

The background features a repeating pattern of circles in various colors (green, red, orange, purple) arranged in a grid. Each circle contains two horizontal lines, resembling a stylized 'H' or a simplified representation of a DNA double helix. The circles are arranged in a staggered pattern, with some overlapping.

Homebuyer Education
Section 1
Decision Making

Decision Making

Is Homeownership Right for you?

Steps in buying a home

1. Prepare for homeownership by making sure you are personally ready
2. Determine what you can afford
3. Shop for loan and obtain pre-qualification or pre-approval
4. Find the right home for you
5. Negotiate and enter into a purchase agreement
6. Apply for a mortgage loan
7. Have your prospective home inspected
8. Arrange for a title search and title insurance
9. Purchase homeowners insurance
10. Close the deal
11. Move in
12. Maintain your home and homeownership

Controlling the Home Buying Process

- Homeowners take on high levels of accountability
- The buyer must take control of the buying process
- Understand the potential for conflict of interest when getting advice
- The only thing that matters is what's in writing

Are You Ready for Homeownership?

Experiences prepare you for homeownership

Your Experiences

- Have you lived independently
- Are you willing to take on all responsibility for running a household by yourself
- If living with someone else, can you try taking over responsibility for a time
- Are you financially independent
- Do you pay all of your bills on time each month
- Can you maintain a budget for housing expenses

Are You Ready for Homeownership?

Experiences with other household members

- Are you used to living together
- Do you make decisions together
- Do you jointly manage money together
- [Have you talked over all your expectations with caregivers and roommates]
- [Have you determined what other household members will and will not do]

Are You Ready for Homeownership?

Experiences with Stability

- Are you ready for a long-range commitment
- Do you plan to stay in your job or lifestyle for a while
- Do you plan to stay in the area for several years
- Are the people in your household who contribute to expenses staying with you

Are You Ready for Homeownership?

Resources You'll Need For Homeownership

- Do you have a steady source of income
 - Lenders want to see 2 years in your current position
 - Lenders want to see improvement in your position if you changed jobs
- Do you have credit and what does your credit report say about you?
 - Have you paid you bills on time
 - Have you inspected your credit report to make sure it is accurate
- Is your existing debt low enough to qualify for a loan?
 - What portion of your income do you owe to other people
- Do you have money for down payment and closing expenses?

Homeownership Pros and Cons

Homeownership Benefits

- You have more control over what you can do to the property
- You usually have more privacy
- Your house can be a “savings” plan
- Your housings costs are more stable
- You will have some tax advantages
- Homeownership increases feelings of self-confidence and well-being

Homeownership Pros and Cons

Homeownership Disadvantages

- The mortgage payment with taxes and insurance may be more than rent
- Upfront costs for renting are lower
- You must pay to maintain and repair the property
- You lose mobility
- Your property could decrease in value
- Loss of income or increase in expenses may result in loss of home
- [You may lose benefit programs or have your eligibility restricted]
- [You may have to arrange for caregivers, and find new caregivers over time, instead of having them available to you at your residence facility]