HOMES WANTED

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Making Home Ownership A Reality

Low interest rates and more affordable home prices can go a long way to make home ownership a reality. While many people may think that buying a house is out of their financial grasp, by exploring all options available, and with a little creative planning, it can be done.

"Your own home gives you pride, security and financial stability," said Beverly White, Beavertown, OR branch manager, Countrywide Funding. "It's not only shelter; a home is a financial investment which appreciates in most markets over time, and generally provides significant tax benefits."

According to Countrywide, the nation's largest independent mortgage banker, the American Dream of home ownership can become a reality by following a few simple steps:

Get prequalified - Based upon income and debt load, prequalification tells potential buyers how much house they can afford, amount of down payment needed, total closing costs and eligibility for low down payment loan programs. In a matter of minutes, countrywide can analyze a home buyer's individual situation over the telephone, at no cost. For prequalification, call countrywide at (800) 877-LOAN.

Visit a Realtor before ready to buy-Real estate agents are very knowledgeable in assisting individuals in buying a home. A visit to a local agent is recommended as the first step for anyone considering this venture, and for better understanding and guidance through the process. As many first-time buyers today are very goal-oriented, visiting a Realtor ahead of time could be just the incentive one needs to make saving for a house a top priority. Once a buyer has seen and physically experienced what could be possible in their future, their enthusiasm and drive to save will increase even further.

Establish a budget to save the down payment-While many home buyers may have no trouble making monthly mortgage payments, saving for the down payment is often the most difficult hurdle. The best way to accomplish this is to determine the amount needed, and then set an aggressive budget, buckle down and stick to it.

Although many household expenses are fixed, buyers should examine their lifestyle for areas where they can cut back and increase their savings. Sacrificing a pricey automobile, modern electronic equipment or expensive vacations now can pay off in the long run toward accumulating the down payment.

Investigate affordable lending programs-While 10 percent of the selling price of the home is generally the minimum down payment required, buyers should check into other lending programs. Depending on the sales price of the home, a borrower should look into FHA loan programs, which require less than five percent down. There are also several conventional loan programs available such as the Fannie Mae's 3/2 program, which requires as little as three percent of the borrower's own funds for the down payment.

Reduce debt-Most lenders prefer that long-term debt does not exceed 32 to 38 percent of monthly gross income. Long-term debt includes mortgage payments, taxes, insurance and other debts that will take more than 10 months to pay off.

Examine credit record - Lenders like to see a clean credit record, with no bills past due more than 30 days in the last year. However, most lenders are often willing to overlook one or two blips on a credit report, if they are the exception to their credit history. It's a good idea to review one's credit report with a mortgage lender in advance of considering purchasing a home, especially if there have been any credit problems in the past.

Negotiate terms with seller-It's buyer's market today; when a house is found, consider negotiating with the seller for the payment of pints or closing costs.

countrywide Funding originates and services single-family loans up to $1 million. Founded in 1969, countrywide is headquartered in Pasadena, California, with retail and wholesale branches located in more than 100 cities across the country.