

SIX TIPS FOR MOVING SINGLES FROM RENTERS TO HOME BUYERS

Six Steps to Homeownership

1. Owning a home is an integral part of the American dream that provides advantages such as tax benefits, a financial investment, and a sense of community. The advantages far outweigh the drawbacks.
2. How is your credit? Your credit history is one of the first things a mortgage lender will review. You can request a copy of the report from one of three major credit reporting agencies like Equifax (800-685-1111); Experian (888-397-3742); or TransUnion (800-888-4213). Review the report carefully and work with the agencies if you find discrepancies. If possible, do this three months before you apply for a home loan.
3. Save for your down payment and closing costs. Although the down payment is usually the biggest barrier, many mortgage companies now offer low or no down payment loans. There are some three and five percent down payments available and some loans that require no down payment.
4. BEFORE you start your home search, get pre-approved for a home loan. Ask your local lender to pre-approve, not pre-qualify you, for a mortgage. This service is usually free and lets you know how much home you can afford. Pre-approval also makes you more attractive as a serious buyer.
5. Know your options. Check with your lender, local housing department, or local nonprofit housing organization to see if down payment assistance programs are available. These programs offer loans you take in addition to your mortgage to help you make the down payment, once you meet certain eligibility requirements. These may have below market interest rates or may not require repayment until you sell your home. Some local housing departments offer low interest rate loans for the entire mortgage, sometimes a full point below market interest rates.
6. Do your homework. Learn as much as you can. Many mortgage lenders, nonprofit organizations, and real estate companies offer homebuyer education classes to prepare you for owning a home. These classes walk you through the basics of home buying and how to manage the responsibilities of home ownership or simply call **Joseph K. Kirby** at **410-604-3376**. He can help you with any and all of these tips and services.