

Get The Home Inspected

It's a good idea to make your offer contingent on a satisfactory report by a home inspector that you hire. The home inspector can help determine whether the house is worth the price you've offered to pay and make sure the home is in good condition. The inspector can point out potential problems that could be costly in the long run. You and/or your agent can then either renegotiate pricing or cancel the deal.

The Closing

The final step toward home ownership is the closing of the purchase transaction and mortgage loan. You will meet with all parties involved in the purchase transaction for settlement. Before signing anything, read and understand the fine print. As a rule, don't sign if you don't understand it. Have the agent explain to you any items you may question. You may want to have a lawyer review the agreement before you sign.

We hope this information will help you in the preparation for buying your first home. Remember, the credit union has many mortgage options to help you get your dream home. Stop by today to speak with a loan representative.



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BUYING YOUR FIRST HOME



Financial Literacy Series

Buying Your First Home

Owning a home remains one of the highest goals for many people in the United States. Along with home ownership comes a sense of security and pride, but also a commitment and responsibility.

Are You Ready?

The key to buying your first home is preparation. First, determine if you are ready to buy a home. If you cannot commit to staying in the same area for at least a few years, then buying is probably not for you. Because of the transaction costs involved in buying and selling a home, you may end up losing money in the end.

How Much Home Can You Afford?

Look at your current savings, income, debts and expenses – what monthly mortgage payment could you make? Consider what your monthly payment will include: principal, interest, private mortgage insurance (PMI), escrow for taxes, etc. Think about meeting with a loan officer at your credit union to help determine how much you can afford. The loan officer can also explain the different types of mortgages and other expenses to expect when buying a home, such as settlement and closing costs. In addition, consult your tax advisor about the deductibility of your mortgage interest.

Review Your Credit Report

A few months before you start house hunting, review your credit report and make sure that it is correct. Lenders decide whether to lend you money and the interest rate you will pay based on your credit history. You can get your free credit report by calling 1-877-322-8228 or on the Web at www.annualcreditreport.com. If you find information you believe to be wrong, get it corrected by contacting the credit reporting agency from which you received your report. Otherwise it could keep you from getting a mortgage loan at the lowest possible rate. Also, this is not a good time to make other large purchases that might lower your credit score.

Shop Around, Compare and Negotiate

Shop around and compare the mortgage rates and terms. Typically, you'll find the best deal at the credit union. Once you know what different lenders have to offer, try to negotiate for the best deal that you can. You may even want to obtain a written lock-in from the lender to protect you from future interest rate increases.

Get Pre-Approved

Getting pre-approved for your mortgage loan will save you time and let the seller know you are serious about buying the home. Pre-approval should not be confused with

pre-qualification, which is not a commitment from the lender to provide you a loan. Pre-approval from your lender is based on your income, debt and credit history.

Find A Sales Agent

Find a reputable sales agent who will keep your interests in mind and won't waste your time showing you houses that are out of your price range or that don't include the amenities you want. An experienced agent can provide valuable help when moving into a new area. Ask family or friends to refer an agent they have used or interview at least three agents in your area. Consider using a buyer's agent, a real estate professional who works only for you.

Do Your Homework

Know the selling price of similar homes in the neighborhood. If homes have been selling for far less than the asking price, make a bid accordingly. Have your sales agent do a detailed analysis of the selling price of similar homes in the area and use the many Internet resources available. Find out about the school districts, businesses and services available in the community. This information will be helpful in determining your bid for the home and might increase the value of your home when you prepare to sell.



Evaluate Your Budget



Review Your Credit Report



Visit the Credit Union for Financing



Start Looking



Find Your Home



Make A Bid



Buyer Accepts Bid



Get the Home Inspected



Gather Necessary Paperwork



The Closing ... Welcome Home!