

Home Buying Helper

We want to help Local 26 Members find a home to purchase to find more stable and ultimately affordable housing. Here are some tips to starting the Home Buying Process:

- 1. Weigh the Pros and Cons** – the first thing you need to determine is if home ownership is right for you. Remember that the cost of owning a home is more than just your mortgage! You will need to pay property taxes, insurance and any repair or maintenance bills yourself.
- 2. Understand your Credit** – unless you have saved up enough money to purchase a home outright, you are going to have to get a loan to be able to purchase a home. In order to qualify for a loan, or to qualify for a loan with better interest rates, you need good credit. This means the first step to buying a home is knowing your credit situation. Is your credit good or bad? Is everything on your credit report accurate?
- 3. Improve your Credit if necessary** – if you have bad credit (or no credit) it is important you spend time on correcting the situation. Credit counseling may be appropriate.
- 4. Budget and Save** - even with good credit, you will need to make a down payment to buy your house. In order to receive the Local 26 Housing loan of \$10,000, you are required to make a down payment of *at least* three percent (3%). For example, if you wish to buy a house that costs \$300,000 you will need at least \$9,000 for a down payment.
- 5. Build your Home Buying Team** - everyone who buys a house is going to need a four member team:
 - **Attorney** – you need an attorney to review all documents for you (before you sign them) and to represent you at the closing.
 - **Lender** - you need to shop around for the best mortgage lender for you.
 - **Realtor** - you need a realtor to help you find the right home.
 - **Home Inspector** – you need someone on your team that is an expert who can help determine if the home is damaged or dangerous in any way prior to purchase.

Once you have reached this point, your Home Buying team will be in place to help you through the rest of the process, including making the offer, executing a purchase and sales agreement, applying for your loan, and closing on the property. It is very important you go into this process prepared as purchasing a home is likely to be the biggest purchase of your life.

For more information, tips and classes, visit the Boston Home center website:

<https://www.boston.gov/housing/boston-home-center>