



BUY, LEASE OR RENT:

A Housing Checklist

When considering the pros and cons of the three options for your housing needs, it's important to take a look at the market, your income and your needs to make sure you're getting the best price for the best option.

PERCENTAGE OF AMERICANS WHO OWN VS RENT IN 2013



3.6 Million Americans live in rental units, up from 3.2 million in 2010. The U.S. home ownership rate has fallen over the last 10 years, with 65% of Americans owning their homes and 35% renting.

BASIC TYPES OF HOME LOANS

- Fixed-Rate Mortgage:** The most common type of mortgage, with a fixed interest rate for the entire term.
- Adjustable-Rate ARM or Variable-Rate Mortgage:** The interest rate starts low but can rise or fall over time. Most adjustable-rate mortgages use the six-month LIBOR as the benchmark.
- FHA / Federal Housing Administration Loan:** A mortgage insured by the Federal Housing Administration. The rate is typically lower than other types of mortgages.
- VA Loan:** A mortgage guaranteed by the U.S. Department of Veterans Affairs. It offers lower interest rates and no down payment.
- Reverse Mortgage:** A loan that allows homeowners aged 62 and older to convert some of the equity in their home into cash.
- Interest-Only:** A mortgage where you only pay the interest on the loan for a certain period of time.
- Private Mortgage:** A mortgage provided by a private lender, such as a bank or credit union. The interest rate is typically higher than a public mortgage.

Get home suggested monthly mortgage payments - including principal interest, real estate taxes and homeowners insurance - calculated based on 30 percent gross monthly income.

To Calculate: $\text{Income} \times 0.28$

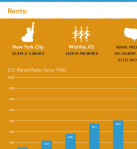
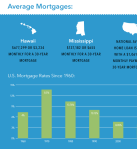
DOWN PAYMENTS



States with the Lowest vs. the Highest Down Payments (2013)



MORTGAGES AND RENTS IN THE U.S.



WHAT IS LEASE TO BUY?

- Lease to buy is a hybrid of a lease and a purchase.
- It allows you to rent a home for a set period of time, typically 1-3 years.
- At the end of the lease, you have the option to purchase the home.
- Some lease to buy programs include a down payment credit.
- Some lease to buy programs include a buyout option.

3 Questions to Ask:

1. How much is the monthly rent?
2. How much is the down payment?
3. How much is the purchase price?

BORROWERS CHEAT SHEET

- Don't forget to check your credit score before applying for a loan.
- Don't forget to check your debt-to-income ratio before applying for a loan.
- Don't forget to check your employment history before applying for a loan.
- Don't forget to check your rental history before applying for a loan.
- Don't forget to check your bank statements before applying for a loan.
- Don't forget to check your tax returns before applying for a loan.
- Don't forget to check your Social Security records before applying for a loan.
- Don't forget to check your driver's license before applying for a loan.
- Don't forget to check your passport before applying for a loan.
- Don't forget to check your birth certificate before applying for a loan.

DISCLAIMER: This information is for informational purposes only and is not intended to be used as a substitute for professional advice. Please consult with a qualified professional before making any financial decisions.