



TIPS FOR PURCHASING OR BUILDING A HOME



Purchasing a home is the biggest financial investment you will likely make. The decision to buy a home should be well thought out and planned. Here are some tips on making this process as smooth as possible.

MAKE SURE THAT YOU KNOW YOUR CREDIT SCORE

Understanding your credit score is important when you begin the home-buying process. See our credit hints online!

EVALUATE YOUR BUDGET & UNDERSTAND COSTS ASSOCIATED WITH HOME PURCHASE & OWNERSHIP

A good rule of thumb when shopping for your future home is that you should be able to afford a house that is 2.5x your annual household income. Utilize a budget tool such as CNB's \$MART App to determine what you can afford. Be aware that there are costs associated with the buying process itself. These can include loan origination, down payment, closing costs, and realtor fees. Be sure to take into consideration additional expenses associated with home ownership such as insurance, utilities, taxes and home repairs.

Get Preapproved & Learn Your Financing Options

Getting preapproved gives the buyer the advantage of knowing exactly what they can spend. Sellers will know you are a serious buyer, and, in most cases, you can close on your home purchase faster.

Do your research. Knowing the difference between a fixed- and adjustable-rate mortgages will help you in the financing process. To get preapproved, visit the CNB mortgage department or apply online.

Visit www.hud.gov for information regarding the home-buying programs that are available in your area.

Optional Points & Interest Rates

Lenders often give you the option to pay an upfront fee in order to reduce your interest rate over the life of your loan. This is called points.

If you are planning on staying in your home for at least 3-5 years, it might be in your best interest to pay this initial cost in order to save yourself interest expense in the long run. This is optional. Without the purchase of points, you may pay a higher interest rate.

Should You Hire a Realtor?

Hiring a realtor gives you an advantage in a competitive sales market. They research for homes in the areas you're interested in while respecting your budget. Realtors often have access to homes that are coming up for sale but not yet listed. When you hire a realtor, it is the job of this professional to advise you in all aspects of the home buying process. A realtor can tell you whether a home's price is market appropriate based on the surrounding area, school district and other factors that affect property value. Realtors also have the power of negotiation; when you hire a realtor, you have a professional working to get the best home for your money.

TIPS FOR BUILDING A NEW HOME

Design Your Home: You can purchase a set of house plans or have a set of plans drawn up for your custom design.

Hire a Contractor: When choosing a contractor, be sure to check references and comparison shop. Have multiple contractors bid your home before deciding on the one you want to build your home.

Find a Lender: Some lenders offer construction financing but not permanent financing. Ask our mortgage department for information.

Stay Involved in the Building Process: The building process can be tedious. Be sure you're involved in each step of the process. Visit your home site regularly to make sure the work is being done to your specification and in staying with your time schedule.