

Get \$SMART Wausau C O A L I T I O N

"Educating people to make smart money choices."

Q What questions should I ask when buying a home?

A If you are considering buying a home you may have a long list of questions. Buying a home can be an overwhelming experience. These questions and answers may help make the process easier and less daunting.

Is homeownership right for you? Consider your lifestyle, credit history, employment stability, the permanence of residency, maintenance, repairs, equity gains/losses, tax benefits/drawbacks, and financial responsibility required to determine if homeownership is right for you.

Where do I start? If you require financing to buy a home, meet with a lender to determine if you can buy now or if planning is needed. The lender will help you determine how much of a home you can afford, how much of a down payment you will need, what type of loan best meets your needs, what costs are associated with a purchase, and what the monthly mortgage expense will be.

How do I find a lender? Start by talking to your bank or financial institution. You have an established relationship and many offer multiple options that fit the needs of most home buyers at competitive rates and fees. As with any large purchase, it is best to comparison shop by talking to a few different mortgage lenders. Ask family, friends, and co-workers for referrals. Find a lender that is reputable, experienced, and knowledgeable to assist you.

Do I need to use a real estate agent? While it is not required, it is highly recommended. Buying a home involves many details, having professional guidance can be invaluable.

How is a home inspection different from an appraisal? A home inspection reviews the mechanics and condition of a property. An appraisal determines the current market value of a property by taking into consideration the features and condition of the home in comparison to recent home sales in that area. Your lender uses an appraisal to determine the collateral value of the home.

In addition to the down payment, what other costs will there be? While no two transactions are the same, there are common costs of home purchasing. These would include earnest money, costs of obtaining financing, inspections fees, home warranty fees, homeowners insurance, and real estate taxes.

What is "Closing"? This is a meeting of the homebuyer, seller, Realtor(s), lender, and a closing agent to finalize the sale. At closing you will sign loan and other miscellaneous documents required in a real estate transaction. Your lender will work with you in advance to determine the amount of the money you will need to bring to closing.

There is no standard home buying process as not two transactions are alike. By working with seasoned professionals and being prepared, you can become a successful homeowner.

Visit www.getsmartwausau.org for information on free or low-cost local programs to help you make smart money choices.