

Home Buying Checklist

By TRENT MOORE | Green Shoot Media

Buying or building a new home can be exciting, but there are a ton of questions you need to ask yourself before taking the plunge. Where should you start this soul-searching? Forbes has some recommendations for a few questions potential buyers should ask themselves. Figuring out the answers can help inform your decision.

WHAT CAN YOU AFFORD?

This is the place to start. Figure up your expenses and the amount of income you have coming in. From there set a hard number for what you can comfortably afford. That number might be more than you expected, or it might be less.

Regardless, this should be one of the biggest factors informing your decision. The greatest house in the world isn't going to do you much good if you can't make the payments.

WHAT DO YOU NEED?

Once you have a price range in mind, start figuring out exactly what you need in a house. How many bedrooms, how many bathrooms? Plan ahead. If you plan on staying there long term, consider how many kids or family members could eventually be living there, to make sure you have the space you need. Hardwood or carpet? Siding or brick? All these factors can narrow down your list of potential homes.

HOUSE VS. NEIGHBORHOOD

It's no surprise that homes in what are generally considered "nicer" neighborhoods are typically more expensive. Expanding your search area could



REAL ESTATE 101

Work it Out

The Consumer Financial Protection Bureau offers a monthly payment worksheet to help potential homeowners decide how much they can afford to spend on a mortgage payment. The formula takes into account line items such as emergency and long-term savings, home maintenance and improvement expenses, utilities and debt payments, as well as real estate expenses such as insurance, association fees and taxes. Download the worksheet at <http://bit.ly/2dmhltr>.

open up a deal for a bigger, more affordable home — but it could be a few more miles away from school or

work.

You have to decide what's more important, location or the home itself.

The final answer is typically a combination of the two, but it's never too early to start considering.

IS THIS WHAT YOU NEED OR WHAT YOU WANT?

Ask yourself whether you've found the house you want or the one you need? It might have a gorgeous bay window like you always wanted, but is that worth settling for fewer bedrooms and a smaller bathroom? Follow your heart, but also listen to your brain. Make sure the house has everything you need, first and foremost.



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HOMESWISE GLOSSARY

Impounds — A trust type account established by lenders for the accumulation of borrowers funds to meet periodic payment of taxes, FHA mortgage insurance premiums, and/or future insurance policy premiums, required to protect their security. Impounds are usually collected with the note payment. The combined principal, interest, taxes and insurance payment is commonly termed a PITI payment.

SOURCE: California Bureau of Real Estate

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