

March 2020

## 8 Tips for Buying Your First Home



Are you starting to think about buying a home? Whether a new home is on the horizon or you're already knee-deep in the home buying process, Patriot has some home-buying tips for you to help the process go as smoothly as possible.

### 1. Start Saving for a Down Payment Early

While there are financing options that require little or no down payment, having a larger down payment can help lessen or even eliminate some monthly costs – like private mortgage insurance. Use a down payment calculator to help you come up with a goal amount.

### 2. Know What Types of Mortgage Options are Out There

There are lots of mortgage financing options available, especially if you are a first-time home buyer. These options include:

- **Conventional Mortgage** – A fixed rate home loan with terms ranging from 10-30 years and allows you to remove private mortgage insurance after you reach 80% loan to value.
- **Federal Housing Administration (FHA) Insured Mortgages** – Popular for first time home buyers. Credit requirements are generally more lenient than a conventional loan.
- **United States Department of Agriculture (USDA) Guaranteed Mortgage Loan** – No down payment, 100% financing loan, generally with more lenient credit requirements and a competitive interest rate.

### 3. Determine What You Can Afford

Make sure you know what price range will give you a payment you're comfortable with before you start looking for your dream home. Use a mortgage affordability calculator to determine how much you can spend comfortably.

### 4. Check Your Credit and Pause New Activity

One of the biggest factors in determining your eligibility and interest rate on a mortgage loan is your credit score. Focus on paying down debts, making payments on time, and avoid opening any new credit accounts.

### 5. Get Pre-Qualified

Getting pre-qualified before you start looking at houses is a great place to start. This helps determine what purchase price will leave you with an affordable payment and shows a seller that you're serious and qualify for the loan to purchase the home.

### 6. Hire a Buyer's Agent

Did you know that buyer's agents are free to you? The seller negotiates the commission that the agents receive before the house is listed. If you don't hire a buyer's agent, the entire commission goes to the selling agent, which is great for them, but leaves your interests unprotected. A buyer's agent will help you navigate the home buying process and can advocate for your interests during the transaction.

### 7. Research the Area

Be sure you research nearby schools – even if you don't have children, school districts can affect home values. Take a drive through the neighborhood at different times of the day to observe what the traffic and noise levels are like. Review local crime and safety statistics and determine how close you are to emergency responders, hospitals, pharmacies, and other points of interest.

### 8. Remember to Budget for Closing Costs

Closing costs are generally about 2%-5% of your loan amount, so you will need to budget for these too. You can also ask the seller to cover some of these costs, but just like a down payment, saving ahead of time puts you in a better position during negotiations.

 Equal Housing Lender

## Did you know?

If you're in the market to buy a home, call 717-709-2580 or stop into one of our branches in Chambersburg, PA, Hagerstown, MD, or Waynesboro, PA to chat with one of our experienced and friendly mortgage consultants. Getting pre-qualified is one of the first steps to buying a home and we are here to help you every step of the way!



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**IRA reminder**

**April 15th** is the last day to make 2019 IRA contributions. Whether you are looking to open an IRA, rolling over an existing one, or making a contribution, we can help. Drop by one of our branches or call **888-777-9982** to learn more. **INSURED BY NCUA.**



**Easter Bunny To Visit  
Wayne Avenue Branch**

The Easter Bunny will make an appearance on **Saturday, March 28** at Patriot's Wayne Avenue branch from **9:00 AM – Noon**. Youngsters get a free photo with the Easter Bunny and a treat.



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**ATM Upgrades** We are halfway through upgrading the entire fleet of Patriot ATMs to new Smart ATMs. Some ATMs now accept deposits and all units have the upgraded security of motorized chip card-ready card readers. Members also now have the ability to select their denominations of \$5, \$10, and \$20 bills. The remaining ATM locations that have not yet been upgraded will be upgraded in late Spring/Summer 2020.