxes and Ins.  
No more than  $\frac{1}{3}$  maximum including expenses for the home.  
(HOA, Utilities, Yard, Pool, etc....)

Obtain financing approval (Pre-qualifying letter for an amount and interest rate through your bank. (Shop around) Find out what programs you qualify for.  
A prequal letter is not the same as a pre-approval letter, a pre-qual letter can give you a higher amount, this does not mean you should spend this! Before you “find” a home or put in an offer, get a pre-approval letter from your lender for how much they will actually loan you!

Find out the amount of the down-payment for the loan type you are pursuing, make sure you have this set aside in savings!

Find out the average closing costs (3-8K) and set this aside in savings!

Look online for homes in your price range and look up the average utility costs.  
These can increase with the age of a home for many reasons, poor insulation, older windows, drafty windows/doors, larger square footage, it is important to calculate any added extra costs above what you are paying now!

Research and understand the cost of any repairs/replacements for interior and exterior items in a home before deciding on a home, know your cash flow, time for this and your ability to do this yourself or hire this out.

Call service provider companies for their fees for "turning on" the following in your new home. Water transfer of name and or turn on. Trash transfer of name and or turn on. Turn on transfer of electric, Cable/internet.  
These all have fees to turn on and or transfer the name upon move in, most people do not inquire about these from the companies, they can be **hundreds** of dollars, set these amounts aside in savings!

Assess/Approximate the average monthly cost of "home repair/maintenance  
Average is 1-4 % of the purchase price of the home per year divided by 12 months: Example: 180,000 home with 1% would be 1800 per year and \$150 a month, this would be to maintain or repair.  
This would not include decorating, furnishing, painting or improving your property in any way inside or out!

Assess the approximate amount you would need for moving costs and set that in savings. Min. is usually 2K in materials and equip. rental even for a “self-move” with friends helping!

In addition to a move you will find yourself going to "the store" for things such as a shower curtains, trashcan, and many little items, bug spray...etc. when moving into a home, this generally amounts to about \$200 on avg.

Assess the cost of any needed repairs or replacements in the homes you are looking at that you would need during your first year, such as an appliance that is very old and "on its last leg", a new roof, etc... Always ask for a one year home warranty purchased by seller to cover these major items for your first year! IE: Refrigerators can cost 1200-3000k easily! Do not put extra cash down on a home if it's not needed, hang on to your cash!

Assess the cost of yard maintenance, hiring a company or purchasing equipment and the time involved for all these maintenance and or repair areas both inside and outside a home, it is important to decide not only how much money you can spend on these things but how much time you wish to also! And your level of skill to do things yourself or if you need to hire them out!

Get a realtor, the seller pays them but they work for you! (*Do not use the sellers realtor!*) They will save you time and money and a great deal of pain!

Purchasing a home is a joy but an extreme challenge in many ways! Make sure you have a personal referral for a good realtor who is not only honest but avail. to you and hardworking, listening to your needs, not just selling you home! *Make sure you have a home inspection and are present for it!*

Consider a condo verses a home, the monthly homeowners dues are less than the avg. amount people spend on their maintenance for free standing homes each month, they are a good fit for people who do not have the cash, time or skills for weekend yard, home, pool maintenance! They generally have lovely playgrounds and pools for the kids along with a security and they do all your yard-work and exterior maintenance for you! This is a great option for a young family who was never experienced home ownership and needs to get their "feet wet" in the least stressful way while being able to enjoy the right amount of square footage, and family amenities.

After carefully researching your options, obtaining a realtor, financing approval, pray out your choices, God will lead you. More faith will be needed for the "monthly maintenance" of this adventure than the actual acquiring of it; don't use all your faith for the acquisition part!

Pinterest has some great family budge sheets to print for free, so you can do some fun "mock-ups" on some homes!

### **Additional questions to ask yourself:**

Will this be my final home?

If I am reselling this home I need to consider the market resale value for:

Location, size, rooms, garage, yard, schools, crime, Interior exterior finishes or refinishes, etc....

(Pay more attention to amount of rooms vs. sq. ft.)

Do I want a fixer upper or new? Cash flow, ability, time.

Make a list of your top 3 needs/ (Non-Negotiable)

Make a list of your top 3 wants/ (Negotiable)

Before going to look at a home in person, look online, view the street view and satellite view to see everything around it, do a drive by, if you like it put it on your short list for your realtor, if you still like it after you look at it and you have done all your research, speak to your potential future neighbors and see what they say about their community!

Remember: You cannot change the location of your property, you can change it on the inside and some exterior. Have a prosperous journey!