

FACES OF HOME

Right Choice: Building vs. Buying

When Derek Nagel first considered purchasing a home, he enlisted the help of Shirley Thomas, a Bismarck Realtor. Nagel had a specific price range and a list of wants in mind. Rather than looking at listed homes on the market, Thomas suggested that he consider building.



“We went over the pros and cons,” said Nagel. “I knew that if I built, I wouldn’t have to worry about future upgrades or any remodeling. It was also possible for me to have a larger garage.”

Nagel took Thomas’ advice and with the help of the North Dakota Housing Finance Agency’s (NDHFA) FirstHome™ program, he closed on his first home August 31, 2012.

“Buying new homes is definitely more common now than in previous years; they are considered more, but it all depends on the borrower,” said Lynn Klein, mortgage lender at Gate City Bank who qualified and originated Derek’s loan.

FirstHome™ Program

Whether a potential buyer is looking for a brand new home or an existing home, NDHFA helps state residents become successful homeowners by providing homebuyer education, down payment and closing costs and affordable mortgage loans.

Borrowers that use the FirstHome program must meet income guidelines

and the purchase price of the home must be within program limits. They also have to meet normal credit underwriting standards and occupy the home as their principal residence.

About 40 lending institutions statewide actively partner with NDHFA to offer mortgages at an interest rate that is currently around 3.5 percent. Depending on family size and the county where the home being purchased is located, maximum household income is \$67,600 to \$89,355.

Since 1982, NDHFA has purchased more than 38,000 mortgage loans with a total value exceeding \$2.7 billion.

Advice for First-Time Homebuyers

Purchasing a home may seem daunting, but being prepared will help make it a smooth transaction.

largest financial investment of your life,” said Thomas. “It’s smart to be prepared and educate yourself about the process.”

What type of home can I buy if I get an NDHFA mortgage loan?

Households that use one of NDHFA’s purchase assistance programs can purchase a new or existing single-family home, condominium, manufactured home on a permanent foundation, rural home that includes up to 10 acres, or even a multi-unit structure if the borrower occupies one of the units. The purchase price of the home cannot exceed program limits and the borrower must occupy the property financed as their principal residence.

Thomas recommends visiting with a professional real estate agent to get the facts about homeownership and to sit down with a qualified lender to see if you can financially afford to buy a home. “Buying a home may be the

“Many don’t realize that debt can affect your ability to qualify for a home loan,” said Klein. “It’s important to pay your bills on time and save cash for unexpected expenses.”

“To me, homeownership is a really good investment,” said Nagel. “It’s something that

will pay off in the long run, and it’s nice to have your own place.”

For more information on NDHFA’s homeownership programs or a list of participating lenders, visit www.ndhfa.org or call (800) 292-8621.

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