

# Common homebuyer mistakes and how to fix them

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Enjoy a less stressful homebuying experience by avoiding these four common mistakes.

### Mistake #1: Failure to get pre-qualified first.

The joy of homebuying is house hunting, and often it is a homebuyer's first step. The problem is this opens the door to potential heartache when the home you fall deeply in love with doesn't fit in your budget.

The fix: First and most important, get pre-qualified for a loan. Knowing and understanding your budget allows you to shop the neighborhoods in your price range and help you avoid yearning for homes you cannot afford.

### Mistake #2: Letting your lender pre-qualify you for the maximum allowed loan.

Buying a home based on your maximum loan qualification is a potential set up for financial struggles.

Loan eligibility is based on your gross income, earnings before taxes and withholdings. Your monthly mortgage payment is made from your net pay, your take home cash. What you qualify for and what you can actually afford to pay each month may be different depending on your living expenses and spending habits.

**The fix:** Work from your budget. Figure your current take home pay and expenses. Determine a comfortable payment you can afford that will also allow you to put away money each month for emergencies, retirement or other financial goals. Ask your lender to factor your goals and budget into your loan pre-qualification.

### Mistake #3: Shopping rates and loans from the couch.

Online lenders may or may not live in your area. They may be offering teaser rates for which you may not qualify. While scoping out the field online will give you a general idea of current rates and options, shopping for a home loan is a process you

should do locally in person.

**The fix:** Speak with a local mortgage banker or two. They are informed on specific loan options available in your particular area. They can provide a loan estimate tailored to your individual needs, and can work with you directly to help you get the best option based on your qualification.

### Mistake #4: House hunting in the present.

When purchasing a home you need to consider what might happen in the future. Might your job relocate? Are you planning on kids? Are you buying in a good school district? It's easy to live and shop in the now, but your decision may cause distress down the road.

**The fix:** Know your personal and family goals and shop accordingly. Choose a home you can grow in or one that is marketable to sale in the future, if you need to make a move.

I'm here to help, even if you're not an RCB Bank customer. Feel free to call me.