

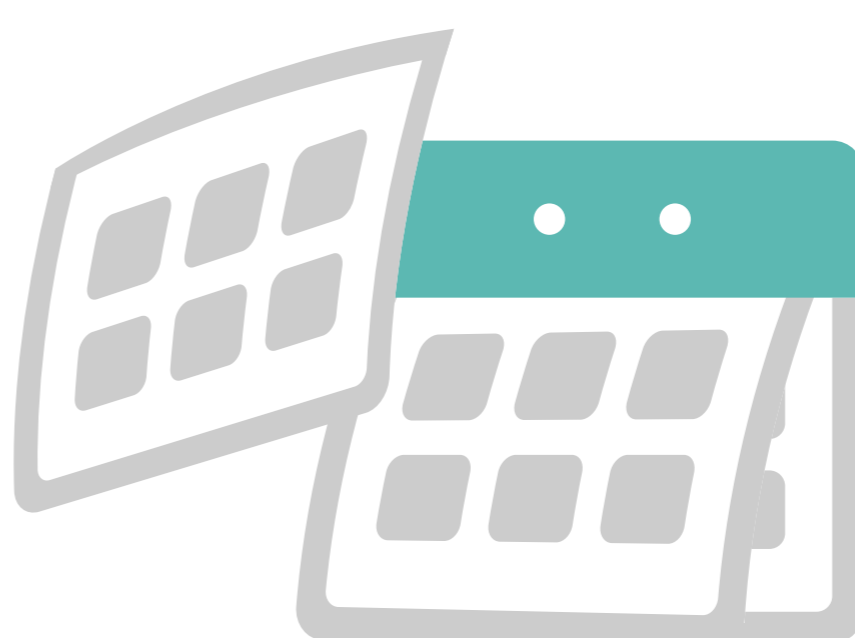
# 7 KEY WORDS TO HELP GUIDE FIRST-TIME HOMEBUYERS



There are many details to consider as you plan to buy a home, but these 7 words may help focus your planning.

## Commitment.

If you plan to live in the home **less than 5 years**, it may make more sense to rent.



## Budget.

Consider your **existing expenses** along with **anticipated expenses**.

### existing

- Car / transportation
- Debt
- Living expenses
- Travel & leisure



### anticipated

- Mortgage payments & taxes
- Insurance, utilities, maintenance
- Moving costs
- Homeowner association dues (possible)



## Credit.

Pay **bills** on time, avoid opening new **credit accounts**, use **less than 30%** of your available credit.

## Documentation.

Gather items that your lender **will want to review**:

- Tax returns
- pay stubs
- bank statements
- investment activity



## Income.

Try to keep your **debt-to-income ratio below 43%**, a common benchmark used by lenders.



## Savings.

Having at least **20% cash down payment** is a general guideline, but your lender may have lower down payment options to consider.

## Preapproval.

This **conditional commitment from a lender** may help realtors and sellers take your offer more seriously.



For additional resources, such as interactive calculators and information about different types of mortgages, visit mortgage section of Bank of the West's site:

<https://www.bankofthewest.com/personal-banking/loans/mortgage-home-loan.html>