HOMEBUYER'S HANDBOOK

Helpful reference guide to lead you through your home buying journey

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BUYING VERSUS RENTING: **THE PROS & CONS**

When is the right time to buy a home? Are there times when you're better off renting? There's more to consider than just the finances. Let's take a look.

Roots versus freedom. Home ownership brings the intangible benefit of feeling established and putting down roots. We've all seen those pencil markings on the walls of homes where parents recorded their kids' heights year after year. It conjures up feelings of comfort. Homeowners also are more likely to build lasting relationships with neighbors and community businesses. Apartments and neighborhoods with rental houses, on the other hand, experience frequent turnover of residents. That said, renting provides the freedom to easily move for job advancement and changing family dynamics.

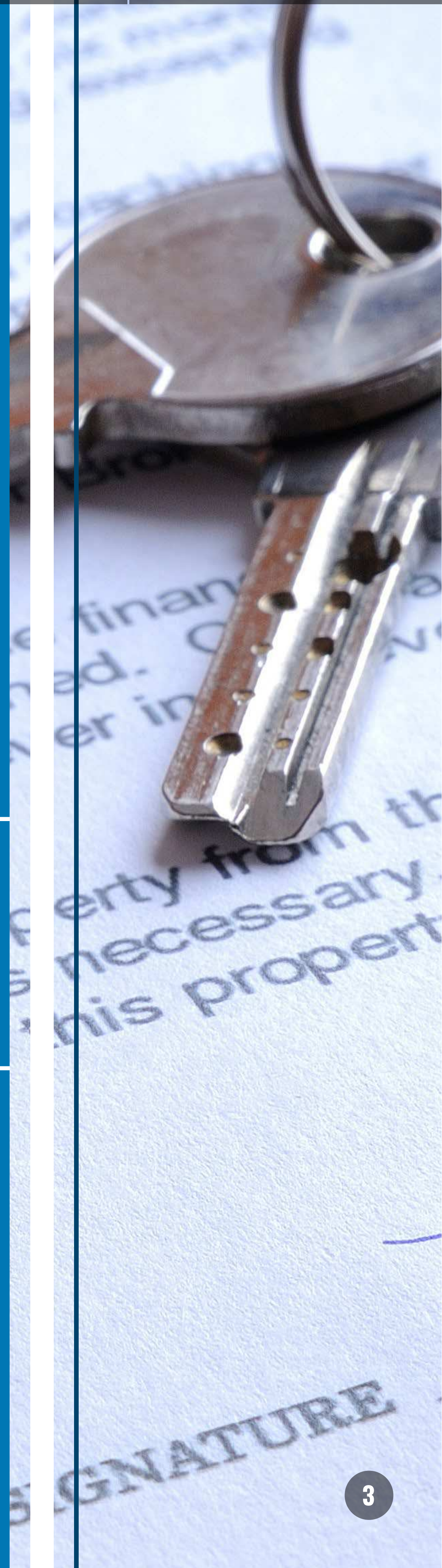
Crunch some numbers. Compare the demand for homes versus that for renting a house or apartment of similar size. What are the going rental rates compared to a mortgage payment? Don't forget: With home ownership the cost of upkeep is on you; with a rental, it's on the landlord.

Tax savings. Come tax season, homeowners are able to deduct mortgage interest and property taxes, a big tax savings you won't have when renting.

"When is the right time to buy a home? Are there times when you're better off renting?"

Equity for you or the landlord. Another thing to consider is the equity you build up in a home over time when making mortgage payments. Rental payments only build equity for the landlord.

Use a rent-versus-buy calculator. Several sites offer online calculators to help you decide whether it's more financially beneficial to rent or buy. The New York times offers one example at: http://nyti.ms/1j9OVCw



10 WAYS TO HELP REPAIR **YOUR CREDIT HISTORY**

Do you have bad credit? While legitimate credit repair services can help improve your credit scores, you can do the work yourself and save money. Here's how.

1. Pull Your Credit Report. Pull your credit report at www.annualcreditreport.com. It's free. Each credit reporting agency, Experian, Equifax and Transunion, will have its own detailed report on your history. Study each and look for errors. For example, if you had a debt go to collections that has been sold to other collection agencies, it should only show as one debt — not multiple ones. Fix any errors by writing to each agency with supporting documentation. If an ex-spouse is lowering your credit score, supply all three agencies with a copy of your divorce decree.

2. Send Documentation. If you spot an error caused by identity theft, send all three agencies documentation that you have disputed the fraudulent account along with affidavits attesting that they were not opened by you, and police reports on the crimes committed against you. This is a slow, difficult process.

3. Use Credit Cards Wisely. To rebuild your score, use your cards wisely and pay them on time. Your payment history and utilization account for 65 percent of your credit score so it's beneficial to use your cards regularly and pay them on time each month.

4. Pay Off Your Accounts. A history of paid-off accounts amounts to about 15 percent of your score so completely paying off a loan will help boost your score.

5. Diversified Debt. The remaining 20 percent of your credit score is attributable to diversified debt. In other words, it's best to have more than one type of loan on your credit report. A mortgage and a credit card will give you a higher score than having only a mortgage.

6. Avoid "Erase" Scams. If a credit repair service promises to "erase" bad marks on your credit that are genuine problems you have had, it is a scam. Legitimate blemishes on your report can only be removed over time by reestablishing good credit practices.

7. Do Your Research. If you still think you need help from a credit repair service, do your research. Look at online reviews, and check with the Better Business Bureau, the website for your state's attorney general and the federal agency called the Consumer Financial Protection Bureau at www.consumerfinance.gov.

8. Consolidate Your Debt. If you are drowning with multiple debts, especially high-interest credit card debt, go to a bank that offers debt consolidation loans. Not all do. Start a good relationship with a banker who can help you.

9. Federal Student Loans. If you have multiple federal student loans, contact www.studentloans.gov and investigate consolidation loans.

10. No Auto Title or Payday. Never resort to auto title loans or payday loans. These lending vehicles charge outrageous interest rates and, in the case of title loans, could cause you to lose your car.

PRE-QUALIFIED OR PRE-APPROVED: **WHAT'S THE DIFFERENCE?**

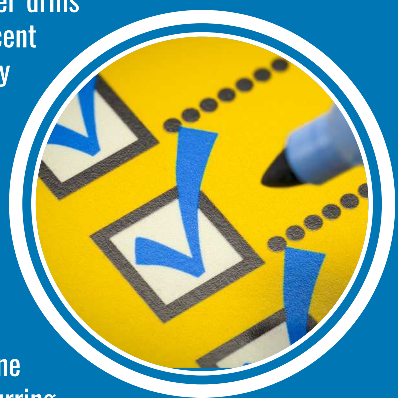
One of the most important steps in the home-shopping process is for buyers to have an initial assessment of their ability to get a mortgage. As a buyer, already having a letter from a lender in hand means you can move quickly when you find the home you want. As a seller, having a buyer with that letter means they are serious, and not just a "tire kicker."

Many are confused about the two most commonly used terms: pre-qualified and pre-approved. They are different and shouldn't be used interchangeably. Here's what you need to know.

Pre-qualification. With both pre-qualification and pre-approval, the prospective home buyer contacts a mortgage lender and has a conversation about how much home the buyer can afford. The difference between the two terms lies in the depth to which the lender has taken the buyer in this initial step.

With pre-qualification, the conversation is an early assessment of creditworthiness. The lender asks about income, job history, debt, credit condition and other questions. No reports or statements are pulled. From this conversation the lender can tell buyers how much home they can afford. Nothing is guaranteed until the full mortgage approval process is completed. What is the value of this cursory conversation? It helps save time and hassle if the buyers have issues such as damaged credit. If the buyers have been self-employed, they will be on notice that they need more robust documentation later in the buying process.

