



CORE GROUP

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Buying a home can be an intimidating process. However, being prepared can take away the majority of your fear/stress around the monumental accomplishment. Be sure to know these 4 components as you begin your home-buying journey!

WHAT TO EXPECT BEFORE A HOME PURCHASE

Know Your Financial Thermostat

At a minimum you should have a crystal clear idea of these variables:

- Credit Score (higher score=lower interest rate)
 - You'll want to at least be in the 630s+
- Monthly Payment
 - This includes your PITI (principle, interest, insurance & taxes)
- DTI (Debt-to-Income) Ratio
 - While this is a moving target lenders typically like to see this around **36%-40%**
 - That includes your PITI (p.s. this should be **no more than 28% of your DTI ratio**)
 - It's a tremendous help to have a full understanding of your debts (child support, alimony, wage garnishing, insurance/car payments, etc.)

Know What You Are Looking For + What The Market Is Offering

We all want the 'perfect' place to call home. Unfortunately, nothing is perfect. So, knowing that you'll have to concede on some features in order to realize other benefits is something you should prepare yourself for. The best way to do that is to have 3 categories of your criteria:

1. Non-Negotiables (location, beds/baths, backyard features, etc.)
2. Flexible (location, layout, cosmetics, various/changeable features, etc.)
3. Would-Be-Bice (expensive features, feature rooms like game/office, pool, etc.)

Crafting this ahead of time will allow you to refer back to your initial list and make a logical decision at an emotional time.

Having a thorough understanding of where the market currently is and where it's heading is vital as it will help you in your decision-making. If you expect to pay \$500,000 for a 5,000SF home in River Oaks then you will be disappointed when you find out that's not realistic in this (or any) market.