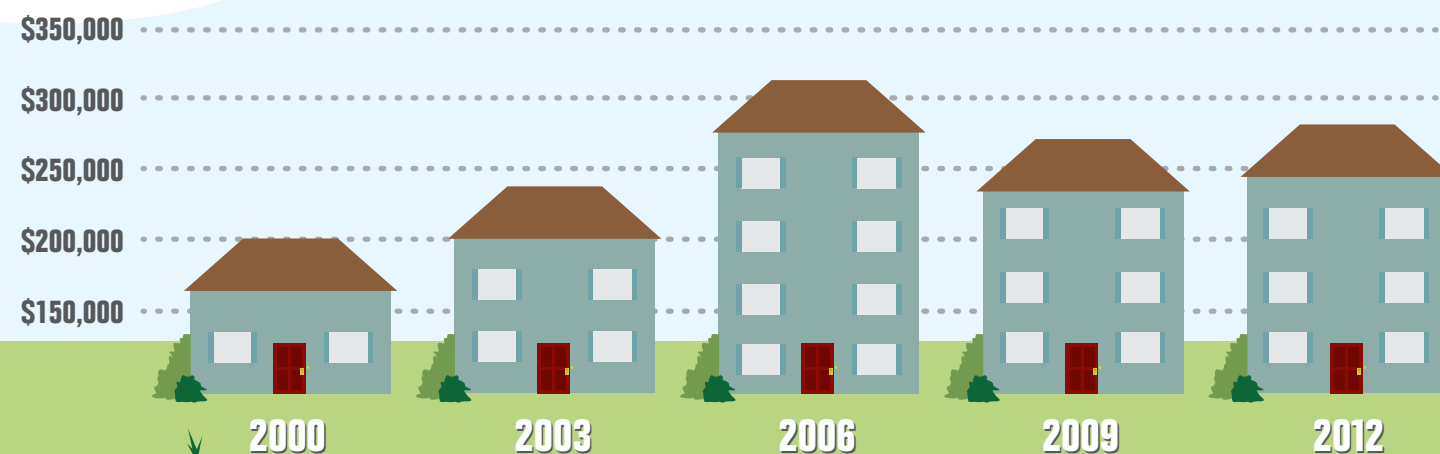


I WANT TO BUY A HOUSE

BUT WHERE DO I START?

AVERAGE HOME PRICES (2000-2012)



FOR SALE

1 KNOW WHAT YOU CAN AFFORD

The typical formula for how much should be spent on a home is simple:

2 to 3x ANNUAL INCOME

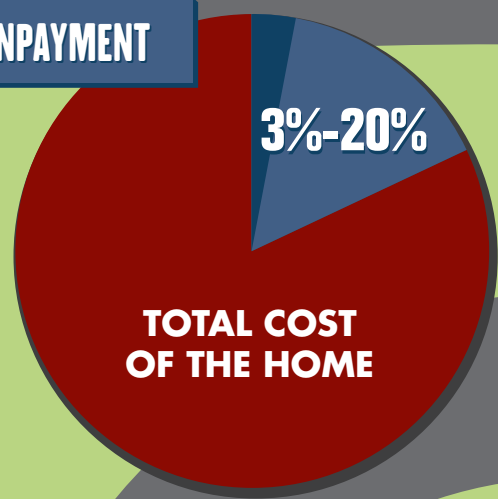
There's money you'll need for upfront costs too.

1%-8% PLUS \$250-\$800

OF THE SALE PRICE FOR CLOSING COSTS

MISCELLANEOUS COSTS

DOWNPAYMENT



It's not true that you have to make a 20% downpayment on a conventional loan. With private mortgage insurance, you can put **as little as 3% down**.

FAST FACTS!

PRIVATE MORTGAGE INSURANCE:

- Affordable way to purchase your dream home sooner
- Qualify for a larger loan without increasing monthly payments
- Premiums can be cancelled after a certain period of time (unlike an FHA loan!)

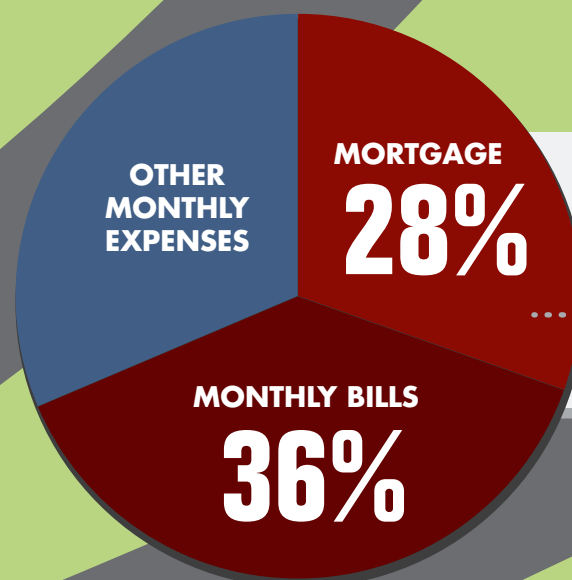
2 GET PRE-APPROVED

Go to your local mortgage lender and fill out a mortgage application. You will get a letter telling real estate agents and home sellers you have been pre-approved for a loan. **There may be an application fee.**



3 KNOW YOUR LIMITS

Just because you are pre-approved for a certain amount, doesn't mean you can afford it. Financial experts recommend spending no more than **28% of your monthly income** on a mortgage payment and **36% on monthly expenses**.



4 KNOW WHAT YOU WANT

Make a list of things you would like to have in your new home. Divide the list into two columns: **wants** and **needs**. Reference your list when touring a house to make sure it has what you're looking for.

HOME WANTS

hot tub
pool table
swimming pool
finished basement
hardwood floors
bird bath

HOME NEEDS

3 bedrooms
fenced yard
covered porch
back deck
open floorplan

INSPECTION CHECKLIST

- ✓ Roof
- ✓ Plumbing
- ✓ Electric
- ✓ Siding
- ✓ Termites

7 KNOW YOUR HOME

Next, you have the home **inspected and appraised**. The inspection is designed to identify problems with the house, while an appraisal is designed to place a value on it. Both can help you make sure you are making a wise purchase.

CLOSING THE DEAL

The closing is where you sit down and finalize all the paperwork to transfer ownership of the home. This is when you make the downpayment and pay any closing costs. Once the papers are signed and payments complete, you'll get the keys to your new home!

5 FIND AN AGENT

Real estate agents are experts in the housing market and will be your guide through the entire process, from finding your home to making an offer.



6 MAKE AN OFFER

Once you find the home for you, you will make an offer to the seller. Your real estate agent will help you put together the offer and present it to the seller or their agent. If they agree to your terms, they will sign the offer, and it becomes a sales agreement.



A helpful step-by-step guide from **RADIAN**

For more information on how Radian can help with your first home purchase, visit www.radian.biz.