

real estate report



YOUR GUIDE TO BUYING REAL ESTATE

Dispelling the Myths About Home Ownership

More Americans could own a home if they were more in tune with accurate information about the home buying process and the range of loan products available. According to a Fannie Mae survey some Americans have erroneous beliefs about why they can't own a home.

For example, 14 percent of Americans said they would like to buy a home in the next few years but say it's financially out of reach. Another 10 percent say they would like to buy, can afford to, but cannot buy for other reasons.

The survey found the common myths are:

You need 20 percent of the cost up front.
Housing lenders are required by law to give you the best possible loan rates.
You need to be in the same job for five years to qualify for a mortgage.
You need to have perfect credit to buy a home.

So, to set the record straight:

Today there are a number of innovative mortgage products offered with 5 or 3 percent down payment. Some even offer no-down payment options if credit is excellent.

Each lender offers its own rate based on their set of standards and type of loan (fixed, adjustable, balloon, etc.). Rates change on an almost daily basis. Once you've determined you're ready to buy a house, you'll be able to lock-in your interest rate with your lender.



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While job stability is important, you don't need to be working for five years in the same job to get a loan. There are even mortgage products for those who are self-employed and have difficulty documenting their income.

Although your credit history plays a role in whether you will obtain a loan, the good thing is that it doesn't stay with you forever. Once you can establish a pattern of managing your credit wisely, keeping credit card balances low and paying your bills on time consistently, your credit score will be positively affected.

