

6 THINGS TO DO WITH YOUR MONEY BEFORE BUYING A HOUSE

1. Check Your Credit Reports & Score

- Visit annualcreditreport.com to view your 3 credit reports
- If any information is inaccurate contact the credit bureau immediately
- Keep regular tabs on all scores:

Today's date: _____

Equifax score: _____

Transunion score: _____

Experian score: _____

2. Make a Debt Pay Off Plan

Once you've decided on the debt snowball or debt avalanche method, list your debts in the order you plan to pay them off:

Current debts:

Loan/Lender	Current Balance	Interest Rate	Min. Monthly Payment
Ex. Sallie Mae	\$11,754.00	6.8%	\$280
-			
-			
-			
-			
-			

Total Monthly Debt Payment _____

3. Make a Plan for an Emergency Fund

List your essential monthly expenses:

-Housing: \$ _____

-Insurance: \$ _____

-Internet: \$ _____

-Gas: \$ _____

-Groceries: \$ _____

-Personal Care Items: \$ _____

-Cell Phone: \$ _____

-Debt Payments: \$ _____

-Other: _____, \$ _____

-Other: _____, \$ _____

-Other: _____, \$ _____

-Other: _____, \$ _____

Total monthly regular expenses: \$ _____

List your irregular expenses: (These are quarterly, annual and other irregular expenses like auto registration, tax preparation fees, car maintenance, membership dues, travel, etc.)

- Category: _____, \$ _____
- Category: _____, \$ _____
- Category: _____, \$ _____
- Category: _____, \$ _____
- Category: _____, \$ _____
- Category: _____, \$ _____
- Category: _____, \$ _____

Total monthly irregular expenses: \$ _____

(To get your total monthly cost of your irregular expenses, estimate the cost of all of your irregular expenses (above) averaged out on a monthly basis. For example, if you expect to spend \$600 on car maintenance this year, your estimated monthly cost would be $\$600 / 12 = \50 .)

Total estimated monthly cost of living = regular + irregular monthly expenses: \$ _____

Multiply by 3: _____ = Emergency fund savings goal

4. Have Investing Strategy In Place

Option 1: Talk to your HR department and understand your company match policy.

- Email your HR rep to ask questions and figure out what you need to do to get your account set up.
- Figuring out how much you need to contribute to get a match from your employer before you start picking your funds.

Option 2: Consider Opening an IRA

- If you're self-employed or you want to begin investing for retirement above and beyond your company match, IRAs can be great investment options.
- Based on your current income, cost of living and financial obligations/goals, what percentage of your income can you afford to invest for the long term?

5. Set a Home Savings Goal

Lenders typically suggest your mortgage payment plus taxes and insurance, be no more than 28% of your gross monthly income.

- Your gross monthly income $\times 0.28 = \$$ _____ = your monthly total housing budget (including mortgage, taxes and insurance)

Based on the monthly mortgage you can afford, identify your housing price range (keep in mind additional costs like repairs and homeowners association fees)

- Housing price range = \$ _____
- Calculate your down payment: target house price X .20 = \$ _____ + estimated closing costs + estimated home inspection cost + buffer for additional fees and up front expenses
- As you get into the homebuyer process, consider speaking with a local realtor for estimates on additional up front costs you can expect to encounter
- **Home Savings Goal = \$ _____**

6. Open a Dedicated Home Savings Account

- Open up a separate savings account specifically for your home savings
- Label your home savings accounts
- Set up a recurring automatic transfer to your home savings each month
- **How much can you commit to transferring to this account each month = \$ _____**