



# BUY HOUSE IN 5 STEPS

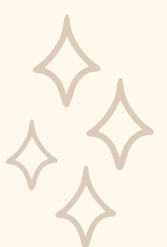
Figure out the house price you can afford

Plan on a mortgage scheme that suits you

Prepare funds for the down payment

Visit the house to make sure that it has a suitable condition and surroundings

Make sure you are ready to buy the house



# Buying a Home: How to



## Price you can afford

First, do a quick calculation to get a rough estimate of how much you can afford based on your income alone. Most financial advisors recommend spending no more than 25% to 28% of your monthly income on housing costs. Add up your total household income and multiply it by .28.

## Mortgage Loans: Ask your Banker

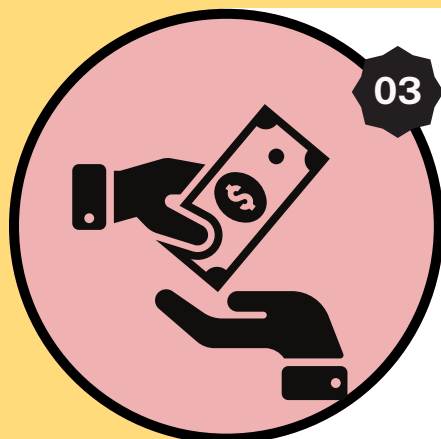
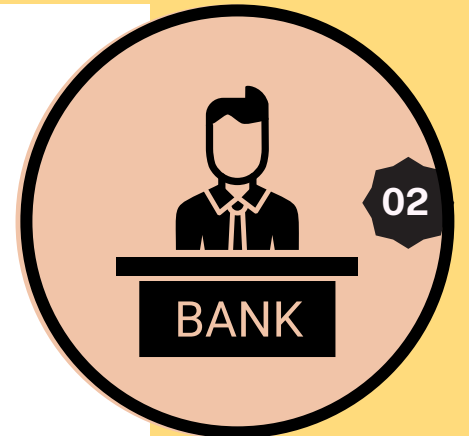
**Conventional loan** – Best for borrowers with a good credit score

**Jumbo loan** – Best for borrowers with excellent credit looking to buy an expensive home

**Government-insured loan** – Best for borrowers who have lower credit scores and minimal cash for a down payment

**Fixed-rate mortgage** – Best for borrowers who'd prefer a predictable, set monthly payment for the duration of the loan

**Adjustable-rate mortgage** – Best for borrowers who aren't planning to stay in the home for an extended period, would prefer lower payments in the short-term and are comfortable with possibly having to pay more in the future.



## Down Payment

A 20% down payment is widely considered the ideal down payment amount for most loan types and lenders.

To purchase a \$200,000 house, you need a down payment of at least \$40,000 (20% of the home price) to avoid Private mortgage insurance on a conventional mortgage.

PMI is a type of mortgage insurance you might be required to pay. PMI protects the lender if you stop making payments on your loan.

## Home Visit: Ask your Realtor

### 10 things to ask when you view a home

1. Why is the seller moving?
2. What comes with the property?
3. How old is the roof?
4. How old — and how efficient — is the heating and cooling system?
5. Are there any disclosures?

6. Are there any problems with the house?

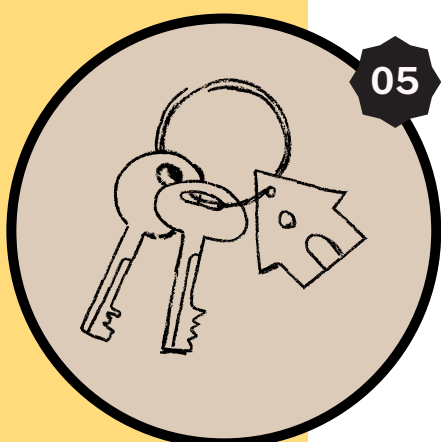
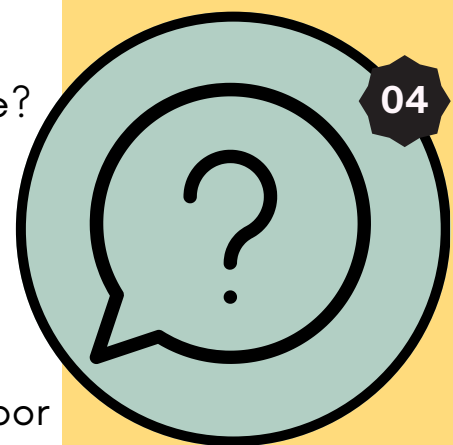
7. Have you made any additions or renovations?

8. What's the water pressure like?

9. Has the property been surveyed recently?

10. Are there any easements?

\*An easement is a legal right of a neighbor to access your property.



## Are you ready to buy a house?

Is your debt manageable? Do you have a good credit score? Have you set aside money for maintenance and repair? Is your lifestyle stable? Will you potentially need to move for work? Is your potential home in a neighborhood you like?

Overall, buying a house is a major life decision that requires careful consideration of your financial situation, life circumstances, and long-term goals. Knowing that you are ready ensures a smoother and more rewarding homeownership experience.