

Buying Your First Home

By JOE SZYNKOWSKI | Green Shoot Media

One of the most monumental experiences Americans feel is the achievement of purchasing their first home. It creates a sense of pride, accomplishment and excitement. However, buying your first home should not be taken lightly.

Before signing your name at closing and finally receiving the set of keys to your dream home, you must go through several processes. Don't be surprised if you find yourself dealing with stress and doubt. These are common emotions some feel during the experience.

GETTING PRE-APPROVED

Obtaining pre-approval for a loan before you begin shopping is a great way to set your expectations for your future home. Talk with your local lending agencies for their advice on what percentage of your income should go toward a mortgage.

They also can show you weaknesses in your credit report. Correcting errors, lowering debt or paying off bad debt can give you better interest-rate options.

FIRST-TIME HOME BUYER PROGRAMS

If you're having trouble getting a conventional mortgage loan, there are programs you can take advantage of. There may be more limitations to the home you ultimately purchase, but these programs provide have fewer requirements than a traditional loan.

The U.S. Department of Housing and Urban Development offers a Federal Housing Administration loan program



© FOTOLIA

that may fit your needs. When using this program, you can generally make a smaller down payment and qualify without perfect credit scores.

FINDING A REAL ESTATE AGENT

A professional agent will take the burden of house searching off your shoulders by showing you homes based on requirements you set. A trusting relationship between you and your agent is important. Ask your friends and loved

ones for referrals from agents who have served them.

You should ask your agent how much experience he has selling homes in the area you are targeting. Knowing an area gives him the upper hand when it comes to negotiating.

Also ask if a prospective agent is a member of the National Association of Realtors. According to this association, this means they have pledged to abide by a code of ethics established by the

group.

INSPECTION

Unfortunately, homeowners might not disclose small problems that could lead to expensive disasters down the road. Hire an inspector to check the integrity of floors and walls before making an offer.

Damage caused by termites or small water leaks can go unseen but ultimately require large renovations to correct.



© FOTOLIA

Buying Your First Home

By JOE SZYNKOWSKI | Green Shoot Media

One of the most monumental experiences Americans feel is the achievement of purchasing their first home. It creates a sense of pride, accomplishment and excitement. However, buying your first home should not be taken lightly.

Before signing your name at closing and finally receiving the set of keys to your dream home, you must go through several processes. Don't be surprised if you find yourself dealing with stress and doubt. These are common emotions some feel during the experience.

GETTING PRE-APPROVED

Obtaining pre-approval for a loan before you begin shopping is a great way to set your expectations for your future home. Talk with your local lending agencies for their

advice on what percentage of your income should go toward a mortgage.

They also can show you weaknesses in your credit report. Correcting errors, lowering debt or paying off bad debt can give you better interest-rate options.

FIRST-TIME HOME BUYER PROGRAMS

If you're having trouble getting a conventional mortgage loan, there are programs you can take advantage of. There may be more limitations to the home you ultimately pur-

chase, but these programs provide have fewer requirements than a traditional loan.

The U.S. Department of Housing and Urban Development offers a Federal Housing Administration loan program that may fit your needs. When using this program, you can generally make a smaller down payment and qualify without perfect credit scores.

FINDING A REAL ESTATE AGENT

A professional agent will take the burden of house

searching off your shoulders by showing you homes based on requirements you set. A trusting relationship between you and your agent is important. Ask your friends and loved ones for referrals from agents who have served them.

You should ask your agent how much experience he has selling homes in the area you are targeting. Knowing an area gives him the upper hand when it comes to negotiating.

Also ask if a prospective agent is a member of the National Association of Realtors. According to this

association, this means they have pledged to abide by a code of ethics established by the group.

INSPECTION

Unfortunately, homeowners might not disclose small problems that could lead to expensive disasters down the road. Hire an inspector to check the integrity of floors and walls before making an offer.

Damage caused by termites or small water leaks can go unseen but ultimately require large renovations to correct.

REAL ESTATE 101



HUD Has Answers

Why should I buy instead of rent? How much money will I have to come up with to buy a home? When I find the home I want, how much should I offer? The U.S. Department of Housing and Urban Development answers these questions and more on its website. Read "Common Questions from First-time Homebuyers" at <http://bit.ly/2mDGetM>.

HOMESWISE GLOSSARY

Interest rate ceiling: for an adjust-able-rate mortgage (ARM), the maximum interest rate, as specified in the mortgage note.

Interest rate floor: for an ARM, the minimum interest rate, as specified in the mortgage note.

SOURCE: Federal Trade Commission

AD SPACE