

## Top 10 Things to Know Before Buying a Home

- 1. Don't buy if you can't stay put.** If you can't commit to remaining in one place for at least a few years, then owning is probably not for you at this point in your life. With the transaction costs of buying and selling a home, you may end up losing money if you sell within a few short years.
- 2. Start by shoring up your credit.** Since you most likely will need to get a mortgage to buy a house, you must make sure your credit history is as clean as possible.
- 3. Aim for a home you can really afford.** The rule of thumb is that you can buy housing that runs about two-and-one-half times your annual salary.
- 4. If you can't put down the usual 20 percent, you may still qualify for a loan.** There are a variety of public and private lenders who, if you qualify, offer low-interest mortgages that require a down payment as small as 3 percent of the purchase price.
- 5. Buy in a district with good schools.** Reason: When it comes time to sell, you'll learn that strong school districts are a top priority for many home buyers, thus helping to boost property values.
- 6. Get professional help.** You may want to look for an exclusive buyer agent, if possible, who will have your interests at heart and can help you with strategies during the bidding process.
- 7. Choose carefully between points and rate.** When picking a mortgage, you usually have the option of paying additional in exchange for a lower interest rate.
- 8. Before house hunting, get pre-approved.**
- 9. Do your homework before bidding on a home.**
- 10. Hire a home inspector.** Your lender will require a home appraisal, but that's just the bank's way of determining whether the house is worth the price you've agreed to pay. Independently, you should hire your own home inspector.