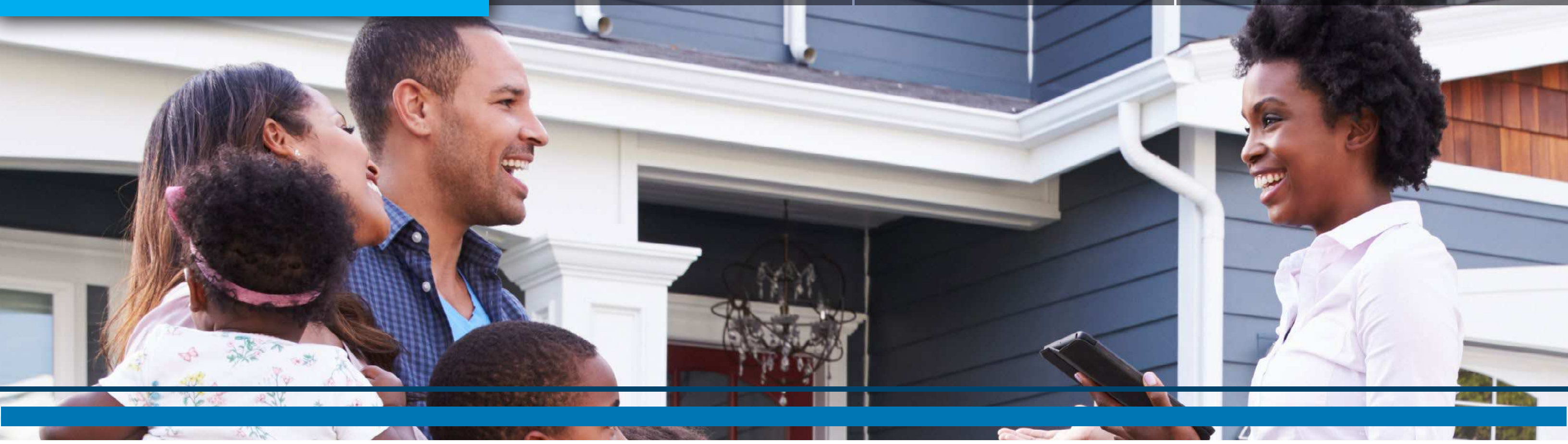
Pre-approved. The more definitive status is when a buyer is pre-approved. Here, the lender drills down, getting permission to pull credit reports, receiving income verification, and looking at recent statements of bank accounts and other assets. Based on these documents, the lender can actually issue a letter of preapproval for a mortgage, up to a certain dollar amount. Most real estate agents consider this a firmer step toward buying a home.



Even with "preapproved" status, there is no final guarantee of a loan. Once a home is chosen and property is under contract, the real work of full approval begins. The lender will analyze all of the same reports with more scrutiny, send verification inquiries to employers, look at bank statements for the last several months, and examine two years of tax returns, among other things. The house will be appraised to determine the appropriate loan-to-value ratio, or the maximum percent of the home value the lender will loan. Debt-to-income ratios are then used to determine the monthly mortgage payment you qualify for based on your income, housing expenses and recurring financial obligations. Full approval is a much more fine-tuned process.

Staying pre-approved. Staying pre-approved. Once pre-approved, do not change any elements of your financial profile without consulting your lender. Any of the following changes could lead to the invalidation of the pre-approval letter during the home purchase process:

- Change in employment
- Opening or closing of credit card or bank accounts
- Late payment of monthly bills or debt payments
- Purchasing a car or other large ticket items with a loan
- A deposit or withdrawal of an unusually large amount of money from bank accounts



7 REASONS WHY USING A REAL ESTATE AGENT **MAKES SHOPPING EASIER**

Whether buying a new house or an existing one, buyers typically feel more at ease having a real estate agent working on their behalf. It's their job to make things go smoothly. Here's how.

1. Knowledge of builders. Real estate agents don't just work with resale homes. Agents know the builders in a market - past and present - and should be able to tell you the quality of workmanship and the value for your money. Agents will also be familiar with any promotions or mortgage discounts available.

2. Knowledge of the market. Real estate professionals know how home sales are pacing in your market, the average days on market, what areas are selling well, and what price range is selling well. This is valuable knowledge for buyers and sellers.

3. Knowledge of particular neighborhoods. Real estate agents know the ins and outs on neighborhoods - which areas are selling well and which ones aren't; the age of the homes; the reputation of the schools; and even the availability of shopping and accessibility to public transportation.

4. Pricing knowledge. An agent will be able to tell if a house is fairly priced and how to best make an offer given market conditions.

5. Knowledge of the contract. This may be the most intimidating part of the process for the average person who buys a house only once in several years. Agents work with real estate contracts on a daily basis and can help you ask the right questions and steer you to a lawyer, if necessary. Seasoned agents are also adept at negotiating.

6. Knowing a network of professionals. If you don't have local professionals in mind, real estate agents can recommend mortgage brokers, inspectors, appraisers and lawyers to hire.

7. Professional standards. Real estate agents are licensed by state and are required by law to act with the client's interests placed ahead of their own. Besides licensing, if an agent is a member of the state's Realtor™ association, they have pledged to uphold the highest standards of conduct in the industry.

PARTNER WITH YOUR AGENT **TO FIND THE PERFECT HOME**

Your real estate professional is your best asset when searching for potential homes, but your agent needs certain key information to find the right fit. Knowing what to tell your agent can help you make the most out of this important partnership.

BUDGET. Figure out what you can afford. Think carefully about all the costs of owning a home — not just the down payment and mortgage. Don't forget about homeowners association fees, maintenance costs, taxes and private mortgage insurance, if you need it. Be honest with yourself and your agent about how much you are willing and able to spend. While not necessary, it's smart to be preapproved or at least but prequalified for a certain mortgage amount.

TIME FRAME. If you're in a hurry to find a new place, your agent needs to know. If you have plenty of time to search, agents will handle that differently, perhaps sending periodic listings that match your exact wish list.

LOCATION. Be prepared to tell your agent where you want to live, being as specific as possible. It may be a larger search, such as a radius around a specific location, it may be a particular town or city, or it may be as specific as a single neighborhood. Also let your agent know if you need to be close to public transportation or in a specific school district. He or she may know of an alternative location that you may not have considered.

TYPE AND SIZE. Do you want a single-family home, a condominium, or some other type of property? Size is also an important factor. For example, how many bedrooms and bathrooms do you need? Do you have a certain square footage in mind? Do you want a small yard or acreage? Think about how much space you need and what is right for your lifestyle. Are you planning a large family? Do you want to maintain a large home or piece of land?

"Be prepared to tell your agent where you want to live, being as specific as possible."

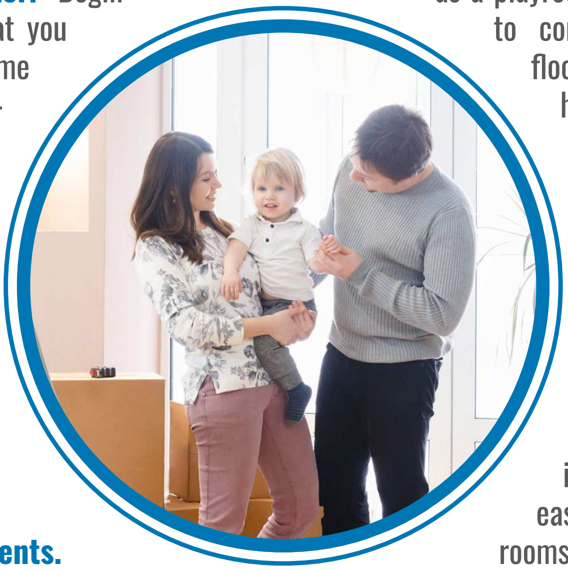
WISH LIST. It's a good idea to create a wish list and rank items from most to least important. You may have a certain style of home that your prefer. Many people want a home that is move-in ready. There may be amenities that are important to you. Some of the most common wish list items include updated kitchens and bathrooms, hardwood floors, open floor plans and big yards. Depending on this list, you might be able to find a home that satisfies all your wants and needs for the right price. But often, buyers need to make trade-offs.

DEAL BREAKERS. All homebuyers have certain things they just can't live with — or without — in a home. Maybe it's being located next to a busy road or having a driveway on a hill. Or perhaps you must have at least three bedrooms. Whatever your deal breakers might be, tell your agent up front. You'll save everyone a lot of time and effort.

FLOOR PLANS: CHOOSING THE RIGHT ONE FOR YOU

Touring model homes is one of the best ways to get a feel for whether a floor plan will work for you. It's time well spent before committing to such a huge investment in your future. Take your time and consider the following:

Think now and later. Begin by thinking about what you currently need in a home but also try to anticipate changes in your family situation. If your family grows, will you run out of space? Will an aging family member be moving in with you? Will an adult child be forced to return home?



Bedrooms arrangements. Once again, consider what you need now and what your later needs may be. For example, while younger children may easily share a bedroom, older children may need a space of their own.

The arrangement of bedrooms is also a consideration. While a downstairs master bedroom is popular among older couples, many couples with young children prefer upstairs master suites that are closer to the children's rooms. A guest bedroom on the main floor may be helpful if an aging relative comes for an extended visit.

A builder may include a "bonus room," particularly in those regions where basements are uncommon. The additional space can be utilized as a playroom, home office, or used to convert a three-bedroom floor plan to a four-bedroom house.

Assess the flow. The flow of the overall floor plan should also be taken into consideration. For example, the kitchen should be adjacent to the dining area. The laundry room is best located within easy access of the bedrooms to make laundry chores easier. A "mud room" for coats, backpacks and shoes is a nice feature coming off the garage. And finally, "Jack and Jill" bathrooms that connect two bedrooms are a great way to maximize space.

Bring the family. After a preliminary visit to a model, it might be time to schedule a second visit with the entire family. Compare room sizes with your current space to help judge if the new house is the right size.

BUYING NEW OR USED: **WHAT'S YOUR HOME PREFERENCE?**

The hunt for a new home most often begins with the answer to one simple question. Do I want to purchase an existing home or new construction? Retro and quirky versus a blank slate? Consider these eight trade-offs before making your decision.

