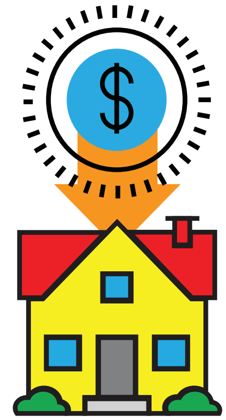
Homebuyer Quick Tips



Do

- **Start a savings plan**—a downpayment will affect how much you can borrow
- **Avoid credit inquiries**—applying for new credit can affect your credit score
- **Pay your bills on time**—just one 30-day late payment on a loan or credit card could adversely hurt your credit and disqualify your loan approval
- **Pay off debt, or keep it paid down**—this will ensure you are in a better financial position to help with debt-to-income ratios which is part of the mortgage loan approval
- **Keep a folder with all your personal documents**—paystubs, banks statements, tax returns and any other asset documentation, like 401k statements
- **Get approved**—make sure to have a full mortgage loan application completed along with providing any supporting documentation to the lender to ensure you have an accurate approval
- **Make plans to obtain quotes for homeowners insurance**—you will need to provide an insurance binder to your lender prior to close
- **Keep your lender informed of any major life changes**—change in marital status, change in household income or family size

The Down Payment Lowdown

A down payment is a percentage of your home's purchase price that you pay up front at the loan closing instead of borrowing. The amount of your down payment will it affect how much you'll need to borrow, and can also influence:

- How much you'll pay for the loan, through interest rate and private mortgage insurance or PMI.
- The number of loan program options available to you, such as a fixed-rate or adjustable-rate loans.

How much you will need for a down payment will depend on the purchase price of your home and your loan program, but usually ranges from 3% to 20%.

Your Dupaco lender will help you determine the optimal down payment amount.

Don't

- **Change jobs or become self-employed without first discussing it with your lender**—your preapproval is based on your current job history and income so making a change, even if it is a better paying job could change your ability to qualify for the new home
- **Close out any revolving credit accounts**—doing so could negatively impact your credit score as it will change your available credit, credit history and payment history
- **Finance or charge any new debt or co-sign on any loans**—new debt, even as a co-signer, will affect your debt-to-income ratios and credit score
- **Acquire any NSF (non-sufficient funds/ overdraft) fees**—having overdrafts show as an inability to manage money and could be a mortgage risk factor
- **Enter into any deferred payment plans**—if you were to purchase new furniture for your new home on a deferred credit agreement where payments start in six months they will still show on your credit report and the payments will still need to be included in your debt-to-income and possibly affect your credit score

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