

# Buying a Home

Owning your own home is an exciting milestone. It includes some major perks like tax benefits and building equity, to name a few. Since it's a big investment, lenders will look closely at your liabilities & assets and need access to your personal and financial information. Buying a home can seem intimidating but there's actually several options that can help make your home buying dream a reality.

## Vocabulary Terms

**Mortgage Term:** the length of time the borrower has to pay back the loan

**APR (Annual Percentage Rate):** represents the yearly cost of borrowing.

**Adjustable Interest Rate:** the interest rate will change with the market throughout the mortgage term.

**Fixed Interest Rate:** the interest rate will stay the same throughout the mortgage term.

1. What are the 4 most common types of home loans?

a. Conventional Mortgage

c. USDA Home Loan

b. FHA Loan

d. VA Home Loan

2. What is something you can do to boost your odds of approval?

Improve Credit Score, Lower DTI, Save for a higher down payment, Look for a less expensive home Don't make big purchases before approved

3. Circle which information you will likely need to provide to your lender in order to process your mortgage application:

Bank Statements

Pay Stubs

Tax Returns

Number of Pets

Health History

Social Security

4. What percentage of a down payment is required in order to avoid PMI (Private Mortgage Insurance)?

20%

5. What's your biggest takeaway?

Answers will vary.