

10 Steps to Prepare for Homeownership

- Decide how much home you can afford. Generally, you can afford a home equal in value to between two and three times your gross income.
- Develop a wish list of what you'd like your home to have. Then prioritize the features on your list.
- Select three or four neighborhoods you'd like to live in. Consider items such as schools, recreational facilities, area expansion plans, and safety.
- Determine if you have enough saved to cover your down payment and closing costs. Closing costs, including taxes, attorney's fee, and transfer fees average between 2 percent and 7 percent of the home price.
- Get your credit in order. Obtain a copy of your credit report.
- Determine how large a mortgage you can qualify for. Also explore different loans options and decide what's best for you.
- Organize all the documentation a lender will need to pre-approve you for a loan.
- Do research to determine if you qualify for any special mortgage or downpayment-assistance programs.
- Calculate the costs of homeownership, including property taxes, insurance, maintenance, and association fees, if applicable.

Find an experienced REALTOR[®] who can help you through the process.