



## **10 Steps to Prepare for Homeownership**

1. Decide how much home you can afford. Generally, you can afford a home equal in value to between two and three times your gross income.
2. Develop a wish list of what you'd like your home to have. Then prioritize the features on your list.
3. Select the area(s) you'd like to live in. Consider items such as schools, recreational facilities, area expansion plans, and safety.
4. Determine if you have enough saved to cover your down payment and closing costs. Closing costs, including taxes, attorney's fee, and transfer fees average between 2 percent and 7 percent of the home price.
5. Get your credit in order. Obtain a copy of your credit report.
6. Determine how large a mortgage you can qualify for. Also explore different loan options and decide what's best for you.
7. Organize all the documentation a lender will need to pre-approve you for a loan.
8. Do research to determine if you qualify for any special mortgage or down payment-assistance programs.
9. Calculate the costs of homeownership, including property taxes, insurance, maintenance, and association fees, if applicable.
10. Find an experienced REALTOR<sup>®</sup> who can help you through the process.