



# What to do BEFORE you buy a house

**Are your friends thinking about buying a house? Give them these tips for getting ready to buy.**

- **Save for a down payment.** The minimum down payment for an FHA loan is 3.5% of the property's purchase price. This might be a pretty good chunk of money for many homebuyers, but don't worry! If you're not quite there, you can work on the rest of these steps while you save.
- **Review your credit history.** The better your credit history (and the bigger your down payment) the more desirable your loan terms and interest rate will be.
- **Improve your credit.** Pay your bills and pay them on time! If you tend to be forgetful or too busy when the first of the month rolls around, set up automatic monthly payments.
- **Do not purchase any big-ticket items on credit.** This includes vehicles, furniture, or even a vacation. These personal loans increase your debt-to-income ratio which in turn will decrease your borrowing power.
- **Shop around for a home loan now, before you begin to shop for a home.** Many homebuyers neglect this primary step toward purchasing a home. Shop around for the best loan offer. Comparing loan offers will expose big differences in loan terms and costs.
- **Get a written preapproval.** A preapproval letter sets you above other buyers in a competitive market. It tells sellers you mean business, and you have the money to back up your offer.
- **Find a real estate agent you are comfortable with.** Buying a home is a huge deal. Selection is about when, where and what price, and includes a big financial commitment. You need an expert at your side to guide you through the process and help you make intelligent decisions.

**For more information about buying a home in today's market, tell your friends to call me! Together we'll find the home that's the right fit.**