

# FIRST-TIME HOMEBUYER GUIDE

**NEW HOMES STARTING  
UNDER \$850 MO.**

**MINIMUM CREDIT SCORE 580**

Making the decision to buy a home is an exciting step. When you're a first-time homebuyer, there's a lot to learn along the way. We hope this guide will help you feel more informed so you can buy with confidence.



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## IS IT YOUR TIME TO BUY?

There are many factors that go into the decision to buy a home. Your lifestyle, current living situation, finances and plans for the future can all factor into your choice and your buying timeline.



### BUYING VS RENTING

It's common for first-time homebuyers to weigh the pros and cons of buying against continuing to rent. Homeownership provides the opportunity to build equity, take advantage of potential tax benefits, and protect yourself from monthly rent increases. Buying a home is an investment in your future and can offer many long-term benefits. Plus, when you look into it, you may be surprised—owning your dream home may be less expensive than renting!

### Are You Ready?

Questions to ask yourself....

- Do you have a reliable source of income that can be documented?
- Do you have two-year employment history?
- Is your credit score 580 or over?
- Do you have the ability to pay a mortgage payment every month?

**If you can answer “yes” to these questions, you may be ready to own your dream home!**

## BENEFITS OF HOMEOWNERSHIP

Buying your own home is a central part of the American Dream. The benefits of homeownership are both practical and emotional. We've summarized some of the main advantages below, but not every benefit can be put into words. Nothing compares to the pride you feel when you're handed the keys to the place where you'll build memories with family and friends.

### STABLE HOUSING COST

While renters' monthly payments go to a landlord, mortgage payments made by homeowners can build equity. The move to homeownership gives you the benefit of being your own landlord.

### YOU CAN MAKE IT YOURS

If you are like most first-time homebuyers, you've been inspired by home design shows on television, but up until this point you have been limited in your ability to make many changes to your current living space. Even if your landlord lets you paint and make other alterations, it's hard to justify spending the cash to update a house or apartment that isn't yours.

Homeownership will change all that. You will have more opportunities to decorate your home to reflect your personality with paint, cabinets, counter tops and more. When you choose to buy a brand new home, you can be the one to make the design choices from the beginning.

### MOVE ON YOUR OWN TIMELINE

If you rent a house, you always run the risk that your landlord will want to sell the property and you may be forced to move at the end of your lease. As a homeowner, the power is in your hands. You don't have to move until you're ready to sell.

#### BENEFITS OF BUYING NEW

	Benchmark Home	USED HOME
Guaranteed NEW Flooring	✓	?
Guaranteed NEW Countertops	✓	?
Guaranteed NEW Roof	✓	?
Guaranteed NEW Doors	✓	?
Guaranteed MODERN DESIGNS	✓	?

# Getting Started

So you've made the decision to buy a new home, but now what? Where do you start? Here are some preliminary steps you can take before you even apply for a mortgage.

## ESTABLISH A BUDGET

When you're ready to buy a home for the first time, it's important to look at your finances, and find out what you can afford. If you don't already have a budget, write down all of your regular expenses and determine what kind of payment you can feel comfortable making every month. Having that number in the back of your mind will help you stay on track and within your reach during your home search.

### Where is your money going each month?

<b>Income</b>	Take home (after taxes)	\$
	Tips	\$
	Other Forms of Income	\$
	<b>Total Income:</b>	<b>\$</b>
<b>Fixed</b>	Housing Cost	\$
	Car Payments	\$
	Car Insurance	\$
	Utilities (water, electric, gas, etc.)	\$
	Loan payments	\$
	Credit Card Payments	\$
	Phone/Mobile Service	\$
	Cable/Satellite	\$
	Other Misc. Bills	\$
	<b>Total Fixed Expenses</b>	<b>\$</b>
<b>Variable</b>	Groceries	\$
	Dining Out	\$
	Clothing	\$
	Entertainment	\$
	Gifts	\$
	Misc.	\$
	<b>Total Variable Expenses</b>	<b>\$</b>
	<b>Total Expenses</b>	<b>\$</b>

When you have a detailed picture of both your income and your expenses, you can evaluate your spending, make adjustments and get an accurate look at how much you can afford to spend on a monthly mortgage payment.

## CHECK YOUR CREDIT REPORTS

Lenders use your credit score to help determine your credit worthiness, and therefore the interest rate they'll be willing to offer. Even if you think you have great credit, errors on your reports may be lowering your score. By law, you're entitled to a free report from each of these companies annually. To request your credit reports, go to [www.annualcreditreport.com](http://www.annualcreditreport.com).

### 3 CREDIT SCORE TIPS

- **Keep old accounts open**– Closing old credit card accounts can affect your credit score negatively in two ways. First, it can shorten your average account age, making you look less reliable to lenders. Second, closing accounts reduces the total credit available to you, which makes any balances you do have appear larger in proportion.
- **HOLD OFF ON MAJOR PURCHASES**– Have money saved up for a new TV? You may want to hold off. While increasing debt affects your credit score, keeping money in your savings account is also important. Mortgage lenders may see you as less of a risk if you have a cash reserve to get you through rough times.
- **DON'T APPLY FOR NEW CREDIT CARDS OR LOANS**– Although using credit cards responsibly may improve your credit, opening new accounts shortly before or during your mortgage application process can lower your average account age and result in a lower overall credit score. Increasing your debt during this timeframe with new loans for things like cars and furniture can also negatively affect your credit.

#### DID YOU KNOW?

Benchmark Homes is a great resource for first-time homebuyers. Our New Home Specialist specialize in working with First-Time Homebuyers. They know the communities, floor plans—even the school system. Our team is dedicated to providing you with a stress-free homebuying process.

## START SHOPPING

You owe it to yourself to be an informed buyer. The internet is a good place to start. You can view homes currently for sale, as well as home values in your area.

One mistake first-time homebuyers often make is to assume they can't afford a brand new, never-been-lived-in home. Take a look at Benchmark Home website, [brickhome.net](http://brickhome.net), and you may be surprised how competitive prices are. New homes also tend to be more energy efficient, which may provide savings on utility bills. Plus, every Benchmark Home comes with a 2-10 Home Buyers Warranty.

### WHY BUY NEW?

**Reason 1-** A new home means a new community built with convenience and quality of life in mind.

**Reason 2-** With a used home, structural and decorating choices have already been made. With a new home, you can make these personal decisions. At Benchmark Homes, you can explore your options for everything from flooring to cabinetry.

**Reason 3-** All Benchmark Homes come with a 2-10 Home Buyers Warranty, providing you with piece of mind.

## FINANCING BASICS

Securing financing is one of the first steps on your way to owning your dream home. There's a lot of lingo to learn. Benchmark Homes is dedicated to helping you sort through the basics of home financing so you know what to expect during the buying process.

### GETTING PRE-QUALIFIED

Pre-qualifying can be an easy way to determine how much you may be able to borrow.

We work closely with Sunset Mortgage to ensure that our homebuyers receive the best in customer service.

Sunset Mortgage would be happy to take your application over the phone, or you can fill out the application on their website.

**Think You Can't Own a Home Due To POOR Credit?**

**Think Again! Sunset Mortgage is now offering a special program to help homebuyers with a minimum credit score of 580.**



Dean Watson

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