

BUYING A NEW HOME



There are many pitfalls you can avoid when you are in the market to buy a new home. Here are just a few tips and strategies to help you prepare for success:

- **Know your credit score.** You may be able to get a better mortgage rate and more favorable loan terms by restructuring some of your balances on credit cards, car loans, etc. *Certified Mortgage Planning Specialist professionals* help you correct errors on your credit report and determine which balances to restructure or pay off in order to improve your credit score.
- **Know how much you can spend and determine how much you can afford.** CMPS professionals can help you:
 - Finance your home based on your monthly payment comfort level
 - Determine how much cash to use as your down payment and where to get these funds
 - Understand your before and after-tax monthly payments
 - Restructure some other debt you may have to free up more monthly cash flow that enables you to improve your home buying budget
- **Don't get caught in the "pre-approval" / "pre-qualification" trap.** It is always better to get a full approval / loan commitment from a CMPS professional before you even start looking for a home. Many mortgage brokers and lenders will give you a "pre-approval" or "pre-qualification", but these are often meaningless. What you really need is a bona fide commitment from a mortgage lender that you are in fact approved for financing. Many real estate transactions have been ruined because buyers, sellers and Realtors have counted on "pre-approval" letters that proved meaningless.
- **Determine whether to rent or buy a home** based on timeframe, budget and local market conditions. CMPS professionals help you run the numbers to determine if it is better for you to rent or buy a home based on your individual circumstances.
- **Don't be scared by all the doom and gloom headlines.** Everyone talks about buying low and selling high, but hardly anyone actually does it! As long as your timeframe is greater than two years, now is probably the best real estate buying opportunity in over two decades. People will always need a place to live, and housing will remain a great long-term investment. Your CMPS professional can help you structure your home purchase transaction in ways where you could save the most money. Strategies for you to consider include seller-paid closing costs, maximizing acquisition indebtedness to create tax benefits, structuring the down payment in the proper way and other useful strategies.
- **Develop a strategy for financing your closing costs, home improvements and furniture expenses.** A home purchase is a significant financial commitment. CMPS professionals help you understand the costs involved in home ownership and help you develop a financial strategy for dealing with these costs ahead of time.
- **Evaluate the mortgage products that will work best in your situation.** Remember, it is far better to find a CMPS professional who can help you implement the best strategy with competitive interest rates than for you to shop for the lowest rate with the wrong strategy.
- **Understand the 20 Terms You Must Know Before You Sign Off on Your Mortgage**



fast facts

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- Understand the terms you must know before signing your mortgage



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