

HOMEOWNERSHIP NUMBERS?

HOW MUCH MORTGAGE COULD YOU COMFORTABLY AFFORD?



This is an important first number because it's the one number that probably won't change during the home buying process. How much home a homebuyer could afford is based on their income at the time of purchase. Going above that payment amount could lead to budget troubles down the road.

RULE OF THUMB:
Housing expenses should be no more than 30 percent of gross income.

01

WHAT ARE CURRENT MORTGAGE RATES?



Higher mortgage rates mean higher mortgage payment amounts, whether the price of the home a person wants to purchase goes up or not. NeighborWorks believes that homebuyers should work with a housing counselor to lock in the best mortgage rate for as long as possible at the lowest cost.

Mortgage rates are lower than they were for most of the past 20 years. It's not likely that 30-year fixed-rate mortgage rates will go much higher in the next 12 months.

02

WHAT IS YOUR CREDIT SCORE?



Knowing the credit score number affects the mortgage rate. Lenders are slowly moving their credit score targets to levels where more homebuyers could access a low-rate mortgage. However, if the homebuyer's credit score is below the threshold, the mortgage will cost more, if a mortgage is available at all.

NeighborWorks organizations around the country are here to help consumers, not just homebuyers, understand what helps and hurts a credit score.

03

HOW MUCH DO YOU HAVE FOR A DOWN PAYMENT AND CLOSING COSTS?



Saving the thousands of dollars usually needed for a minimal down payment takes time. To help close the time gap, we encourage homebuyers to seek out down payment assistance programs that may be available from us or other sources, as well as to retain a Realtor who will negotiate for closing costs assistance from the seller if possible.

Our national survey found that saving for a down payment is second only to saving for retirement.

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