

# Breaking down homebuying

Buying a new home can be overwhelming, but you've already taken the first step by watching our course video. Now we'll help you continue this journey.

## 1. Shop around for a mortgage

Compare at least three lenders.

Lender 1: \_\_\_\_\_ \*APR: \_\_\_\_\_

Lender 2: \_\_\_\_\_ APR: \_\_\_\_\_

Lender 3: \_\_\_\_\_ APR: \_\_\_\_\_

\*The annual percentage rate (APR) is how much your loan costs you each year, including the interest rate and APR fees.

## 2. Get the cash for your down payment

If possible, ask loved ones to contribute to your down payment. Lots of folks start GoFundMe pages to fund their first home.

You can also check out first-time buyer incentives like the HomePath Ready Buyer program or the Chase Homebuyer Grant.

## 3. Understand the costs of homeownership

Are your homeowner's insurance and property taxes included in your monthly mortgage payment?  Y  N

How much is your monthly mortgage payment? \$ \_\_\_\_\_

Are you buying in a neighborhood with an HOA fee?  Y  N

If yes, how much is the fee? \$ \_\_\_\_\_

How much money do you need to set aside each month for home maintenance?

This can be everything from lawn care and gutter cleaning to major repairs over time; we recommend saving at least 1% of your home's value each year.

**Pro tip: If you have trouble finding any of these answers on your own, consult your real estate agent or call the listing agent for the home you want!**

## 4. Consider government loans

Some sellers may only want conventional loans, but knowing what government loans would work for you could lower the cost of buying a home.

If you meet the 580 minimum credit score requirement, FHA loans require only 3.5 percent down.

If you're a veteran, you could be eligible for a VA loan, which doesn't have a down payment requirement.

If you're buying in a specially designated rural area, you might be able to get a USDA loan with no down payment.

## 5. Complete a home inspection

Before you officially buy a home, it's important to have a professional inspect the property for any deal-breakers. The home inspector will give you a written report, but it's best to attend the inspection yourself.

Date of inspection: \_\_\_\_\_

