



First-Time Homebuyers Mortgage Opportunities Abound

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First-time homebuyers, your window of opportunity may have just opened.

For the past ten years, rising housing prices may have made homeownership seem only a dream for many. Steep prices resulted in mortgage payments that were often unaffordable. However, economic cycles have a way of correcting things when they get unbalanced. Now, as mortgage rates are rising, housing values are starting to level off - and this may be your opportunity.

So, as you search for your new home, keep this thought in the back of your mind: Don't be afraid of rising interest rates. You may be able to refinance your current mortgage rate down the road to lower your

monthly payments if and when rates moderate. On the other hand, you can never undo the purchase price of your home if you overpay.

Before you start, formulate a game plan, get focused, and ask yourself two things:

ARE YOU READY, AND WHAT HAVE YOU DONE TO GET READY?

Allow me to give you the "Dad speech." My Dad always said, "Owning a home is not a right or a privilege, it's a sacrifice."

What are you willing to sacrifice to own your first home? This means taking a hard look at your spending and doing what it takes to cut where you can. The more you can save each month will go a long way to helping you meet your mortgage



payment. Do you really need multiple subscription packages like streaming TV, sports, movie or music services? Are you going out to eat several times a week? Are you overindulging with vehicles, tech gadgets, vacations or clothing? If you're not ready to consider the necessary sacrifices, you may not be serious about homeownership. The concept is an important one and it will benefit you long after your purchase. Making the necessary sacrifices to own a home, and maintaining this mindset will help you budget for what you really need and not what you may want.

Enough lecturing. Let's assume you are ready to make the necessary sacrifices.

How the mortgage lender you choose can help you:

Ask your lender to prepare a pre-qualification or a pre-approval (they're essentially the same thing and they're free). Having a pre-qual or pre-approval in hand is a crucial step in the home buying process. It demonstrates to the seller that you are a serious buyer, that you have taken the time to be informed, and that you have a mortgage lender ready to provide your financing. Just as important, knowing in advance how much you are eligible

to borrow prevents you from looking at properties you cannot afford and avoids wasting any goodwill you've earned with your realtor. Study the numbers your lender provides, and be conservative with the limits. Just because you may qualify for a loan of a certain amount doesn't mean you should buy a home for that full amount. The last thing you want is to have bought the most expensive home your financing allows for, only to have to eat cold cereal three times a day to make your mortgage payments.

First-Time Homebuyer Programs to look for:

When you're ready to buy, mortgage lenders may offer or recommend many first-time homebuyer options that can lower the cost of your home purchase. They include:

- Low or no down payment
- Low or no closing fees
- Flexible underwriting
- Reduced rates
- Low credit score minimums
- Federal programs (FHLB, VA)
- State programs (MHA, MHP)
- Down payment assistance programs
- City lottery programs
- House builder/Construction discount programs



- Programs for communities mandated under the Community Reinvestment Act (CRA)
- Lender foreclosures or real estate owned (REOs)

Other options exist as well, and there are always new programs being developed. **Let your mortgage lender explain the details and help match you with the program that suits you best.**

In addition to help from your mortgage lender, many attorneys will reduce their legal fees for first-time homebuyers. Sellers may agree to closing cost concessions. Insurance companies may offer flexible premium terms along with discounts for new or newer homes and certified workshop homebuyers.

At times, even realtors have been known to lower their fees to help get a deal across the finish line. **Don't be bashful asking all parties involved for reduced fees. You might be pleasantly surprised at how much you'll save - if you ask.**

For first-time homebuyers, the pathway to homeownership has never been easier. The market, the programs, and the assistance from mortgage lenders are all waiting for you. What's holding you back? As a homeowner, I can say there's nothing like the security and pride of homeownership. As a mortgage lender, nothing gives me more satisfaction than to see you at your new home, raking leaves or playing with your children, and knowing I helped your dream become a reality.



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