



Buying A Home May Be Easier Than You Think

(NAPSA)—For anyone dreaming of owning a home, a look at one young couple's success story could prove inspirational.

Recent college grads Jacob and Katherine closed on their first home a week after their wedding.

"I wanted our own home because the rent was going up and stuff was falling apart in the apartment," Jacob explained. He's an engineer for an industrial automation company.

Katherine said that buying a home really wasn't on her radar. "Owning a home seemed so complicated, with mortgage payments and property taxes. I was much slower to get on board with the idea. It seemed like such a grown-up decision," she said. Katherine is a graphic designer for a university. But once they made that momentous, "grown-up decision," they moved forward together.

Here's what they learned:

1. Do A Lot Of Research Online.

"There are so many tools and resources you can use. We found calculators that showed us how much we could afford," Jacob said.

2. Don't Let Student Loans Get In The Way. Jacob explained that he had some pretty heavy student loans. "But I focused on paying off those with higher interest rates. Once we got those under control and started saving again, we started the home-buying discussions."

3. Trust Your Real Estate Agent.

"Our real estate agent spent a lot of time with us. He got straight to the point and was very honest. He helped us figure out what we wanted, where we wanted to live and what we could afford," Jacob said.

4. Look In The Basement First.

"Our real estate agent advised us to look at the guts of the house first. Don't be distracted by things like granite countertops and stainless steel appliances," Katherine said.

Jacob agreed: "You can get too caught up in the aesthetics of a house. It has been staged that way on purpose. We looked in the basement first, at the foundation and to see if anything was damp."

5. If You Don't Have A 20 Percent Down Payment, Consider Private Mortgage Insurance. Katherine and Jacob had saved up for a down payment, but it wasn't enough for the 20 percent down required by many lenders for borrowers who don't finance with mortgage



They graduated from college, got married and bought a house, all in the same month! Kat and Jake did not let student debt or a big down payment get in their way and successfully closed on their first home. Next on their list: a puppy! Tali the cat is clearly in denial.

insurance. With private mortgage insurance, borrowers can buy a home with as little as 3 percent down.

Katherine and Jacob had enough for a 10 percent down payment and private mortgage insurance helped them qualify for their mortgage. "We wouldn't have been able to buy our house with only 10 percent down without private mortgage insurance," Jacob said.

6. Down Payment Funds Can Come From A Gift. Although they were good savers, Katherine explained, most of the funds for their down payment came from their parents.

Resources

- **Buy Now vs. Wait Calculator**—This tool can help you determine whether you are better off waiting to save for a 20 percent down payment or buying a home right now with a smaller down payment. mgic.com/buynow.
- **HomeDiggidy.com**—This blog provides useful articles and tools to help you explore the home-buying process.
- **A Beginner's Guide to Homeownership**—This website leads you through the home-buying process. homebuyers.mgic.com.
- **Home by Fannie Mae**—This app will guide you through four steps: Financial Prep, Home Search, Home Purchase and, finally, Homeownership. Download from the App Store.
- **CreditSmart by Freddie Mac**—This website is a guide to better credit, money management and responsible homeownership. freddiemac.com/creditsmart.