

Extension
UtahStateUniversity.

**EXTENSION.USU.EDU/FINANCE** 

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### **WORKSHEETS**

# Step 1. Complete an inventory of your housing needs, assess your lifestyle, and consider how home ownership will enhance your life.

## **Housing Needs Inventory:**

Evaluate your housing needs according to your preferences and the needs of your household.

Features	Must have	Would be nice	Can live without	Do not want
Nearby park, swimming pool or recreation facilities.				
Good schools.				
Yard with established landscaping.				
Close to my employer.				
Nearby public transportation.				
Community events and opportunities to be involved in.				
Garage or carport.				
More than 2 bedrooms.				
More than 1 bathroom.				
Central air.				
Fenced yard.				
New construction.				
Energy Star construction or updates for energy efficiency.				
Storage space.				
Main level laundry.				
Recent updates or remodeling. (new flooring, paint, cabinets, lighting, etc)				
Plenty of space to entertain friends or family.				
Low maintenance yard.				

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# Where do I spend most of my time? How does that affect the type of housing that I need? How long do I plan to stay in this home? What changes do I expect to happen while I am living here? How will home ownership enhance my life? What is appealing to me about home ownership? If a property that meets all my needs and desires isn't available or affordable, what am I willing to let go? Can my housing needs be met in another way?

# Step 2. Choose a strong team.

**Assess Your Lifestyle** 

**Mortgage lender:** Use this table to keep a record of referrals and the information you receive. Questions to ask a potential lender:

- What type of loan do you recommend in my situation?
- What is the down payment and closing costrequirement on this loan?

- What is the annual percentage rate (APR)?
- When will you lock in the interest rate?

Mortgage lender	Contact information	Date contacted	Conversation notes

**Real estate agent:** Use this table to keep a record of referrals and the information you receive. Questions to ask a potential real estate agent:

- How long have you been an agent?
- How many buying clients do you currently have?
- How do you help buyers compete in this market?
- How do you stand out in the quality of service that youprovide to your clients?

Real estate agent	Contact information	Date contacted	Conversation notes

**Homebuyer education and assistance programs:** Use this table to keep a record of referrals and the information you receive. Find more information at:

- Utah State University Extension: extension.usu. edu/finance/housing
- HUD: hud.gov (Search for local housing counselingagencies or buying a home.)
- Utah 211 via United Ways of Utah at 211utah.org

Organization	Contact information	Date contacted	Conversation notes

# Step 3. Calculate the costs and create a savings goal. Remember to season those funds.

**Down payment:** typically ranges from 3.5% to 20% of the purchase price, depending on the loan type.

Example:				
\$395,000	3.5% (3.5/100 = 0.035)	\$13,825		
Expected purchase price Percentage required Down Payment amount				
Calculate your down payment.	Calculate your down payment.			
Expected purchase price required	Percentage required	Down Payment amount		

**Earnest money:** typically 1-3% of the purchase price.

Example:				
\$395,000	1% ( 1/100 = 0.01)	\$3,950		
Expected purchase price Percentage required Earnest money amount				
Calculate your earnest money recommend	Calculate your earnest money recommendation.			
Expected purchase price required	Percentage required	Earnest money amount		

**Closing Costs:** typically 3%–6% of the purchase price, depending on the loan type.

Example:			
\$381,175	4% (4/100 = 0.04)	\$15,247	
Expected loan amount Percentage required Closing costs amount			
Calculate your closing cost.			
Expected loan amount	Percentage required	Closing costs amount	

Add the three amounts (down payment, earnest money, and closing costs) to get an amount needed to purchase a home. Example: \$13,825 (down payment) + \$3,950 (earnest money) + \$15,247 (closing costs) I need \$33,022 to purchase a home.

Down payment amount	Earnest money amount	Closing costs amount	Total needed to purchase a home

How can I generate these funds? How much have I already saved?	

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Are there any home buyer assistance programs in my area to help cover the cost of home ownership?

# Step 4. Play house — Practice making the payment and save the difference in a savings account. Season the funds.

Example:		Cook
Potential mortgage payment	\$1,500	Goal: I will save \$500 a month in a savings account for 12
Current rent payment	\$1,000	months to prepare for my home purchase. This will
Difference	\$500	give me \$6,000 to use for purchasing a home.

Example:		Goal:
Potential mortgage payment	\$1,500	I will save \$ a month in a savings account
Current rent payment	\$1,000	for months to prepare for my home purchase. This will give me \$ to use for
Difference	\$500	purchasing a home.

**Play house:** Track your savings progress. Cross off a house and write the amount saved each month. Keep a grand total of what has been saved. Place this money in a savings account so the funds will be seasoned by the time you purchase.

\$Saved	\$Saved	\$Saved	\$Saved
\$Total	\$Total	\$Total	\$Total
\$Saved	\$Saved	\$Saved	\$Saved
\$Total	\$Total	\$Total	\$Total
\$Saved	\$Saved	\$Saved	\$Saved
\$Total	\$Total	\$Total	\$Total
\$Saved	\$Saved	\$Saved	\$Saved
\$Total	\$Total	\$Total	\$Total
\$Saved	\$Saved	\$Saved	\$Saved
\$ Total	\$Total	\$Total	\$Total
\$Saved	\$Saved	\$Saved	\$Saved
\$Total	\$Total	\$Total	\$Total