PURCHASE PRICE. Statistics show that buying a new house may cost 20 percent more than buying an existing home, though circumstances in your market may be different. New construction tends to be further from urban centers. Existing homes in the city center will be higher than comparable houses in the outskirts. But not all cost increases are in the house itself. Commuting costs are much higher in the suburbs.

FLOOR PLAN. New homes are built with current tastes in mind, which means new construction will offer open floor plans with few walls in the main living areas. Also in new homes, windows are larger, allowing more natural lighting. Vaulted ceilings create an expansive feel. Bathrooms are larger and walk-in closets are commonplace.

Existing homes, depending on age, may have smaller, more defined rooms, smaller windows and lower ceilings. Homes from a couple of generations ago did not have walk-in closets and spacious bathrooms. To open things up will require remodeling, which should be figured into the purchase price.

ARCHITECTURAL STYLE. Part of the appeal of existing homes is the retro look of the architecture. Some older designs have a character that cannot be found in contemporary houses. In neighborhoods from generations past, homes were customized. Or enough time has passed that tract homes have been remodeled.

Builders in new subdivisions may have only a handful of designs. While they will try their best to keep identical homes from being built side by side, a house three doors down might be your home's identical twin.

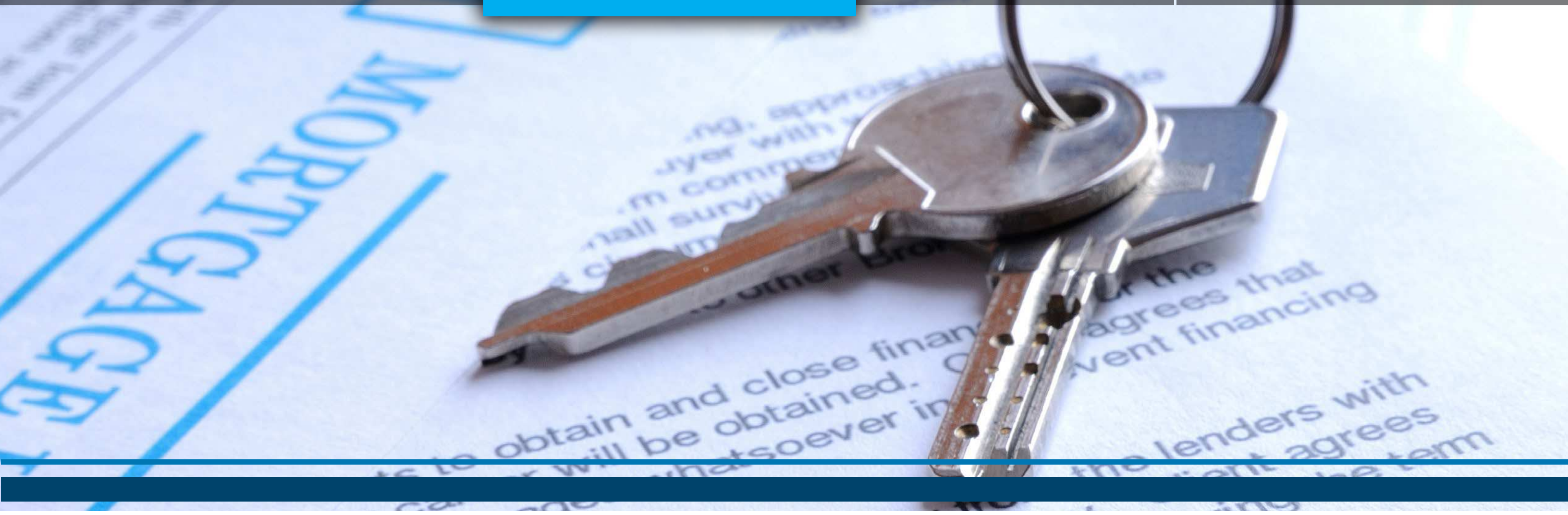
FEATURES. New homes offer upgrades, which means buyers may choose to buy more expensive cabinets, counters or tile. In an existing home, update will have to be done after closing, which means dealing with the construction hassle. Electronic features, such as wiring for home theater and smart home technology, can be easily built into new construction. However, retrofitting an existing home is more difficult and expensive.

LOT SIZE AND LANDSCAPING. Unless you are building a custom home on your own, new subdivisions build houses very close to one another. Older homes have more spacious lots. Trees and landscaping on new construction lots are usually young and sparse, whereas older homes have the beauty of large mature trees and other established greenery.

TIMING. With a new construction home, unless construction is underway, buyers must wait up to six months for it to be finished. With an existing home, sales typically close in a month or two.

MAINTENANCE. With new construction, everything is fresh. It will be years before you have to replace or repair even small items. With an existing home, an inspection is vital so the buyer knows the condition of the house and knows when items will need repair or replacement. Any expensive items that will need work soon should be used in negotiations for price concessions from the seller.

ENERGY EFFICIENCY. Newer homes are far more advanced than older homes when it comes to energy efficiency. This is true not only for the structure itself, but also for the systems. Unless they've been upgraded over the years, the insulation, windows and doors of older homes will be colder in the winter and warmer in the summer. Heating and air conditioning systems today operate far more efficiently, using less gas and electricity than even just five years ago. The same is true of appliances. An older home may need to be upgraded to get energy bills to a manageable level.



HOW TO SHOP AROUND FOR **THE BEST MORTGAGE**

It's important to shop for the perfect place to call home, but don't forget to shop around for the best financing, too. The quality of the terms of your mortgage can mean a difference of tens of thousands of dollars over the life of the loan. Here are a few tips on finding the best mortgage.

Mortgage broker vs. lender. A mortgage lender works for one financial company, such as a bank, and sells only its mortgages. A mortgage broker works with many lenders and can shop among them to find the best rate, fee packages and other terms.

The lending world at your fingertips. The internet makes shopping for anything much easier and mortgages are no exception. Browsing mortgages can be done on your time in the comfort of your own home. You can also read reviews by previous customers. Be advised: Only speak with brokers and lenders you have contacted directly. Be wary of cold calls from others who have picked up your contact information through your internet searches. Stick with well known online companies to which you have initiated contact.

Ask for referrals. Ask friends and co-workers who have gotten mortgages in the last few years for referrals.

Do comparisons. Get at least three quotes to compare. Ask each one for the numbers on different terms of loans, such as a 15-year fixed, a 30-year fixed and an adjustable-rate mortgage. With ARMs, find out what the payment will be at the maximum rate. Can you afford that maximum rate?

Questions to ask. Don't be shy about asking questions of lenders and brokers. Here are several key questions that will help you decide what mortgage to choose.

- How much is the origination fee? Are there any other fees? Lenders are required by law to supply you with a Loan Estimate (LE) within 3 business days of submitting the loan application. Typically, the origination fee will be expressed in "points," meaning percentage points. An origination fee of one point equals one percent of the loan amount. This also applies to "discount points," which is a way to reduce your interest rate.
- When can I "lock in" my interest rate? Interest rates are always changing. At some point in the application process, you may lock the interest rate so that it doesn't go higher before you can close. This may or may not incur a charge from the lender, so ask. Knowing the interest rate atmosphere is crucial. If rates are trending lower, you may not want to lock in a rate.
- How much of a down payment do I need? The amount of the loan and subsequent down payment is determined by the maximum ratio of a loan's size to the value of the property, which secures the loan. The loan-to-value (LTV) ratio is a measure of risk used by lenders. For example, a conventional 30-year fixed term mortgage may have an 80 percent LTV, meaning the loan value would be 80 percent of the sales price or the appraised value, whichever is lower. The subsequent down payment would be 20 percent.
- How long will it take to process the loan? Compare the answer to what online consumer reviews say. A long, drawn-out loan process can create delays that cost you money in terms of what you are paying to stay in a current house or apartment or other unforeseen costs.

CHOOSING THE BEST MORTGAGE FOR YOU

Shopping for a home also means shopping for a mortgage. If this is all new to you, the multitude of mortgage types might be confusing. Here's what you need to know.

FIXED-RATE MORTGAGE. The fixed-rate mortgage is the most traditional way to finance a home. Typically available in fifteen- and thirty-year terms, the loan's interest rate remains the same throughout the life of the loan. The rate will be higher for a thirty-year note than a fifteen-year note, but because the pay off on the fifteen-year loan is shorter, the monthly principal and interest payment is higher. The benefit is that you save tens of thousands of dollars in interest paid over the life of the shorter loan. If you can't afford a fifteen-year loan, take out a thirty-year loan and pay a little extra toward principal each month, shaving thousands of dollars off your loan.

ADJUSTABLE-RATE MORTGAGE (ARM). With an adjustable-rate mortgage, the interest rate in the initial five years is lower, then "resets" at a higher or lower rate thereafter, depending on a predetermined formula. There are other starter periods available, but the most popular is the five-year. Generally, the starter rate is lower than the current fixed-rate mortgages available.

