

Helpful tips for **FIRST-TIME HOMEBUYERS**



5 ROOKIE MISTAKES OF A FIRST TIME HOMEBUYER

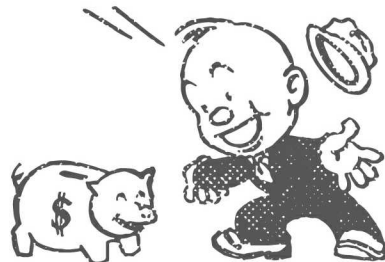
1. Underestimating the costs: Avoid overestimating or underestimating what you can afford. Save months in advance and budget for the money you're sure to spend.

2. Making a huge purchase before you buy your home: Many loans are approved based on a specific debt-to-income ratio (shows lenders how reasonable it would be to give you a mortgage while managing other financial debts) and minimum credit score, so hold off on huge purchases that could affect it.

3. Going solo: Don't go through the home buying process alone. Team up with an agent who has the know-how and experience to navigate the process.

4. Expecting your dream home: It's all about setting expectations for your first home. You may want to consider compromising on some of those less important aspects you thought were deal breakers to find a perfect fit.

5. Skipping the home inspection: Pay for a detailed home inspection so a quality inspector can find the things you won't see on the surface to ensure your home is move-in ready.



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PID 6834f | Content Approved as of 11/2018

5 THINGS TO LOOK FOR ON YOUR HOME TOUR

1. The location: Location matters, so beware of convincing yourself otherwise when you're tempted to overlook what you need nearby.

2. The home's structure, systems and scenery: Look at anything in the house that will cost money to fix like appliances, flooring, landscaping, roof and HVAC systems and make sure they're in good shape so you don't get stuck with an unexpected expense.

3. Water damage: If you see signs of water damage during your home tour, talk to your real estate agent and contractor before purchasing the house. Hopefully, if you catch issues early, you won't have to pay for costly renovations.

4. Odor: This is an easy way for people with allergies to determine whether previous owners smoked or had indoor pets. The sniff test also highlights whether smell-trapping aspects of the house, such as carpet, need updating.

5. Storage and space: Check to make sure the home's storage space will keep you organized and accommodate all your stuff.



5 EXPENSES FIRST-TIME HOMEBUYERS MAY ENCOUNTER

1. Closing costs and fees: Be ready to spend several thousand dollars in closing costs alone. That's because, as a buyer, you'll have to pay attorney's fees, lender fees, appraisal fees, title fees and a recording fee just to put your home's deed on file with the state.

2. Property taxes and homeowners insurance: You'll likely want to set up an escrow account where your loan servicer can pay your insurance premiums and tax payments for the life of your loan. All lenders require buyers to pay up to a year of homeowner's insurance at closing.

3. Private mortgage insurance (PMI): This monthly fee is for buyers who pay less than 20 percent of a down payment on their home. It reimburses the lender in case you default on your loan.

4. Inspections: Most industry experts recommend buyers foot the bill for a home inspection. Not all recommended repairs are covered by the seller. Depending on what your state requires, you could need a general, chimney, geological and/or sewer inspection (that's about a \$1,000 tab).

5. HOA fees: If you're moving into a subdivision or gated community, find out how much you'll have to pay in annual/yearly homeowners association fees for neighborhood upkeep.

