



ABC's OF FINANCING

how much can I afford?

Mortgage lenders recommend you do not buy a home that is more than 3 to 5 times your annual household income. If you are not purchasing a home with cash, you will need a mortgage pre-approval provided by your mortgage lender. A lender will work with you to get a loan that meets your needs. Some buyers are concerned with keeping their monthly payments as low as possible, others want to make sure that their monthly payments never increase. Our goal is to help you stay within your budget so you can relax and enjoy your next home!

check your credit

A mortgage requires a good credit score. You can improve your score by:

- Paying down credit card balances and continuing to make payments on time
- Avoid applying for a new credit card or car loan until you have been approved
- Avoid making big purchases until you have been approved
- If possible, avoid job changes until you have been approved

what should I have set aside?

- A down Payment typically falls between 3.5% & 20% of the purchase price.
- The Due diligence fee is a negotiated amount paid directly to the seller for time off market, which the seller deposits and keeps. At closing, that amount will be credited back to you and is factored into your down payment.
- Earnest Money, known as a good faith money, is held in escrow and is refundable during the due diligence period. When you close it is credited back to you as part of your down payment.
- Closing Costs run between 2% & 5% of the loan amount. Your lender will provide a solid estimate.
- Home Inspections and Appraisals costs \$400 to \$700 or more depending on the size of the home.

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