

HOMEOWNERSHIP NUMBERS?

HOW MUCH MORTGAGE COULD YOU COMFORTABLY AFFORD?



This is an important first number because it's the one number that probably won't change during the home buying process. How much home a homebuyer could afford is based on their income at the time of purchase. Going above that payment amount could lead to budget troubles down the road.

RULE OF THUMB:
Housing expenses should be no more than 30 percent of gross income.

01

WHAT ARE CURRENT MORTGAGE RATES?



Higher mortgage rates mean higher mortgage payment amounts, whether the price of the home a person wants to purchase goes up or not. NeighborWorks believes that homebuyers should work with a housing counselor to lock in the best mortgage rate for as long as possible at the lowest cost.

Mortgage rates are lower than they were for most of the past 20 years. It's not likely that 30-year fixed-rate mortgage rates will go much higher in the next 12 months.

02

WHAT IS YOUR CREDIT SCORE?



Knowing the credit score number affects the mortgage rate. Lenders are slowly moving their credit score targets to levels where more homebuyers could access a low-rate mortgage. However, if the homebuyer's credit score is below the threshold, the mortgage will cost more, if a mortgage is available at all.

NeighborWorks organizations around the country are here to help consumers, not just homebuyers, understand what helps and hurts a credit score.

03

HOW MUCH DO YOU HAVE FOR A DOWN PAYMENT AND CLOSING COSTS?



Saving the thousands of dollars usually needed for a minimal down payment takes time. To help close the time gap, we encourage homebuyers to seek out down payment assistance programs that may be available from us or other sources, as well as to retain a Realtor who will negotiate for closing costs assistance from the seller if possible.

Our national survey found that saving for a down payment is second only to saving for retirement.

04

<p>HUD HOUSING COUNSELING AGENCIES</p>	<p>HUD provides support to a nationwide network of Housing Counseling Agencies (HCA) and counselors. HCAs are trained and approved by HUD to provide tools to current and prospective homeowners so that they can make responsible choices to address their housing needs in light of their financial situations.</p> <p>For more information please visit the HUD Housing Counseling web site at www.hudexchange.info/programs/housing-counseling/</p>
<p>KEYS TO MY HOME</p>	<p>Neighborhood Finance Corporation is a Charter Member of NeighborWorks® America. NeighborWorks® America, through The NeighborWorks® Center for Homeownership Education and Counseling (NCHEC), provides a free educational Web site, designed to help you make informed, sound decisions related to the homebuying process. For more information please visit the Keys to My Home web site at www.keytomyhome.org</p>
<p>E HOME AMERICA</p>	<p>eHome America works closely with certified counseling agencies to help homebuyers and homeowners. The online courses have been professionally created, reviewed by various agencies, and certified by governing bodies. When going through a course, you will be connected with an agency you are already engaged with, or with an agency providing the requested service locally, your local partner. Counselors from the agency will communicate with you as needed to complete your education and help with any additional needs you have. Most agencies will require a follow up session before issuing the certificate of completion. There is a cost to complete the course. For more information please visit the eHome America web site at www.ehomeamerica.org. Information is available in Spanish and English.</p>
<p>FINANCIAL CAPABILITY NETWORK</p>	<p>The Financial Capability Network is located at Evelyn K. Davis Center for Working Families. The Network provides low to moderate income individuals and families a pathway of financial literacy and financial inclusion that leads to financial stability. For more information please visit the Financial Capability Network web site at www.fcn-dm.org or call 515-697-1450.</p>
<p>HOME, INC.</p>	<p>HOME, Inc. helps prospective homeowners determine if they are ready to purchase, and develop a plan to do so. For more information please visit the HOME, Inc. web site at www.homeincdsm.org or call 515-243-1277.</p>

