

Ready to Look for a Home Checklist

One of the most common questions for potential homebuyers is, “How do I know when I’m ready?” While different people have different levels of comfort with preparedness, there are several key steps that are always a good idea to check off your list before beginning your search in earnest.

Generally speaking, it’s a good time to start seriously looking when you have:

- Taken the time to educate yourself about the entire home buying process.
- Researched homebuying programs you may qualify for.
- Decided what type of mortgage you want.
- A steady source of income.
- At least two years of steady employment within the same industry.
- Plans to stay in the area for at least three years.
- Completed a forward-looking budget to see what monthly mortgage payment will fit into your spending and savings plan.
- Determined how much the move will cost and accounted for this in your current budget.
- Examined your credit reports for errors or ways to improve your credit standing.
- Talked with lenders about their lending standards and their rates.
- A debt-to-income ratio of no more than 43-45%.
- Gotten at least pre-qualified for a mortgage, and hopefully pre-approved by your lender.
- Saved at least the minimum amount required for down-payment, if not more.
- Researched neighborhoods that fit your wants and needs.
- Decided on the baseline standards for the particulars of your house, such as number of bedrooms and bathrooms; square footage, amenities, etc.
- Three months worth of mortgage payments in savings to guard against unexpected time away from work.
- A plan to put 1% of the value of the home into savings every year for maintenance and repairs.
- Decided whether you will look for a home on your own or use a real estate agent.
- Interviewed several real estate agents if you plan to go that route.
- A plan for covering closing costs.

A home purchase is not something to rush into. You will put yourself on much steadier ground by preparing yourself well before you start the process of tracking down your ideal home.