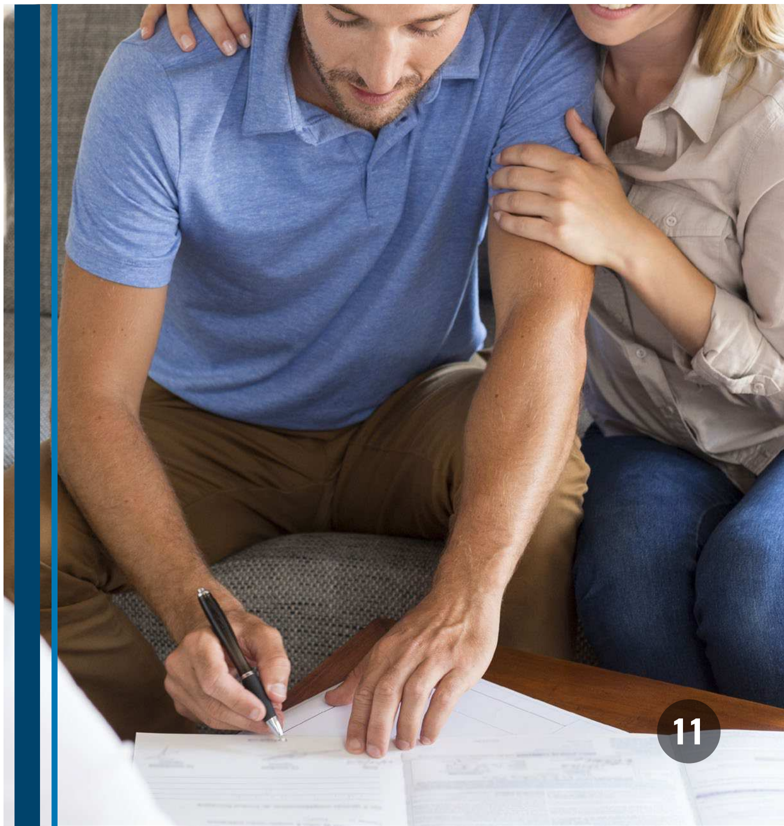
As an example, say you take out a "5/1" adjustable-rate mortgage. That ratio refers to the five years of the initial fixed rate, the one means that the rate can adjust each year thereafter. The amount of the adjustment will be linked to a market index, plus a two- or three-point added margin. Let's say the initial five-year rate is 3.5 percent. Then, assume that the index is tied to the yield on U.S. Treasury bills, which at the reset is 2 percent. In this example you would pay 3.5 percent interest for the first five years, but in the sixth year you'd pay 5 percent: the 2 percent index rate plus the 3 percent margin. The next year it would reset again, higher or lower, by the same formula.

Don't agree to the terms of the loan unless you clearly understand them. ARM loans offer caps on how much the rate can go up per year, or how much it can rise over the life of the loan. An ARM might make sense if you think you will sell before the five-year initial period is up. The obvious risk with an ARM comes after the initial period, if the rate increases and you can't afford your payment. ARM loan foreclosures played a major role in the housing crash in 2008.

INTEREST-ONLY LOANS. An interest-only loan also offers lower payments for an initial period followed by a substantial increase. In this case, during the initial years no principal is being paid, only interest. The monthly savings can be considerable, but the spike at the end of the initial period can sting. Homeowners with this type of loan also aren't building equity so it's not surprising that Interest-only loans were another contributor to the 2008 housing crash.

PIGGYBACK LOANS. For borrowers with limited money for a down payment, a piggyback loan could help. In this arrangement, the lender loans an amount equal to 80 percent of the house value, then lends a smaller home equity loan equal to 10 percent of the home value. The two loans are "piggybacked" atop one another. The borrower only has to come up with the remaining 10 percent for a down payment. This arrangement also helps the borrower avoid paying private mortgage insurance.

Piggyback loans have their own drawbacks. The smaller loan is usually for a shorter term and the payment is typically high. In addition, the smaller loan creates a second lien on the property, so the borrower must be equally faithful to it or risk foreclosure. Finally, with only a 10 percent down payment, the buyer has less equity from the start.



FIND OUT IF YOU QUALIFY FOR **GOVERNMENT HELP WITH A MORTGAGE**

When searching out home-financing opportunities, it's worthwhile to see if you qualify for government programs that offer attractive terms. The loans are usually administered through a private mortgage lender, but are insured by the federal government against loss due to borrower default. Here's a quick primer on the possibilities.

FEDERAL HOUSING ADMINISTRATION (FHA) LOANS. Approved FHA mortgage lenders provide money, set interest rates, and have attractive terms for owner-occupied properties. The FHA generally allows for a minimum 3.5 percent down payment with a credit score as low as 500 to qualify, but does require a mortgage insurance premium to be paid by the borrower. Maximum loan amounts are approved by regional offices of the U.S. Department of Housing and Urban Development. Properties must be appraised by FHA-approved professionals following minimum property requirements. No prepayment penalties are allowed, sales contracts must contain an escape clause if property does not appraise for the sales price, and loans can be assumed by a qualified buyer.

DEPARTMENT OF VETERANS AFFAIRS (VA) LOANS. For veterans of the armed services, active members or surviving spouses, the VA loan program has excellent incentives for pursuing the dream of homeownership. Veterans or surviving spouses who have not remarried can borrow up to 103.3 percent of the purchase amount with no down payment. The extra 3.3 percent represents a financinging fee paid by the veteran that can be financed into the loan. There is no Private Mortgage Insurance (PMI) required since the VA insures against the lender's loss if a borrower defaults. The property must be an owner-occupied, one-to-four-family residence. The VA requires two certificates: one for eligibility and another for reasonable value of the property. If a veteran refinances an existing VA loan with another VA loan, he or she can finance up to 100.5 percent with the extra .5 percent going to interest rate reduction. Qualified buyers can assume an existing VA loan.

U.S. DEPARTMENT OF AGRICULTURE (USDA) LOANS. This federal government program is backed by the USDA and is designed to make homeownership accessible to people living in rural areas. The address must be in the USDA's eligible database. Applicants must have a reasonably good credit history and can finance up to 100 percent of the purchase with a fixed-rate loan. As with the FHA program, the USDA requires homeowners to pay mortgage insurance premiums. There are three programs: the Guaranteed Loan program, the Direct Loan program and the Rural Repair and Restoration program for very low-income families and individuals.

Maximum household income requirements, which vary by county, are enforced. The incomes of all household members are factored together. The home must be occupied by the owner.

HOME MORTGAGE PROCESS: **DO THIS, NOT THAT**

The mortgage approval process is rigorous. Since the housing bubble burst in 2008, federal regulators have ratcheted up their standards. Here's a list of the do's and don'ts to be approved.

DO THIS

Brace yourself to comply with the documentation process, which is extensive.

- Always be truthful on your mortgage application. If a mortgage lender asks you to lie, get another lender. It is a serious crime.
- Provide all requested copies of income such as regular pay stubs, and proof of bonuses and commissions. You'll also need an employment verification letter from your company. If you have had decreases in pay, be prepared to explain. If you work on commission, you may be required to provide a letter from your employer about your income prospects.
- Provide all requested income tax returns. If you are self-employed, be prepared for extra scrutiny.
- Provide bank and investment statements. If you have had or you expect large deposits or withdrawals, you'll need to explain them.
- Be current on car loans, credit card balances, student loans and any other contracted payments. Pay down as much debt as possible before applying for a mortgage. If you have black marks on your credit reports, be ready with an explanation.
- Pay your earnest money and down payment from your own accounts or from gifts acceptable sources. Consult the lender regarding the acceptability of those sources.
- Notify the lender of any job changes, income changes, or anything else that might affect your income and ability to pay.

DON'T DO THIS

During your mortgage approval, it's best not to do anything that can be perceived as having a negative influence on your income and assets.

- Don't apply for or take out any type of loan — period
- Don't change jobs. If you have no choice, be prepared to explain it in detail, Also, don't take an unpaid leave of absence.
- Don't transfer money between accounts. If you must, document it and tell the lender why it was done.
- Try not to sell assets and deposit the cash unless you need it for closing. Be prepared to document it.
- Don't take a cash advance on a credit card.

FREE HELP FOR CONSUMERS: ‘KNOW BEFORE YOU OWE’

In the often-confusing world of finance, the Consumer Financial Protection Bureau (CFPB) is a valuable source of free information for homebuyers and others making a major purchase or investment.

Created by Congress following the 2008 financial meltdown, the bureau provides helpful educational materials, tools for making financial decisions, and conflict resolution with financial institutions. The bureau’s motto is “We’re on your side.”

Here are some of the highlights of how the bureau helps consumers:

EDUCATIONAL MATERIALS.

The bureau’s website offers several helpful educational guides, including materials aimed at adults, youth and educators teaching financial fitness. One section is dedicated to managing the finances of people who are unable to make decisions for themselves. Check the website for webinars on specific topics of interest. Don’t forget to check archived webinars.

