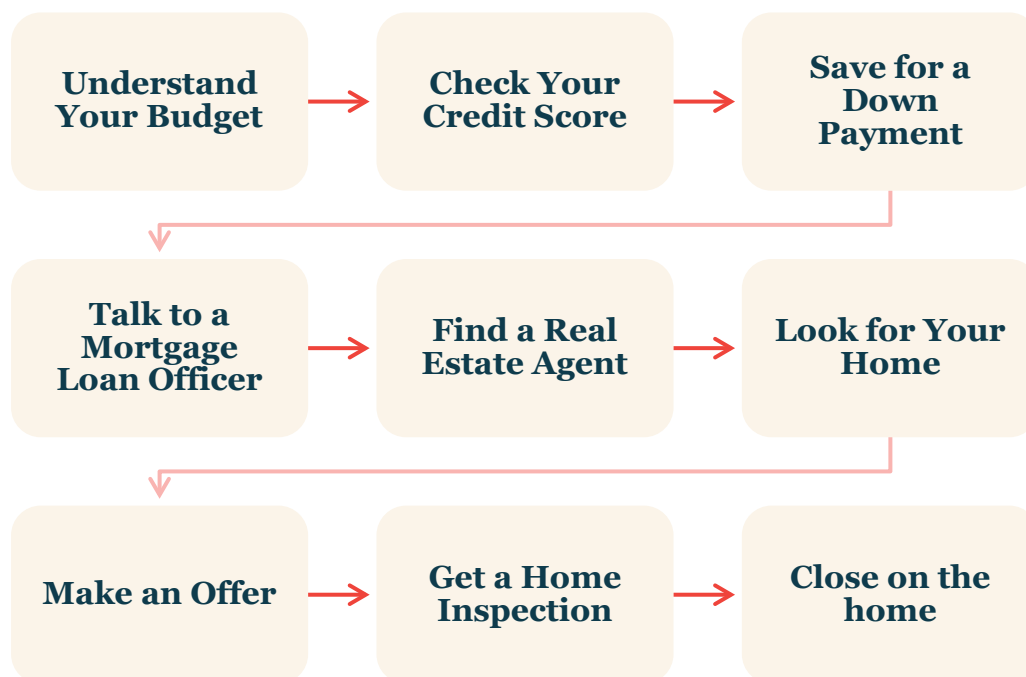


## Buying a Home

Purchasing your first home is an exciting opportunity but can sometimes feel overwhelming. Where do you start? Statistics show that the average homebuying process can take anywhere from six to eight months (from start to finish), and you may wonder what steps to take to ensure nothing gets missed. Our team is here to help you navigate that process.

### COMMON STEPS TO PURCHASING A HOME



### UNDERSTAND YOUR BUDGET

#### Ask Questions to Understand all the costs:

- Down payment
- Monthly mortgage (includes Principal, Interest, Taxes, and Insurance [PITI])
- Utilities
- HOA (Homeowners Association) fees, if applicable

### CHECK YOUR CREDIT SCORE

- A good score = better loans or mortgage!
- No credit? Build it with secured credit cards or small loans.

## SAVE FOR A DOWN PAYMENT

Understand how much you have for down payment and closing costs. Meet with a lender to learn about programs available to support you.

### Understand APR (Annual Percentage Rate)

- APR shows the true cost of borrowing. It includes the interest rate and additional fees (like closing costs).
- Compare loan offers by looking at APR. A lower APR means less cost over time.
- Your lender will provide a Loan Estimate with the APR before you commit.

### Talk to a Mortgage Loan Officer

Loan officers help you:

- Check how much you can borrow
- Identify programs to stretch your buying power
- Understand loan terms like APR
- Find a Real Estate Agent

<b>Look for Your Home</b>	<ul style="list-style-type: none"><li>• Make a list of must-haves and nice-to-haves. Visit homes with a Real Estate agent and compare options.</li></ul>
<b>Make an Offer</b>	<ul style="list-style-type: none"><li>• Your agent will help you establish an offer and negotiate.</li></ul>
<b>Get a Home Inspection and Appraisal</b>	<ul style="list-style-type: none"><li>• Make sure the home is in good condition before buying.</li></ul>
<b>Close the Deal</b>	<ul style="list-style-type: none"><li>• Review all papers and sign at the attorney's office to make the house yours.</li></ul>

## KEY THINGS TO KNOW

### Helpful Terms

- **Annual Percentage Rate (APR):** The yearly cost of borrowing money, including fees.
- **Principal, Interest, Taxes and Insurance (PITI):** Total monthly mortgage payment (Principal, Interest, Taxes, Insurance).
- **Private Mortgage Insurance (PMI):** Extra insurance if your down payment is less than 20%.
- **Debt to Income Ratio (DTI):** A number showing how much of your income goes to debts.

### 1. Lack of Credit History

- No credit? Use secured credit cards or small loans to build history.
- Some lenders will accept rent or utility payments as credit proof.

### 2. Use Financial Institutions

Money at banks is insured by the FDIC, and NCUA at credit unions, which means your money is protected (up to a certain amount) even if a bank or credit union has financial trouble.

- Banks and credit unions are safe places to keep your money.
- Depositing cash ("mattress money") into a bank helps you qualify for a home loan.
- Keep the money in your account for at least 2 months. This is called "seasoning."

### 3. Multiple and Variable Income

- Many families bring together income from different jobs or family members.
- Work with a mortgage loan officer who understands diverse income sources.
- Keep proof of income, like:
  - Tax returns
  - Pay stubs
  - Bank statements



### Credit Union Support

- **Inclusive Services:** Credit unions support second-language learners by offering translation services and financial education to navigate complicated processes such as these. We can provide loans that consider things like rent or utility payments as credit and offer workshops on budgeting and saving.
- **Affordable Options:** Credit unions have lower fees, better loan rates, and tools like Down Payment Assistance and secured credit cards to help build credit history.
- **Community Focus:** As member-owned institutions, credit unions focus on trust and support.