



NEWS RELEASE

For Immediate Release

April 29, 2015

FINANCIAL LITERACY MONTH TIP OF THE WEEK

CONSIDERING BUYING A HOME?

A Few Tips Before Signing On the Dotted Line...

For most people, buying a home will be the largest financial transaction and investment of their lives. With mortgage interest rates still historically low; a favorable and improving economy, job market and housing outlook; now may be a good time to consider a home purchase. Gavin Gee, director of the Idaho Department of Finance, reminds consumers: "You are the person in the driver's seat – knowing your way around a mortgage transaction will help provide a successful home buying experience. Research, understand, and ask questions about the mortgage process *before* you get to the dotted line."

Do your homework

- Make an honest decision about how much of your income you can devote to a mortgage payment.
Ask yourself if you can also sustain the various costs associated with owning a home.
- Check your credit report *before* you visit with a lender or real estate agent.
Cleaning up or improving your credit report takes time – Industry experts suggest checking your credit report 6-12 months before a big-ticket purchase to give yourself time to take action and get results, if necessary.
- Use one of the free mortgage calculators available online to calculate your potential monthly payments based on loan amount, interest rate, and length of the loan.
Available on the department's website is a link to the CFPB's tip sheet entitled "Owning a Home" which includes an online homebuyer calculator and data derived from actual lenders (updated daily) based on your location. View the calculator and datasheet here: (<http://www.consumerfinance.gov/owning-a-home/check-rates/>).
- Consider attending online or classroom-based first-time homebuyer education classes.
Various organizations such as Idaho Housing and Finance Association (IHFA) and Neighborhood Housing Services (NHS) provide excellent first-time homebuyer education classes. These classes are usually available at locations throughout Idaho or online.
- Consider where you want to live. Visit the neighborhood at different times of day.
Review the traffic, schools, and shopping near the potential homes you are considering. Check the access to places and services that are important to you and your family.
- Check out your mortgage lender and loan originator's license before you begin shopping.

Verify they are properly licensed with the Department of Finance or federal regulator.

- Explore what financial assistance may be available.
There are several government home-buying programs to assist eligible homebuyers qualify for a mortgage.
- Comparison shop - Get quotes from three or more lenders.
Realize when you obtain a quote – your credit report may be pulled by each of the lenders. This is called a ‘hard hit’ to your credit report. Be ready to make a decision on a lender in a two-week timeframe so that your credit score does not drop.
- Closing is one of the most important parts of the process—it’s when you legally commit to the mortgage loan.
Review federal homebuyer guidelines to prepare for your closing.
Federal law requires specific mortgage disclosures be provided to homebuyers: educate yourself so you know what documents to expect.
Consider seeking advice from an independent professional or trusted adviser before signing any documents.
Read, ask questions, and understand what you are signing. Satisfy yourself that you understand what you are signing -- *before* you sign on the dotted line.

The Idaho Department of Finance has valuable links posted on its website related to buying a home as well as mortgage servicing tips for those who are already homeowners. The department also has an informational booklet, “Buying a Home,” available at no cost.

Governor Otter has declared April as “Financial Literacy Month” in Idaho and Department of Finance press releases and a list of free financial literacy events is available at: <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8000 or Idaho toll free at 1-888-346-3378.