CALCULATORS.

“Know Before You Owe” tools are available on the bureau’s website for different types of loans, including auto and college loans and mortgages. Review tutorials on weighing the future impact of taking on certain debts and use online calculators to crunch the numbers.

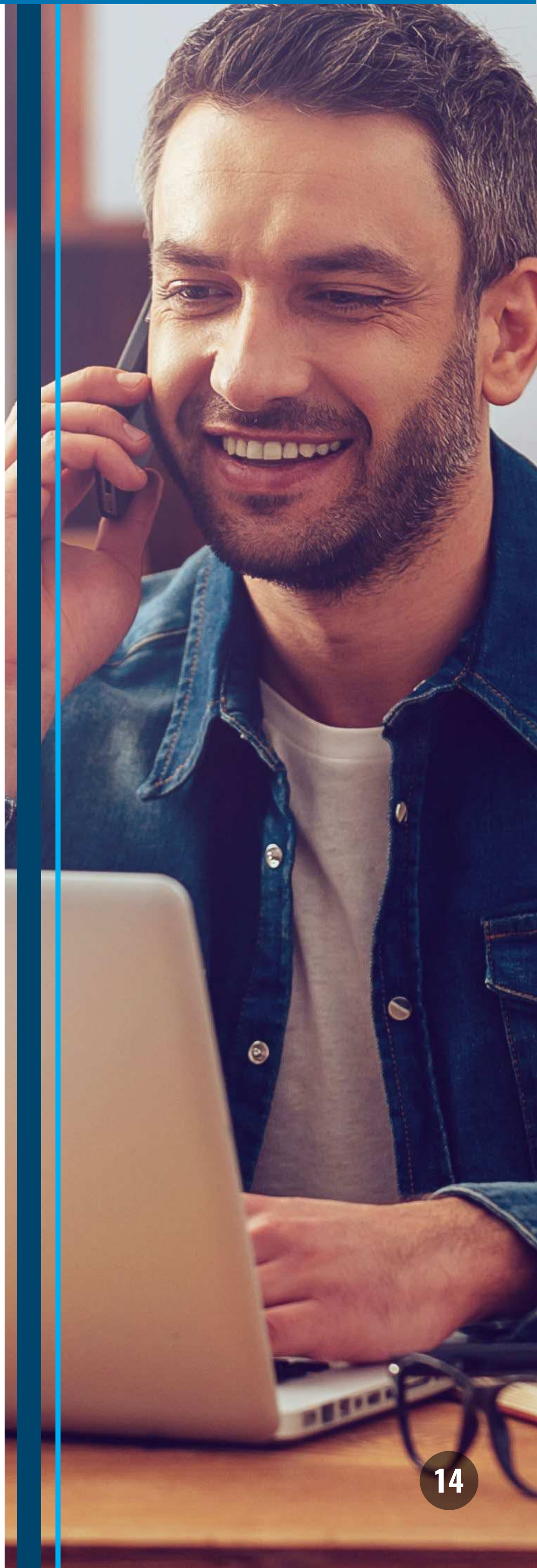
RESOLVING CONFLICTS.

The bureau is not just an information source. The agency has some teeth for helping consumers resolve conflict with financial institutions. Consumers may file an online complaint with the bureau, which will then contact the financial company in question. The company has 15 days to respond. Most complaints must be resolved within 60 days.

ONLINE COMMUNITY.

A “Tell Your Story” section on the website provides an opportunity for consumers to tell their consumer experiences, positive and negative, in the hope of helping others.

Find all these resources and more at www.consumerfinance.gov



TAP INTO LITTLE KNOWN SOURCES FOR **DOWN PAYMENT HELP**

Accumulating down payment money for a house is important, but can be challenging, especially for millennials bogged down in massive student loan debt. But don't despair. Help is available through down payment assistance programs — in other words — free money.

THE FEDERAL HOUSING ADMINISTRATION, or FHA, along with the Veterans Administration (VA) and some other government-backed loan programs already provide the opportunity to qualify for a mortgage for much less than 20 percent down. These government-backed programs are well known to lenders and real estate agents.

LESSER KNOWN ARE THE DOWN PAYMENT ASSISTANCE PROGRAMS around the country. These programs are designed to help you meet minimum down-payment requirements or make homeownership more affordable by adding to what you have already saved. They are often, but not always, restricted to first-time homebuyers. Each state administers its own program with its own requirements.

THE MONEY AVAILABLE COULD BE A GRANT OR A LOAN. You will be required to live in the home a certain period of time, often 36 months.

Down payment assistance programs are targeted at low-to moderate-income homebuyers, but some middle income buyers may qualify. In some states, qualified homebuyers must earn at or below 80 percent of the median income for the area. Some states allow an income at more than 100 percent. The cost of the home also figures into the equation. Some states set the amount available to you at a percentage of the cost of the home being purchased, while other states set a specific dollar cap.

A LITTLE MORE HELP. Fannie Mae offers a first-time homebuyer program called Home Path Ready Buyer with help amounting to 3 percent of closing cost assistance in exchange for taking a financial management education course.

Another program not limited to new homebuyers is the multi-state program from the National HomeBuyers Fund which offers grants for down payments or closing costs.

TWO BIG MONEY MOMENTS **FOR HOMEBUYERS**

Homebuyers must make two large payments when purchasing a house. One is the earnest money paid upon execution of the sales contract. The second is the down payment to the lender at closing. What are the differences between the two?

IT'S ALL ABOUT COMMITMENT. In both cases, these payments represent a commitment to the purchase. Earnest money shows that the buyer is making a serious offer to the seller. It can be refunded only under very specific and legitimate circumstances.

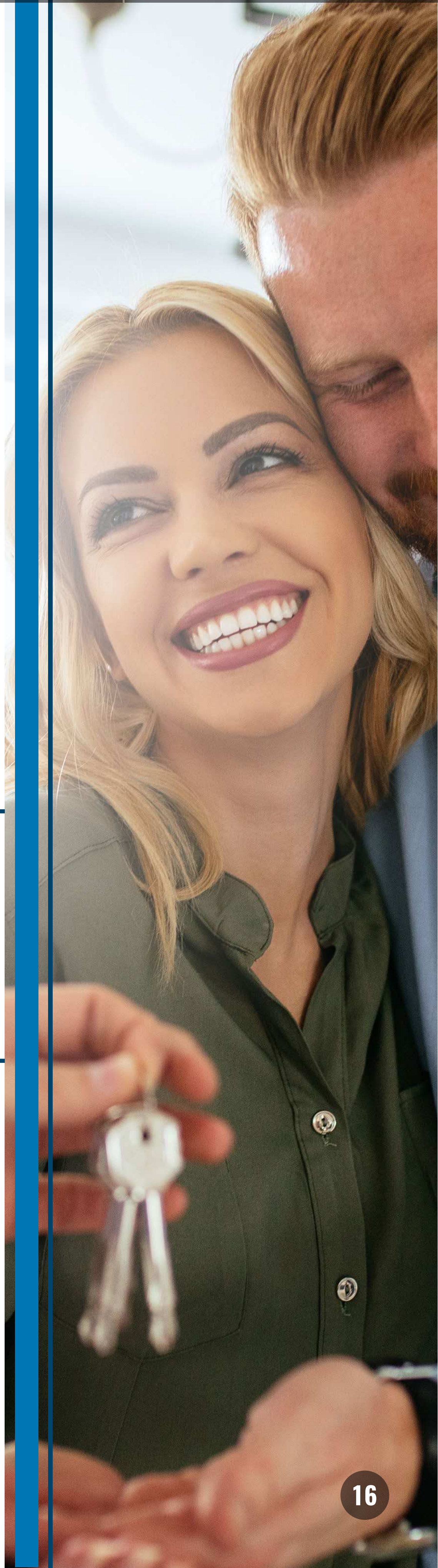
Down payment money is paid as part of the lending process. It is paid by the buyer — with the rest of the purchase price being paid by the mortgage company. The larger the down payment, the higher the commitment level from the buyer toward the purchase.

HOW EARNEST MONEY WORKS. When a buyer and seller sign a sales contract, the buyer writes a check to the seller's broker, or an escrow or title company, depending on what is customary in your area. The earnest money, typically between 1 percent and 3 percent of the sales price, varies by state and is negotiable. The money is held in an escrow trust account until the deal closes. The earnest money is refundable only if certain terms of the contract are not met, such as the buyer not being approved for a mortgage. If all goes well and the deal proceeds to closing, the earnest money is credited to the buyer.

HOW DOWN PAYMENTS WORK. After the contract is signed and earnest money paid, the buyer has a time period specified in the contract to obtain a mortgage. The amount required for down payment depends on the type of loan. Several government-backed loans, such as Federal Housing Administration (FHA) program loans, are available for as little as 3 percent down. In some cases, the Veterans Administration guaranteed-loan program offers loans with nothing down. Most conventional (non-government backed) loans will require a larger down payment since a lender is bearing the risk. If buyers put down 20 percent or more, the mortgage company considers the loan at a low risk for default. For buyers who put down less than 20 percent, the lender will require private mortgage insurance (PMI), which protects against buyer default. The monthly premiums are paid by buyers as part of their mortgage payments.

