



HOME BUYING

How much can I afford?

Six questions every potential homeowner should ask.

1 How's my credit?

When buying a home, your credit score is among the most important factors that lenders look at. Generally, lenders look for borrowers with FICO scores of 580 and above. Even if your number isn't where you'd like, M&T may have options for you.

➤ Get your free FICO score at Experian.com and record it here: _____

3 What is my budget?

One general guideline is to look at homes that cost about three times your annual gross income. This doesn't work for every situation, but may give a general idea of the price range of the home that may be right for you.

➤ Multiply your gross annual income x 3.
Target price: _____

5 How much can I expect to pay in closing costs?

Closing costs vary widely by situation and region. As a general guideline, you can expect to pay 5–6 percent of the purchase price.

- A. Target price of home (answer from Q3)
x .05 = _____
- B. Target price of home (answer from Q3)
x .06 = _____

➤ Range of estimated closing costs = A to B

2 When do I want to buy?

If possible, give yourself some time before you buy so you can get your finances in order while you look for the right place to call home. This also provides extra time to add to your savings.

➤ Ideal moving date: _____

4 How much will I need to put down?

FHA loans require at least 3.5 percent as a downpayment, while conventional loans require 5 percent down. This is roughly the range you will need for a downpayment. Lenders may offer additional programs with other low downpayment options and the ability to access gift and grant funds. Be sure to check on available programs with your lender.

- A. Target price of home (answer from Q3)
x .035 = _____
- B. Target price of home (answer from Q3)
x .05 = _____

➤ Range of estimated downpayment = A to B

6 What will my monthly mortgage payment be?

The four main factors that make up your mortgage payment are **principal, interest, taxes and insurance**. The term of the loan and the interest rate also play a key role in determining your payment amount.

➤ You can run different scenarios to estimate monthly payments with our mortgage calculator.

Record the amount here: _____

Learn more about how M&T can help you reach your homeownership goals or contact an M&T mortgage professional at 1-888-253-0799.

M&T Bank

Sources: US News, Fico, Experian

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