

TIPS FOR BUDGETING TO BUY A HOME



Buying a home is an exciting time!

Use our tips to help set up your budgeting and finances for success



GET A CLEAR PICTURE OF YOUR FINANCES

This is the starting point for budgeting to buy a home. If you don't know how much you're spending (and on what), it can be hard to execute any budget. There are many online tools, or you can use a simple spreadsheet. Be sure to track at least the last 6 months to get an accurate picture.

REDUCE YOUR MONTHLY SPENDING

This is everyone's least favorite, but likely the most important. Take a look at your expenses and see where you can get rid of "extras" such as premium cable packages, land lines, or apps you're not using anymore.



SET UP AUTOMATIC TRANSFERS

An easy way to establish a savings is to set up an automatic transfer each month into your HOMEOWNERSHIP savings account. This can be a per-paycheck transfer or a lump sum one time per month—whatever works best for your budget. If savings is a struggle, set up a separate account that you don't have easy access to.

PRACTICE MAKING A HOUSE PAYMENT

Calculate your estimated monthly mortgage payment with taxes and insurance, subtract your rent obligation, and put the difference in your savings account each month. This will help prepare you to make a full mortgage payment while also allowing you to save for your down payment, closing costs, moving expenses and more!



BUILD A STRONG CREDIT PROFILE

When you're planning to buy a home, one of the first things you must consider is your credit profile.

What makes up your credit profile?

- ▶ Payment history
- ▶ Amount of available credit
- ▶ Proportion owned versus credit limit
- ▶ Length of credit history

