



Closing the Gap

Reports show more first-time homebuyers are doing their homework by researching mortgage options. Unfortunately, despite the legwork beforehand, many still make costly mistakes when purchasing their first home.

Thankfully, expert advice can help close the knowledge gap. Here are our top 5 tips for avoiding the most common mistakes first-time homebuyers make:

Focus on a mortgage plan rather than interest rates

Mortgage features such as prepayment options, frequency and amount also affect cost of borrowing and how quickly your mortgage is paid off.

Know your credit rating

It's important to keep tabs on your credit score. If you don't know your current score, you can always get it online. Just be sure to use a secure site.

Consider a mortgage pre-approval

A pre-approval will benefit you in several, important ways: it will identify credit problems or misinformation early in the process; it will help you narrow your search to exactly what you can afford; real estate agents will take you seriously and sellers will be more favorable to your offer; and it will give you the power to act quickly and decisively when you most need to.

Make all home purchase offers conditional

Ensure that the lender's criteria, such as the completion of a home inspection, are met.

Put aside 1.5% for closing costs

Additional costs of a home purchase are, on average, 1.5% of the purchase price. These include professional home inspections, legal fees, land transfer fees, property tax or utility bill adjustments, and moving expenses.