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Benefits of owning

The house is yours—you can do what you like to it...

- Renters are usually extremely restricted, sometimes they can't even repaint the walls. If you own your home, the biggest restrictions are local building codes.

You may be able to have more stable housing costs...

- With a fixed-rate mortgage, you'll be able to predict your monthly principal and interest payment amount. Property taxes and insurance are the primary things that can change the monthly cost of your home. Renters, on the other hand, could face big rent increases each time they move or if their lease is renewed.

You may be able to reduce your income tax costs...

- You can deduct mortgage interest and your local property taxes at tax time. That could save you a lot, especially in the early years of your mortgage, when your payments will be mostly interest. Renters don't get this tax break. Consult a tax advisor about your personal situation.

Eventually, you will own a home free and clear, with no payments required...

- Whether you get a 15- or 30-year loan, at the end of that time, the house will be yours. Renters will have to pay rent every month indefinitely.

A house can increase in value...

- Depending on where your house is located, what kind of house you have and economic conditions, your house may become worth more than you paid for it.

Let's determine how much you can spend on housing based on some common guidelines:

Enter your monthly gross income (before taxes)	\$ _____ =	
Multiply your monthly gross income x .36	\$ _____ =	Common guideline for the maximum monthly debt you should have, including your new mortgage payment
Multiply your monthly gross income x .28	\$ _____ =	Common guideline for the maximum monthly mortgage debt you should have

EXAMPLE (Using a gross income of \$42,000/yr.)

Enter your monthly gross income (before taxes) \$3,500

Multiply your monthly gross income x .36 \$1,260

Multiply your monthly gross income x .28 \$980

****Rule of Thumb:** 36% of income should go to pay debt with no more than 28% going to your mortgage payment. • You'll also want to consider how much of your monthly income you are comfortable devoting to your house payment and how much you'll have left over after purchasing your home.

Source: chase.com

Home Buyer Financial Worksheet

Part 1: Cash for one-time fees	Typical range (varies based on property)	Your estimated costs
EMD: Earnest Money Deposit	Percentage based on purchase price	\$ _____
Home appraisal A professional analysis of the market value of the property.	\$200 – \$500	\$ _____
Home inspection A detailed report on the condition of the house, highlighting any significant problems that might affect the property's value.	\$200 – \$1,000	\$ _____
Termite inspection An evaluation of pest damage. The initial inspection will be less than \$100, although if they find evidence of termites, which is common, the extermination can cost several thousand dollars.	\$100	\$ _____
Origination fees Fees assessed by the bank to cover the processing of the loan and administrative costs.	one-time fee and can vary from lender to lender, from \$500 up to 1% of the loan amount.	\$ _____
Closing costs Bank fees and third-party vendor fees that may include, but are not limited to: attorney fees, settlement fees, title insurance, recording fees and appraisal fees.	2% – 6% of cost of house	\$ _____
Moving costs The cost of moving all your furniture and belongings.	Varies depending on how far you're going, how much you have to move, and if you decide to hire movers	\$ _____
Subtotal Part 1: Cash for one-time fees		\$ _____

Source: chase.com



Part 2: Cash you'll need every month	Typical range	Your estimated costs
Your monthly principal, interest, taxes and insurance payment	Your comfortable monthly payment	\$ _____
Mortgage insurance Insurance the lender will require if your down payment is less than 20% of the home's value.	Typically amounts to about one-half of 1 percent of the loan	\$ _____
Condo/maintenance fees These fees typically cover the cost of insurance, taxes, maintenance (i.e., lawn care) and reserves for a condominium project.	Varies depending on property	\$ _____
Homeowners association (HOA) dues If you choose a property in a neighborhood with an HOA, these annual or monthly fees cover neighborhood maintenance costs.	Varies depending on property	\$ _____
Utilities and fees Regular water, gas, electricity, sewage treatment and garbage pickup	\$100 – \$500/month	\$ _____
Lawn and property maintenance	\$100 – \$500/month	\$ _____
Exterior and interior home repairs Depending on the age and type of your house, there will be periodic maintenance or repairs needed to keep your home in good condition.	\$100 – \$500/month	\$ _____
Subtotal Part 2: Cash you'll need every month		\$ _____

Typical Homeownership expenses	What is it?	How often will I pay this?
Before You Buy	Credit Report Home Appraisal Home Inspection Termite Inspection	One-time Fee One-time Fee One-time Fee One-time Fee
During the Process	Origination Fees Closing Costs Title Insurance	One-time Fee One-time Fee One-time Fee
After You Buy	Property Taxes Private Mortgage Insurance Homeowners Insurance Homeowners Association Dues Utility (Water, Gas, Sewage, etc.) Maintenance & Repairs Lawn Care/Landscaping	Monthly Monthly/Annual Monthly Monthly Ongoing

Source:chase.com

