

Ways to Save When Buying a Home



A home is likely the largest purchase you will ever make. Before you buy, consider these tips and resource.

You can't have everything you want in a home, especially a first home, so ask yourself what do you need the most, then what you want the most.

Keep in mind you're not just buying a house. You're buying a neighborhood. Get to know it before you buy.

Houses are expensive, but it's not just the average house cost that has increased – so has the average house size (1,500 sq. ft. in 1970; 2,300 sq. ft. today).

Only borrow what you can afford, as opposed to borrowing as much as you can. Buying a home and keeping that home can be two very different things. There's a temptation to overbuy, which can greatly stress family life. And it's also a formula for foreclosure.

Shop lenders for rates and fees. Be sure you're dealing with a reputable lender. If you choose an online lender, do your homework first and make sure it's a trustworthy company.

Consider getting a 15 or 20-year loan vs. 30 or 40-year loan. You will build equity in your home much faster, typically get a lower interest rate, pay off your home much sooner and save well over \$100,000 in interest.

People who move within the first seven years of their home loan build up little equity. If you move during this time, you will have very little to show for it. The vast majority of your monthly payments went towards interest and realtor fees.

CCOA is a non-profit HUD-certified housing agency. Before you buy a home, take our online home buying class and make a pre-purchase housing counseling appointment to discuss the ins & outs of home buying. Class participants may qualify for ADFA down payment assistance program.

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