



# HOME BUYING TIPS

KNOWLEDGE IS POWER . . . . .

## BEFORE YOU COMMIT TO THAT DREAM HOME...

### » **Research your financing before you shop.**

Check with your city and county for any First Time Buyer programs they may be offering. Many times they will assist with the down payment and closing costs and have funds set aside for low-rate loans. The state and federal government also have programs tailored for the First Time Buyer, including a program that allows for repairs if you purchase a damaged foreclosure.

### » **Plan for the long haul.**

Make sure you can comfortably make the payments... not just this year, but for many years to come. Don't cut out normal expenses to afford the house. If you like going to the movies every weekend or long vacations every summer, factor those expenses in. Most people have a hard time changing spending habits. Don't factor in overtime, child support, second jobs, or other sources of income that are sporadic or will typically end.

### » **Don't buy beyond your means.**

We had a member who came in for guidance in purchasing a home two years ago. She qualified for a loan not to exceed \$300,000.00. Undaunted, she moved on to a bank that would approve her for \$550,000.00. She started with a low rate and low payment, which two years later has increased so much that she lost the home and her formerly high credit score.

### » **Know what you're getting in to.**

Buying the house is your initial expense. Then comes furniture, appliances, much higher utility bills and when you least expect it, the hot water heater will blow. Having said that, home ownership has historically been one of the best investments you can make. It signifies stability and accomplishment. You may benefit at tax time, but consult your tax advisor regarding the deductibility of interest. It is one way the average citizen can gain wealth over time.

### » **ASK QUESTIONS!**

Mortgage rates and terminology can be confusing. Ask questions and read everything you are given so there are no surprises (like points, fees, balloon payments, pre-payment penalties or rate changes).



*We're happy to give you home buying information and figure payments for you.*

**CALL OUR MORTGAGE STAFF TODAY!**

Monday - Friday | 8:00am - 4:30pm

**(925) 335-3870**



*1<sup>st</sup> Nor Cal*  
1<sup>ST</sup> NORTHERN CALIFORNIA CREDIT UNION