

How to Prepare Financially

Beyond the Mortgage: Planning for Repairs, Taxes and More

Buying a home is exciting, but it's also a long-term financial commitment. Many first-time buyers focus on qualifying for a mortgage and saving for a down payment. That's important, but it's only part of the picture.

True financial readiness means preparing for the ongoing costs that come with owning a home.

BUILD A STRONG FINANCIAL FOUNDATION

Before you begin house hunting, take a close look at your overall financial health. Lenders will evaluate your credit score, income stability and debt-to-income ratio, but you should do the same.

Ask yourself:

- Do I have steady employment?
- Is my debt manageable?
- Have I saved enough for a down payment and closing costs?
- Do I have emergency savings left over?

Experts often recommend keeping three to six months of living expenses in reserve — even after you've paid your upfront costs. A new water heater or roof repair can happen at any time.

You'll also want to estimate



your total monthly housing expense, which includes:

- Mortgage principal and interest
- Property taxes
- Homeowners insurance
- Mortgage insurance, if required

HOA dues, if applicable
Don't forget utilities. Heating, cooling, trash service and water bills may be higher than what you paid as a renter.

Being financially prepared isn't about stretching to the maximum amount a lender approves — it's about choosing

a payment you can comfortably manage.

PLAN FOR MAINTENANCE AND THE UNEXPECTED

Unlike renting, homeownership means you're responsible for repairs. There's no landlord to call when the dishwasher stops working or the fence needs fixing.

A common rule of thumb is to budget 1 to 2 percent of your home's value each year for maintenance and repairs. On a \$300,000 home, that's \$3,000 to \$6,000 annually.

Some years may be quiet.

Others may bring larger expenses — like replacing a roof or upgrading an aging HVAC system.

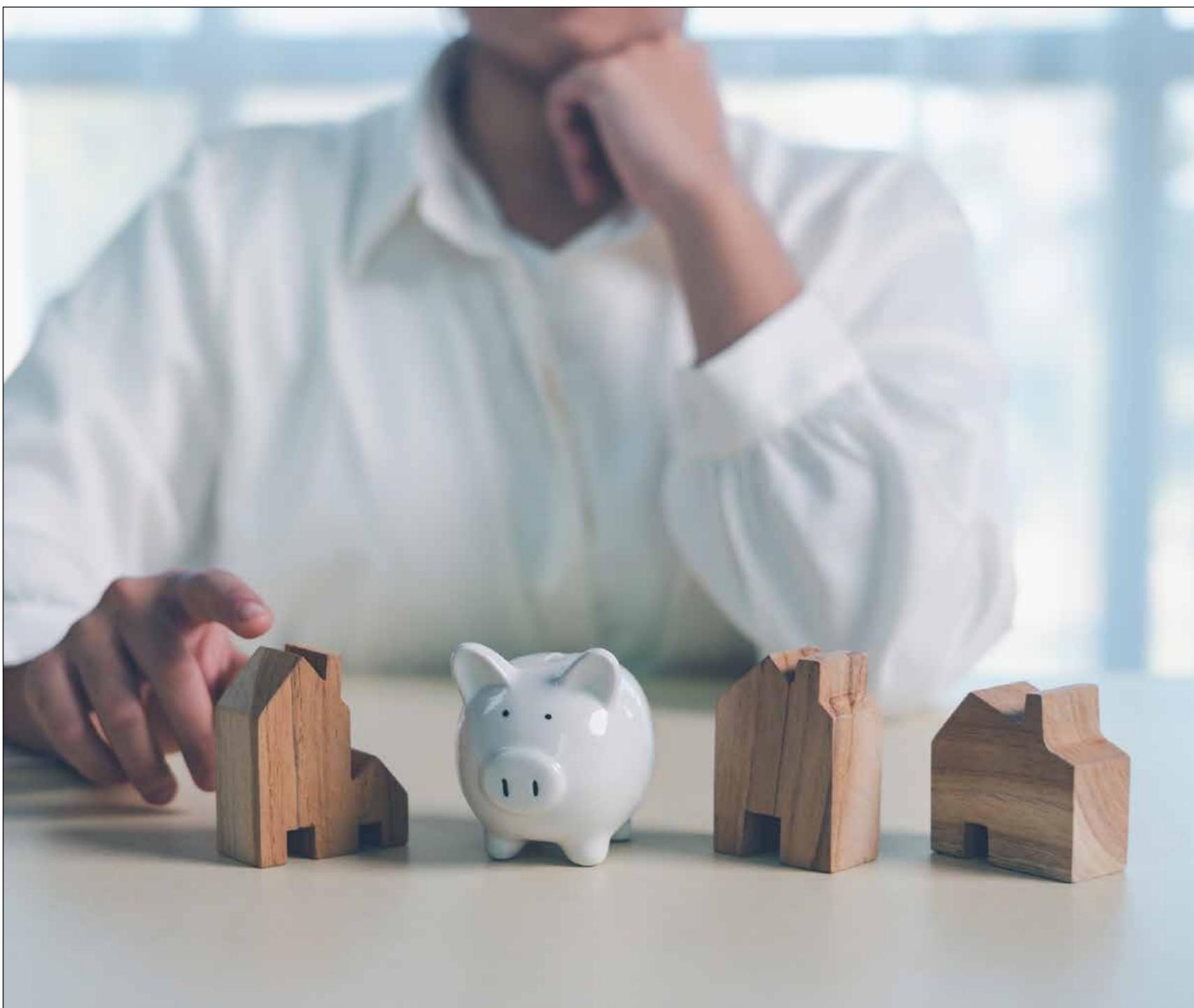
You may also face rising costs over time. Property taxes can increase if your home's assessed value rises. Insurance premiums may go up after severe weather events. HOA dues can change.

One smart strategy is to set up a separate home maintenance savings account and contribute to it monthly. Even a modest amount adds up and creates a buffer when some-

thing unexpected happens.

Financial preparation also means thinking long term. Are you planning to stay in the home at least five years? Do you anticipate job changes or major life events? Buying at the right time for your circumstances can protect your investment.

Homeownership builds equity and stability — but it requires planning. By looking beyond the mortgage and preparing for the full financial picture, you can step into ownership with confidence and peace of mind.



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REAL ESTATE 101



HOMEWISSE GLOSSARY

The Mortgage Is Just the Beginning

Your monthly payment includes more than principal and interest. Taxes, insurance, maintenance and utilities all factor into the true cost of ownership.

Debt-to-Income Ratio: Debt-to-income ratio is the percentage of your monthly income that goes toward paying debts. Lenders use it to determine how much house you can afford.

AD SPACE