" In some cases, the Veterans Administration guaranteed-loan program offers loans with nothing down."

Both earnest money and the down payment are separate from other closing costs that buyers must pay as part of the purchase process. At closing the amount of earnest money paid upon execution of the sales contract is credited as part of the down payment money from the buyer.



QUALIFYING FOR A MORTGAGE **WITH STUDENT LOAN DEBT**

If you're worried your student loans will prevent you from buying your first home, don't fret. Here's what you need to know to land that first house.

What the mortgage company considers. Your potential lender will look at your FICO score, which can range from 300 to 850. A score above 650 is considered good. A score below 620 means you will have difficulty getting a loan at the best interest rates. The score is a compilation of your payment history, how much is owed, length of credit history along with other factors.

The lender will also look at your length of employment and will want to see your most recent pay statements. You'll need to provide tax returns and statements from all your bank and investment accounts.

Your student loan debt and your payment history will show up on your credit report. The lender will figure it into your debt-to-income ratio calculation.

Your income and your debts. Debt-to-income ratio is a fundamental measurement that lenders use to judge a customer's ability to pay back a proposed loan. There are two measures, one cursory, the other more in-depth.

A front-end debt-to-income ratio looks at the percentage of your monthly gross income that would be used to pay the total housing payment. Say your annual income is $60,000 or $5,000 gross per month. The monthly housing payment is calculated by adding principal, interest, taxes and insurance, known in the home-lending business as PITI. Let's say that your PITI adds up to $1,400 per month. When you divide by $5,000 monthly income, that equates to 0.28 debt-to-income ratio. In other words, your mortgage payment would use 28 percent of your monthly gross income.

A back-end ratio digs deeper. It takes the monthly housing payment and adds to it your total monthly debt payments. Suppose you have a $350 per month student loan payment, and a $300 per month car payment. Add that to the proposed $1,400 housing payment and your total debt-to-income ratio on a $5,000 per month income rises to 0.41 or 41 percent of your gross income.

What does the mortgage company accept? The back-end ratio has more importance with the lender because it takes your whole debt picture into account. Lenders like to see a ratio of 36 percent or lower, but will sometimes accept a low-40s percentage, if you have a great credit score. A Federal Housing Administration (FHA) loan has more lenient qualification requirements, for example.

If your student loan is in deferment or on an income-driven repayment plan, FHA rules allow the lender to use 1 percent of the total loan balance as the number to use in figuring the loan-to-income ratio.

Improving your chances. A great payment history, with no missed or late payments, is a great way to boost your lending profile. Second, if at all possible, pay off some existing loans before you get to the mortgage shopping stage. Pay off a small loan first, then apply that money to another loan. Third, work hard and excel at your job, seeking advancement and pay raises. A solid income picture and career strength will improve the revenue side of the ratio.

Finally, save more cash for a down payment. If you can put 20 percent down and still have good cash reserves, you will more likely be approved. A down payment under 20 percent forces you to pay a monthly mortgage insurance premium (PMI) to protect the lender from default, which negatively impacts your debt-to-income ratio.

SIX HIDDEN EXPENSES THAT SURPRISE NEW HOMEOWNERS

You've sacrificed, scrimped and saved for the down payment on your first home. But have you saved for the whole new world of expenses that comes with home ownership? If not, you could get blindsided by:

CLOSING COSTS. Do your homework before making an offer because the down payment is just part of the cost of the purchase. There are assorted fees and assessments to be paid when your transaction closes. Talk to your real estate agent so you know what to expect. And don't forget to consider ongoing monthly costs such as property taxes, insurance and homeowner association dues.

UTILITY SET-UP AND MONTHLY COST. Local utility companies often require a deposit and sometimes a connection fee to start your service. Usually this isn't a budget buster, but definitely something you might not have anticipated. If you're coming from an apartment, you also will likely use more electricity, gas and water in a place of your own. Water use, especially to maintain landscaping, is a big surprise to many. It helps to ask your seller for a summary of the home's utility costs throughout the year to get a heads up on what to expect.

REPAIR COSTS. If you are buying an existing home, be sure to ask the seller to purchase a home warranty during negotiations. A policy will cost the seller about $500 but can save you a lot of headaches. Make sure the policy comes from a reputable company and take the time to read the fine print so you know what's covered and what's not.

APPLIANCES. Do you have your own washer and dryer? Your own refrigerator? Unless your seller is willing to include those items in the purchase price of the home, be prepared to factor those costs in.

FURNISHINGS. If you are coming from an apartment, you may be surprised how empty the house feels with only your existing furniture and belongings. The house might need window treatments, too. Resist the urge to go on a shopping spree. Take the time to make a budget, set aside the cash and make thoughtful purchases.

LAWN AND LANDSCAPE CARE. New homeowners will likely need lawn tools, a mower, trimmer, fertilizers and insecticides. Consider shopping at yard sales and thrift stores for these items. You may also be able to delay a few purchases by borrowing from family members and friends but eventually you'll need to strike out on your own. Also, don't forget to add in the cost of new or replacement trees, shrubs and bedding plants. All of this yard work takes time after work and on weekends. If you're not willing to make the time investment, be prepared to pay someone to do it for you.

LET'S MAKE A DEAL: **BUYER STRATEGIES**

You don't need to be a steely eyed negotiator to get a good deal on a house, but it helps if you do your homework and make a solid offer based on market conditions. Here are a few tips to ease the process.

PREAPPROVAL. A seller is more inclined to deal with a buyer who is preapproved for a mortgage, which lessens the risk of a deal falling through because the buyer couldn't qualify for a mortgage. Don't confuse preapproved, which is a more in-depth analysis of your financial situation, with prequalified, which is more cursory. If a seller has two offers of relatively equal worth, with one buyer preapproved and the other not, the preapproved buyer's offer will likely prevail.

CRUNCH THE NUMBERS. Know what the house you want is worth. Ask your real estate agent to do a Comparative Market Analysis or CMA, which tells you what similar homes are selling for nearby. The analysis also provides crucial information such as how many days it took the homes to sell and if sellers had to reduce their prices. The ratio of list price to actual selling price will be a good guide to figuring out current market value.

HOW STRONG IS THE MARKET? Bear in mind the market conditions when it comes to negotiating. If homes are selling in a month or less, make your first offer your best because you probably won't have the opportunity to negotiate. Another offer will come and the house will be snapped up. It's a painful lesson to lose a house this way.

If houses are taking more than a month to sell, there's room for negotiating. Having buyers traipse through their homes for a long period becomes a grind to sellers, so they'll be ready for relief. Also, if the seller is in some sort of distress, such as a job transfer or job loss, a buyer has more power in the negotiations. That said, it's important to always be respectful when negotiating.

Under normal circumstances, it's customary to make a solid offer below the list price, with back-and-forth negotiations from there. The counter offers will get tighter and tighter as you move forward in the negotiation.

AN OFFER DRASTICALLY BELOW THE LIST PRICE IS RISKY. It could even insult the seller. Remember you have other negotiating tools, such as closing dates, closing costs and credits on repairs. Also consider asking for all appliances to be included in the sale. In a hot market, consider offering full asking price, but then ask for concessions that put money back in your pocket.

BE PATIENT. Make your offer or counter offer and wait for a response. Don't get anxious if an answer doesn't come right away. Let them make the next move or risk the strength of your position.

HOW TO WIN A BIDDING WAR ON A HOUSE

If you live in an area where homes are selling for asking price or more, you could find yourself in a bidding war. Here are five tips to reduce your stress and come out on top.

HAVE YOUR MONEY IN ORDER. Do a solid budget analysis and know precisely how much you can afford to offer as a down payment and what your monthly mortgage payments would be. Be sure to add property taxes and insurance to your monthly payment. Next, get pre-approved for a mortgage, which will hold more weight with the seller than simply being pre-qualified.

DON'T BE EMOTIONAL. Doing the above-described homework should help you avoid getting emotionally tied to a house that you can't afford. Save your bidding strategies to use on a house you can afford and win.

KNOW THE NEIGHBORHOOD. Your real estate agent can supply you with recent sales prices on homes in and near your desired neighborhood. Research the area online. Visit nearby parks, pools and even nearby businesses to ask questions about the area.

MAKE WISE OFFERS. If you are in a seller's market, a low offer may insult the seller and make further negotiations tough. Beware of offering too far below the asking price. You might also consider offer the asking price or higher in exchange for something else in your favor, such as leaving a refrigerator. While you ultimately may have to offer more money for the house, other negotiating points include: offering to pay some of the seller closing costs, agreeing to a closing date in the seller's favor, offering more earnest money, or making your offer with no contingencies, if possible.

