

10 Simple Rules of Thumb for First-Time Homebuyers

Handy tips and tidbits to help you make the big decision

- **Know what you can afford to spend.** You'll find Qualifying Calculators on sites such as Bankrate.com and E-Loan.com.
- **Find out if you qualify for homebuying help.** The U.S. Department of Housing and Urban Development has programs to help teachers, firefighters and others buy affordable homes. Federal Housing Administration loan programs offer lower down payments to help first-time buyers. Go to HUD's website (www.hud.gov) for details.
- **Get pre-qualified for a loan.** First, get a copy of your credit history (free copies are available through AnnualCreditReport.com), then find a reputable lender.
- **Don't spend time looking at homes you can't afford.** Staying only with homes in your price range reduces the temptation to over-extend your budget.
- **Realize the neighborhood you choose is *at least as important as the house*.** Make sure you are comfortable there. While houses can be modified, finding a community that is a good fit for your family is vital.
- **Think about resale value.** When you spot a home you like, consider how it will look to future buyers. For instance, proximity to a busy street can turn some buyers off.
- **Investigate ongoing maintenance costs** and other factors such as taxes, insurance and utilities.
- **Have the house inspected,** and carefully review the report. Come up with a negotiation strategy, remembering that the seller is obligated to fix a leaking roof but not a hole in the carpet.
- **Examine the pre-closing statement** provided by your agent or lender, and ensure that you have enough cash to swing the deal when you go to settlement.