

Buying your first home is one of the biggest purchases you will likely make in your life. It is a very exciting time, but can also be overwhelming. There are many things to consider. North Dakota Housing Finance Agency (NDHFA) would like to offer you these tips as you start down the path to homeownership!

Draw Up a Budget

Before you start looking, know what you can afford. It is important to look at your current debt and expenses. Remember, you'll be responsible for your monthly mortgage payment as well as property taxes and homeowners insurance. Once you get a rough idea about your budget, sit down with a lender and go through the prequalifying process. This will help you get a good idea of what you can afford to buy, and what the down payment and closing costs will be. When you visit with the lender, be sure to ask how government programs like NDHFA's FirstHome program can help you with the purchase by offering lower interest rates and help with out-of-pocket costs.

Make a List

Make a list of your needs and wants, and then prioritize. What kind of home would best suit you? A traditional single-family home, a townhouse, a condo? Is the location important? Do you need to be close to your employer, daycare or schools? When you start looking at homes, don't worry too much about flooring, wall color or countertops. Those are things you can change. You can't change the location, lot size or square footage. Remember, you can always reevaluate your list after you've looked at a couple homes and have gotten a good idea of what is available in your price range.

Know the Market

NDHFA partners with hundreds of real estate agents statewide who have experience working with first-time buyers. These agents have a solid understanding of the market and can help you determine if a home's asking price reflects its true value. Looking at homes with one of these agents will help you find comparables that will help you feel more comfortable with the price you offer.

Don't Rush

This is a big decision. While you're searching for a house, continue to save up for the down payment and an emergency fund. If you haven't done so yet, take a homebuyer education class to learn more about the purchase process.

Prepare for Closing Costs

These can vary widely, but your closing costs will typically include appraisals, origination fees, underwriting fees, title searches and more. In some cases, the seller may pick up some of these costs, but it's better to be prepared to cover them yourself.

Go For It!

There will never be a perfect house. If you find a home that is right for you, go for it! Put in an offer. Your moving day may be closer than you think.

Questions

Information on NDHFA's homeownership programs and where to Find a Participating Lender or FirstHome Agent is available online at www.ndhfa.org or by calling 800-292-8621.