PITCH YOURSELF AS THE NEW OWNERS. Let the sellers know that you really love their home — how you'd like to see your kids grow up there. Some buyers will go so far as writing the sellers a personal letter. This can motivate the seller to work with you to close the deal. At the same time, however, be clear that you will move on to a back-up home, if necessary.

DEMYSTIFYING YOUR **REAL ESTATE CONTRACT**

Buying a home will likely be the biggest investment you ever make. So it makes sense to take the time to understand the fine print in those long and confusing real estate contracts. A good agent will help guide you through the process, but save yourself time, money and anxiety by knowing these key terms and phrases.

MAKING AN OFFER. It should go without saying but all offers should be in writing. Oral agreements offer ZERO legal protection. Put the offer in a written contract and make sure it's signed by both parties. Chances are the offer will be met with a counteroffer. It might take one round of counters or it may take several to finally agree to a price and the other terms of the contract.

EARNEST MONEY DEPOSIT. An earnest money check is a promise from the buyer to follow through with the terms of the contract. This tells the seller you're a serious buyer and have the money to purchase the home. Usually the amount of the earnest money deposit will be 1 percent to 2 percent of the purchase price but this can be negotiable. Laws vary from state to state regarding who holds the earnest money, but is oftentimes held in an escrow account by the listing firm or an attorney's office. Never make the earnest money check out to an agent. The check is a major part of your contract. If all goes well during the purchase, the earnest money deposit will be put toward the down payment and closing costs. If things don't go well, the earnest money check may be returned, which brings us to our next point.

DUE DILIGENCE PERIOD. This is absolutely the most important period in the contract. The due diligence period provides the buyer an option to terminate the sales contract, and in some states an option fee is paid directly to the seller. A set amount of time is negotiated between the buyer and the seller, usually between two and four weeks. A bad inspection, an unfavorable appraisal, or a bad feeling in your stomach — it doesn't matter what the reason is, the buyer is free to walk away during this time. The earnest deposit will be refunded to the buyer. However, the seller keeps the due diligence fee.

During the due diligence period, it's important to get the home inspected and appraised. Even a new construction home should have an inspection. The inspection will reveal any repairs the house needs. Use the due diligence period to negotiate who pays for what in the inspection report. Asking the seller to fix everything on the list is a sure way to kill a deal. Be reasonable and figure out what needs to be addressed before you move in.

If a buyer backs out after the due diligence period expires, the seller is typically entitled to the earnest money. Again, rules differ from state to state so make sure you know where you stand beforehand. The most important thing during due diligence is to be proactive. Quality inspectors and appraisers are difficult to book at the last minute. It's the buyer's responsibility to get these scheduled quickly.

FINAL WALKTHROUGH. Schedule a final walk through of the house a few days before closing to make sure the owners have left the house as you remember it. Note any repairs that haven't been done as promised. Make sure any items they promised to leave behind are still there. Have the movers damaged any walls or floors? Do the appliances still work?

CLOSING. Barring last-minute problems with financing, closing day should run smoothly. Bring proper identification, along with a bank check for the down payment. Be prepared to sign multiple copies of the closing documents and don't be afraid to ask questions. Once the deed has been recorded, you'll receive that coveted set of keys to your new home.

HOME INSPECTION: A BUYER'S PERSPECTIVE

After weeks of home shopping, you've found a house and signed a contract to purchase. Then the inspector finds problems that need repair — expensive repairs. How should you handle them? You thought negotiating the selling price was all there was to the haggling. Now you have to make decisions on who covers repair costs.

Certainly you, the buyer, don't want to move into a house saddled with a list of costly repairs. The seller, of course, doesn't want the financial burden either. That's where compromise comes into play. You need to be reasonable with each other.

First, be sure to schedule the inspection immediately after you go under contract. Many states' real estate contracts give you a "due diligence period" for getting the inspection done and making decisions on repairs. Most contracts also have provisions for resolving inspection discoveries, so read and navigate those provisions carefully.

The seller may insist that the house is to be bought "as is." There may well be a box to check on the sales contract to that effect. Don't agree to it unless you are willing to take the house, warts and all. The seller may say that any known repair needs are taken into account in the price, but don't settle for that answer. There may be unknown issues lurking.

If you are working with a buyer's agent the two of you should be present when the inspector does his work. Don't hover over him; he will go over his findings with you afterward. Later, he will send you his official report. The seller may be present also, with the listing agent. Be smart and discrete in your conversation. No need to offend the seller needlessly.

Don't insist that the seller fix everything that the inspector finds. Decide which items are significant enough to be addressed as part of the deal, but be reasonable about it. Understand that the inspector is going to find issues with any home, even a relatively new one. Even extremely minor things are noted on inspection reports.

A list of minor repairs can probably be negotiated easily between you and the seller. Buyers should insist that repairs addressing safety issues be repaired by the seller before closing. Non-safety related, yet costly, repairs present more difficult decisions.

Reaching an agreement on repairs can be handled a few ways. One option is to ask the seller to fix certain items before closing and agree to handle the rest once you own the home. Or, you can provide a contractor's invoice for the repairs that the seller agrees to cover at closing and have the work done to your specifications after closing. This option is particularly helpful where the repair involves choices you would like to make.

What if the repair issues are costly and you cannot reach an agreement? At what point do you walk away from the deal? You must decide if the repair is crucial and if you can afford to pay for it after closing. If you decide the repairs will bust your budget, you need to make sure you understand your right to terminate the contract within the due diligence period so you don't forfeit your escrow money.

DON'T DELAY WHEN IT COMES TO **HOME INSPECTIONS**

You've found a house you love, made an offer and have a signed contract in hand. Now the clock is ticking. Many states' sales contracts give a limited period of time to get the house inspected. During this so-called "due diligence period," is when you want to inspect the house and request anything you want repaired — or ask for money toward necessary repairs. Be prepared to start the inspections as quickly as possible.

GET A CONDITION DISCLOSURE REPORT. In many states, sellers are required to provide a comprehensive residential property disclosure on a form approved by the real estate commission. Provide the document to the certified inspector you hire and discuss any concerns you have with the disclosure. The inspector will use this report as a starting point in the review of the property.

TOP-TO-BOTTOM INSPECTION. The inspector will do a comprehensive evaluation of the house, examining all systems and structures. This means an inspection of the roof, foundation, walls, mechanical functions, appliances that are staying with the house, insulation, windows, doors and more. The inspector will not do a mechanical diagnostic on the heating and air conditioning, but will note whether it is functioning and will measure the temperature blowing from vents. For a more in-depth inspection of this and other systems, you will need to hire specialists.

As the buyer, you and your real estate agent can negotiate for repairs that you wish to be completed before closing, or you can negotiate for a price concession to complete the work afterward. There may be some items that your mortgage lender may want fixed before they will approve the mortgage on the property.

PEST INSPECTION. The general inspector will note if he sees any evidence of "wood-destroying insects," such as termites, but it will take a pest specialist to look more closely for evidence of active infestation and damage. The mortgage company may require this inspection.

LEAD AND ASBESTOS. If you are purchasing an older home, the paint may contain lead and the insulation, ceilings or wall board may contain asbestos. Lead plumbing is another concern in older homes. If you have any concerns or suspicions, talk to the general home inspector and follow up with experts in those fields.

RADON. Some areas of the country have above-average levels of the radioactive gas called radon. You can go to www.radon.com/maps and see how your area stacks up. Discuss with your agent the need to have a radon inspection.

POOL, well and septic systems. General inspectors will look at these systems and note if a problem exists. For a more in-depth look, which is recommended, you'll need to hire specialists.

FLOOD ZONE. The mortgage company will certainly be aware if the house is in a flood zone. You can do some research yourself by going to https://msc.fema.gov/portal. If the house is in a flood zone, special flood insurance is required by the mortgage company.

SURVEY. Your mortgage company will want to see the current survey, then have a surveyor walk the property, checking the boundaries and looking for any encroachments by neighbors, or easements by utility companies.

You may not need all these specialized inspections, but with such a short window of time to get them scheduled, their reports evaluated and any deficiencies decided upon, you must act decisively.

A QUICK LESSON ON INSURANCE **FOR NEW HOMEOWNERS**

Up until you buy your first home, your experience with insurance may be limited to auto, life and health coverage policies. When you buy your first home, you'll encounter a slew of new types of coverage, including title insurance, homeowner's insurance, flood insurance and maybe even something called an "umbrella policy." To minimize the head-spinning, here's a brief overview.

TITLE INSURANCE. During the sale of a home, a title insurance policy must be acquired. A title company will research official records to determine if any events "encumber" the clear title to ownership of the home. For example: If a contractor wasn't fully paid for work done on the property, he or she may have filed a "mechanic's lien" on the property, meaning that upon sale of the property, the contractor must be paid from the proceeds of the sale before title can transfer to the new owner. The records search also will reveal if the owner has taken out a home equity loan. You and the mortgage company have a financial stake in the home, so title insurance is an important protection against potential financial liability.

