



BUYING YOUR FIRST HOUSE?

Thinking about buying your first home? Go ahead and make those plans. You'll love the feeling of having something that's all yours, a home that will tell the world who you are. Herb garden in your back yard or maybe a tiled entryway or perhaps that yellow kitchen you've dreamed of. When you own you can do it all your way. But there's more to home owning than personal satisfaction.

There are the financial pluses to ownership, like being able to deduct the entire cost of the mortgage loans' interest from your federal taxes. Another financial plus to owning a home is the possibility its value will go up through the years. This is another form of equity; the potential increases in your home's value. The rewards are many, but with ownership comes responsibility and, initially, the responsibility of future homeowners is to get themselves as much information about the process as possible. The following suggestions will help provide a basis for sound decision making as you enter the home buying process.

1. Read up on as much material as you can on homeownership. You can never know too much. There are countless publications that detail the insight and advice of real estate professionals who can assist you with becoming an informed buyer. Read and ask questions.
2. Talk to friends and relatives who have brought homes. Ask them to suggest real-estate professionals with which they've had good experiences. Personal referrals will lessen some of the apprehension you might have about dealing with someone unknown to you.
3. Decide what type of neighborhood you wish to live in first. Make your determination based on your needs, transportation concerns, schools, etc. Remember you can change the house to suit your individual tastes, but your neighborhood is a shared resource that will reflect the values of many others. So you should try to match your idea of an ideal neighborhood to the places that you are considering.
4. Understand that 29% of your monthly income (before taxes and deductions) is the maximum amount that most people can afford for a mortgage. Knowing what your affordability range is will save you time and money. Once you have established what your maximum purchase amount is, stick to it.
5. Only sign documents that you fully understand. The homebuying process will afford you many opportunities to consult with professionals that have expertise in specific areas. Use the resources of the helping community if you have to but get competent advice from people who know what they are talking about. Lenders don't give legal advice and attorneys don't loan money. They operate from their own sphere of knowledge and defer other discussions to persons familiar with those topics. You should also.
6. Take notes. Shopping for a house can be overwhelming. Realtors and sales professionals have listings that detail particulars of houses for sale. These listings can be very helpful, but for your own sake write down things that you might want to ask questions about later. Do this at every stage of the process, whether you are viewing a house, meeting with lenders, or doing a home inspection. The notes will also be helpful to you if you are comparison-shopping.
7. Be patient. One of the absolute cardinal rules in homebuying is for the buyer to be patient and let the right deal develop. If you are thorough you'll find that you might have to make many inquiries before you find just the right house at just the right price in just the right neighborhood. If you pre-qualify for a loan the rate will be locked in for a set number of days. If you find that the time in which you have to get that rate is expiring before you find the right house, let it expire. Paying a higher interest rate later on is still a better choice over getting rushed into an unfavorable transaction