

A stack of gold coins with one coin standing upright on top, set against a dark blue background.

Home Buyer Education: Shopping for a Home



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Seminar objectives...

- Review “first steps” to shopping for a house
- Know costs of purchasing a house
- Be familiar with types of mortgages
- Decide on kind, location, and requirements of house
- Know various avenues to find a house
- Know how to shop—and apply—for a home loan
- Understand closing process and related costs
- Know sources for home buyer assistance programs



First steps to shopping for a house



Review...

- Have spending plan in place—identify spending leaks
- Get debt under control—know what you owe
- Review your credit report—correct errors
- Take steps to improve credit score, if necessary
- Save for down payment—the bigger the down payment, the lower the monthly mortgage payment

Costs of purchasing a house

- Principal, interest, taxes, insurance (PITI)
- Down payment
- Closing costs
- Mover's fees
- Utility hook-up charges
- Prepayment of taxes, interest, insurance



Meet with lender



Getting *prequalified* for a loan helps you:

- Know how much house you can afford, *before* you start looking at houses
- Commit to look only at houses within your price range

Getting *preapproved* means formally assessing:

- Credit history, employment history, debts, gross income before taxes, spouse's income, property, and assets owned

What does the lender look for?



- Your *ability* to pay back the loan
 - Stable employment
 - Comfortable debt-to-income ratio
 - Sufficient assets—shows you can save
- Your *willingness* to pay back the loan
 - Good bill-paying history (credit report)
 - Will you live at and maintain property?