## 10 Steps to Prepare for Homeownership

- 1. Decide how much home you can afford. Generally, you can afford a home equal in value to between two and three times your gross income.
- 2. Develop a wish list of what you'd like your home to have. Then prioritize the features on your list.
- 3. Select three or four neighborhoods you'd like to live in. Consider items such as schools, recreational facilities, area expansion plans, and safety.
- 4. Determine if you have enough saved to cover your downpayment and closing costs. Closing costs, including taxes, attorney's fee, and transfer fees average between 2 percent and 7 percent of the home price.
- 5. Get your credit in order. Obtain a copy of your credit report.
- 6. Determine how large a mortgage you can qualify for. Also explore different loans options and decide what's best for you.
- 7. Organize all the documentation a lender will need to preapprove you for a loan.
- 8. Do research to determine if you qualify for any special mortgage or downpayment-assistance programs.
- 9. Calculate the costs of homeownership, including property taxes, insurance, maintenance, and association fees, if applicable.
- 10. Find an experienced REALTOR® who can help you through the process.