HOMEOWNER'S INSURANCE. Before closing on a home, buyers need a homeowner's insurance policy. Your mortgage company will require it, but even if you pay cash for the home you'll want the protection. Homeowner's insurance protects you in a number of ways. First, it protects your home from financial loss after storm damage and fire. It will pay for the cost of repairs and reconstruction and for your temporary housing. Second, it protects you from liability should someone get injured on your property, such as tripping and falling on your front steps, incurring medical bills. It protects your belongings from fire and theft by burglary. Policies can be complicated so have the insurance agent explain any unfamiliar terminology. Ask them for a concrete example of how the insurance works. For instance: Roof damage from a storm may have a deductible amount of 1 percent of the total insured value of the home. If the roof is a total loss and the home's insured value is $300,000, that means your deductible — the amount you must pay out of pocket — is $3,000.

Also ask your agent about policies with built-in increases in the insured value to keep up with home value increases. When home values rise, the price of repairs rise as well.

Most major insurance companies will provide "bundle" rates or discounts if you purchase car and home insurance from the same company. You might also consider an "umbrella" policy which is an extra layer of liability insurance above your regular policy limits, up to $1 million or more, protecting you from large lawsuit awards if you were to be found at fault after a serious accident.

FLOOD INSURANCE. If the home is in an area that is considered at risk for flooding, the law requires that mortgage companies require flood insurance. Standard homeowner policies do not cover floods. Flood insurance is available separately through agents via the National Flood Insurance Program. If the home is not in a flood-prone area, you may not be required to purchase it, but some insurers advise it on the grounds that up to 25 percent of flood damage each year happens to homes not in designated flooding areas.

NEARING THE HOME BUYER'S FINISH LINE: **THE WALK THROUGH**

As a home buyer, you've come a long way. Your offer was accepted, the home has been inspected, the financing is complete, and you are about to close. There's just one more crucial step: the final walk through. Here's why it's important.

TIMING. Shortly after you signed the sales contract you should have had the home inspected during the due diligence period. Any significant repairs should have been negotiated and completed. Now, for the final walk through, you will confirm that the agreed-upon repairs were done and also make sure that nothing new has happened to significantly alter the condition of the property. In general, the final walk through is scheduled one to two days before closing.

WHO SHOULD BE THERE? You and your agent should conduct the final walk through. Keep in mind, this review is not a formal inspection. It is merely a final follow up. Bring the sales contract, any disclosure forms and the list of agreed-upon repairs.

THE CHECKLIST. First, review the list to make sure repairs have been done to your satisfaction. After that, do the following:

- Walk around the property looking for any damage since the inspection, especially storm damage.
- Make sure all the lights work, inside and out. Do the same for all faucets. Look for leaks near any plumbing. Make sure sinks, showers and tubs drain properly. Flush all toilets and wait for the tanks to refill and stop when they should.
- Turn on and off every built in appliance making sure they work. Don't forget the garage door opener, garbage disposal and exhaust fans in the kitchen and baths.
- Turn on and off the heating and air conditioning, making sure they are doing their jobs.
- Open and close all windows and doors, making sure they open and close fully. Make sure screens, storm windows and shutters are intact.
- Look for any signs of water damage to ceilings, floors and walls.
- Make sure the seller hasn't removed any fixtures inside or out that should remain with the house. Make certain that no trees or shrubs have been dug up and removed.
- Make certain no unwanted chemicals, paint or debris have been left behind.

If there are any additional repairs that the seller must complete, you may choose to write an addendum to the contract. Note that work should be completed by a licensed contractor, evidence of the work should be provided and payment made in advance of closing. If the work is not completed as agreed, then you may ask to withhold the reasonable expense of doing the repair correctly at settlement.

DO-IT-YOURSELF **PACKING AND MOVING**

With a little planning, the right materials and the help of some strong volunteers, packing up and moving your household is doable. Here are a few tips to make a DIY move go smoothly.

HOW MUCH TRUCK DO YOU NEED? Generally, the furniture filling a three-bedroom house with one living area and one dining area will need a twenty-two foot truck or larger. To figure the size with precision, Penske has a handy calculator. Larger rentable trucks will have a pull-out ramp for carrying things into the truck. Even better is a hydraulic tailgate lift for handling big pieces.

MATERIALS YOU WILL NEED. Several weeks in advance of your move, start packing your belongings in cardboard boxes. Boxes in different sizes can be purchased from moving companies, truck rental stores and large hardware stores. But with any luck, you should be able to find boxes curbside or by asking for them on Craigslist or online buy-sell-trade sites. Many folks offer boxes for free after a move. You'll also need packing tape, and newspapers or other cushioning materials to help with packing.

The day of the move you'll need thick furniture blankets and dollies, which can be rented along with your truck. Also on moving day, don't forget screwdrivers and wrenches for disassembling furniture, sealable bags to hold loose hardware and straps to firmly anchor appliances and large furniture pieces to the interior sides of the truck. Ratcheting straps with hooked ends, which cost about $25, are the best for securing loads with exactly the right amount of tension.

LOADING UP. Consider transporting fragile items such as flat-screen televisions, china, aquariums, lamps, artwork and sculptures in the cab of the truck or in your personal vehicle. Remove light bulbs from lamps and transport them separately.

First, load the big items such as appliances, sofas, armoires, mattresses and box springs. Use the slates on the interior sides of the truck to secure these pieces with straps so they don't shift while in transit. Before loading dressers, remove drawers. Replace drawers during transit, then remove them again when you reach your destination. Tape shut doors and drawers. Next, wrap all large items in heavy moving blankets.

With furniture and appliances properly wrapped, you can stack smaller, lighter items on top. Fill in the center of the truck with boxes stacked as efficiently as possible, heaviest on bottom working toward the rear of the truck. Add lighter, smaller boxes, small furniture and accessories to the middle and back. Utilize every crevice and fill to the ceiling.

DO THE MATH. Renting a truck for a DIY move seems cheaper than paying professionals, but there are several other considerations. Figure the fuel usage as well as any per-mileage charges over certain maximums. Count the cost of your time and the physical exhaustion of moving. Also consider insurance liability, if something should break. Finally, consider the complexity of a move, such as moving heavy furniture up or down flights of stairs. Can you and your helpers handle the job?

REWARD YOUR HELPERS. Keep a cooler of soft drinks and water available on moving day and don't forget to feed your friends when the work is done. It's also nice to return the favor, helping your friends when it's their turn to move.

7 MUST-DOS **ON MOVE-IN DAY**

If ever there was a day requiring a detailed checklist, it's Moving Day. Here's a life-saving list to get you through what can be a drama-filled 24 hours.

1. **CLEAN UP.** You never know how well a seller will leave your new home so it's best to plan on a comprehensive cleanup before you move your belongings into the house. Steam clean the carpets, if any, and vacuum and mop the tile and hardwoods. Wipe down the counters and cabinets, inside and out. Give the bathrooms a good scrubbing. If the timeline is tight, consider hiring a professional cleaning service.

2. **CHANGE THE DOOR LOCKS.** The old owners gave you all the keys, but you can't be sure there aren't extra copies in the possession of neighbors, pet-sitters or relatives. Better safe than sorry.

3. **MAKE SURE** the utilities and security system are turned on and in your name.

4. **GET YOUR HOME ONLINE.** Schedule an installation appointment with your internet provider so you'll have service to work from home and stay connected with the outside world.

5. **PEST CONTROL.** Check the house for signs of insects and rodents. If necessary, call a pest control service.

6. **SWAP YOUR SEATS.** Changing out the toilet seats is a good idea whenever you move into a new home.

7. **GET TO KNOW YOUR HOME.** Find out where the fuse box is located. Take note of the water and gas shut-off valves. Make sure the fire extinguisher is up to code. Find out when the trash and recycling will be picked up.

HOMEBUYER'S CHECKLIST

12 MONTHS
- ○ Check Your Credit History and Make Credit Repairs

9 MONTHS
- ○ Learn About Mortgage Application and Required Documents

6 MONTHS
- ○ Determine Budget and get Mortgage Pre-Approved
- ○ Interview and Hire a Licensed Real Estate Agent
- ○ Consider Your Ideal Type of Home and Location

3 MONTHS
- ○ Conduct Home Search with Your Agent

2 MONTHS
- ○ Calculate Your Best Offer
- ○ Hire Settlement Agent and Other Pros
- ○ Submit Offer to Purchase and Contract
- ○ Negotiate Final Price of Home
- ○ Apply for Mortgage Upon Offer Acceptance
- ○ Conduct Home Inspections

1 MONTH
- ○ Review and Negotiate Necessary Repairs
- ○ Hire Movers and Begin Packing
- ○ Purchase Homeowners Insurance Policy

1 WEEK
- ○ Conduct Final Walkthrough with Your Agent
- ○ Review Closing Documents and Prepare Funds Transfer
- ○ Attend Settlement with Your Agent
- ○ Move In to Your New Home!

Are you a Hero?

Call Us to Learn More!

877-880-4376

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